

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Representative Tony Powell at 1:30 p.m. on February 8, 2000. In Room 313-S of the Capitol.

All members were present.

Committee staff present: Theresa Kiernan, Revisor of Statutes
Russell Mills, Legislative Research
Mary Galligan, Legislative Research
Winnie Crapson, Secretary

Conferees appearing before the committee:

Opponents of HB 2653:

Bud Burke, Ticket Solutions
Steve Happel, Arizona State University
Russ Lindmark, Ticket Solutions
Marc Matthews, National Association of Ticket Brokers
Gary Englert, Klynveld Peat Marwick Goerdeler (KPMG)
Bob Karrick, TicketAmerica
David Morrison, The Radiarium, Overland Park

Proponents of HB 2653 were heard on January 25, 2000.

Others attending: See attached list.

Without objection bill will be introduced amending the statute to provide that senior administrators as well as engineers or scientists may be appointed as directors of KTEC as requested by Representative Mason. [See HB 2929 introduced February 9.]

Without objection bill will be introduced concerning appointment of one person age 16-18 to serve on an election board as requested by Representative Benlon. [See HB 2928 introduced February 9.]

Without objection bill will be introduced regarding distinctive license plates for fire fighters as requested by Representative Jenkins. [See HB 2931 introduced February 9.]

Hearing continued on

HB 2653, unlawful sale of ticket of admission, continued from January 25, was reopened for the purpose of hearing opponents.

Bud Burke, appearing on behalf of Ticket Solutions, stated those testifying were not appearing as opponents of the suggested amendments to the bill in an attempt to work out a compromise resolution between ticket brokers in Kansas and the Speedway.

Steve Happel, Professor of Economics at Arizona State University, presented testimony relating to free market economy (Attachment #1). His economic goal is to improve consumer welfare and market efficiency. He presented six conclusions about the resale market in event tickets. He described a ticket as a call option that gives the bearer the right, but not the obligation, to occupy a particular seat at a particular time.

Russ Lindmark of Ticket Solutions, Overland Park, presented testimony (Attachment #2). He described the operation of his business and testified ticket brokers do not monopolize the supply of tickets but sell less than one percent of available seats. His customers are individuals and businesses, both local and around the world, using tickets to entertain themselves and clients or to reward employees.

CONTINUATION SHEET
MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS
February 8, 2000.

Marc Matthews, President of the National Association of Ticket Brokers, presented testimony (Attachment #3). He described the history of "ticket scalping" legislation. He contrasted the stock market and its need for regulation with the selling of tickets. The SEC does not grant anyone the right to buy a stock at its initial public offering price and the same environment exists for tickets.

Gary Englert, Senior Manager with the accounting firm of KPMG, presented testimony concerning audit of TicketAmerica (Attachment #4). He presented observations made while working with ticket brokers in the secondary market, and noted ticket brokers they have worked with understood the general perception of ticket brokers which they want to dispel and to demonstrate that they are responsible members of the business community and keen on ensuring they comply with the law.

Bob Karrick, President of TicketAmerica, Inc., presented testimony (Attachment #5). He described the primary and secondary markets in event ticketing. The secondary industry resells event tickets, matching willing buyers to tickets for whatever the market will bear. Tickets are sold at a price determined by the market and are not tied to the printed face value. Ticket brokers are service businesses that fill a specific consumer need and contribute to local, state and national economy unlike the individual street scalpers with which the general public is most familiar.

David Morrison, volunteer director of development for the Radiarium Foundation, Overland Park, presented testimony concerning use of tickets to raise donations for cancer research and education and other charitable purposes (Attachment #6).

Responses were made to questions by members of the Committee.

Bill Sneed, representing Kansas Speedway, informed the Committee that at the encouragement of Chairman Powell and various members of the Committee they have been working with the opponents and to develop compromise language.

Chairman Powell expressed appreciation for their willingness to work on compromise and said a presentation of their proposal will be scheduled at a later time.

Hearing on SB 2653 was closed.

The meeting adjourned. Next meeting is scheduled for February 9.

HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

COMMITTEE GUEST LIST

DATE: Feb 8, 2000

| NAME | REPRESENTING |
|-----------------------|-------------------------------|
| Jeff Bottenberg | Kansas Peace Officers Ass'n |
| Bob Kinnick | Ticket America |
| MARC MATTHEWS | NATL ASSOC. OF TICKET BROKERS |
| Gary Engler | KPMG |
| Tom Aram | Ticket Solutions |
| Steve Huppel | Arizona State University |
| Mike Scott | THE TICKET BOOTH, Inc |
| Dennis Dinef | THE TICKET BOOTH, Inc |
| Gary Ciptak | Citizen |
| Kris Lindmark | Ticket Solutions |
| Bill Sneed | KSC |
| Bill Henry | Ticket Solutions |
| Kelly Kuntala | City of Overland Park |
| Tom Morelock | Kansas Speedway |
| JOHN C BOTTENBERG | Kansas Speedway |
| Tom Bruno | Allent Assoc. |
| David Morrison | The Radarium Foundation |
| | |
| | |

Testimony of Steve Happel
Before the House Federal and State Affairs Committee
Regarding HB 2653
February 8, 2000

Mr. Chairman, Respected Members of the Committee,

Thank you for the opportunity to speak with you today. My name is Steve Happel, and I am a professor of economics at Arizona State University.

My professional interest in ticket scalping goes back to the 1987 World Series in St. Louis. I grew up in Quincy, Illinois, a St. Louis Cardinals fan, and as a boy I simply believed the idea that ticket scalping unfairly raises prices and hurts the average fan – the little guy.

Upon completing my undergraduate and graduate degrees in economics, I moved to Arizona and came to realize the powerful nature of free markets and free trade. When I had the opportunity to attend the fourth game of the 1987 World Series, standing outside Busch Stadium and how before the start, I saw an Oklahoma college student with a sandwich board advertising for a ticket. A scalper approached him, sold him a ticket, and then a plain-clothes police officer suddenly appeared. He arrested the scalper, confiscated the ticket, and clearly prevented voluntary exchange that benefited both parties.

My first thought was that this was simply a ticket to an event, not a situation like scarce water after a hurricane. We teach in business to “buy low and sell high” and yet here was supposedly a special case. What was going on?

Upon return to ASU, I began to research the state and local laws on ticket brokering and scalping. I also interviewed local ticket brokers and street scalpers, talked to the administration of the Phoenix Sun, had students go to events to gather information, and began writing articles that appeared in professional law journals, economics journals, the Wall Street Journal, and the Arizona Republic. I have not received any remunerations other than travel expenses. from either side of the ticket scalping debate. My economic goal is to improve consumer welfare and market efficiency.

While there are a variety of problems and macroeconomic nuances associated with event ticket markets, my work has led to six basic conclusions about the resale market in event tickets:

1. Free trade always benefits consumers in total more than restricted trade. As for sellers, some will make profits and others will suffer losses.

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2. The laws of demand and supply mean that some seats in an arena or stadium should have (much) higher prices than others. It is inevitable.
3. Trying to restricted the resale of tickets above printed face value is a price control, and price controls are always harmful to consumers in total.
4. Promoters and team owners, while they complain about the secondary markets, actually must have them. Otherwise, they would have far fewer advanced ticket sales. Moreover, promoters and owners often spur the secondary markets to greater activity because of poor pricing in distribution policies. For instance, NASCAR has tickets given away on gasoline alley to mechanics and others. Then scalpers buy the tickets at a deep discount and resell them (something below face value).
5. The surest way to protect the average consumer is open trading. We have found in Phoenix that many times buying from scalpers pay a bonus instead of a higher price than printed face value. Moreover, we have found that ticket brokers and scalpers do not buy up a large percentage of seats for any given event.
6. Free trading must take place up to the time of the event. Trying to prevent on-street, game-day trading is not in the consumers' interests. Demand and supply are interacting most intensely just before the event.

In summary, a ticket is a call option that gives the bearer the right, but not the obligation, to occupy a particular seat at a particular time. When the Chicago Board of Options opined in 1973, many existing stock traders opposed it. However, look at what it has done for deepening markets, creating hedging possibilities and helping the average citizen in terms of more opportunities an choices. While it is tempting to try to help "true-blue" fans through highly regulatory actions, this is simply a case of heart over mind. The best way to help consumers is not to listen to promoters and owners who want to reduce their competition. Instead it is to rely on the "invisible hand" of Adam Smith. Thank you for your attention.



