

Approved 4/3/89
Date

MINUTES OF THE Senate COMMITTEE ON Federal & State Affairs

The meeting was called to order by Senator Edward F. Reilly at
Chairperson

11:10 a.m./~~p.m.~~ on March 29, 1989 in room 254-E of the Capitol.

All members were present ~~except~~.

Committee staff present:

Emalene Correll, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Marty Robison, Secretary

Conferees appearing before the committee:

John Luttjohann, Director of Taxation
Roger Hart, Johnson County
Dwight Ferguson, Topeka Jaycees
Kathy Johnson, Families Together, Inc.
Susan Wagle, Wichita Businesses, Inc.
Lee Schwartz, Families Together
Gerald Donohue, Kansas City
Sharon Cavens, East Topeka Council on Aging, Inc.
Robert Brown, Shriners & Elks
Charles Yunker, American Legion
Harold Coleman, Rosedale Optimist
Joe Berger, Kansas Sunflower Club Association
Hattie Hatfield, Kansas City

Chairman Reilly called the meeting to order.

A hearing was held for Sub 2172 which deals with bingo, the restrictions on advertising and location of leased premises.

John Luttjohann said the Department has no position on this bill or the amendments. He explained the changes which the bill would make to the Bingo law (Attachment 1).

Roger Hart presented amendments to the bill which he felt would settle some of the inequities of the law (Attachment 2). He requested allowing the leasing non-profit groups to operate consecutive bingo days without the 44 hour restriction.

Dwight Ferguson proposed 3 options for the committee to consider (Attachment 3). They would like to reduce the distance between Halls to 250 feet and reduce the number of hours to eight.

Kathy Johnson said this bill discriminates against non-profit organizations that are unable to purchase a building (Attachment 4).

Susan Wagle told of the problems since people are going to other states to play Bingo because their laws are more liberal. She requested a greater prize payout and allowing for more days of play per week (Attachment 5). Greater freedom to advertise was also desired by her group.

Lee Schwartz spoke in support and said restriction would cause a hardship on his organization with their fund-raising efforts (Attachment 6).

Gerald Donohue said that he would favor all proposals (Attachment 7). He said the real need is for a change in the number of days of operation and that simply addressing an issue of location of one facility to another just skirts the problem.

Sharon Cavens said Bingo is their number one fund-raiser and without it they

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Federal & State Affairs,
room 254-E, Statehouse, at 11:10 a.m. ~~p.m.~~ on March 29, 1989.

would be unable to offer their services and activities. She requested another day of Bingo play (Attachment 8).

Robert Brown appeared before the committee to say his groups favor the bill with the amendments since they rely on leased premises for their fund-raising activity.

Charles Yunker said the intent of the Bingo laws is not to allow "owned premises" to move in and force "leased premises" out of business. He recommended a further amendment to Section (s) and asked that no other changes be made to the existing Bingo laws which limit the days of operation and the prize awards (Attachment 9).

Harold Coleman told members that Bingo relieves the tax burden that his organization faces. He would like to see more days of play.

Joe Berger said his Association supports this bill with a change in line 114. After the words "leased premises", they would like to add "or any owned premises existing before the establishment of a leased premise" (Attachment 10).

Hattie Hatfield told members that large organizations do not want competition. He would request more days of play (Attachment 11).

Testimony from Andrew Bogner was read to the committee (Attachment 12).

A subcommittee, composed of Senator Vidricksen, Chairman, and Senators Yost and Walker, was appointed to study the Bingo bills.

The meeting was adjourned at 11:55.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: 3/29/89

| NAME (PLEASE PRINT) | ADDRESS | COMPANY/ORGANIZATION |
|--------------------------|-----------------------------------|------------------------------------|
| Jodi Armstrong | 7440 W.W. Kiro Ct. | Page |
| Jonia Schaefer | 116 Center Drive | Page |
| Max Schmitz | 518 Sky Lab | Page |
| Jayce H. Arnold | 1717 Michael Dr Ks | |
| Ruth L. Dye | 300 Sherman Ave | Hospital Aux |
| Julia Lynch | Topeka | Revenue |
| Phil Wilkes | Topeka | Revenue |
| Chuck Yunker | Topeka | AM. LEGION |
| Joe Berger | Topeka | Sunflower Club Assoc. |
| Donna Becker | Topeka | UFW |
| Jan Bray | Topeka | Liford's Rest |
| Marilyn Hunt | Olathe | VFW Aux |
| Jana Brockard | Olathe | Olathe North High School |
| Robert Brown | Topeka | Exhibitor/VFW |
| John Hamilton | Heavenworth | Cushing Auxiliary |
| Sharon S. Cannon | 1114 E 10th Topeka, Ks | East Topeka S. C. A. |
| Lee A. Schwartz | 780 Prairie Ct Topeka Ks 66606 | Carpet Center |
| Ruth Johnson | 4445 N.W. 52nd Ter. | Families Together Inc. |
| Ernie Kistler | 1550 Collins | Walden Babek |
| Tom Furr | 1250 Mallard, Topeka | Southwest Bend |
| Donna Haldak | 32 Westwood Lane | St. John's Hosp. Guild |
| Lynn C. Hunt | 1480 W. 14th Olathe | Olathe Girl's Softball VFW 2493 |
| Dyle J. | 1735 NW Lyman Rd. #14 Topeka | Topeka Jaycees |
| Bea Hatfield | 6727 Ballantine | VFW Aux 869 Shawnee, Ks 66203 |
| Joe Woodward | 3071 N 22 KCR | VFW 111 |

