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To: Representative Brunk Chair, House Federal and State Affairs Committee

From: Patsy Congrove, Charitable Gaming Administrator

PRESENTATION FOR FEDERAL AND STATE AFFAIRS

History. In 2013 – the legislature passed a bill legalizing raffles. The Governor failed to sign it saying it required a constitutional amendment.

In the 2014 legislative session the legislature approved a resolution to call for a public vote to legalize raffles.

In November the public voted on legalizing raffles. The results were 75% of the public voting in favor of legalizing raffles.

The amendment read as follows:

‘Notwithstanding the provisions of section 3 of article 15 of the constitution of the state of Kansas, the legislature may authorize the licensing, conduct and regulation of charitable raffles by nonprofit religious, charitable, fraternal, educational and veterans organizations. A raffle means a game of chance in which each participant buys a ticket or tickets from a nonprofit organization with each ticket providing an equal chance to win a prize and the winner being determined by a random drawing. Such organizations shall not use an electronic gaming machine or vending machine to sell tickets or conduct raffles. No such nonprofit organization shall contract with a professional raffle or other lottery vendor to manage, operate or conduct a raffle. Raffles shall be licensed and are regulated by the Kansas department of revenue, office of charitable gaming or successor agency.’

This past summer the department began officially taking calls regarding raffles. Most callers were asking how to legally conduct a raffle.

Once the November public vote was held we started receiving calls asking where they could get an application for a raffle. Those calls continue. Many people think because of the vote in November raffles are now legal. Which they are NOT.

In the 2015 legislative session you as legislators will approve statutes for nonprofits to follow and the Kansas Department of Revenue to administer.

The department realizes raffles are an important method of raising funds and want to establish an effective and easy mechanism for regulating charitable gaming as a whole.

In any act we consider, it should outline standards for:

- * conducting charitable gaming
- * activities to insure honesty and integrity
- * and prevent commercialization of charitable gaming.

As we move forward here are some things we need to take into consideration when creating a charitable gaming act:

- a. Raffles may only be conducted by those nonprofits meeting standard requirements which are a nonprofit organization and exempted from the payment of federal income taxes as provided by section 501 (c) (3) or section 501 (d) of the federal internal revenue code of 1986, as amended, or determined to be organized and operated as a bona fide nonprofit organization by the administrator.
This is stated in the constitutional amendment we as the public voted for.
- b. Should there be a threshold on gross receipts from a raffle that would require a license. Gross receipts under the threshold might be eligible for simply a registration application.
- c. Consider an appropriate age limit on those selling raffle tickets
- d. How to ensure monies collected goes to the organization rather than an individual profiting from the money collected.
- e. Should there be a limit on the number of times per year a licensee can conduct a raffle
- f. Consider an enforcement tax on amounts exceeding a threshold.

As the legislative session progresses we will offer our expertise to this committee and or individuals wishing to develop compressive regulations which will allow the implementation the constitutional amendment.