Approved.

MINUTES OF THEHOUSE	COMMITTEE ON	FEDERAL AND STATE AFF.	AIRS .
The meeting was called to order	byRepresentative	Ginger Barr Chairperson	at
12:27 aXX./p.m. on	April 3	, 19_90in room _	526-S of the Capitol.
All members were present excep	t:		
Representatives Peter	rson		
Roy -	- Excused		
Wagno	on - Excused		
Committee staff present:			

Committee stair present:

Mary Galligan, Kansas Department of Legislative Research Lynne Holt, Kansas Department of Legislative Research Mary Torrence, Revisor of Statutes Office Juel Bennewitz, Secretary to the Committee

Conferees appearing before the committee:

Senator Eugene Anderson Susan Wagle, Wichita Businesses, Inc. Robert Melton, Teamsters' Retirees Local 795, Wichita Gerald Donohue, Equity Real Estate, Kansas City, Missouri Glenn Moon, Fraternal Order of Eagles, Topeka Chuck Yunker, Adjutant, American Legion Representative Elaine Wells Kenneth Young, Past Adjutant, American Legion Dale Kerr, Dorsey Liberty Post 14, Lawrence

## Subcommittee Report - Parimutuel Issues

Chairman Barr announced that in view of time constraints, not all of the subcommittee's report would be presented at this meeting.

Representative Aylward, chairman of the subcommittee, directed the committee's attention to page 3, item 6 of the report, Attachment No. 1. She explained SB 429 allows the Kansas Racing Commission (KRC) to determine who can wager on a positionby-position basis. (The bill was heard March 21, 1990, by the full committee.) The subcommittee was of the opinion that a waitress, for example, would not have inside information regarding a race and, therefore, should not be prohibited from wagering. The subcommittee recommended HB 2945 (making racing judges and stewards subject to the Tort Claims Act) be amended into SB 429. Representative Schauf explained that racing stewards are responsible for oversight of all areas of racing at the track. If they make an error in judgment - for instance bar someone from the track for life - and the person appeals to the KRC which upholds the appeal, the steward could be held personally liable for his attempt to enforce the Parimutuel Act.

#### Committee discussion:

If a steward of judge were to be sued then the state becomes liable. Those employees are paid by the state, not the track.

Chairman Barr recognized Warran Wiebe, Assistant Attorney General, assigned to the KRC and Mike Jones, Director of Parimutuels, who were present to answer questions.

Representative Aylward moved to adopt the subcommittee report concerning SB 429 and HB 2945 and that they become one bill, seconded by Representative Schauf. The motion was adopted.

Representative King made a motion to make the effective date upon publication in the Kansas Register, seconded by Representative Eckert.

## Committee discussion:

It was asked if the publication date would be manageable administratively for the KRC. Mr. Wiebe responded that Janet Chubb, Assistant Attorney General, assigned to the KRC questioned whether the KRC, as an administrative agency

### **CONTINUATION SHEET**

MINUTES OF THE	House	COMMITTEE ON	Federal	and	State	Affairs	
WILL ED OF THE							

room <u>526-S</u>, Statehouse, at <u>12:27</u> \*\*\*\*./p.m. on <u>April 3</u>, 19.90

had constitutional authority to define criminal violations and whether it would withstand review of the court. Asked why he had no comment when questioned on this at the subcommittee meeting, Mr. Wiebe stated it was his mistake as he was not prepared. He stated if it were an administrative violation, then the KRC would seem to have the proper authority. He restated the concern for proper authority if the authorization is tied to a criminal statute.

- 2. Staff advised there has been a general policy in statutes not to grant authority to state agencies to determine who falls under criminal penalties. However, there are a number of places where it is a criminal violation to violate rules and regulations of a state agency and seems to be so in the Parimutuel Act. Staff was unsure if it was unconstitutional but it is a policy that the legislature has that it should consider it clear it is granting that authority to the agency.
- 3. Staff advised law enforcement powers were given to the security branch of the KRC because it was felt the legislature did not have the expertise to address each issue individually in statute.
- 4. The KRC having self-contained law enforcement is different from most of the other commissions.
- 5. Mr. Wiebe answered the effective date could be brought into the applications field offices quickly.

## The motion carried.

Representative King moved to recommend SB 429, as amended, favorably, seconded by Representative Jenkins. There was brief discussion of the definition of individual contractor - anyone rendering independent services. Racing stewards and judges qualify under the definition under current language of the Tort Claims Act. The amendment would change that for the classification of racing stewards and judges. The motion carried.

## SB 609

Chairman Barr recognized Phil Wilkes, attorney for the Department of Revenue, present to answer questions.

Senator Anderson directed the committee's attention to a chart outlining revenue from bingo enforcement 1975 - January, 1990, Attachment No. 2. He compared bingo to parimutuel racing and lottery sales which are not limited by days and presented concerns of bingo hall owners as small business people, Attachment No. 2A.

Susan Wagle testified in support of the bill, giving background information on changes in the bingo laws restricting play to 3 days instead of 7 and explained the effects of those changes on her business, <a href="Attachment No. 3">Attachment No. 3</a>. She presented letters of support from the following civic, fraternal, church and charitable organizations:

Knights of Columbus, Wichita Council, Attachment No. 3A
Blessed Sacrament Church, Wichita, Attachment No. 3B
Arthritis Water Exercise Club, Inc., Attachment No. 3C
Arthritis Water Exercise Club, Inc. (II), Attachment No. 3D
Breakfast Optimist Club, Attachment No. 3E

#### Committee discussion:

- 1. A member asked if this law were to pass, how long it would be before the lobby would be requesting an additional day. Ms. Wagle stated her preference for 7 days but said 4 days would keep them open. Senator Anderson replied next year there would be a 7 day bingo bill and yearly following through 1992.
- 2. Another member asked if Ms. Wagle had awareness of Mafia involvement in the bingo system. She replied there was "a scare in 1984 in Kansas City which is why we have our current law".
- 3. Ms. Wagle stated raising the limits of SB 609 do not compare with surrounding states.

Bob Melton read a statement of support from L. M. Hattie Hatfield, Attachment No. 4.