KANSAS CITY'S PREMIER
FULL SERVICE TICKET BROKERAGE

Chairman Powell, Committee members, I want to thank you not only for allowing me to speak today but also for your help in introducing me to the legislative process. It has been a learning experience.

By now you have an understanding of how my business works. I would like to take this opportunity, at the risk of being redundant, to reiterate a few points.

I founded my business in 1992 as a sole proprietor and have had the good fortune to not only have it sustain growth because the public wants and needs my service but also to be able to surround myself with 12 dedicated employees, the vast majority of whom are Kansans. Over the past five years we have paid \$300,000 in taxes. We have operated under a simple axiom...treat our customers fairly and give them personal service and they will become loyal customers. My response to those that have had questions about the legitimacy of my business has always been that I procure my tickets through the same means that are available to anyone. I obtain the tickets through the primary distribution channels, such as TicketMaster, and also from individuals or season ticket holders who sell me their tickets for a variety of reasons. I feel very strongly that any law must protect the individual's right to resell their tickets for a profit. I do not bribe box offices or send people to stand in line. One of the arguments that I have heard against ticket brokering is that we somehow

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KANSAS CITY'S PREMIER
FULL SERVICE TICKET BROKERAGE

"monopolize the supply of tickets." For a typical event, we sell less than one percent of the available seats.

I have asked this question to many of you as well as the proponents of this legislation, which is, "Who do my business practices hurt?" Do they hurt the performers, the teams, or the venues? Do they hurt the average fan? No, I offer the average fan an opportunity to get tickets they might otherwise not be able to obtain. Many working people are unable to purchase tickets through the primary market because of the amount of time that it requires. Many do not even know about the event until after it has gone on sale. For example, a fan of Shania Twain who lives in Wellington, Kansas might not find out about the performance until after it has gone on sale to the public. At this point the consumer has limited options:

- A. Don't go.
- B. Run ads, Check internet auctions.
- C. Call me or one of my competitors.

Now, if I am hurting that fan then perhaps I am unable to see that because of my perspective of being a broker. But I believe what I provide that individual is an opportunity to still see the performance. I do not believe that I have hurt anyone and I hope that you will agree.

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KANSAS CITY'S PREMIER
FULL SERVICE TICKET BROKERAGE

Let me take a moment to explain who my customers are; they are individuals and businesses, both local and around the world using tickets to entertain themselves or clients or also to reward employees. We advertise to these customers on the radio, in Kansas newspapers, and on the Internet.

Some might say that my "cause" would be benefited if I stood before you and cited the charities that I have donated tickets to. I find it distasteful to use these groups as argument for my position. It is certainly not something that I use as a selling point to my customers. I have just been fortunate enough to be able to respond to requests from charitable organizations and provide tickets to sold-out events.

I get an equal amount of satisfaction hearing from customers who take their sons or daughters to a first football game or other event that come away with lasting memories.

I tell my staff that the greatest reward we get is to provide access to an event that will ultimately provide the customer with enjoyment. We make people happy. We provide a service. But most importantly, we hurt no one. Thank you for the opportunity to tell my story.

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Ticket Scalping and "The Common Good"

Mr. Chairman, Respected Members of this Committee, thank you for the opportunity to address you today. My name is Marc Matthews and I am the President of the National Association of Ticket Brokers. I am speaking here today at the request of several of our members that reside in and do business in Kansas to voice our opposition to House Bill #2653.

I would like to preface my comments here today with a short explanation about why and when ticket resale or "ticket scalping" legislation originated and the "common good" that resulted from them. The first legislation prohibiting the resale of tickets dates back to the 1930's and the Great Depression where individuals were buying up public transportation tickets and reselling them for profit to people reliant on that transportation to get to whatever work they could find. Obviously, the "common good" was served here because the government rightfully had to ensure that everyone have an equal opportunity to work and survive the Depression.

