Approved	3-4-92	
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MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by ____Representative Kathleen Sebelius

at

Chairperson

Thursday, February 27

_____, 19⁹² in room _______ of the Capitol.

All members were present except:

1:30 a_k x_k/p.m. on ____

Representative Joan Wagnon - Excused
Representative Sherman Jones - Excused
Representative Rand Rock - Excused

Representative Cindy Empson - Excused Representative Joan Hamilton - Excused

Committee staff present:

Mary Torrence, Office of the Revisor Mary Galligan, Kansas Legislative Research Department Lynne Holt, Kansas Legislative Research Department Connie Craig, Secretary To The Committee

Conferees appearing before the committee:

Representative Tom Bishop

Rob Gaskell, People Against Casinos, Hiawatha, Kansas

David Furnas, Topeka Advertising Federation

Tim Schuler, Director of Sales and Sponsorship, Heartland Park, Topeka, Kansas

Ralph Decker, Executive Director, Kansas Lottery

Paul Louderman, Kansas Lottery

David Wetzler, Assistant Attorney General, Office Of The Attorney General, Kansas

Jack Lacey, Kansas Department of Wildlife and Parks Helen Stephens, Kansas Peace Officers' Association

<u>HB 2854</u>

Vice Chair Robert Krehbiel started the hearing on HB 2854 by introducing Representative Tom Bishop, who testified in favor of the bill, Attachment #1.

A Committee member asked what changes to the bill would be acceptable. Committee discussion centered around the exclusion of radio and TV and the inclusion of "amateur athletics" on line 30, page 2. It was asked if this is a moral issue, and would be encourage the Lottery to advertise on MTV?

Rob Gaskell also spoke in favor of the bill, <u>Attachment #2</u>. A Committee member asked if Mr. Gaskell supported the bill in its present form. One Committee member stated that other people agree the "someone's always winning" slogan was not appropriate.

Ralph Decker spoke as an opponent to <u>HB 2854</u> and introduced Paul Louderman to the Committee. Mr. Decker was asked how many people win in the lottery? It was also asked if the Lottery sells tickets at the games, and an explanation of how the Lottery doesn't involve the players in the promotions.

Paul Louderman appeared as an opponent to $\underline{\mathsf{HB}}$ 2854, Attachment $\sharp 3$. A Committee member asked if amateur athletics could be retained in $\underline{\mathsf{HB}}$ 2854. One Committee member asked if the Lottery was involved with University of Kansas, and why KU feels it is not appropriate to be involved?

Tim Schuler, Director of Sales/Sponsorship at Heartland Park in Topeka, <u>Attachment #4</u>, spoke in opposition to <u>HB 2854</u>. One Committee member asked if Heartland Park is considered professional or amateur; how much

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

Page $\underline{1}$ of $\underline{\underline{2}}$

CONTINUATION SHEET

HOUSE COMMITTEE ON ___ FEDERAL AND STATE AFFAIRS MINUTES OF THE __

room __526-s, Statehouse, at __1:30 __ am./p.m. on __

Thursday, February 27, 19 92

money Heartland Park would lose if the bill passed; what is Heartland's involvement with the Lottery and if Heartland Park supported the amendment suggested by Representative Bishop?

The final opponent was David Furnas of the Kansas Advertising Coalition, <u>Attachment #5</u>.

Harriet Lange, Executive Director, Kansas Association of Broadcasters, was unable to attend the Committee meeting, but made available her written comments in opposition to HB 2854, Attachment #6.

SB 245

David Wetzler, an Assistant Attorney General, testified in favor of $\underline{\sf SB}$ 245, Attachment #Z.

Committee discussion involved the dollar limit charities raise. Committee members asked what the filing fee for the charities is. Committee members discussed that perhaps the fee should be based on the amount of money the charities earn, and whether such a mandate would allow unscrupulous "charities" to slip under the wire. One Committee member mentioned that according to the statutory definition of charity, the Potawatomi Indian gambling might perhaps be subject to restrictions. One Committee member asked if the bill would apply only to 501(C)(3)? Mr. Wetzler was asked to let the Committee know of the 261 organizations that raised \$10,000 or more, how many of the 261 groups would become exempt if the limit were raised \$25,000, and/or \$100,000? Mr. Wetzler was also asked to report to the Committee with what kind of resources are needed to keep track of charities that fall under the limit? Other questions from Committee members were:

- Is the Attorney General's office being prodded to raise the amount?
- When a chairty files, do they pay a filing fee?
 Does an out-of-state organization register if soliciting?