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: March 29/89

| NAME (PLEASE PRINT) | ADDRESS | COMPANY/ORGANIZATION |
|---------------------|--------------------------------|--|
| RITA S. SUNDET | 507 Linn - Leav. Ks. | St. John's Hosp. Leav. Ariz |
| Jean O. Lonergan | 947 Sherman Av. Leav. Ks. | " " " |
| Kathy Konstantinos | 12703 W. 120th St. Olathe, KS. | Bingo Bugle Paper |
| Albert O. Roy | 1601 SW 70th | BINGO WINNERS INC TOPEKA |
| KAREN MOTEA | 3419 S.W. Burnett Rd. Topeka | BINGO WINNERS INC |
| MARIETTA Riese | 82 Bot 189 | LEAV. Ks ST. John's Hosp. |
| Alice M. Miller | 904 S. 4th | Leavenworth, Ko. 66 |
| Deanne Masterson | 912 Spruce Cushing Hosp. Aux | Leavenworth, Ko. 66 |
| Rosemary Miller | 1018 South St | St. John's Leavenworth, Ks |
| Nelda Marzetti | 521 So. 9th St | Cushing Hosp Leavenworth, Ks |
| Margaret Strange | 1502 D Sage | St. John's Hosp Leavenworth, Ks |
| Clare Thomas | 218 South St. | Cushing Hosp. Leav. Kansas |
| Albert W. Wagner | 1609 N. Monroe | Catholic Independent Order of Odd Fellows #640 |
| E. S. Noble | 721 Highland | Oakland 100F # 640 |
| Harold Coleman | 6325 Floyd Dr | Overland Park Roseale Opt |
| Norman Cadef | # one morning side Dr. | Roseale Opt. |
| Dorcas Flores | 220 So 11th KCK | VFW Post 111 |
| Helen Stephens | Topeka | KPOA |
| Thomas Wagle | Wichita | Wichita Business Inc |
| Susan Wagle | " | " " " |
| Jerry Donohue | K.C. | Equity R. E. |
| Jay Donohue | K.C. | " |
| ANNABELLE MORRIS | LEAVENWORTH, KS. | CUSHING MEMORIAL HOSPITAL |
| | | |
| | | |



KANSAS DEPARTMENT OF REVENUE

Division of Taxation

Robert B. Docking State Office Building
Topeka, Kansas 66625-0001

MEMORANDUM

**TO: THE HONORABLE EDWARD F. REILLY, CHAIRMAN
SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS**

**FROM: JOHN R. LUTTJOHANN
DIRECTOR OF TAXATION**

RE: SUB. FOR HOUSE BILL 2172

DATE: MARCH 29, 1989

Thank you for the opportunity to appear today on House Bill 2172.

The bill makes two changes to our Bingo law. First, it makes it clear that announcements of the cancellation of bingo games is not "advertising of bingo", and therefore not subject to regulation by the Department of Revenue. This conforms with current department policy.

The bill also changes the law which prohibits a bingo game from being operated on leased premises if one operated on owned premises should happen to move within 1000 feet of the existing leased premises. The bill restricts the application of the "44-hour, 1000 foot rule" to leased premises only. Under current law, two games of bingo can be operated within 1000 feet of each other if both are on owned premises, but a game on leased premises cannot operate within 1000 feet of a game on owned or leased premises. Under this law, the restriction would apply only to operation of bingo games on two leased premises.

This second change was suggested due to a situation which recently arose in Topeka. There is a Bingo hall which is currently operating, and leases its space to various organizations. A not-for-profit group purchased a facility within 1000 feet of the existing leased premises. Under our current law, the leased premises could not be used for a Bingo game within 44 hours of the end of a game in the owned premises. This change would treat leased premises in the same manner we currently treat owned premises, with the exception that we could not have "side by side" leased premises conducting Bingo games. We currently allow "side by side" Bingo games on owned premises.

Thank you for the opportunity to appear today. I would be happy to respond to any questions which you may have.