The government regulates those sectors of the marketplace where regulation is deemed necessary for the public's safety or defense or where such regulation will enhance public health or welfare. No such condition exists with regard to the resale of entertainment event tickets. A prime example is Wall Street. The government, through the auspice of the SEC, oversees the fair and equitable operation of the stock market, ensuring no insider trading and that everyone has an equal chance at investing their money in as profitable a means as they can. But the SEC doesn't grant anyone the right to buy AOL today at its Initial Public Offering Price or QualComm at its December 12 opening price. The same environment exists for tickets. Once the tickets have been distributed to the public in a fair

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and equitable manner, the laws of the free marketplace upon which this great country is founded should be allowed to function. No inalienable right exists that states that an individual has the right to attend a sold out entertainment event at some predetermined price level below that which the market will bear.

One of the greatest misconceptions about professional ticket brokers and the Ticket Broker industry is that brokers can buy large blocks of choice tickets to events prior to the public. The reality is that **TICKET BROKERS ENJOY NO UNFAIR ADVANTAGE IN ACQUIRING TICKETS TO EVENTS AND HAVE NO MEANS BY WHICH TO PURCHASE LARGE BLOCKS OF TICKETS AND MONOPOLIZE PUBLIC ACCESS TO AN EVENT.** In fact, TicketMaster, various sports teams, venues and other primary ticket providers have gone to unbelievable lengths to discover those brokers reselling their tickets and actually deny them access to tickets by revoking season ticket licenses or declining credit card purchases. They have established limits on the number of tickets any one person can buy in order to further guarantee a fair and equitable distribution of tickets to popular events.

House Bill 2653 would also prohibit a season ticket holder from reselling “at a price in excess of the price printed on the ticket” one of their tickets to a game they were unable to attend. The ticket might have a face value of \$20, but the owner had to pay the booster club an inordinate sum just to be able to qualify to buy the tickets in the first place. That individuals’ true cost for that ticket is not the “face value” printed on the ticket but rather what he had to spend to buy the ticket. House Bill #2653 forces that poor individual into a choice of either losing his investment and money or breaking the law.

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The overwhelming success of popular auction sites on the Internet such as E-Bay and Tickets.com clearly illustrate the publics' acceptance of Free Market Trading for tickets to events. The "common good" can't possibly be served by outlawing such an accepted and generally moral practice. ~~I ask each and every one of you to carefully consider your vote on the matter and vote NO on House Bill 2653.~~

Thank you for your time and consideration.

Respectfully,

Marc H. Matthews
President
National Association of Ticket Brokers

Introduction

Mr. Chairman, members of the Committee, thank you for allowing me to speak with you today with respect to House Bill #2653. Good afternoon, my name is Gary Englert. I am a Senior Manager with the accounting firm of KPMG LLP. As some of you may know, KPMG is one of the "Big 5" international accounting firms with over 100 offices and 10,000 employees in the United States as well as a presence in over 150 countries worldwide. We provide audit, tax, and consulting services to companies ranging in size from Fortune 100 to entrepreneurial start-ups. I have been with KPMG for 9 years and am focused on providing audit and business advisory services to companies that provide goods and services either directly to the consumer or to companies that provide goods and services to the consumer.

We have acted as the audit firm and a business advisor to TicketAmerica since 1998. Over the course of our relationship, we have visited with several businessmen operating secondary ticket brokerages and performed audit procedures at one. As part of our audit procedures, Generally Accepted Accounting Standards (GAAS) requires us to gain an understanding of the business, the industry that it operates in, and the control procedures in place at the business over its business operations and financial functions. Through these discussions and auditing procedures, we have gained an understanding of the secondary ticket market and some of the businesses that operate in it.

What I would like to do today is spend a few minutes visiting with you about observations we have made while working with ticket brokers in the secondary market.

For the past 9 years I have worked with small, entrepreneurial businesses. The brokers that we have come in contact with are no different from small business owners that I have worked with who operate in the food and beverage, retail, manufacturing, and distribution industries. They all have a product or service that they work extremely hard to sell and want to see their business grow and flourish. They are of strong character and have an interest in operating their business within the law.