Mr. Wetzler will report to the Committee with that information at a later date.

<u>HB 2910</u>

Jack Lacey, Acting Secretary of the Kansas Department of Wildlife and Parks, testified as a propponent, Attachment #8. Secretary Lacey also noted that federal action was expected in 1995 to make boating licenses mandatory and that this bill would fit well with any new regulations. Chairman Sebelius asked how many convictions have been made at present. Secretary Lacy said that there weren't many because of the inability to collect incriminating evidence. However, he said that 70% of boating accidents involve drug and/or alcohol abuse.

One Committee member expressed concern that the bill only addresses penalties for convictions, and not the fact that it is difficult to make that conviction, in the first place. It was also questioned whether a better alternative would be a mandatory boating license. It was asked if registration of the boats could be revoked, if a person refused to take a sobriety test. A Committee member asked how many convictions had been made. In the area of second offenses, a Committee

member asked what is the central point where B.U.I. information is compiled to know if it is a second offense.

Helen Stephens, Kansas Peace Officers Association, Attachment #9, testified in favor of HB 2910.

Chair Sebelius adjourned the meeting

GUEST LIST

DATE 2-27-92

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REPRESENTATIVE, 91ST DISTRICT SEDGWICK COUNTY 1500 W. 32ND N. WICHITA, KANSAS 67204



COMMITTEE ASSIGNMENTS
MEMBER: ECONOMIC DEVELOPMENT
GOVERNMENTAL ORGANIZATION
PUBLIC HEALTH AND WELFARE

ADVISORY COUNCIL ON AGING

TOPEKA

HOUSE OF REPRESENTATIVES

TO:

Rep. Kathleen Sebelius, Chairperson and members of

House Federal & State Affairs Committee.

FROM:

Rep. Tom Bishop

RE:

Testimony in support of HB 2854

DATE:

February 27, 1992

Thank you for the opportunity to appear before you today to support HB 2854, a bill to restrict advertising by the lottery.

I will be brief. The concern is the advertising of lottery activity at amateur athletic events. This relates specifically to Regents athletic events.

I am surprised the NCAA has not placed a ban on this activity and if this legislation does not become law I will pursue that option.

The bill, as written, includes broadcasting. I am not as concerned with radio or TV promotion.

It is the on-site promotions at amateur athletic events that should prohibited.

I'll be glad to respond to questions.

Thank you.

House Federal? State affairs February 27, 1992 attachment#1

Lottery advertising draws lawmakers' fire

By Anne Fitzgerald

The Wichita Eagle

TOPEKA — Everyone loves a freebie.

That marketing maxim hasn't been lost on the Kansas Lottery, which sometimes distributes free

lottery tickets, can coolers and other items at college and professional sportevents around the state.

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But some legislators find the

Sweetening the pot: Finney alters school plan. 12D

practice offensive and have introduced a bill that would prohibit lottery advertising at all athletic events, because, according to them, the promotions encourage gambling by the young.

The bill also would put a stop to lottery advertising on radio or television broadcasts of sporting events and would prevent the lottery from spon-

soring any sporting event.

Sponsors of the legislation contend that combining athletics with gambling is bad public policy, especially when children are in-Volved.

"It's really the wrong statement to be making," said Rep. Tom Bishop, D-Wichita, the main sponsor of the bill.

Officials at the lottery and at sports organizations that receive lottery advertising dollars think that's a bunch of bunk.

There is no activity that we promote or aim at anyone under age 18," said Ralph Decker, director of the Kansas Lottery.

According to Decker, 75 percent of those who play the lottery are also sports enthusiasts.

"They're such great supporters

of us, we want to support them," he said.

"Why aren't the people concerned about drugs, liquor and cigarettes? I've seen more people killed from those than from lottery. If you're going to be moralistic . . . let's get into the other items, too."

But sponsors of the legislation see it differently.

"Aren't we trying to do things about those (vices)? Don't we continue to try to do things about all of those?" said Rep. Elizabeth Baker, R-Derby, a co-sponsor of the bill.