March 29, 1989

Committee on Federal and State Affairs
Kansas State Senate
Topeka, Kansas

Honorable Chairman and Distinguished Members of this Committee:

A new House Bill referred to as "Substitute for House Bill Number 2172" amending K.S.A. 79-4706 has presently been introduced to your committee which purpose is to address problems with existing law that were brought out during a recent hearing to the Committee on Federal and State Affairs of the Kansas House of Representatives.

By amending paragraph (s) under this present Bill would offer a needed change to our existing statute, but in addition I respectfully bring to this committee's attention and also request the following amendments or eliminations of certain paragraphs be enacted to this Bill:

1.) Paragraph (o) of the existing statute 79-4706 as well as "Substitute for House Bill Number 2172" which reads as follows: "No lessor of premises used for the management, operation or conduct of any games of bingo or any licensee shall offer an opportunity to participate in a game of chance, drawing, contest, door prize, game, test of skill, lottery, or any similar activity as an inducement to participate in

games of bingo nor as a bingo prize or preliminary to the awarding of a bingo prize.

As you can see by the two examples which I have submitted, this statute is presently being violated by not only lessors of premises used for bingo, but also many licensees or non-profit groups playing bingo as well as Kansas State Lottery Commission which distributes not only lottery tickets but pull tabs across the entire State of Kansas. For this reason I respectfully request that this paragraph be removed from K.S.A. 79-4706 and "Substitute for House Bill Number 2172."

2.) In conjunction with Paragraph (o), Paragraph (f) which reads as follows: "The aggregate value of all prizes including the retail value of all merchandise awarded or offered by any such organization on any single day to winners of games of bingo shall not exceed \$1,200." Do to the inconsistency of Paragraph (o) and Paragraph (f), I once again respectfully request either the amendment of paragraph (f) to a more reasonable amount such as (\$1,500 or \$1,800) or whatever this committee would deem to be reasonable or the elimination of this paragraph altogether as to promote a more consistent form of regulation and operation.

SFA & SA
3-29-89

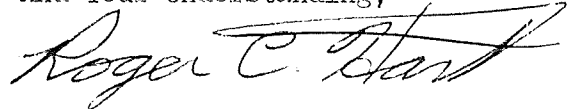
Attachment 2

3.) Paragraph (s), In relation to the forty-four hour restriction which states in part that "No game of bingo shall be managed, operated or conducted on leased premises if at any time during the immediate preceding forty-four hours the premises have been used for conduct of a game of bingo. Once again this restriction was imposed only to restrict the non-profit groups that are forced to lease their facility for bingo. In regards to this paragraph the legality is not in question but the reasonableness and fairness to the leasing non profit groups is.

So I once again respectfully request that out of reasonableness and fairness this paragraph be amended as to allow the leasing non-profit groups to operate consecutive bingo days without a forty-four hour restriction in between them.

In closing as a tax payer, citizen and business man in this State as well as a member of a number of non-profit groups in this State I personally appeal to each and every member of this Distinguished Committee to undo the present lack of uniformity that our present Statutes regarding bingo in our State now dictates.

Thank You For Your Consideration
And Your Understanding,



Roger C. Hart
Johnson County, Kansas



Kansas Lottery

Mike Hayden
Governor

Larry Montgomery
Executive Director

New Retailer

APPLICATION FOR KANSAS LOTTERY PULL-TAB RETAILERS

WHO CAN SELL PULL-TABS?

Any legitimate Kansas Retailer operating with an **On Premise Liquor License, Cereal Malt Beverage License, or a Valid Bingo License** in the state of Kansas can sell Pull-Tab Instant Tickets providing that selling Lottery tickets is not their sole activity.

No person shall be selected as a Lottery Retailer who has been convicted of a felony in this or any other jurisdiction unless at least 10 years have passed since satisfactory completion of the sentence or probation imposed by the court for such a felony.

HOW DO I GET TO BE A PULL-TAB RETAILER?

Complete all of the attached sheets of the PULL-TAB Retailer Application.

Attach a \$25.00 check or money order for each location being applied for, to cover the costs of processing your application.

Mail check or money order and completed application to:

Kansas Lottery
128 N Kansas Ave
Topeka, Kansas 66603

c/o: Michael A. Todd, Retail Coordinator

The Lottery will conduct a complete background check on your company and your company's principals, officers, etc.

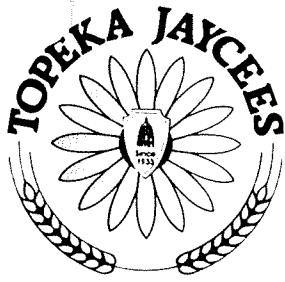
Upon completing the processing and approval as a Pull-Tab Retailer, you will be contacted by the Lottery office or a Lottery Representative regarding the next step.