#### **CONTINUATION SHEET**

MINUTES OF THE.	House	_ COMMITTEE ON .	Federal and	State Affairs	
					,
room <u>526-S</u> , Stateh	ouse, at <u>12</u>	:27 XXX./p.m. on	April 3		, 19_90

Bob Melton explained the charitable projects of his organization and asked for support of the bill,  $\underline{\text{Attachment No. 5}}$ .

Gerald Donohue explained that he is in the commercial real estate business which manages shopping centers. The shopping center housing Shawnee Shopping Center Bingo Hall is owned by a guardianship out of Mercantile Bank and Trust in Kansas City, Missouri. He discussed the negative economic impact of increasing property taxes, competition from The Woodlands and Missouri bingo games, Attachment No. 6. He included the following letters of support:

National Kidney Foundation of Kansas and Western Missouri,  $\underline{\text{Attachment No. 6A}}$  Epilepsy League of Greater Kansas City,  $\underline{\text{Attachment No. 6B}}$ 

## Committee discussion:

There was brief discussion on the use of gambling as a fund raiser. Mr. Donohue likened the atmosphere of a bingo hall to that of a country club and did not view bingo as gambling.

Glenn Moon was a proponent of the bill and explained bingo was his organization's only source of revenue, other than a pancake feed, for charities, Attachment No. 7.

#### Committee discussion:

In response to a member, Mr. Moon explained that his organization does not meet the present \$1,200 payout limit every night due to attendance.

Attendance No. 8 is a submitted letter of support from Robert E. Brown, Euclid Lodge No. 2, Topeka, Kansas.

Chuck Yunker responded to earlier remarks regarding the serving of alcohol by stating it is available only to members, not the general public. Also, the bar is in a different area of the facility. He also commented that Hattie Hatfield (Attachment No. 4) owns a bingo hall in Kansas City and, therefore, has a vested interest. Mr. Yunker testified in opposition to the bill stating organizations owning their own facilities could not compete with the bingo halls based on seating capacity, Attachment No. 9.

#### Committee discussion:

- 1. Some American Legion posts have moved their games to bingo facilities because they could not compete head to head. However, rent takes 50% of the proceeds.
- 2. Mr. Yunker was requested to submit a copy of the resolution passed by the Second District.

Representative Wells spoke on behalf of a constituent in opposition to the bill and stated if a current bill exempting organizations from property taxes were to pass, some relief would be provided.

Kenneth Young opposed the bill stating it would benefit only the large cities and those owning bingo facilities. He called current law "good and workable", Attachment No. 10.

Dale Kerr spoke against the bill and stated his post had had some "unpleasant experiences" with bingo halls before the current law went into effect.

Chairman Barr asked for the senate vote on the bill and was told it was 21 - 19.

The meeting adjourned at 1:41 p.m. The next meeting of the committee is scheduled for April 4, 1990, noon, Room 526-S.

# GUEST LIST

# FEDERAL & STATE AFFAIRS COMMITTEE

DATE April 3, 1990

(PLEASE PRINT)		
NAME	ADDRESS	WHO YOU REPRESENT
Linda Brown	Topeka Ks	Exodusters Hwareness Inc
11	' 11	Euclid Ladge # Z
GLENN MOON	MOZICCAY	BENTON BUILDING CO.
JERRY DONOHUE	1221 BALTIMORE 4801	BENTON BAILDING CO,
	2441 E. ME Vernon	
Susan Wagle	4412 Pourtleich	Wichita Bingo (iconseas St. Vincent de Paul Churc
Jill Manson		
Phil Wilker	21073 Annies Wichela	Ks. Dopt. of Revenue TEAMSTERS RETIREECLUS
Notes & melton	1314 Topelia au	/EAMSTERS KETIREE LUB
Church Yunker	Topella, Kg 44412	NAUSUS American heaviern
Songth Young	826 RANDOLPH Toposa	
(Dale Konn	1714 Topika 131vd' Topika K1 66612	11 (
P. O. Dens	1314 TOPEKA AUG TOPEKA KS 66612	11 11
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# YNE AYLWARD REPRESENTATIVE, SEVENTY-FOURTH DISTRICT Dickinson and Saline Counties



TOPEKA

# HOUSE OF REPRESENTATIVES

COMMITTEE ASSIGN.

VICE-CHAIRMAN: FEDERAL AND STATE AFFAIRS
MEMBER: ECONOMIC DEVELOPMENT
TAXATION
LEGISLATIVE, JUDICIAL AND
CONGRESSIONAL APPORTIONMENT
JOINT COMMITTEE ON ECONOMIC
DEVELOPMENT
NATIONAL CONFERENCE OF STATE
LEGISLATURES COMMITTEE
ON TRANSPORTATION

April 3, 1990

## SUBCOMMITTEE REPORT

Representative Ginger Barr Room 115-S Statehouse

Dear Ginger:

The Subcommittee on Parimutuel bills was composed of Representatives Charlton, Gjerstad, Ramirez, Schauf, and myself. We met once on March 27 and twice on April 2. Below we recommend for consideration of the full Committee:

- 1. That S.B. 430 be recommended to include provisions of H.B. 2902 regarding application of the Kansas Administrative Procedure Act (KAPA). S.B. 430 would prohibit the Kansas Racing Commission from disclosing any information, other than conviction information, received from criminal justice agencies as part of determining applicants' qualifications for licensure under the Parimutuel Racing Act. The relevant provision of H.B. 2902 would require that as of July 1, 1990, grant or denial of organization, facility manager, and facility owner licenses be subject to the KAPA. The grant, denial, suspension, or refusal to renew a concessionaire license also would be subject to KAPA.
- 2. That no action be taken on H.B. 2903. This bill would:
  - clarify that organization licensees may not contract for the conduct of races or the operation of the wagering system;
  - b. require organization licensees to have been established and engaging in charitable or community service continuously for at least five years before licensure; and
  - c. extend current prohibitions against certain transactions of officers, directors, and members of organization licensees to employees and contractors of organization licensees.