Bishop said the lottery's advertising hit home when his two children returned from a Wichita Wings soccer game carrying can coolers that had been tossed into the audience as part of a lottery promotion.

House Majority Leader Tom Sawyer, D-Wichita, doesn't have children but said he saw other people's children scratching lottery tickets at a recent Kansas State University basketball game.

"I don't think the state ought to be promoting the lottery," said Sawyer, also a co-sponsor of the bill. "If people want to do it, that's fine, but we shouldn't be advertising to compel them to gamble."

The lottery spends about 2.8 percent of its sales revenue on advertising and promotion. Just over \$2 million is in the budget for this fiscal year.

The lottery uses signs, banners, program ads, free tickets and other freebies to advertise at Wichita State University basketball and baseball games; at other regents schools' sporting events; at Wichita Wings, Wichita Wranglers and

Kansas City. Royals games; and at various racetracks around the

Children make up at least 15 percent of the audiences at many of the events, and lottery promotion dollars account for as much as 10 percent of the organizations' advertising revenues.

If the bill becomes law, it will have a negative economic impact, some officials said.

"I'm against it 100 percent. It would be a significant loss of revenue for us, no question," said Gary Sobba, assistant athletic director at WSU, whose sports programs have been hit hard recently by financial problems.

WSU's athletic department takes in about a quarter-million dollars a year from advertisers, Sobba said, and the lottery contributes about 4 percent of that revenue.

TESTIMONY TO: HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

By: Rob Gaskell, Chairman- People Against Casinos

Date: Feb. 27, 1992

Madam Chairman, and other distinguished members of this committee:

It is indeed a privilege to come before you once again. I come to endorse wholeheartedly $\frac{HB-2854}{}$, which is before you. There are two reasons why I support this measure.

First, I have been an avid listener to the Kansas Jayhawks radio broadcasts since the first grade, some 27 years. I hold a special respect for the institutions of higher learning, and for the institution of team play, which has been aptly and simply described as "Kansas Basketball." It bothers me personally, I guess because of my acquired knowledge of the effects of gambling on individuals, when I hear during each game the "Jayhawk Trivia Question" which is sponsored by the Kansas Lottery. Then, there is the last part, "Somebody's always winning the Kansas Lottery." If the officials of the Lottery followed the type of code of ethics which Kansas Bankers must in truth in lending, the statement would more correctly read, "Somebody's always losing in the Kansas Lottery," because that is the reality of gambling. There are a lot of losers, and few winners. That is a personal observation of mine.

The other reason, has to do with where the advertising is being aimed. I will attempt not to make this primarily a negative attack on the Kansas Lottery itself, or its fine director, Mr. Ralph Decker. I highly respect him for his many years of service, formerly in law enforcement, and I do not envy his having to keep the watchful eye on millions of tickets and on

House Federal 3 State affairs
February 27, 1992

Attachment #2

all the dough. I appreciate that he has a job to do. But I would like to ask the question: Is sports, namely collegiate and professional as well, the proper direction to proceed in advertising for the lottery? That is, if it is chosen to be retained, which I hope it will not.

You may recall, Chairman Sebelious, and members of the committee, that when I last appered before this body I pointed out a study by a sociologist, Mr. Henry Lesieur of St. Johns University which found students in college are 8 times more likely to become addicted gamblers than the other adults. If we compare the widely accepted rate of 1 in 20 gamblers becoming compulsive, as in not being able to stop without help, then you have now 8 in 20, or nearly half of students who gamble becoming potential long-term victims of this.

Is lottery addictive? Kristine Shuckman, who testified Tuesday over in a Senate committee, says emphatically, yes. A recovering compulsive gambler from Blue Springs, MO, she nearly lost it all-including her husband and children to her \$500 a-week habit. She got help, and now recommends that states get out of the lottery sponsorship business, or properly fund rehab programs and centers for those who we must anticipate will fall prey to uncontrollable gambling activity.

The key, I feel in this matter is the advertising message itself. Where is it going, and what is it doing? I am greatly concerned that young people on our college campuses, perhaps still searching for a major in their studies, while they in turn search for pleasurable escape from the grind of schoolwork, will find some of that in the lottery games. With the message "Somebody's always winning" echoing through their heads it is highly possible they will fall into the

HF 35A 2/27/92 same trap Debra Kim Cohen from New Jersey did. If you would look at the back page, a Feb. 1991 Time Magazine article, "The Rise In Teenage Gambling" has been attached. At the lower left, marked #1 notice that sports betting is listed, along with lottery as a favorite pastime of young bettors.