2. RULES AND REGULATIONS

- On premise liquor or beer licensees and bingo licensees only
- Games authorized by the Kansas Lottery only
- Selling containers must be clear or meet lottery requirements
- Players must be 18 years of age
- The flare must be displayed on or near the container.
Use flare to record tickets sold from your business
- Winning ticket must be redeemed for cash the same day at the location where the ticket was purchased

C. WHY SHOULD I SELL PULL-TABS?

- 60% prize payout
- On the spot payout of all prizes
- More than half of the prize winnings will be returned to you
- Average spending per person is higher in pull-tabs, drinks, food, and tips
- **Generates new business**
- **Gains a competitive edge**
- Creates excitement and entertainment
- Frequent prize pay back to keep customer playing longer



A Leadership Training Organization

P.O. Box 1933 • Topeka, Kansas 66601

Mr. Chairman, and Honorable Senators,

My name is Dwight Ferguson, and I am the President of the Topeka Jaycees. Currently, our Bingo Project provides approximately 85% of our operating budget. With this money, donations are made to groups such as Kansas Neurological Institute's "Client Christmas Fund", The Capper Foundation, Big Brother/Big Sister, Topeka Family Shelter, The Kansas Jaycees Cerebral Palsy Summer Camp for Handicapped Children, Muscular Dystrophy Association, and St. Jude Children's Research Hospital. The operation of Bingo Games allows us to budget and make commitments to these groups at the beginning of our fiscal year, which then helps them to budget and allocate those donations.

To my knowledge, the "1,000 foot" rule was put into place to prevent a commercial Bingo Hall from moving in next door to a church Bingo Hall and closing it down. However, we are seeing this clause work in reverse. It is the Commercial Hall being closed by another Hall moving in next door. The Topeka Jaycees need Bingo, because there are charities and individuals who need the Topeka Jaycees. Within your power are at least 3 options available that would allow us to remain in operation at 439 SE 29th:

- 1) By allowing us to grandfather in. We have been there for 5 years, and have worked very hard to remain in full compliance with the law during those 5 years,**

SF & SA
3-29-89

Attachment 3



A Leadership Training Organization

P.O. Box 1933 • Topeka, Kansas 66601

- 2) By passing Substitute for House Bill 2172,**
- 3) By amending House Bill 2172 section (s), reducing the number of feet between Halls to 250 and the number of hours between Bingo Games to 8.**

In conclusion, the Topeka Jaycees have a proud tradition of supporting a wide variety of Charities and Community Development Projects. We would ask for your support and help in continuing that tradition by making it possible to continue our Bingo Games in Topeka. Thank you for your time and support.

Sincerely,

**Dwight Ferguson
61st President
Topeka Jaycees**



4125 SW Gage Center Drive
P. O. Box 86153
Topeka, KS 66686

(913) 273-6343 or
toll-free in Kansas
1-800-332-6262

TESTIMONY FOR HOUSE BILL 2172

Subsection (s)

Lines 110-114

Page 3

Families Together, Inc. is a program developed to meet the needs of families with a child with a disability. The family is served in three different ways.

- 1) The family is served as a unit through family education and recreation at the Family Enrichment Weekends. Yearly, the Families Together staff will plan and conduct 8 weekends with 30 families at each event.
- 2) Families Together provides a parent training and resource center in Topeka.
- 3) Workshops are provided to parents on a variety of topics of interest and assistance to them.

The money raised through bingo in Topeka provides approximately 50% of the necessary money to cover the expenses of Topeka families to participate in these services. Administrative expenses for Families Together are provided by state and federal grants. Therefore, the money raised through bingo is used for direct service to families.

It has come to the attention of our organization that there is a chance that we will have to discontinue our bingo fund-raising efforts because of the statement in the Bingo Tax Laws for Kansas. This is the statement referring to the fact that non-profit or fraternal organizations that own their bingo premises will have the right to basically "put non-profit organizations that lease their bingo premises out of business". This seems to be a case of discrimination against non-profit organizations that are unable to purchase a building.

It doesn't seem fair that we should give up one of our main sources of livelihood just because the laws do not protect us and our rights. It seems that it would be more fair if the laws could be changed to give us the same protection that is given to non-profit organizations that own their premises.

Due to the extensive services that Families Together offers to families, we have a sizable budget. As I stated before, some of our money is public grant money. However, the strength of our organization has been that we are able to solicit volunteers to help with fund-raising, so that we don't have to rely solely on public programs. In addition, we keep hearing that now is the time when communities are working together to provide services to those in need. With this in mind, how can we justify putting the income of Families Together and four other organizations in jeopardy?

I request that you consider passing the amended House Bill 2172 to offer adequate protection to organizations such as ours.

Thank you.

Kathy Johnson
Families Together, Inc.

SF & SA

3-29-89

Attachment 4

March 29, 198.

Senator Riley and Members of Federal and State Affairs:

Thank you for the opportunity to speak once again regarding bingo. I will not repeat myself, instead I want you to be further informed regarding our situation in Sedgwick County.

