

Approved: 2/10/95
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:05 a.m. on February 3, 1995 in Room 254-E of the Capitol.

All members were present

Committee staff present: Mary Galligan, Legislative Research Department
Mary Torrence, Revisor of Statutes
Kim Perkins, Committee Secretary

Conferees appearing before the committee: Tim Conant, Department of Revenue
Julene Miller, Deputy Attorney General with the Civil Division

Others attending: See attached list

Sen. Oleen announced that the committee would continue discussion and have possible action on SB 78 and SCR 1602. Sen. Oleen introduced Tim Conant, Department of Revenue, to supply the committee with information on the revenue which bingo and instant bingo would generate (Attachment 1). Sen. Oleen asked how many licensees there were and Conant responded that there were 566 as of January 1995 who were licensed to participate in bingo and therefore those licensees are permitted to offer instant bingo if they choose to do so.

Sen. Oleen asked Conant to explain what each category of licensee represented. Conant explained that the religious category includes churches. An educational license is used by parochial and private schools and Sen. Gooch asked if there were duplications in licenses between the religious and education categories. Conant answered that he believed no duplication took place. The veterans organizations were, for example, the VFW or other veteran-related organizations which are non-profit organizations. Fraternal licensees include, for example, the Elks Clubs and the Eagles Clubs. The category of charitable non-profit licensees include all others, organizations such as the American Heart Association.

Sen. Vidricksen asked how many bingo parlors there were and Conant answered that he believed there were 34 or 35 which were in addition to the statistics Conant had distributed. Conant explained that a bingo parlor is the location where these organizations can play and is not a licensee making the sale. Further detailed information on bingo parlors was requested by the committee from the Department of Revenue.

Sen. Oleen asked the committee to review the letter regarding the legal status of the case involving instant bingo which they had received from the office of the Attorney General. Sen. Oleen introduced Julene Miller from the Attorney General's office to answer any questions (Attachment 2). Julene Miller explained that the Kansas Supreme Court had ruled that the instant bingo provision from the 1993 statute is unconstitutional. The interveners in that case (The Moose Lodges) hoped for reconsideration of the hearing and decision. However, to date no one knows whether the Supreme Court will grant reconsideration. Sen. Oleen clarified the advise of the Attorney General's office as stated in the letter which stated, "If you wish to have the 1995 Legislature consider a Kansas Constitutional Amendment allowing instant bingo I would suggest that you proceed with all deliberate speed."

Sen. Oleen asked for further questions and seeing none, turned to a balloon on SCR 1602 which was prepared for the committee to address concerns which were raised at the joint meeting of January 31, 1995. Mary Torrence stated that the balloon changes the all inclusiveness of the amendment from allowing the legislature to define games of bingo including but not limited to instant bingo and instead substitutes language which allows the legislature to define games of call bingo and instant bingo so that those would be the only two types of bingo operations that the legislature could authorize. Sen. Tillotson made a motion to amend the concurrent resolution. The motion was seconded by Sen. Ramirez; the motion was seconded by Sen. Ramirez; the motion passed.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E
Statehouse, at 11:05 a.m. on February 3, 1995.

Sen. Oleen opened discussion with the intent to take action on the confirmation to the Kansas Human Rights Commission of Brenda Jones and Phillip DeLaTorre. Sen. Papay stated that she noticed that the board was lopsided toward democrats. Sen. Oleen responded that in many of the boards and commission, the statutes indicate a specific ratio of Democrats and Republicans. However the Human Rights Commission does not make partisan reference ratios in stature. Therefore, it is probably more heavily democrat now because we have had a Democratic governor for four years. Sen. Praeger stated that she believed that both candidates were very well qualified and quite competent. Sen. Parkinson spoke briefly in favor of Phillip DeLaTorre.

Sen. Jones made a motion to recommend confirmation of Brenda Jones to the Kansas Human Rights Commission; the motion was seconded by Sen. Papay. The motion passed. Sen. Praeger made a motion to recommend confirmation of Phillip DeLaTorre to the Kansas Human Rights Commission; the motion was seconded by Sen. Parkinson. The motion passed.

Sen. Oleen explained that the committee must also take action **SB 78** which accompanies **SCR 1602**. Sen. Jones moved that the bill be reported favorably and it was seconded by Sen. Papay. The motion passed.

Sen. Oleen called for committee action on the committee minutes dated January 31, 1995, and February 1, 1995. In regard to the February 1, 1995 minutes, Sen. Vidricksen made a motion to correct the minutes to read that the reduction of United States troops to a force power of 490,00, and to approve the minutes as corrected. The motion was seconded by Sen. Ramirez; the motion passed. Sen. Parkinson made a motion to approve the minutes dated January 31 and the motion was seconded by Sen. Walker. The motion passed.

The meeting adjourned at 11:30 p.m.

The next meeting is scheduled for February 7, 1995.