Why are kids so likely to get hooked? I believe that Valerie Lorenz, Director for the National Center for Pathelogical Gambling has hit the nail on the head. "The message we're conveying is that gambling is not a vice, but a normal form of entertainment."

Why is that? California psychologist Durand Jacobs explains there at the lower far-right, that "Public understanding of gambling is where our understanding of alchoholism was some 40 years ago." Is that what we want to perpetuate here in Kansas? I certainly hope not. The young people of Kansas need your help, so they can avoid some of this temptation.

I respectfully request that this committee look upon this bill favorably, and approve it. I thank each one of you for your time today.

Sincerely,

Rob Gaskell

The Rise of Teenage Gambling

A distressing number of youths are bitten early by the betting bug

By RICARDO CHAVIRA WASHINGTON

mid the throngs of gamblers in Atlantic City, Debra Kim Cohen stood out. A former beauty queen, she dropped thousands of dollars at blackjack tables. Casino managers acknowledged her lavish patronage by plying her with the perks commonly accorded VIP customers: free limo rides, meals, even rooms. Cohen, after all, was a high roller. It apparently did not disturb casino officials that she was also a teenager and—at 17—four years shy of New Jersey's legal gambling age.

Finally, Kim's father, Atlantic City de-

on Problem Gambling, based in New York City. "Now we are finding that adolescent compulsive gambling is far more pervasive than we had thought."

Just 10 years ago, teenage gambling did not register even a blip on the roster of social ills. Today gambling counselors say an average of 7% of their case loads involve teenagers. New studies indicate that teenage vulnerability to compulsive gambling hits every economic stratum and ethnic group. After surveying 2,700 high school students in four states, California psychologist Durand Jacobs concluded that students are 2½ times as likely as adults to bebookies threatened me. One said he would cut off my mother's legs if I didn't pay." Still Greg continued to gamble. Now 23, he was recently fired from his job after his employer caught him embezzling.

Why does gambling fever run so high among teens? Researchers point to the legitimization of gambling in America, noting that it is possible to place a legal bet in every state except Utah and Hawaii. Moreover, ticket vendors rarely ask to see proof of age, despite lottery laws in 33 states and the District of Columbia requiring that customers be at least 18 years old. "You have state governments promoting lotteries," says Valerie Lorenz, director of the National Center for Pathological Gambling, based in Baltimore. "The message they're conveying is that gambling is not a vice but a normal form of entertainment." Researchers also point to unstable families, low self-esteem and a societal obsession with money. "At the casinos you feel very important," says Rich of Bethesda. Md., a young recovering addict. "When you're spending money at the tables, they give you free drinks and call you Mister.'

Efforts to combat teen problem gambling are still fairly modest. Few states offer educational programs that warn young people about the addictive nature of gambling: treatment programs designed for youths are virtually nonexistent. In Minnesota, where a study found that more than 6% of all youths between 15 and 18 are problem gamblers, \$200,000 of the expected income from the state's new lottery will go toward a youth-education campaign. That may prove to be small solace. Betty George, who heads the Minnesota Council on Compulsive Gambling, warns that the lottery and other anticipated legalized gambling activities are likely to spur youth gambling.

Security guards at casinos in Atlantic City and Nevada have been instructed to be on the alert for minors. But it is a daunting task. Each month some 29,000 underage patrons are stopped at the door or ejected from the floors of Atlantic City casinos. "We can rationally assume that if we stop 29,000, then a few hundred manage to get through," says Steven Perskie, chairman of New Jersey's Casino Control Commission. Commission officials say they may raise the fines imposed on casinos that allow customers under 21 to gamble.

Counselors fear that little will change until society begins to view teenage gambling with the same alarm directed at drug and alcohol abuse. "Public understanding of gambling is where our understanding of alcoholism was some 40 or 50 years ago," says psychologist Jacobs. "Unless we wake up soon to gambling's darker side, we're going to have a whole new generation lost to this addiction."

She's only sixteen. She doesn't do drugs. But she does have a dealer.