Our client acceptance process

Now, something that might be of interest to you before I talk about the particular business practices that we have observed is the procedure that we, as a firm, go through in deciding whether to accept a client. We are, obviously, concerned about preserving our reputation and the respected name of our firm so we will not associate with businesses that do not pass through our client acceptance process. That process includes, among other things, identifying the key members of management and the board of directors of the business. We then complete an extensive due diligence inquiry concerning the business, its past practices, and the key players in the business. This includes a background check of these key individuals completed by former FBI agents now employed by our firm to complete this function for us. We will not work with entities that are operated by individuals with criminal, or questionable backgrounds.

Processes and Observations

Of the processes and controls that we have observed while working with TicketAmerica and other brokers around the US, I would like to hi-lite a few for your information and consideration while you evaluate the legislation before you:

- General business and control environment
 - The brokers tend to operate with a simple accounting framework. The driving factor for recordkeeping and accounting functions at all locations we have visited are [1] accurate tax reporting and [2] being able to determine if a particular event was profitable for them. Obviously, no businessman wants to overpay on his tax bill, but similar to other small businesses, the brokers we have worked with understand that an IRS or state Revenue Department audit would not be an enjoyable experience, especially if their books and records are not organized. Additionally, like any small business, the brokers tend to have a very keen understanding of how their business is doing and whether it is profitable. The accounting records either confirm that for them or provide insight into items that they were not focusing on.
 - An interesting side note: One broker we have worked with had contacted the state Dept of Revenue to obtain a ruling on sales tax treatment of resale and acquisition transactions in order to ensure that they were in compliance.
 - The primary and secondary ticket markets are quickly moving to include a web-based distribution channel in addition to the traditional bricks and mortar store-front concept historically used.
- Ticket procurement
 - For sporting events, ticket inventory was noted to mainly come from season ticket holders and individuals who chose to not use the game ticket themselves.
 - As corporations themselves, the brokers may hold season tickets or lease skyboxes and use these tickets for resale inventory.
 - We did not note any instances where tickets were procured outside of what I would refer to as an arms length transaction.
- Ticket resale
 - The largest pools of customers we noted are corporations and a pool that could be described as 'individuals who choose to utilize their disposable income to attend sporting and entertainment events'.
 - Other customer groups include tour package companies and other ticket brokers.
 - Sale prices are driven by the market and the brokers ability to react to the market. Initial resale prices will be set by the broker with subsequent fluctuations in the sales price dictated by supply and demand (similar to the commodities market). On average, the margins received by secondary ticket brokers are not inconsistent with other businesses in the retail sector.
- Cash and inventory management
 - Like any business, brokers assess the public demand for a product (ie tickets to an event) in determining how much, if any, of the product they buy to resell to the end user. Inventory is acquired based upon this perceived demand and the broker either is able to successfully sell the inventory or absorbs losses for obsolete inventory when he or she is left with unsold tickets.
 - We noted acceptable controls and business practices over the handling of transactions with policies and procedures that are commonly used by any business that deals in, relatively speaking, high volume, low value retail transactions.
 - Ticket brokers often work together to redistribute ticket inventory. By communicating with each other, the brokers are able to match up consumers who desire tickets to an event and available tickets. In this way, they act similarly to auction and clearinghouses.
- Tax compliance and reporting
 - Brokerages that we have worked with were noted to be very keen on ensuring that they complied with the law. They understand the general perception of ticket brokers (which

they want to dispel) and wanted to demonstrate that they were above the board and a responsible member of the business community.

Thank you for attention today. This concludes my prepared remarks.

Respectfully submitted,

/s/

Gary Englert
Senior Manager
KPMG LLP

TicketAmerica

Thank you Mr. Chairman and distinguished committee members. My name is Bob Karrick. I am President and CEO of TicketAmerica, Inc. We are one of those "startup dot.com" companies you have all heard about. TicketAmerica is creating a vertically integrated Internet portal to enable e-commerce in the secondary ticket market.

We started to look at the secondary ticket market as a business opportunity approximately 1½ years ago. Through the due diligence process I have personally visited many ticket broker businesses across the country. We have engaged several firms to assist in the assessment, including: George K. Baum and Associates, KPMG LLP and LKCA LLP. They have been fundamentally consistent in their various industry reviews. I would like to share with you a summary of our conclusions.

The event ticketing business has Primary and Secondary Markets. The event organizer (sports team, performing artist, etc.) uses venue box offices and agencies to execute an initial ticket offering in the Primary Market. After the initial offering there is significant ticket trading activity in the Secondary Market.