I have attached to this presentation an article from yesterdays newspaper regarding the "free" bingos that are offered in our city by different Indian reservations for the purpose of luring away Wichita bingo players from our local operations. Free bus rides and free hotel accomodations are offered to anyone desiring to attend a reservation bingo. After this particular "free" bingo that the newspaper describes, 420 people signed up to attend an Omaha reservation game that was located 60 miles north of Omaha, Nebraska.

Usually we are inundated with Oklahoma reservation bingo advertisement. Also attached, you will find an advertisement for an Otoe bingo game that is one hour away from Wichita. This advertisement was passed out at the Food Barn Grocery Stores in Wichita two weeks ago. There was such a response to this advertisement and to local recruitment that at one location (47th street South and Broadway) where bus pick up is arranged, there were over 500 cars.

To make matters worse, bus coordinators for these Oklahoma games recruit their free bus riders directly from our Wichita bingo games. They attend the local church, parlor and privately run games and recruit the clientele. They are paid by the reservations at least ten to twenty five dollars cash for each person they recruit to their bus.

I would personally estimate after seeing our clientele's response to our competitors in Wichita, that hundreds of thousands of dollars are being lost each year to bingo players crossing state lines to play for more money. All of our surrounding states have more liberal laws and our Kansas non profit organizations and businesses are suffering.

Our present bingo statutes were written before our state legalized paramutual gambling and the lottery where an individual can play for a million dollar jackpot. Our laws are biased in that they give the non profit organizations that own their own building priority over a non profit group that does not own a building. Since the people of Kansas voted to legalize bingo, I believe it is the duty of our legislators to write laws that are competitive with other surrounding states and that are not biased towards organizations that own their own facility. For these reasons, I request that you ammend H.B. 2172 to allow for a greater prize payout and to allow for more days of play in a week. I would also ask that you allow us more freedom to advertise in order that we may bring our clientele back from neighboring states and reservation games.

Thank you for your consideration and speedy action on H.B. 2172.

Susan Wagle

Wichita Businesses Inc.

SF+SA
3-29-89
Attachment 5



4125 SW Gage Center Drive
P. O. Box 86153
Topeka, KS 66686

(913) 273-6343 or
toll-free in Kansas
1-800-332-6262

Subsection (s)

Lines 110-114

Page 3

My name is Lee Schwartz; I have the Carpet Centers in Topeka. My being an independent businessman, I can understand the law restricting an adjacent bingo parlor from a competitive business viewpoint. Yet, where the law revision is necessary is in the interpretation of a not-for-profit parlor. Families Together is a not-for-profit organization whose fund-raising activities revolve around the bingo operation. The reason I volunteer for such an organization is that I believe in their principle. Families Together will lose, as will others, their means of survival without an amendment to continue the operation of the parlor. These not-for-profit organizations pose no threat to other similar businesses, as their activities have lasted until now as a pillar in the Families Together fund-raising.

I would appreciate your support of a change in this law, as would the hundreds of volunteers for the various organizations whose very survival depends on the funds they can raise in the parlor. The volunteers have chosen this outlet as their contribution back to the community. To restrict the use of the bingo parlor would have the two-fold effect of 1) inhibition of these necessary funds to the organization, and 2) the loss of these volunteers to the organization.

I would appreciate your support in favor of the amended House Bill 2172.

Thank you.

Lee Schwartz

SF & SA

3-29-89

Attachment 6

March 29, 1989

TO: Committee on Federal and State Affairs

My name is Gerald J. Donohue (Jerry), President of Equity Real Estate located in Metropolitan Kansas City. With me is Jay Donohue, Vice-President of my company.

As you will re-call, we were previously before you in January when this very committee held hearings on what is known as Senate Bill # 69. That Bill dealt with the issue of repealing an existing section of the current Kansas State Act pertaining to the operation of Bingo, which as it now stands limits the operation of Bingo in a licensed establishment to 3 nights per 7 day week. We voiced our support of Senate Bill #69, which would eliminate this provision and allow Bingo to be held on all days of the week.

As you might recall, our support for this change was based on the need to provide additional facilities for those fraternal organizations and charities that do not have their own facility to play bingo.

Additionally, it is our fiduciary responsibility to the owners of a commercial shopping center which has as one of it's tenants a Bingo Hall. With property reclassification and reappraisal, this center will be severely affected tax wise, and a way for the owners to survive, their tenants need to be able to generate as much income as possible. We also pointed out that the State, the counties and the local municipalities would benefit as well with increased Bingo operations.

Today, my understanding is that you are hearing testimony on House Bill #2172, which as it appears in it's most current form is eliminating the 1,000 foot section, which prohibits operation of a licensed Bingo establishment within 1000 feet of a previously existing facility. The House Bill does not seek to alter the current 3 time per week provision.

SF&SA
3-29-89

Attachment 7

would voice my support of House Bill #2172, as fair competition is created in the market and if the market can support more than one Bingo facility, then let it be.

