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February 20, 2015

Chairman Steve Brunk
House Committee on Federal and State Affairs
Kansas State Capitol Building
10th and Jackson
Topeka, Kansas 66612

Hand-delivered

Re: Proposed House Bill 2291 and
Proposed House Bill 2383 concerning Charitable Raffles

Dear Chairman Brunk and Members of the Committee:

I provide this written testimony regarding two bills under consideration to implement the Constitutional amendment adopted by Kansas voters in November, 2014, permitting charitable raffles by various non-profits. My testimony is given on behalf of my clients, the Archdiocese of Kansas City in Kansas ("Archdiocese"), including its parishes, schools and affiliates, all of whom would be eligible to conduct charitable raffles under the definitions of the proposed legislation.

1. Background

By way of brief background, the Archdiocese's roots in the State of Kansas trace back to 1850. It comprises the twenty-one counties in northeast Kansas. Since its earliest beginnings, the Archdiocese has grown to include over 100 parishes, more than forty (40) schools and other related ministries. The Archdiocese is home to over two hundred thousand of the Roman Catholic Faith, but its reach extends to those of many other or no faiths, particularly in its schools and social services/ministries.

As the Archdiocesan-related activities and ministries are supported in whole or in part by private donations, the Archdiocese appreciates the opportunity to utilize charitable raffles as one way to supplement other sources of revenue, such as Sunday collections, school tuition, public and private donations and grants, etc. The raffles will assist the Archdiocesan affiliated entities to reach out not only to their own members, but also to others who wish to share in and/or benefit from these works.

2. Comparison of the Proposed legislation

We have been presented with two proposed bills for consideration. House Bill 2383, which deals only with charitable raffles, appears to be mostly a subset of House Bill No. 2291. HB 2291 covers charitable gaming, which includes all types of bingo and raffles. We respectfully suggest that bingo and raffles not be combined into one act. Such act may or may not run afoul of the single subject requirement in Article 2, § 15 of the Kansas Constitution. Regardless, combining bingo and raffles results in an Act that is cumbersome, confusing and not "user friendly." The raffles are designed to be run by the non-profits themselves and no outside vendors may be engaged to run the raffles for the non-profits. Consequently, there is much advantage in having simple and focused language in the legislation to govern these activities. And, bingo has been regulated by the State for some time in its own statutory and regulatory framework. To change that framework now to try to accommodate both bingo and raffles under one Act is unnecessary and unhelpful. For this reason alone, the Archdiocese urges rejection of HB 2291.

In addition HB 2291, contains certain provisions that are not as advantageous to my clients, and similarly situated organizations, as HB 2383 and we believe, should be rejected in favor of alternative provisions in HB 2383. For instance, in New Sec. 5(b) of HB 2291, an entity must procure a license for a fee of \$25 unless the gross receipts from the raffles in a calendar year are less than \$2500.00. HB 2383 enlarges that number to \$25,000.00 in New Sec. 5 (g), which we agree is an appropriate threshold.

Additionally, New Sec. 9(h) in HB 2291 prohibits a person under 18 years of age from participating in the raffles. Most of the students in the schools of the Archdiocese are under 18. As one parish development director pointed out to me, such a restriction would likely weaken the efforts of the schools to conduct a raffle fundraiser. Students are their own best ambassadors and would want to be involved in selling tickets to their grandparents, friends, neighbors, etc., just like other fundraising activities for school and youth organizations. My clients would prefer to allow anyone to participate in the raffles—at least in the sale of tickets.

Both pieces of proposed legislation prohibit a license to organizations which employ individuals, who have run afoul of gambling laws or who have felony convictions for the "violation of any law" in Kansas or any other state. We believe that this last prohibition is too broad. Without going into a discourse on employment law, suffice it to say, that in the current employment climate, employers are being asked to refrain from screening out applicants just because they have a criminal conviction, for various legal reasons. Employers are being asked to look further into the circumstances surrounding the convictions before deciding whether or not to offer a job to a person with a criminal conviction. My clients perform a criminal background check on each applicant for

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employment. If they learn that an applicant has a conviction, they investigate further asking questions such as: when did the conviction occur? what were the circumstances? what is the nature of the job for which the person is applying? There are some non-negotiables certainly, but often a person is given a second chance and offered a job in the spirit of forgiveness and redemption. If the legislature wishes to leave this provision in the bill, we would ask that there might be a time-limit on the prohibition attached, such as 5 years, or leave the restriction only to those who are actually running the raffle.

I note that both bills at various times use the word "bona fide" to modify "nonprofit religious, charitable...organizations." We believe this word is unnecessary given the clear statutory definitions of who may conduct raffles in the legislation. To include "bona fide" could be seen as an attempt to add another layer of scrutiny by the state, which we believe is unwarranted.

Both bills also require that the winners of the raffles "be verified by a person who is not a member of or employed by the nonprofit" organization. The raffles must be conducted by the organizations themselves. Who would be an appropriate person to verify the winner? Does this suggest that the organization need to hire an outside accountant or lawyer to verify the winner? And what is meant by "verified"? This provision is vague and ambiguous, and may diminish the raffle proceeds unnecessarily. We suggest that outside verification be eliminated from the legislation.

The Archdiocesan-related entities appreciate the opportunity to utilize raffles in their operations. We anticipate that the proceeds would be used largely for educational activities and enhancements, for ministries to those in need and the like. Enabling legislation would provide one more valuable tool to raise funds. Therefore, we ask that any legislation be as simple as possible and that unnecessary regulations not be imposed on the organizations benefitting from the vote of the people.

Thank you for your attention and consideration of this testimony.

Sincerely,



Jeanne Gorman