Neither the event organizer nor their ticketing agency participates in making the secondary market. The secondary industry resells event tickets, matching willing buyers to tickets for whatever the market will bear. "Free Market" pricing is supply and demand based. Tickets are sold at a price determined by the market and are not tied to the printed face value.

The sports and entertainment industries and consequently, the event ticketing market, are large and growing. Current estimates are that the market for event ticketing in the United States, based on the face value of tickets sold for live sports and entertainment events and attractions, totaled approximately \$14.5 billion in 1998. This is expected to grow to \$18.0 billion in 2001. This growth is evidenced by increases in the number and types of events, the number and size of venues and the length of event seasons, as well as events expansion into new domestic and international markets.

TicketAmerica's estimates indicate that the primary ticket market for events most commonly sought after in the secondary space is approximately \$7.2 billion. Today an

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estimated \$2.2 billion is spent annually in the secondary ticket market. This is estimated to grow to \$4.3 billion by 2004.

The secondary ticket market includes the purchase, packaging and resale of sporting, concert and theatrical event tickets at any time after the initial distribution by a primary ticket seller, such as Ticketmaster or a box office. The participants in this industry provide a service to their clients by providing quality seats to events that are difficult to acquire through the primary market channels. In general, the industry does not control a significant number of tickets for any one event. In addition, no single broker controls enough of the market for a specific event to monopolize pricing.

Currently, the secondary ticket industry in the United States is comprised of over 950 ticket brokers; with no one broker having more than a 1% market share. The secondary ticket industry serves clients in virtually all sectors of the economy.

The secondary market's customers value participation in these events very highly. They also value time and convenience more than the premium paid for the seats. It is a situation tailor-made for a business willing to act as intermediary, buying tickets for resale, and willing to take risk for the opportunity to make a profit.

There are many individual street scalpers across the country who purchase and resell entertainment tickets outside of venues just prior to the event. This segment accounts for a very small share of secondary ticket revenue. However, the general public is most familiar with them due to their visibility at events and the attention that media provides.

Our assessment of ticket brokers has resulted in a significantly different image:

- General Business Framework
 - Small to medium size family businesses
 - Operate from one or more store locations
 - Entrepreneurial
 - Median revenue below \$1.5 million, but range up to \$15+ million
 - 95% of customer purchases are on credit cards, with the remaining 5% is Checks, corporate accounts and cash
 - Concerned about serving their customers
 - Concerned about their industry

- Pay taxes
- Customers
 - Broad demographics
 - Frequent corporate purchases to entertain customers, employees and vendors
 - Good customer retention rates and purchase frequency
 - Customers value the service
- Sourcing Tickets
 - Largest single source is season ticket holders
 - Inter broker sales
 - Direct from box office or ticketing agency

In summary, ticket brokers are service business that fills a specific consumer need and that they contribute to the local, state and national economy.

Thank you for the opportunity to speak today.

THE RADIARIUM AT OVERLAND PARK

10500 Mastin • Overland Park, Kansas 66212
(913) 492-4700

February 8, 2000

Honorable Tony Powell
Chair, House Federal & State Affairs Committee

RE: Opposition Testimony to House Bill 2653

Dear Mr. Chairman & Members of the Committee:

My name is David Morrison. I work without pay as Director of Development for the Radiarium Foundation. The Radiarium Foundation is a not-for-profit regional cancer treatment institute. The Foundation owns and operates a radiation therapy treatment center in Overland Park, Kansas. I appreciate this opportunity to appear on behalf of the Radiarium Foundation on HB2653 before your committee this afternoon.

The Foundation opposes this bill because it would hamper the ability of the Radiarium and of other charitable organizations to raise funds.

Adoption of HB 2653 would deprive charities and not-for-profit organizations across the state of a valuable means of revenue. Countless not-for-profit entities raffle or auction tickets to entertainment or sporting events in excess of face value in order to raise funds for their respective groups.

The amount of money raised is not insignificant. I make this statement based on my eighteen years of involvement in the not-for-profit sector. My experience includes leadership roles with the Boy Scouts of America, Board of Directors for Miracle House, and as a founding member and Treasurer of Kansas City Cares, in addition to the Radiarium Foundation.