My concern though is that we left the last hearings in January on Senate Bill #69 with what we believed to be favorable support. To this point we have not seen any action taken with that Bill and are desirous this day to proceed with our initial desire. If adding an addendum to the House Bill is the proper protocol, then we seek to do just so.

The real need for change to the current Bingo laws in the State is for a change in the number of days of operation. Simply addressing an issue of location of one facility to another is in my estimation skirting the problem.

I am open to answer any of the questions you might have. Thank you for allowing me the opportunity to again appear before you.

EAST TOPEKA COUNCIL ON AGING, INC.

1114 East Tenth Street
(913) 232-7765

Topeka, Kansas 66607

March 28, 1989

To: The Senate Federal and State Affairs Committee
Re: House Bill 2172

I am grateful and would like to thank the committee for this opportunity to speak before you.

(There are a few things I would like to say about the House Bill 2172.)

The East Topeka Council On Aging, Inc. is the sponsor for the East Topeka Senior Center, which is a non-profit organization.

We started sponsoring Commerical Bingo games four (4) years ago as a self-help means of raising funds to enable us to increase services and activities at the Senior Center. We 've had many fund-raising events such as: bake sales, garage sales, dinners, etc., but at the most we would raise \$200.

Because of Commerical Bingo, we were able to meet our 20% match for Kansas Department on Transportation vehicles. We have three (3) vehicles: one 12-passenger Ford Van with a wheelchair lift and two wheelchair locks; one 9-passenger Dodge Van; and one 4-passenger Chevy Station Wagon. Our 20% match was over \$10,000.

Bingo is our No.1 fund-raiser.

The East Topeka Senior Center is open seven (7) days a week. We are the first and only Senior Center in Kansas to offer a Week-End Meal Program. We average over 1,800 units of service in transportation per month and over 350 participants per week.

We realized in 1983 that we had to find a fund-raiser that would bring in some money. For us, BINGO was that fund-raiser. Without Bingo, the East Topeka Senior Center would not be able to offer any new services or activities nor could we increase our existing services and activities. We, simply, would not be the best Senior Center in Kansas.

| YEAR | OAA | MIL LEVY | CDBG/CITY | ETCOA | TOTALS |
|------|--------|----------|-----------|--------|--------|
| 1986 | 23,040 | 16,000 | 17,000 | 7,240 | 63,280 |
| 1987 | 23,640 | 14,400 | 23,040 | 7,820 | 68,900 |
| 1988 | 20,000 | 14,600 | 18,376 | 9,684 | 62,660 |
| 1989 | 20,000 | 15,200 | 20,000 | 17,083 | 72,283 |

OAA - Older Americans Act

MIL LEVY - Shawnee County Mil Levy

CDBG/CITY - Community Development Block Grant - City Social Services

ETCOA - East Topeka Council On Aging, Inc.

With the funding sources cutting programs, we need to have another day of Bingo.

I know that this committee will do what is fair.

If you have any questions, please call me at the above number.

Thank you

Sharon S. Cavens
Sharon S. Cavens, Director
East Topeka Senior Center

SF & SA

3-29-89

Attachment 8

81 the date the game is managed, operated or conducted.

82 (m) No person under the age of 18 years shall participate in the
83 management, operation or conduct of any game of bingo managed,
84 operated or conducted under the provisions of this act.

85 (n) A lessor of premises used for the management, operation or
86 conduct of bingo or a licensee may not advertise bingo games except
87 to the extent and in the manner prescribed by the rules and reg-
88 ulations adopted by the secretary of revenue, and any advertisement
89 of any bingo game by or on behalf of such lessor or licensee shall
90 specify the organization which is managing, operating or conducting
91 the bingo game. *For the purposes of this act and rules and regu-*
92 *lations of the secretary of revenue, announcement of the cancellation*
93 *of a game of bingo shall not be considered to be an advertisement.*

94 (o) No lessor of premises used for the management, operation or
95 conduct of any games of bingo or any licensee shall offer an op-
96 portunity to participate in a game of chance, drawing, contest, door
97 prize, game, test of skill, lottery or any similar activity as an in-
98 ducement to participate in games of bingo nor as a bingo prize or
99 preliminary to the awarding of a bingo prize.

100 (p) No licensee shall manage, operate or conduct bingo on any
101 leased premises or with leased equipment unless all of the terms
102 and conditions of rental or use, including the rental of chairs, bingo
103 equipment, tables, security guards, janitor service or any other serv-
104 ices, are set forth in a lease submitted, approved and on file with
105 the secretary of revenue.

106 (q) No premises shall be used for the management, operation or
107 conduct of bingo games on more than three calendar days in any
108 one week. *7.5*

109 (r) No premises shall be subdivided to provide multiple premises
110 where games of bingo are managed, operated or conducted, whether
111 or not the multiple premises have different addresses.