Att. 1

- 3. That H.B. 2905 be reported adversely. This bill would require an annual financial-compliance audit of each organization licensee, other than a county fair association, and of each facility manager, facility owner, and concessionaire licensee.
- 4. That H.B. 2906 be reported adversely. This bill would:
  - a. prohibit the use of public funds to finance the construction or operation of racetrack facilities; and
  - b. limit the number and length of extensions of time that an applicant for a facility owner license may be granted to obtain financing to construct a track.
- 5. That H.B. 2946, with amendments discussed below, be reported favorably and that provisions of H.B. 2928 be incorporated into H.B. 2946. H.B. 2946 would:
  - a. require that rules and regulations of the Racing Commission require drugs or medications (with certain exceptions) which are administered within a racetrack facility to be administered by a veterinarian, animal health officer, or assistant animal health officer;
  - b. make certain provisions of the Kansas Racing Act that apply to felons applicable to juveniles who are adjudicated as having committed a crime; and
  - c. provide that moneys for purses at horse races not be commingled with money for the operation of the track and that the person responsible for the money be bonded.

Our recommendations are to:

- a. delete the provision regarding administration of drugs or medications;
- b. include a provision that would authorize stewards and racing judges to impose a fine not exceeding \$250 and suspend an occupation license by summary adjudicative proceedings in accordance with KAPA; and
- c. with respect to commingling of funds, make the requirements apply to both horse and greyhound tracks and include a provision that would protect purse funds in the event of bankruptcy or insolvency of a track.

H.B. 2928 would require the Commission to investigate and approve any changes in ownership of an organization licensee or facility owner or manager licensee. The bill also would provide for Commission approval of any person operating a racetrack in the event of

1

bankruptcy or death of a facility owner licensee or facility manager licensee. We recommend language that would authorize the Commission to impose conditions under which ownership and management of a racetrack facility may be continued in the event of the death, insolvency, or bankruptcy of a facility owner or facility manager licensee.

- 6. That S.B. 429 be recommended favorably and that H.B. 2945 be incorporated into S.B. 429. S.B. 429 would authorize the Kansas Racing Commission to designate in rules and regulations those positions which could influence the outcome of a race. Persons in those positions would be prohibited from wagering at the track where they work. H.B. 2945 would provide that stewards and racing judges are state employees for purposes of the Kansas Tort Claims Act.
- 7. That S.B. 617 be recommended favorably and that provisions of H.B. 2892 and S.B. 769 be incorporated into S.B. 617. S.B. 617 would amend the Parimutuel Racing Act to allow advisory committee members appointed by the Racing Commission to have a financial interest in businesses which have been issued licenses or sell goods or services to organization licensees; participate in or wager on races; and accept gifts, compensation, or other favors from a licensee.
  - H.B. 2892, with amendments recommended by the Subcommittee, would authorize the Racing Commission to appoint hearing officers and to establish qualifications for those hearing officers through rules and regulations; authorize the Commission to appoint the executive director and the executive director to appoint the inspector of parimutuels, director of security, and director of racing operations; require that the executive director have familiarity with the horse and dog racing industries; establish the position of director of racing operations, appointed by the executive director; and prohibit the Commission from accepting facilities and services at racetracks.
  - S.B. 769 would require the inspector of parimutuels to report to the executive director regarding all matters within the scope of the duties of the inspector's position.

To conclude, we recommend that the House Committee on Federal and State Affairs report four bills -- S.B. 429, S.B. 430, H.B. 2946, and S.B. 617 -- with proposed amendments favorably and two bills -- H.B. 2905 and H.B. 2906 -- adversely. We also recommend that no action be taken on H.B. 2903.

Sincerely,

Representative Jayne Aylward Subcommittee Chairperson

Representative Betty Jo Charlton

Representative Diane Gjerstad

Representative Al Ramirez

Representative Debara Schau

Bingo was enacted in 1975.

Number of days to hold bingo games changed from 7 to 3 in 1984, but was taken to task and didn't really go into effect until 1985.(per Bob Renfro)

Fiscal Year	Bingo Enforcement Gross Receipts	General Fund
75	\$25,116	
76	\$279,226	
77	\$336,913	
78	\$492,718	\$164,239
79	\$562,984	\$187,661
80	\$626,613	\$208,854
81	\$693,481	\$230,966
82	\$752,033	\$250,557
83	\$811,427	\$268,428
84	\$818,111	\$272,427
85	\$812,382	\$269,851
86	\$743,979	\$247,294
87	\$774,577	\$257,979
88	\$766,545	\$254,445
89	\$794,911	\$264,864
90 -Jan '90	\$458,504	\$152,809

Source: DAM018 for FY's 78 to date Annual Report for FY's 75-77 State of Kansas

EUGENE (GENE) ANDERSON Senator, District Twenty-Nins Sedquick County P.O. Box 4598 Wichita, Kansas 67204-0598



Committee Assignments
Nanking Minority Member: Aedoral and State
Alfairs
Member: Education
Public Health and Welfars
Ginancial Institutions and Insurance
Legislative Educational Planning
Committee
Mid-Western Legislative Conference

BINGO WAS LEGALIZED BY THE LEGISLATURE IN 1975, AND WAS ALLOWED 7 DAYS PER WEEK.

IN 1984, THE LEGISLATURE REDUCED THE NUMBER OF DAYS BINGO COULD BE CONDUCTED TO

ONLY 3 DAYS PER WEEK.

BINGO OPERATIONS HAVE GENERATED TOTAL RECEIPTS GOING TO THE BINGO ENFORCEMENT FUND OF \$9.7 MILLION DOLLARS WITH \$3 MILLION DOLLARS GOING TO THE STATE GENERAL FUND SINCE 1978. THE FUNDS DO NOT INCLUDE SALES TAXES COLLECTED FROM CONCESSION OPERATIONS IN BINGO PARLORS SELLING FOOD AND SOFT DRINKS. UNLIKE VFW'S AMERICAN LEGIONS, MOOSE LODGES, KNIGHTS OF COLUMBUS OR OTHER FATERNAL ORGANIZATIONS, BINGO PARLORS CAN NOT SALE ALCOHOLIC BEVERAGES.