TWENTY-ONE IS NOT JUST A GAME, IT'S THE LAW.

PLEASE ASK TO SEE A LICENSE, IF YOU DON'T WE COULD LOSE OURS.

•Harrahis.

In Atlantic City, billboards warn parents and youths of the lurking danger

Of the estimated 8 million compulsive gamblers in America, fully 1 million are teenagers.

tective Leonard Cohen, complained to authorities. Kim was subsequently barred from casinos. But by then the damage had been done. "She was an addicted gambler," Cohen says of his daughter. Moreover, Kim had squandered all her money, including funds set aside for college. Officials at the five casinos where she gambled claimed that her case was an anomaly.

On the contrary, Kim's sad case is only too common. Gambling researchers say that of the estimated 8 million compulsive gamblers in America, fully 1 million are teenagers. Unlike Kim, most live far from casinos, so they favor sports betting, card playing and lotteries. Once bitten by the gambling bug, many later move on to casinos and racetrack betting. "We have always seen compulsive gambling as a problem of older people," says Jean Falzon, executive director of the National Council

come problem gamblers. In another study, Henry Lesieur, a sociologist at St. John's University in New York, found eight times as many gambling addicts among college students as among adults.

Experts agree that casual gambling, in which participants wager small sums, is not necessarily bad. Compulsive betting, however, almost always involves destructive behavior. Last fall police in Pennsauken, N.J., arrested a teenage boy on suspicion of burglary. The youth said he stole items worth \$10,000 to support his gambling habit. Bryan, a 17-year-old from Cumberland, N.J., recently sought help after he was unable to pay back the \$4,000 he owed a sports bookmaker. Greg from Philadelphia says he began placing weekly \$200 bets with bookies during his sophomore year in college. "Pretty soon it got to the point that I owed \$5,000," he says. "The

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HF 35A 2/26/92



Joan Finney Governor

Ralph W. E. Decker **Executive Director**

HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE FEBRUARY 27, 1992

House Bill #2854

Approximately two years ago, the Kansas Lottery contracted Target Research of Topeka, Kansas to conduct a random sample survey of Kansas residents, aged 18+. Its purpose was to help better understand player profiles and characteristics. The survey consisted of 800 personal telephone interviews.

Among the questions asked to the respondents included some inquiries regarding their sports interest. Seventy-one percent (71%) of those surveyed said they watch sports on TV or listen to sports broadcasts on the radio. More specifically, eighty-two percent (82%) of the male respondents are sports fans and watch or listen to their favorite teams on television and radio respectively.

Shortly after those survey results came in, the Kansas Lottery contacted several other lotteries to investigate further about sports sponsorships. The Iowa Lottery told us, "It is a good supplemental advertising buy to the year-round marketing plan" and feels sports sponsorships directly target the lottery audience. Colorado said, "Loyal sports fans are also lottery players." Oregon feels sports sponsorships result in a direct sales impact as well as an enhancement of the Lottery's image. And Missouri told us sports sponsorships provides a high profile for the Lottery.

At the same time, the Kansas Lottery contacted several advertisers to gain their feedback. Fourth Financial Corporation told us that through sports sponsorships, their company was reaching a quality audience for fewer dollars than possible with other opportunities. Amoco Oil said sport sponsorships were the best way to reach into the rural and metro areas of the state at a fairly reasonable rate. And Valvoline Oil commented that the sports sponsorships created excitement among consumers and retailers.

A 1989 market research report from the National Hot Rod Association said the sport of drag racing "delivers an upscale audience with above-average discretionary income." That's why major corporations such as Ford, Goodyear, AC-Delco and Firestone are involved in sports sponsorships.

128 N. Kansas Ave Topeka KS 66603-3638 (913) 296-5700 House Federal 3 State fairs

Jehrusy 27, 1992

Ottachment #3

As the Kansas Lottery developed a relationship with Heartland Park Topeka motor sports track within the past year, we also visited with past sponsors such as Pepsi, Wendy's, RJ Reynolds and AC Delco. A common thread throughout all the conversations was that the sports race fan is a loyal supporter of the track sponsors. That is, the fan will go out and buy the product such as a Wendy's hamburger, a can of Pepsi or spark plugs from AC Delco. Indeed, the Kansas Lottery learned last year how true that assertion was: in just three events in the second half of the 1991 season, more than 13,000 lottery tickets were sold; many to out-of-state residents.