112 (s) No game of bingo shall be managed, operated or conducted
113 on leased premises if at any time during the immediately preceding
114 44 hours the premises, or any leased premises within 1,000 feet of
115 them, have been used for the management, operation or conduct of
116 a game of bingo. *8 hrs*

117 (t) Every licensee who has gross receipts of \$1,000 or more re-

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HB 2172 TESTIMONY BY CHARLES M. YUNKER
STATE ADJUTANT, THE AMERICAN LEGION
before the KANSAS SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
MARCH 29, 1989

Thank you for allowing me the opportunity to testify this morning on House Bill 2172 which proposes an amendment to section (S) of the current Bingo Law. In its original form, HB 2172 would have increased the allowable prize money which could be awarded by games of Bingo. That proposal was soundly defeated by the House Federal and State Affairs Committee.

However while hearing testimony on HB 2172 it was brought to everyone's attention that a local fraternal organization had recently purchased a building, in which they intend to conduct Bingo, within the 1000 foot limitations currently restricted by law. This purchase of an "owned premises" would force the nearby "leased premises" to cease their Bingo operation thus those license holders conducting Bingo at the parlor would also have to cease their operations or seek another site outside the 1000 foot restriction. Clearly the intent of the Bingo laws is not to allow "owned premises" to move in and force "leased premises" out of business and that, to the best of my knowledge, is not the intent of any organization who owns its own building. In fact the organization which purchased a building within 1000 feet of an existing Bingo Parlor did so without thinking about the effect it would have on the Parlor and their purchase was not intended to drive the Parlor out of business.

This was also the majority feeling of the House Federal and State Affairs Committee therefore that committee recommended, and the House as a whole amended, H. B. 2172 by inserting the word "leased" in the third line of Section (S). However in its present amended form, HB 2172 would now place the over 500 "owned premises" in the same predicament as the approximately 60 license holders conducting Bingo in leased premises. In other words; if passed in its present form, HB 2172 would allow for the establishment of Bingo Parlors closer than 1000 feet of "owned premises" while maintaining at least 1000 feet between Parlors.

SF & SA
3-29-89

Attachment 9

Therefore The American Legion Department of Kansas, in order to satisfy everyone, (organizations who own their own premises and those who lease from Bingo Parlors) recommends a further amendment to HB 2172 changing Section (S) to read:

"No game of bingo shall be managed, operated or conducted on leased premises if at any time during the immediately preceding 44 hours the premises, or any leased premises, or owned premises existing prior to the establishment of a leased premises within 1000 feet of them, have been used for the management, operation or conduct of a game of bingo."

Further, The American Legion recommends and asks that no other changes be made to the existing Bingo laws. Proposed changes suggested this legislative session included allowing for the operation of Bingo 7 days per week at any one establishment and increasing allowable prize money awards. Based on recent testimony by the Department of Revenue before this Committee and the House's corresponding Committee, there are only so many Bingo players and a relatively stable amount of money is being spent on Bingo each year. Therefore expanding the number of days or amounts of prize money will only benefit large Bingo Parlors which serve approximately 60 licensees much to the detriment of the approximately 500 who own their own smaller facilities.

Again thank you for allowing me to testify before you today.



Kansas Sunflower Club Association

1314 Topeka Ave. Topeka, Kansas 66612

March 29, 1989

Joe Berger, President
Moose

Don Herbert, Vice President
Elks

Chuck Yunker, Sec./Tres.
American Legion

Directors:
Keven Carroll
County and Town Clubs

Alfred Skeet
Eagles

Clarence Malone
Knights of Columbus

Forrest Lindsey
Shrine

Darrell Bencken
Veterans of Foreign Wars

Mr. Chairman;

Members of the Federal & State Affairs Committee;

I am Joe Berger, President of the Sunflower Club Association. Our Association members include non-profit Fraternal and Veterans organizations, (Moose, Eagles and Elks Lodges; Knights of Columbus; V.F.W. and American Legion Posts; Shrine and some Country and City Clubs).

We support Sub. H.B. 2172 as passed by the House. We would like to see one change made in this bill. On line 114 after the words " leased premises " we would like this committee add the words " or any owned premises existing before the establishment of a leased premise." This is to keep leased premises from going into business with in 1000 feet of an existing owned premise. The present wording will keep a leased premise 1000 feet from another leased premise, however they could go into business less then 1000 feet or even next door to a owned premise.

At the present time there are 576 bingo license holders in Kansas, 499 bingo license holders conduct bingo games in their own buildings, 12 hold bingo games in Community Centers, Armory's Etc, and only 65 sponsor bingo games in leased premises or better known as bingo parlors. There are only 30 bingo parlors in Kansas at the present time. We feel that the 499 organizations playing bingo in their own buildings should not have to worry about a bingo parlor moving within 1000 feet of their location. We sincerely hope that their will not be any other amendments added to this bill, if there is we may have to change our minds and oppose this bill.