WHEN BINGO BECAME LEGAL, MANY SMALL BUSINESS OWNERS INVESTED THOUSANDS OF DOLLARS TO ESTABLISH FACILITIES FOR RENT/LEASE TO NOT FOR PROFIT ORGANIZATIONS FOR THE PURPOSE OF CONDUCTING BINGO GAMES. IN MANY CASES THOSE INDIVIDUALS TOOK A VACANT BUILDING WHERE SOME OTHER BUSINESS HAD CEASED OPERATING, REMODELED THOSE FACILITIES, PUT IN TABLES, CHAIRS, LIGHTING, SOUND SYSTEMS, RESTROOM FACILITIES AND CONCESSION STANDS TO MAKE THEIR FACILITY ATTRACTIVE AND COMFORTABLE FOR POTENTIAL USERS.

INDIVIDUALS MAKING SIZEABLE INVESTMENTS IN THOSE FACILITIES BASED THEIR PROJECTIONS OF RECOVERING THEIR INVESTMENTS ON THE ABILITY TO LEASE/RENT THOSE FACILITIES ON A DAILY BASIS ONLY TO HAVE THE LEGISLATURE IN 1984, REDUCE THE NUMBER OF PLAYING DAYS TO 3, TAKING AWAY 65% OF THEIR REVENUE AND FORCING MANY OF THOSE NOT FOR PROFIT ORGANIZATIONS TO STOP PLAYING BINGO OR TO LIMIT THEIR PLAYING TO ONCE OR TWICE A MONTH

AH, 2 4/3/90 SIMPLY BECAUSE THEY COULD NOT FIND A FACILITY IN WHICH TO CONDUCT THEIR GAMES.

THOSE INVESTMENTS IN MANY CASES WERE PRIVATE RESOURCES OF AN INDIVIDUAL OR POOLED RESOURCES FROM SEVERAL INDIVIDUALS TO GET THESE SMALL BUSINESSES UP AND GOING BECAUSE, MANY LENDING INSTITUTIONS DID NOT WANT TO MAKE LOANS ON SUCH VENTURES BUT, NONETHELESS THE FACILITIES BECAME OPERATIONAL AND STARTED PAYING PROPERTY TAXES, SALES TAXES AND BINGO ENFORCEMENT TAXES NOT TO MENTION CREATING JOBS FOR MANY TEENAGERS AND SENIOR CITIZENS WHICH IS GOOD FOR OUR ECONOMY ESPECIALLY WHEN GENERAL FUND REVENUES ARE DOWN.

IN THE GENERAL ELECTION OF 1986, THE VOTERS OF THIS STATE VOTED TO ALLOW LIQUOR-BYTHE-DRINK ON A COUNTY OPTION BASIS, PARI-MUTUAL WAGERING AND THE SALE OF LOTTERY
TICKETS ON A STATEWIDE BASIS, AND THE KANSAS LEGISLATURE DURING THE 1987 SESSION PASSED
LEGISLATION IMPLEMENTING THE PROVISIONS PREVIOUSLY APPROVED BY THE PEOPLE OF KANSAS,
AND YOU MAY NOTE THAT THERE WERE NO LIMITATIONS AS TO THE NUMBER OF DAYS A PERSON COULD
WAGER, BUY A LOTTERY TICKET OR DRINK ALCOHOLIC BEVERAGES.

I RECALL VERY VIVIDLY THE PROMOTERS OF PARI-MUTUAL STATING TO THE COMMITTEE AND SUB-COMMITTEE I SERVED ON, THE FACT THAT THEY HAD TO HAVE THE ABILITY TO CONDUCT RACES IN SUCH A WAY THAT WOULD ALLOW THEM THE ABILITY TO OPERATE IN THE BLACK. WHAT DO YOU SUPPOSE WOULD HAPPEN TO THEM IF THE KANSAS LEGISLATURE CUT THEIR RACING DAYS BY 65% OR, IF WE TOLD LOTTERY RETAILERS THAT THEY COULD ONLY SELL LOTTERY TICKETS ON THE DAYS THAT BINGO WAS ALLOWED OR LIMIT THEIR SELLS TO 3 DAYS A WEEK? WOULD THEY STAY IN BUSINESS? I KNOW AND YOU KNOW THE ANSWER IS NO. THEN WHY DO IT TO THE SMALL BUSINESS OWNERS WHO MADE INVESTMENTS BASED ON THE ABILITY TO OPERATE UNRESTRICTED 7 DAYS A WEEK?

MANY OF THOSE VACANT BUILDINGS THAT WERE BOARDED UP A FEW YEARS AGO ARE HEADED FOR

THE SAME FATE AND THEY WILL NOT BE OCCUPIED BY PEOPLE PAYING TAXES ON PERSONAL PROPERTY

UTILIZED IN THE OPERATION OR THE 3% TAX THAT GENERATES REVENUE FOR BINGO ENFORCEMENT, SALES TAXES FROM THE CONCESSIONS OR INCOME TAXES FROM THEIR IDLE EMPLOYEES.

WHILE MANY NOT FOR PROFIT GROUPS USE THEIR REVENUES TO HELP FUND PROGRAMS FOR THE ELDERLY, CHILDRENS' PROGRAMS, NEEDY FAMILIES, FOOD BANKS, AND OTHER WORTHWHILE HUMAN NEED PROGRAMS, THEY HAVE SEEN THEIR RESOURCES REDUCED BY MORE THAN 50% WHILE NATIONAL AND STATE LEADERS HAVE CALLED ON THE PRIVATE SECTOR TO DO MORE IN THE AREAS WHERE THESE GROUPS MAKE A TREMENDOUS CONTRIBUTION.

NOT ONLY HAVE WE REDUCED THE INCOME OF THOSE GROUPS THAT DO SO MUCH GOOD IN THE COMMUNITY, WE HAVE RECENTLY THROUGH CLASSIFICATION AND REAPPRAISAL INCREASED THE PROPERTY TAXES ON THOSE BINGO FACILITIES BY AS MUCH AS 300% AFTER CUTTING THE ABILITY OF THOSE FACILITIES TO GENERATE REVENUE BY 65%. HOW MANY OF THEM DO WE REALLY THINK WILL BE IN BUSINESS IN ONE OR TWO YEARS?