So it has become more apparent to the Lottery as time passes that sports sponsorships would achieve the following results:

- * An efficient use of the advertising dollars to reach our players.
- * Directly targets lottery players who are sports fans and vice versa.
- * High levels of visibility with opportunities to promote the Lottery to thousands of persons.
- * An important vehicle to educate lottery players about new products.
- * Be seen as a civic and community-minded organization which supports the local teams.

On the broadcast level, the Lottery has purchased radio sports sponsorships with the Kansas City Royals, Kansas City Chiefs, Kansas State University, University of Kansas, Wichita State University and the Wichita Wranglers minor league baseball team. As we tested the waters, we found great interest not only from the fans. So, we wanted to do more than just buy commercial time and expand our role with the radio networks.

For example:

On the K-State radio network, the Lottery developed a trivia contest where fans could win not only lottery tickets, but also an all-expense paid trip to the Big Eight post season basketball tournament.

The KU football and basketball network features the Lottery Jayhawk trivia question which tests the minds of sports fans at home but is an important vehicle for the Lottery as well.

On the Wichita State University basketball and baseball network, the Lottery began a tradition of saluting the star player of the game and at the end of the year, we presented the player of the year award to the top athlete.

The response to these programs was very positive. And our relationships with these sports programs grew to the point that we felt, and so did the schools and professional sports organizations, that the next natural step would be to get involved with the actual games and develop a presence.

This fiscal year, the Lottery has five event-sponsorships. These are: Kansas State University, Heartland Park Topeka, Wichita State University, the Wichita Wings professional soccer team and the Wichita Wranglers minor league professional baseball team.

In each case, the Lottery kept in mind its five key goals before any deals were made. An efficient use of dollars, high visibility, a direct path to our players, a forum to educate our players and an enhanced community image. The one thing that we were not expecting, but has become an incredible bonus, has been lottery ticket sales. As I mentioned, last year more than 13,000 lottery tickets were sold at Heartland Park Topeka. In 1991, the Wichita Wings sold more than 6,000 tickets. This year, with higher attendance numbers and better promotions, the Wings have sold more than 10,000 lottery tickets and there are still six home games remaining in the regular season. And the Wichita Wranglers baseball team sold 3,500 lottery tickets last summer.

In addition, we were able to conduct some product sampling at the Kansas State and Wichita State sporting events. For your information, manufacturer's coupon redemptions in stores normally are about two to four percent. Historically, when the Kansas Lottery offers a buy one ticket and get one free ticket, the redemption rate has been approximately eighteen percent (18%). But with a free play, we found out the redemption level was as high as sixty-seven percent (67%) at these sporting events. In addition, these coupon redemption programs brought additional customers into our lottery retail outlets and potentially more revenue for Kansas stores.

Product sampling at the sporting events, in fact, assisted the Lottery in successfully kicking off the new Pick 3 game last month. With player educational opportunities at Kansas State, Wichita State and Wichita Wings' events in January, the Lottery was able to reach more than 27,000 people. Pick 3 sales during the first few weeks are triple that of original sales projections.

The Lottery is keenly aware that persons under the age of 18 attend sporting events, especially at the collegiate level. However, Kansas State and Wichita State officials estimate that more than sixty-five percent (65%) of the fans are OVER 18 years of age. When the Lottery conducts product sampling, our employees have been told not to give a handbill to anyone under the age of 18. If there is any question in our minds regarding the age of a person, we simply do not give that person the lottery flyer.

Representatives of all five sports programs, including Wichita State University and Kansas State University, report they have not received any complaints regarding the Lottery's sponsorships. And all five

programs have indicated interest in continuing their relationship with the Lottery next fiscal year. They see the Lottery as value-added entertainment to their programs.

Sports marketing in 1992 accounts for approximately seven-percent (7%) of the Lottery's communications' budget. Without the ability to directly target our players at sporting events or at home watching or listening to sporting events, we will have to develop other ways to reach our players.

In conclusion, we feel sports sponsorships are a valuable tool to efficiently and directly reach our lottery players. These high-visible opportunities provide a forum to educate Kansans about the Lottery and in turn, we believe the sports fans will support the Lottery.



