

Approved: _____

Date

3/3/99

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS.

The meeting was called to order by Chairperson Representative Cliff Franklin at 1:30 P.M. on February 23, 1999 in Room 313-S of the Capitol.

All members were present except:

Reps. Wagle and Peterson, both excused

Committee staff present:

Theresa Kiernan, Revisor of Statutes
Mary Galligan, Legislative Research
Russell Mills, Legislative Research
Judy Swanson, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See attached list

Vice Chair Franklin conducted the meeting.

Rep. Edmonds, having voted on the prevailing side, moved to reconsider the motion to table **HB 2013**, Bingo; taxation and enforcement of bingo act, to date certain. Rep. Dahl seconded the motion. The motion passed.

Rep. Edmonds made a motion to withdraw his motion to table **HB 2013**. Rep. Dahl seconded the motion. The motion passed.

Theresa Kiernan, Revisor of Statutes, reviewed the major differences between the introduced version of the bill and the proposed substitute bill distributed at yesterday's meeting. (Attachment #1).

Rep. Mays explained the reason Bingo will stay under the Department of Revenue is that it is basically a tax collection issue. He also explained progressive Bingo to the Committee. Distributors must be registered in the State of Kansas and must collect tax for Kansas.

Rep. Mays moved to amend **HB 2013** to include authority for Secretary of Revenue to collect taxes which creates a substitute bill. The motion carried.

Rep. Vickery moved to amend **Sub.HB2013** by adding sales tax exemptions for gold and precious metals. Rep. Faber seconded the motion.

Rep. Klein made a substitute motion to report **Sub.HB2013** favorable for passage as amended. Rep. Vining seconded the motion. The motion carried.

Meeting adjourned at 2:00 P.M.

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REVISOR OF STATUTES

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FIRST ASSISTANT REVISOR

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February 23, 1999 (8:42AM)

LEGAL CONSULTATION—LE
COMMITTEES AND LEGISLATION
LEGISLATIVE BILL DRAFTING
SECRETARY—LEGISLATIVE
COORDINATING COUNCIL
SECRETARY—KANSAS COMMISSION
ON INTERSTATE COOPERATION
KANSAS STATUTES ANNOTATED
EDITING AND PUBLICATION
LEGISLATIVE INFORMATION SYSTEM

COMPUTER INFORMATION STAFF
MARY O. CHENG, M.S.
RICHARD M. CHAMPNEY, B.S.

TO: House Committee on Federal and State Affairs
FROM: Theresa Kiernan
RE: Proposed Sub. HB 2013

The major differences between the introduced version of the bill and the proposed substitute bill distributed at yesterday's meeting, follow:

- Regulation would remain with the Department of Revenue. In the introduced version of the bill, regulation of bingo would have been moved to the Racing and Gaming Commission.
- The tax rate for call bingo paper would be reduced from 0.3¢ per face to 0.2¢ per face.
- The per-face bingo tax would be collected on all bingo faces sold by distributors to anyone conducting bingo games in the state. The bill would clarify that the tax is a player tax not a tax imposed on the operator.
- The retail sales tax would be eliminated from sales of bingo cards and faces by bingo licensees. Any other sales of bingo cards or faces would be subject to the sales tax.
- As an exception to the general prohibition against the use of hard cards after July 1, 2002, the Secretary of Revenue would be authorized to adopt rules and regulations allowing the use of hard cards.
- Progressive games would be authorized. The initial prize in such games would be a maximum of \$250. The maximum prize would be \$2,250.
- A session would be defined as a day of bingo games (maximum of 25).
- The sales tax exemption would apply only to sales to licensees.

House Fed & State
Feb. 23, 1999
Attachment #1
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