WE HAVE BEEN LED TO BELIEVE FROM PREVIOUS TESTIMONY THAT THERE IS WIDESPREAD OPPOSITION

TO EXPANDING THE BINGO OPERATION AND PROVIDING SOME EQUITY FOR THIS ECONOMIC DEVELOP
MENT TOOL ON A PARITY WITH HORSE AND DOG RACING AND LOTTERY WAGERING, NOTHING COULD

BE FURTHER FROM THE TRUTH. WE HAVE BEEN TOLD THAT FATERNAL ORGANIZATIONS SUCH AS THE

VFW AMERICAN LEGION, KNIGHTS OF COLUMBUS, OPTIMIST CLUBS AND OTHERS ARE IN STRONG

OPPOSITION TO BINGO LESS RESTRICTED, NOTHING COULD BE FURTHER FROM THE TRUTH. (read the lis

WHEN WE LOOK AT THE LOCATION OF FACILITIES THAT HOLD THEMSELVES OUT AS BINGO PARLORS, WE SEE THAT THEY ARE CONCENTRATED IN URBAN AREAS WHERE THERE IS A LARGE POOL OF NOT FOR PROFIT GROUPS FROM WHICH THEY ARE ABLE TO ATTRACT BINGO GAME OPERATORS AND NOT IN SMALL COMMUNITIES THAT CANNOT SUPPORT THE FACILITY AND ALLOW THE OWNERS TO RECOUP THEIR INVESTMENT. BINGO PARLOR OPERATORS CAN NOT CONDUCT BINGO GAMES, ONLY THOSE

ORGANIZATIONS THAT MEET THE LICENSE REQUIREMENTS CAN LEGALLY CONDUCT BINGO GAMES.

THE PARLOR OPERATORS GET THEIR REVENUE FROM RENTING/LEASING THE FACILITY AND FROM THEIR CONCESSION OPERATIONS. SINCE BINGO OPERATORS CAN NOT HAVE A BAR IN THE FACILITY, OR ALLOW THE CONSUMPTION OF ALCOHOLIC BEVERAGES IN THE FACILITY DURING GAMES, MAYBE THE LEGISLATURE SHOULD LOOK AT PROHIBITING THOSE FATERNAL ORGANIZATIONS FROM HAVING THEIR BARS OPEN DURING BINGO GAMES BECAUSE, UNDER PRESENT LAW AS LONG AS THE BINGO GAME IS OPERATED IN A FACILITY WHERE IT IS SEPARATED FROM THE BAR SERVING ALCOHOLIC BEVERAGES, THE FATERNAL ORGANIZATION CAN OPERATE BOTH SIMULTANEOUSLY.

SHOULD THE KANSAS SENATE CHOOSE TO CORRECT THIS INJUSTICE PERPETUATED ON MANY TO PLEASE A FEW, THERE WILL BE ANOTHER AMENDMENT TO RAISE THE 3% TAX TO THE SAME LEVEL AS THE STATE SALES TAX WHICH I BELIEVE IS EQUITABLE.

THERE IS NO JUSTIFIABLE REASON FOR THOSE GROUPS WHO FOUGHT SO LONG AND HARD TO HAVE
THIS FORM OF ENTERTAINMENT WHICH CERTAINLY ENHANCES THEIR ABILITY TO PROVIDE NEEDED
SERVICES AND ASSISTANCE THROUGHOUT THE STATE TO BE PUNISHED FOR DOING A GOOD JOB.
WE SHOULD DO THEM JUSTICE BY DOING A GOOD JOB FOR THEM AND BRING SOME EQUITY INTO THIS
GROSSLY UNJUST, RESTRICTION ON ENTREPRENEURSHIP AND FREE ENTERPRISE.

SENATOR EUGENE ANDERSON

# WICHITA BUSINESSES INC.

2441 E. Mt. Vernon Wichita, KS 67211 316-685-1004

April 2, 1990

Thank you Representative Barr and committee members for this opportunity to increase your awareness of bingo operations in the State of Kansas. My name is Susan Wagle. My husband and I own three bingo halls in Wichita. We currently have an excellent relationship with 18 non profit organizations that run bingo games once every other week in one of our facilities, and a waiting list full of organizations wanting to operate games, however no openings to accommodate them.

In 1984, we addressed the legislature supporting a bingo enforcement bill; a bill that provided that 1% of the 3% gambling tax that we pay on gross proceeds would establish a state agency to enforce bingo laws. The bill did not change or after our operations, it just re-allocated tax monies. When the bill went to the House, a Representative changed the operations language to read that we could only operate 3 days a week (we were used to operating 7 days a week). The sponsoring Senator of this bill told us not to worry about the 3 day limit; that he would have it changed back to 7 days when it came back to the Senate. We naively believed him, and not understanding the process, we did nothing to have the original language placed back into the bill.

Had it not been for our other business and real estate income, this law would have put us out of business. Since 1984, when our operations were cut, the lottery lottery has now been approved and we new have 7 day a week, double session, paramutual wagering, and still bingo, another form of gambling and raising funds for non profits operates three days a week with a limit of \$1,200 in payout. What's even more ironic is that now, in SEdgwick County, our dog tracks are making head lines regarding how much money they can give back to charity, however, the money they are donating is actually about 1%of their gross proceeds. Bingo operations however, are required by law to give back 50% of the proceeds to the charity organization. There is no doubt, that in the State of Kansas, bingo players, bingo hall owners, and non profit groups that raise money through bingo are treated as second class citizens.

Also, since 1984, Reservation bingo has become big business. According to a market survey, we are now REGULARLY LOOSING 58% of our clientele to out of state games. Since the usual amount spent at a reservation game is close to \$100., the tax dollars, business dollars, and charity income our State is loosing is unbelievable. The State of Oklahoma recently deregulated its State bingo in order to allow its non profits to compete with the Indian games.