The Center of America's Motorsports

February 27, 1992

Topeka, Kansas 66619

Good afternoon. I am Tim Schuler, Director of Sales and Sponsorship for Heartland Park Topeka. Heartland Park Topeka is a world-class multipurpose motorsports facility, and I would like to express our opposition to House Bill 2854. In the next few moments, I will outline our relationship with the Lottery and the wide-ranging benefits this relationship generates.

I want to thank Chairperson Kathleen Sebelius and the rest of the Committee for allowing me the opportunity to express our opposition.

Heartland Park has hosted national motorsports events since 1989. Facility corporate sponsors allow Heartland Park to bring large-scale events to Kansas, and allow us to offer reasonable ticket prices to the fans who attend. Heartland Park began a marketing and advertising partnership with the Kansas Lottery in June 1991. The Kansas Lottery and Heartland Park share common economic goals. When the Kansas Lottery and Heartland Park Topeka profit, the state of Kansas profits.

The partnership is a natural one. Demographic surveys show that the customers for our events are very similar to the target audience for the Lottery. The results of our partnership have proven those surveys. Simply put, racing fans are brand loyal and are lottery customers. In September 1991, a single Lotto America terminal at Heartland Park sold more tickets than any other terminal in the state that day. At that national drag racing event, Heartland Park estimated a total attendance of 88,500 fans, with more than sixty percent of those fans coming to Kansas from another state. The Topeka Convention and Visitors Bureau estimated that the four-day event brought more than 11 million dollars directly into the economy of northeast Kansas. In addition, the strong Lottery sales at the track and around the state during that event pumped thousands of additional dollars into the state economy.

The Lottery experienced such huge sales success at Heartland Park events in 1991, that they have signed on as the title sponsor for the 1992 Kansas Lottery Heartland Championships during the Memorial Day weekend. This event draws drag racing fans and competitors from the central United States and Canada. Because of the promotional support of the Lottery,

House Federal & State Offairs February 27, 1992 attachment #4 this event is expected to draw a three-day crowd of 20,000 spectators. The many Lottery retail outlets in Kansas allow Heartland Park to promote the event in all corners of the state, and reach thousands of new potential customers. As title sponsor for the event, the Lottery receives thousands and thousands of dollars in additional media exposure in the state (and surrounding states) through Heartland Park event advertising. Media coverage of the event includes national motorsports publications and national television coverage on ESPN and The Nashville Network.

Why do we believe this bill is unfair? First of all, the Lottery is a legal product that is sold at 2200 retail outlets in Kansas. Much like other consumer goods such as alcohol or cigarette products, it is legal for anyone over 18 years of age to purchase a Lottery ticket. Alcohol and tobacco companies are free to promote their products at these events, yet this bill would prohibit the Lottery from doing the same. In fact, it would even prohibit them from advertising on *broadcasts* of sporting events! This is unfair discrimination against a legal product that has generated more than 73 million dollars for the state of Kansas.

Kansas Lottery signage and banners at Heartland Park Topeka are no different than typical Point of Sale displays at any of the more than two thousand other Lottery sales outlets. Using the twisted logic of this bill, will the next step be to ban anyone under 18 years of age from entering their local Dillons store or KWIK Shop because they may come in contact with Lottery signage or advertising?

In conclusion, the Kansas Lottery is an integral part of the sponsorship and marketing mix at Heartland Park Topeka. If our facility is to thrive and survive economically, we must continue to work with a wide variety of sponsors such as the Lottery. Heartland Park Topeka is committed to our partnership, and believes it benefits the citizens of the state of Kansas. This bill would cripple our relationship, and be detrimental to the future success of the Lottery and Heartland Park Topeka, the finest motorsports facility in North America.

Submitted by:

Tim Schuler, Director of Sales/Sponsorship

Heartland Park Topeka

HF 3 SA 2/27/92 4-2

TESTIMONY on HB 2854 before the House Federal & State Affairs Committee Feb. 27, 1992

My name is David Furnas and I am appearing on behalf of the **Kansas**Advertising Coalition, which includes the Topeka Advertising Federation, Wichita Advertising Federation and the Greater Kansas City Advertising Federation. The advertising federations are organizations with members from radio, television, newspapers, advertising agencies and the advertising offices of many of the state's largest organizations.