Kansas Bingo Statistics

Prepared by the Bingo Enforcement Unit
 Division of Alcoholic Beverage Control
 Kansas Department of Revenue

Sales, Tax Revenues and Number of Licensees By Fiscal Year

| FY Ending | Number of Licensees | Call Bingo | Sales Reported | | Tax Revenues Collected | | | Change From Previous Year |
|--------------------------|---------------------|---------------|----------------|--------------|------------------------|---------------|------------|---------------------------|
| | | | Instant Bingo | Total | Call Bingo | Instant Bingo | Total | |
| 06/30/83 | --- | \$ 26,845,000 | \$ 0 | \$26,845,000 | \$ 805,350 | \$ 0 | \$ 805,350 | +7% |
| 06/30/84 | --- | 27,241,000 | 0 | 27,241,000 | 817,244 | 0 | 817,244 | +2% |
| 06/30/85 | 634 | 26,985,000 | 0 | 26,985,000 | 809,555 | 0 | 809,555 | -1% |
| 06/30/86 | 548 | 24,408,000 | 0 | 24,408,000 | 741,884 | 0 | 741,884 | -8% |
| 06/30/87 | 537 | 25,397,000 | 0 | 25,397,000 | 774,577 | 0 | 774,577 | +4% |
| 06/30/88 | 570 | 25,362,000 | 0 | 25,362,000 | 766,545 | 0 | 766,545 | 0% |
| 06/30/89 | 587 | 26,452,000 | 0 | 26,452,000 | 794,912 | 0 | 794,912 | +4% |
| 06/30/90 | --- | 27,181,000 | 0 | 27,181,000 | 815,433 | 0 | 815,433 | +3% |
| 06/30/91 | --- | 28,148,000 | 0 | 28,148,000 | 844,101 | 0 | 844,101 | +4% |
| 06/30/92 | 550 | 29,954,000 | 0 | 29,954,000 | 898,627 | 0 | 898,627 | +6% |
| 06/30/93 | 565 | 30,347,000 | 0 | 30,347,000 | 912,726 | 0 | 912,726 | +1% |
| 06/30/94 | 552 | 31,950,000 | 11,875,000 | 43,825,000 | 958,714 | 118,750 | 1,077,464 | +18% |
| FY94 monthly averages | | 2,662,500 | 989,583 | 3,652,083 | | | | |
| 6 months ending 12/31/94 | 556 | 15,621,600 | 6,694,100 | 22,315,700 | 468,648 | 66,941 | 535,589 | 0% |
| FY95 monthly averages | | 2,603,600 | 1,115,683 | 3,719,283 | | | | |

NOTE: State and local sales tax is also collected on the gross receipts from all games of bingo.

Example - FY 94 State Sales Tax: Call Bingo = \$1,565,550

Instant Bingo = \$581,875

Sen. Fed & State
2-3-95
Attachment 1

Kansas Bingo Statistics

Prepared by the Bingo Enforcement Unit
 Division of Alcoholic Beverage Control
 Kansas Department of Revenue

Number of Bingo Licensees by Organization Type

| | 03/01/86 | | 02/02/88 | | 03/26/91 | | 01/06/93 | | 01/03/95 | |
|---------------------|------------|-----|------------|-----|------------|-----|------------|-----|------------|-----|
| | No. | % | No. | % | No. | % | No. | % | No. | % |
| <u>Religious</u> | 73 | 12% | 70 | 12% | 66 | 12% | 61 | 11% | 64 | 11% |
| <u>Educational</u> | 11 | 2% | 9 | 2% | 9 | 2% | 8 | 1% | 8 | 1% |
| <u>Veterans</u> | 230 | 39% | 221 | 38% | 216 | 38% | 215 | 39% | 214 | 38% |
| <u>Fraternal</u> | 163 | 28% | 161 | 28% | 163 | 29% | 160 | 29% | 161 | 28% |
| <u>Charitable</u> | 115 | 19% | 120 | 21% | 109 | 19% | 110 | 20% | 119 | 21% |
| Grand Totals | 592 | | 581 | | 563 | | 554 | | 566 | |

FEB 2 1995



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February 2, 1995

The Honorable Lana Oleen
Senator, 22nd District
Capital, Rm 136-N
Topeka, KS 66612

Re: State ex rel Stephan v. Parrish,
Kansas Supreme Court Case No. 94-71105-S

Dear Senator Oleen,

Neil Woerman asked that I update you regarding the above captioned case. As you know, on December 22, 1994, the Kansas Supreme Court issued an opinion that held

"K.S.A. 1993 Supp. 79-4701(c) defining "instant bingo," and related amendments to K.S.A. 79-4701 et seq. pertaining to instant bingo exceed the authority granted the legislature by Art. 15 § 3a of the Kansas Constitution and are therefore unconstitutional."

Under the rules of the Supreme Court the mandate (the actual order of the court to the parties) was not issued because one of the losing parties (Intervenor Moose Lodge) motioned the court for rehearing and modification. This motion automatically stays the issuance of the mandate. I will be filing a response to the motion on Friday.

I know that you have been a supporter of instant bingo. Thus, my legal advice to you is to ignore this latest motion and proceed with SCR 1602. While it is not impossible that the Kansas Supreme Court would reverse itself and uphold the instant bingo law, the chances of such action is extremely remote.

Sen. Fed & State
2-3-95
Attachment 2

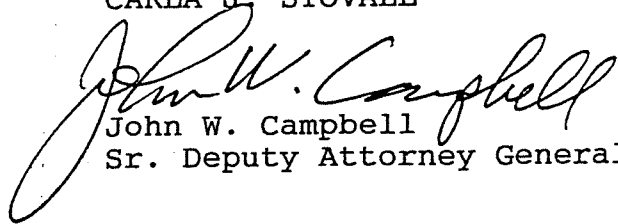
In addition, there is no appeal in this case. The case dealt solely with state law. The United States Supreme Court has no jurisdiction in this case.

It is likely that the Kansas Supreme Court will not rush to consider Intervenor's motion. If you wish to have the 1995 Legislature consider a Kansas Constitutional Amendment allowing instant bingo I would suggest that you proceed with all deliberate speed.

If you have any questions regarding this matter, please call.

Very truly yours,

OFFICE OF ATTORNEY GENERAL
CARLA J. STOVALL


John W. Campbell
Sr. Deputy Attorney General

JWC/jmb