Attachmen +3 4/3/90 Our property taxes since 1984 have more than doubled. Our utiliteis and maintenance costs have also increased. No business can maintain a commercial piece of property while being open only three days a week. We cannot even increase the revenue we make on the nights we are open because we cannot increase the cost to play bingo to our patrons without increasing at the same time the amount of prize money we award.

I have heard a few fraternal groups say that bingo halls operating 7 days a week will put their bingo games out of business. This is simply not true. WE didn't put them out of business before 1984 and we will not put them out of business in the future. The truth is that most organizations operating in their own building, maintain both a liquer license and a bingo license. They cater to their own members and keep the bingo funds for their own purposes. Organizations operating in a hall however, cater to the general public and also give every penny back to the public by funding scholarships, food and clothing banks, and other charity needs where tax dollars stop short. In addition, a bingo hall allows ALL non profit organizations a chance to operate a bingo game, not just those that own their own building.

What we need for an optimum operation is to be able to operate 7 days a week and have the possibility of winning a reasonable cash prize, like other forms of gambling in our State allow. Senate Bill 609 is a compromise. It will not keep our clientele from going to neighboring states to play bingo, and it will not keep our patrons from visiting the dog tracks or playing the lottery to win more money. It will however, keep us from going out of business. Because we are desperate and need a bill passed this session, we are willing to support 4 days rather than 7 and \$1,500 in payout rather than a more reasonable amount. WE would appreciate your support for this bill and your expediency in passing it through the House.

# Knights of Columbus Wichita Council 691

ACTIVITY CENTER \* 424 N. BROADWAY \* TELEPHONE (316) 264-7485 \* WICHITA, KANSAS 67202

April 2, 1990

Representative Barr and Members of House Federal and State Affairs Committee. Thank you for this opportunity to express my organizations viewpoint on laws governing bingo games in Kansas.

I am Nick Dondlinger representing Knights of Columbus Wichita Council 691. I urge you to support Senate Bill 609. Please consider the following and vote in favor of this bill.

-Kansas desperately needs more tax dollars to fund programs in danger of being cut. All bingo proceeds are subject to a 3% bingo tax in addition to Kansas Sales tax. Kansans spend hundreds of thousands of dollars at more attractive bingo games in neighboring states where higher prizes are given away. We believe it is foolish to allow this money to leave the state. It hurts our organization as well as many other non-profits, it hurts our community, and it hurts our State's economy.

-The voice of the people was heard when Kansas citizens voted to legalize bingo, the lottery, and pari-mutuel wagering at the poles. Why then, we ask, is bingo limited to three days of operation and a small payout when the lottery and pari-mutuel wagering are not? Since Wichita Greyhound Park opened in Sedgwick County our bingo games have taken a nose dive. Our \$1200.00 payout cannot compete with the money awarded at the tracks.

-With the money we raise from bingo, my organization supports Catholic charities such as Holy Family Center as well as community organizations like Sedgwick County Mental Health and Starkey Development Center. We will not be able to give as much to these organizations this year because our income has been directly hurt from the competition of the dog tracks and Oklahoma bingo.

Please consider how organizations like mine help our communities and support us by voting in favor of Senate Bill 609.

Thank you,

Mich Bording

Nick Dondlinger

AH 3.A 4/3/90

# Blessed Sacrament Church 124 N. ROOSEVELT PHONE 682-4557

Michita, Hansas 67208

Thank you Representative Barr and distinguished members of Federal and State Affairs Committee for this opportunity to address you regarding SEnate Bill 609. Several years ago restrictions were placed on the number of nights a bingo parlor could operate. Since that time, our church men's club income has been literally cut in half, simply due to the fact that our hall can be open only half as many nights.

Recent surveys of the people who frequently patronize our bingo games indicate that 58% of them now regularly travel to bingo games outside the state. They take with them monies which used to come to our organization and also tax revenues which used to help our state.

Thank you for hearing the problems hall owners are facing and the many non-profit charitable organizations which depend on them for a source of income. I urge you to do what you can to insure passage of Senate Bill 609, allowing more days of operation and a slightly enhanced payout, in an attempt to keep money in Kansas helping Kansans.

Thanks again for your h elp.

Sincerely,

Richard D. Dwyer

Blessed Sacrament Church Men's Club

Bingo Chairman

AH 3 B 43/90



## OFFICERS:

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> Karen Slattery Vice President

> > Lydie Kuhn Treasurer

neusurer

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Dr. H.J. Wisner, MD

OFFICE SITE: 210 S. Walnut Wichita, KS April 2, 1990

Representative Ginger Barr Federal and State Affairs House Chamber Statehouse Topeka, KS 66612

Re: Senate Bill 609

#### Representative Barr:

We wish to thank you and your committee members for your work and consideration on Senate Bill 609.

As members of a non-profit organization, we are vitally interested in this bill, and we sincerely hope that you will use all of your influence and be successful in getting this bill out of committee and to the Senate floor for discussion and passage.

We need more liberal Bingo laws in order for us to compete with other forms of entertainment here in Kansas and our surrounding states.

The para mutual wagerings, dog races, lotteries are all able to operate on a seven days per week basis, but, we are limited to only three (3) days per week.

We pay Kansas Sales tax on our earnings and all monies stay in this state. Since our surrounding states, Oklahoma, Nebraska, Colorado and Missouri all have much more liberal laws for these same activities, our people are spending more money in those states for their entertainment.

Those states offer more than we can and even offer bus transportation to various sites and many other accomodations

AH 30 43/90 page 2.--con't.

all of which make it harder for us to compete. We feel that the money going into other states should remain in Kansas and work for Kansas people.

According to surveys done in our area, a very large percentage of the people playing Bingo would not go to surrounding states if our pay-outs were raised. Also, pull tabs are available during Bingo games in other states, but we do not have this advantage. WE NEED IT BADLY.

Representatives, some 30% of the money we raise playing Bingo goes back to our non-profit organization and, this is indeed, our largest money making effort. WE are trying to raise money to buy land and to build a water exercise pool to benefit people with Arthritis, Diabetics, Accident Trauma Victims, Coronary problems or anyone needing a mild form of exercise in warm water.