I want to thank you for allowing me to express our thoughts on this bill.

Sincerely

Joe Berger
Joe Berger, President

Kansas Sunflower Club Association

SFASA
3-29-89
Attachment 10

Senate Committee

Zatje 'd

I would like to thank the members of this committee for listening and asking for your support of the Bingo bill to allow us more days per week.

When Bingo was voted in originally, it passed by one of the largest majorities of any bill that has been brought to the voters of our state.

We were allowed to play 7 days a week. We have 7 organizations that did not have a place large enough to play, therefore they could only play one day per week. These organizations were (3) VFW Posts, (2) American Legions and (1) Optimist organization and (1) VFW Auxiliary. Among these organizations, several National Awards for their Community Service Program, one post & Auxiliary being tops in the nation among 10,000 posts. The total of their contributions would astound you. This had come about by their funds from Bingo.

In the last two years, the passing of the 3 day limit has forced them to cut out most of these valuable Community Projects. 3 days was bad enough, but now here comes the State with about 3 to 4 lotteries. Pull tabs which they offer us to sell at a profit of only 4 to 5%, so you can't run a business on this kind of profit. The state sells lottery tickets and pull tabs 7 days a week and 24 hours a day. We don't think this is fair to us.

Now here we go with Horse and Dog racing. Are they going to have to operate only 3 days a week?

The Bingo Parlors are a salvation for the small organizations who do not have a place to play. We have a waiting list on tap at all times waiting for a spot to play.

Wieht me today are members of the Veterans of Foreign Wars, Americal Legion and Optimists. Also I would like to point out we have 5 members with a total of 200 years of service to their organizations, raising money for the many projects that are sponsored by them.

We have heard from some folks opposing us. I think you find by checking out these people are not speaking for all of the organizations they claim to represent. They are speaking against a bill if it is not passed will hurt their own comrades and brothers who have taken a pledge to help. I know they represent some large organizations which have large halls and fine private clubs. They do not want anymore competition and do not care about the small fry trying to help their organizations.

(Over)

SF & SA
3-29-89
Attachment 11

Senate Committee (continued)

The Bingo parlors must carry insurance, pay rent, heat, water and lights and numerous expenses 7 days a week. All we want to do is help the less fortunate members that need the Bingo Parlors more than once every 2 weeks.

We pay 9% tax on the Gross receipts, (3% Bingo Tax and 6% Sales Tax) and 6% tax on Snack Bar Receipts. This would also help the revenue of the State.

We urge your support for more than 3 days of Bingo.

Thank you

Knights of Columbus  *Wichita Council 691*

ACTIVITY CENTER ★ 424 N. BROADWAY ★ TELEPHONE (316) 264-7485 ★ WICHITA, KANSAS 67202

March 28, 1989

Subject: Revision of Bingo Laws for Kansas.

Worthy Legislaturer:

First let me introduce myself. I am 74 years of age, was born on a farm 30 miles northwest of Wichita, graduated from Andale Rural High School in May, 1932, eight years later had 1 year Pre Engineering at Wichita U. and obtained my Professional Mechanical Engineering License under the grandfather clause while working for Boding for 29½ years, retired and was president of my own corporation until retiring again.

I joined the Knights of Columbus in 1935 and am a 54 year member of the 3rd Degree and have been a 4th Degree member since 1946 for 42 years. Have been active as chairman of many committees, Past Grand Knight, Past Faithful Navigator, Former Elected State Pilot of the 4th Degree, Former State Warden and attended nearly all State Conventions and 11 Supreme Conventions many times as a Delegate. At present am Financial Secretary of Wichita Council 691 and along with the Grand Knight make application each year for a Bingo License for conducting Bingo in a Bingo Parlor twice a month on Sunday evenings.

I take exception to the fact that a group known as Sunflower Group makes a statement that they represent all Knights of Columbus Councils as well as other Fraternal Organizations. Each Knights of Columbus Council has its own programs and operates as an individual Fraternal Lodge under the by-laws of Supreme Headquarters. The Grand Knight asked the Financial Secretary to be his representative and speak for Council 691 on Bingo.

We feel it is necessary to revise the Bingo Operation Laws to avert people from going out of state to play Bingo. All you need to do is read the last issue of the Wichita Eagle dated March 28, 1989 which fully explains some of the actions taken to lure players out of state to very large operations out of state. We do need to increase the payouts and in some ways make operation within the state more competitive to keep players and their money from going out of state. This is extremely important for sponsors such as us who rent a local Bingo Parlor as we do not have a hall ourselves. Our attendance is less on Sunday evening due to the weekend solicitation for out of state Bingo. The owners of their own facility should go with a request for revisions as many more large out of state locations are being established and will soon affect all sponsors in the state.

Fraternally,

Andrew G. Bogner

Andrew G. Bogner,
Financial Secretary.

SF & SA

3-29-89

Attachment 12