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I hesitate to quantify an overall dollar amount raised in this manner statewide because I do not speak for other organizations. I do, however, know that Hal Wagner, owner of ACE Sports & Tickets in Overland Park, Kansas, has been our single largest benefactor.

Through his generosity over the years, we have indirectly raised thousands of dollars in the form of donations to support cancer education, patient care, physician training, and research. Without his assistance, we would lose our only means of procuring premium tickets to premier events.

Historically, when legislation like this is proposed, proponents argue that the problem is not simply the result of supply and demand but due to tactics used by ticket brokers within the current distribution system.

Anyone who has ever been to a K-State football game, a KU basketball game, or a Kansas City Chiefs football game, knows this is not the case. Supply does exceed demand and that is what drives up the price. Further, if, as proponents claim, ticket brokers monopolize the supply of tickets through premiums over the face price of the ticket to various persons who have control over tickets at the original point of sale, then I contend that the venue operators - not the state - need to exert control within their own distribution mechanism.

If government sees fit to regulate the price of tickets, how does it draw a distinction between the regulation of ticket prices and the regulation of prices of other non-essential goods and services??

Thank you for your consideration of opposition to HB 2653.

Respectfully submitted,

David S. Morrison

David S. Morrison

Volunteer Director of Development

THE RADIARIUM FOUNDATION

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President
Rik N. Sirc

President Elect
Marc Woodward

Past President
Byron Canady

Counsel/Secretary
John S. Johnston

Treasurer
Melanie Whitaker

Assistant Treasurer
Jon Richey

Group Vice Presidents

Marketing
Cindy Sims

Program
Michelle T. Johnson

Development
Sherrie Stuckey

Directors
Aaron Aurand
Stephen J. Bahr
Tracey Bernath
Julia A. Bush
William J. Collins, Jr.
Tracy McFerrin Foster
Shawnta Gantt
Jody Gilbert
James W. Grice
Linda Hanson
Tom Heapes
W. Kathleen Hess
Brenda Horn
Randy Jackson
Pamela Kearney
Christian Kirley
Richard E. Lenza
Mark Matousek
Tony Monetti
Mark Nendick
Thomas Newton
Rodney L. Nussbaum
Scott D. Porter
Melissa Racer
Richard Reed
Douglas M. Salaway

Advisory Directors
Jill J. Adams
William C. Barr
Michael K. Behymer
Chris Bigelow
Becky Blades
Alvin Brooks
Lee B. Brumitt
Robert A. Buchanan
Jack Campbell
Tracy Chelepis
Jerry Cooke
James DeBerry
Donald R. Elbel, Jr.
Tom Enright
John B. Francis
Karon E. Harris Hicks
Thomas H. Holcom, Jr.
Elizabeth Hoskins
Cindy Jeffries
James M. Klein
Thomas W. Langhofer
Hon. Harold "Hal" Lowenstein
Robert Loyd
Therese McGill
Bob Moore
Thomas W. Van Dyke
Bruce B. Waugh
Barry E. White

Executive Director
Roy Morrill



Big Brothers Big Sisters
of Greater Kansas City

3908 Washington
Kansas City, MO 64111-2925
(816) 561-5269 Fax: (816) 561-5273
<http://www.bbbs-kc.org>

November 8, 1999

The Radiarium at Overland Park
Attn: David Morrison
10500 Mastin
Overland Park, KS 66212

Dear David:

The eighth annual Aon Big Brothers Big Sisters Sports & Entertainment Auction was a tremendous success. Nearly 600 people attended the event and raised more than \$105,000. Thank you for once again donating items with proceeds to be split with The Radiarium. We are glad that we can all benefit from this event and look forward to working together again next year.

Enclosed you will find a check for \$357.50 which reflects a 50/50 split of the following auction items:

\$45 Set of twelve McDonald's Beanies
\$45 Set of twelve McDonald's Beanies
\$40 Set of four McDonald's Beanies
\$40 Set of four McDonald's Beanies
\$145 George Brett autographed baseball
\$400 George Brett autographed photo
\$715 Total

Please call me at (816) 561-5269 ext. 17 if you have questions.

Sincerely,

Micheal Lawrence
Assistant Director



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