We are enclosing an advertisement that runs on a regular basis in a local publication and we find that we cannot compete with this type of advertising since we do not have the Bingo laws to afford us this advantage.

Since we are totally committed to our non-profit organization as Bingo co-chairmen, and, since Bingo is our largest source of income, on behalf of our organization, we want you to know that we all indeed appreciate and are grateful for your help and support.

Representatives we urge you to use your influence as Chairman of the Federal and State Affairs committee, to pass this bill out or your committee as soon a possible. WE NEED THIS BILL PASSED!

We want to take this opportunity to thank you for your fine leadership this past year and we count on your continued support on our behalf.

Respectfully,

Evelyn Trenery Frank C. Trenery

Bingo Co-Chairmen

Arthritis Water Exercise Club, Inc.

949 S. Parklane

Suite 400

Wichita, Kansas 67218

Encl.

AH 3C-2 4/3/90 Federal & State Affairs Committee:

We represent the Arthritis Water Exercise Club.

One of the way's we receive monies for the organization is through the playing of bingo games.

Many people travel to Oklahoma to play bingo, as the jackpots are larger than in Wichita, Kansas. A poll was taken. Results showed that 85% of people polled stated that they would play bingo in Wichita, instead of in Oklahoma if our jackpot was higher.

Concerning Bill # 609 ... By haveing a \$1500.00 or higher jackpot, bingo sponsers would be able to sell pull tabs and play four days a week, thus, more people would be circulateing their monies in Kansas instead of Oklahoma, which would retain more money in Kansas instead of Oklahoma, which would benefit Kansas revenue and non profit organizations at the same time.

Arhtritis Water Exercise

Marles & Hera Marvin

AFFILIATED WITH OPTIMIST INTERNATIONAL

Federal and State Affairs Committee Kansas Legislature

RE: SB 609, a bill for bingo

To All Committee Members,

I am writing in support of SB 609. I belong to the Breakfast Optimist Club of Wichita. We are a civic organization whose sole purpose is to provide volunteer and financial support for charitable causes in our community. Our sole source of financial support is derived from Bingo.

In the past two years, we have seen this income drop as a result of increased competition from the Lottery, the Dog Track and Indian Reservation Bingo. A recent survey of our clientele shows that fully 50% of them regularly go to Oklahoma to play. This same survey showed that 98% would go less often if we could offer a \$1000.00 jackpot. I know that we can't expect to compete with the size of jackpots available in Oklahoma. However, the provisions of SB 609 can help us to compete better.

I strongly urge you to support SB 609. Help us keep Kansas money in Kansas. By doing this, you will help us to improve the quality and quantity of charity work we now provide for some of our states most deserving citizens.

Most Sincerely Yours,

Denta Trust.

Ronald L. Fiegel, O.D.





### DEPARTMENT OF KANSAS

TO: Federal & State Affairs Committee

REGARDING: Senate Bill 609

We at the V.F.W. Post 869 believe that an extra day of bingo would help compensate for some of the lost revenue we have incurred due to our recent property tax increases. We are desperately in need of additional revenues and feel that an extra day and larger payout are in order. All the states surrounding Kansas have far more liberal bingo laws and we believe its time we became more competitive with our surrounding states. It doesn't make sense for Kansas organizations such as ours to be loosing income and our State to be loosing tax dollars because our bingo laws are obsolete. Please support S.B. 609.

L.M. Hattie Hatfield

Commander Post 869



# Teamsters Local 795 Retirees Club



1921 CESSNA STREET

WICHITA.

KS 67210

(316)

683-2651

March 30, 1990

House of Representatives State House Topeka, Kansas 66612

Dear Representative

We would appreciate your support for Senate Bill 609. Our retirees club operates bingo as a fund raiser to support The Rape and Abuse Center, The Woman's Crisis Center, The Teddy Bear Program, and other charitable projects.

We believe that the Kansas bingo laws are obsolete. They have not been revised since the lottery, pari-mutuel wagering, and Indian Reservation bingo have become big business. CURRENTLY, 58% OF OUR CLIENTELE ARE REGULARLY CROSSING STATE LINES TO PLAY BINGO! Bingo laws in surrounding states have been updated and are far more liberal than Kansas laws. Not only is our organization loosing money to other states, but Kansas business and Kansas tax dollars are being lost also.

Again, we request that you support groups such as ours in our fund raising efforts and that you help to make Kansas bingo laws competitive with other state bingo laws. Please yote YES on Senate Bill 609.

Respectfully,

Robert Melton

President

— OFFICERS —

Robert D. Melton, *President*George O'Dell, *Treasurer*Perry Caver, *Trustee* 

D

Delbert Kilgore, Rec. Secretary Donald E. Overacker, Trustee

# **EQUITY REAL ESTATE**

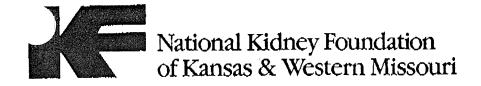
1221 BALTIMORE STREET SUITE 801 KANSAS CITY, MO 64105 (816) 221-1125

April 3, 1990

Outline of presentation in favor of SB 609 by Gerald J. Donohue:

- 1.) Represent guardianship owner of Kansas City, Kansas Shopping Center
- Reduction in number of sessions plus opening of Woodlands Track has caused a severe hardship on the income to the property
- 3.) Re-assessment plus increased real estate taxes have created a negative cash flow thereby jeopardizing security of guardianship
- 4.) National Kidney Foundation and Epilepsy League are current sponsors. There are many more worth and charitable organizations which are being denied the opportunity to raise money for their causes by the selfish organizations that have their own facilities and do not want competition from the parlors
- 5.) Each additional session per bingo parlor would produce increased revenues to the State of Kansas, the Bingo Enforcement Unit plus the local counties and cities of approximately \$8,900 per year. And at last years count of 33 parlors at four additional days per week could conceivably generate in excess of \$1,000,000 in new tax revenue, plus increased income to the charities of Kansas by \$1,250,000 per year
- 6.) Finally, correct the injustice of limiting the number of sessions and the size of purse for bingo, but permit the dog track to operate seven days per week holding nine sessions with no betting limit, and lottery to operate without limit.

AH.6 4390



April 3, 1990

House of Representatives State of Kansas

Re:

Bill SB609

Dear Members of the House of Representatives:

The National Kidney Foundation of Kansas & Western Missouri supports the proposed Bill SB 609 and encourages all members to give favorable consideration to this piece of legislation.

Over 753 Kansas residents depend on dialysis treatments three times per week to sustain their life. This life-threatening disease is debilitating both emotionally and financially. Funds generated through our Kansas Bingo games offer support directly to these patients through programming that is geared to improve their quality of life and lessen some of the tremendous burdens they bear as a result of this disease.

The National Kidney Foundation is the major voluntary health organization seeking the total answers to diseases of the kidneys and urinary tract...treatment to cure.

Thank you for your consideration of this legislation which will favorably impact the lives of many Kansas residents.

Carole L. Herron

Executive Director

CLH:mb

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# Greater Kansas City

# Epilepsy League

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April 3, 1990

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Senator Harry Wiggins
Dewey Z. Ziegler, M.D.

Affiliations
Epilepsy Foundation of America
United Way

Executive Director Ruth Martin To Whom It May Concern,

We wish to offer our support for Bill SB609 and hope that you would give it consideration. As government funding becomes less available non-profits have to look to other avenues to keep their services available.

Sincerely,

Ruth Martin

Executive Director

RM:crf

Address: 4949 Rockhill Road Kansas City, Missouri 64110

P.O. Box 30026 Kansas City, MO 64112 ### 6 B 4/3/90 Telephone: (816) 276-8940 F RNAL ORDER OF EAGLES
Ae... & Auxilary 58
Topeka, Kansas
266-7307



4/1/90

## HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

RE: SR 609

Members of the Committee,

I am on the bingo committee at the Eagles Lodge in Topeka and our organization fully supports SR 609. It will allow our ladies auxiliary an extra day to generate more funds, and the \$300 raise in prize money, although an organization is not required to raise its payout, would allow us the opportunity to offer another jackpot game.

We fully support SR 609 and ask for your support.

Yours truly,

Glenn L. Moon Bingo Committee

> A# 7 4/3/90

# Eurlid Lodge No. 2, F. & A. M.

# KANSAS 🗞 JURISDICTION

# PRINCE HALL AFFILIATION TOPEKA, KANSAS

P. O. BOX #392

House Committee

April 3, 1990

RE: Bill # to change bingo rules by incerasing number of days per week to play & payout.

Please pass the bill to increase the number of days per week that Bingo can be played at a Bingo Hall/Parlor. We have been on a waiting list to sponsor a bingo game for two years. But no one stops sponsoring any games and the days are limited.

Euclid Lodge provides many benevolent works in the community, such as; provide a place for worship services in our HAll, Children programs (Easter Egg Hunt, Christmas party, etc.) Our Lodge Hall is humble, our funds sparse, but we could do much more for the community, if we were allowed to sponsor a 'commercial bingo game .

Please vote in favor of the the current bingo bill.

Sincerely,

Robert E. BRown, Past Master

ray officer

Att 8 4/3/90

# AMERICAN LEGION STATEMENT ON SB609 Presented April 3, 1990 by Charles M. Yunker, Department Adjutant

Thank you for allowing me to appear before you today in opposition to Senate Bill 609. As many of you on the committee will recall, last year The American Legion supported a necessary change in the Bingo Laws because a fraternal organization here in Topeka had moved too close to a Bingo Parlor to allow both to conduct Bingo games. The move would have forced the Bingo Parlor to close its operation because the new "owned" operation took precedence over rented facilities. The American Legion has always tried to take a fair stance on Bingo legislation therefore we can not support SB609 because it is unfair to smaller Bingo licensees who own their buildings.

Bingo Parlors support SB609 because it would increase the maximum pay out allowed during any one session. This is unfair because only Parlors with large seating capacities can make such payments. Currently less than 12% of Bingo operators pay out the present maximum of \$1200 and that includes operations with progressive jackpots. SB609 would also increase the number of days Bingo Parlors could operate in a week. This too is unfair. Bingo Parlors say they are suffering from increased competition from dog tracks. I have had Legion Posts in Kansas City tell me that the Woodlands track did in fact hurt their business for about a month but everything is back to normal. Allowing Parlors another day to conduct Bingo will only hurt organizations and churches which hold Bingo games in their own buildings. We have had Legion Posts quit Bingo in their own buildings

AH 9 4/3/90 because of past competition and those who have moved to Parlors are barely breaking even because of the increased cost of having to pay rent.

This past weekend the American Legion's Second District which includes Kansas City where there are a number of Parlors passed a resolution in opposition to Senate Bill 609 and any changes in Bingo Laws.

Thank you for allowing me the opportunity to speak before you today in opposition to SB 609. I urge you to vote against any changes in the current Bingo laws.

Charles on funker

CHARLES M. YUNKER, Adjutant Kansas American Legion

# TESTIMONY OF KENNETH L. YOUNG April 3, 1990

Madam Chairman and members of the Committee.

My name is Kenneth L. Young. I was the Kansas Department
Adjutant of The American Legion for 20 years covering the years before
and after Bingo was legalized. As a matter of fact I served during
the days when Bingo was illegal. We tried for several years to get a
good Bingo bill and after much study, research and hard work one was
passed. In our opinion it was a good law having been changed only
slightly since. However it has stood challenge after challenge except
the number of playing nights per week and the jackpots have been
increased. Now outside groups are asking for more.

Ladies and gentlemen of the committee, we have a good bingo law now. You go out and talk to members of the American Legion and others especially in the small towns. They'll agree to this--perhaps the payoff or jackpots are too large but the law is workable. The big cities or the professionals are the ones that want more. The American Legion uses our profits to sponsor great programs such as Boys' State, Baseball (we have the greatest baseball program in America), Oratorical Contests, Child Welfare, and dozens of other things good for the community and the state. Just ask anyone who is a community leader and they will attest to contributions of our programs. All are good for America.

I ask you oppose SB609. We have a good workable law. Let's don't tinker with a good thing.

Thank you.

AH 10 43/9