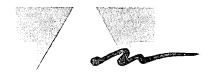
The coalition has asked me to express to the committee their concern about House Bill 2854 which would stop all Kansas Lottery sponsorship of, or advertising on, sports programming. It is assumed that if adopted, this bill would end the promotions at such events as the KU-K-State football game this past year and other sporting events as well as perhaps indoor soccer games in Wichita.

The primary concern of advertising professionals, of course, is that our organizations are philosophically opposed to any legislation with would prohibit advertising of a legal product or service. That philosophical concern is the overriding reason why the coalition opposes this bill.

As a practical matter, those in the advertising business realize that understanding the market for a product or service, and reaching that market effectively, can be the turning point of the success of a product or service.

If it is the intent of this committee or the legislature to reduce the effectiveness of the Kansas Lottery in raising funds for state government, then the intent of this bill could be understood by advertising professionals, who would be still opposed on philosophical grounds. But if the Legislature intends to maintain a healthy revenue source for state government, then reducing effective means of advertising for the Kansas Lottery doesn't appear to be the best approach.

House Federal & State Officer. Jebruary 27, 1992 Atlachment #5



February 26, 1992

To: The Federal & State Affairs Committee

Re: House Bill #2854

By my signature below, I show my opposition to

House Bill #2854 which would prohibit all Kansas

Lottery sponsorship of, or advertising on, sports programming.

While this bill may be well-intentioned, we are philosophically opposed to any bill that would attempt to restrict or limit the advertising of any legal service or product.

House bill #2854 would prevent producers of a legal product from using traditional methods of communicating with consumers about that product.

All advertising and promotions conducted by the Kansas Lottery are aimed to adults attending or listening to sporting events. This bill appears to be an attempt to legislate parental discretion. It is not illegal nor should it be made illegal for the Kansas Lottery to provide promotional lottery tickets to anyone age 18 or older.

We urge you to stop this bill from going into effect.

Signature

Name

Home Address & Zip

TOPEKA

P.O. Box 1251

advertising

KathleenM. Funk-Linton 10248 S. Topoka Blud. Luakarosa 66546 BARBARA BOUSUM 6203 SW 215+ TERR TOPEKA, KS WELF
Jolene M. Leiker 3306 SW 20 5 St. Topeka, KS 6660 219 NW Waite TOPEKAKS 66606 Nancy Mohler 5631 SW 15th 66604 1810 SW 41GH 7 W 37 Ten 209 66609 Flaiale 1570 SW Uillage 3741 SE 3414 PCW StroTHIMEA 5330 SE Crom Boad Berryton 66409 Carrier 66047 2741 Breckwooder 4421 SW MARCBURO 6666 DRI BUSCH 4301 WIMBLEUON TER LAWRENCE 66047

RR#2 Bux 436 Holton, K, 66476 13205W 27 J-68 TOPEAKS 6664 1242 66611 ATCHINON, KS. 66002 RNAZ CHAPMIN 18 6783 3121 Macviche Topeka 66611 ZOISS.W. OAKLEY TOKKA GOGO & 812 NE Poplar Topeka, KS 66616 Topelsa, KS 66605 1204 SE MARY 35 OND CT. TOPENAL KS 66609 2234 BRECKENRIDGE LAWRENCE KI 680-47 2955 SW McClure Rd Topeta KS 6414 orilun Thomoson MOTHYA. OZURAWSKI 1141 Sed Woodward Av Broughills Topeka 18 Michael Wareham 1972 SW Fordelows Tep Lon 04 1985 Regency Pkwy Drive Top. KS 104 Scott Price TEFFEEY R. FRYE 1520 Medford, Topeks US 66504 Keith A. Walberg 6416 5 W 1020 DE 66619 3736 SW Plaza DE 66619 1645 SW 37 5 Ton. 8916 66609 Conniesue Christi STEVE E. CARSON 1722 Webster Topeka lelikon SHANNON HART 4172 SW GT 207 Topeka 66606
4420 NW MISSION 66618 Michael D. Burnha LOISEIM MIN OSFH JERRY BARKER 2536 SW Duncan Dr Top 66614 Demrah Scanland 4825 SE BERNITON DO, TOPER 66609
2965 SON THE BURY TOPER CUPTY
3/28 COLFAY TOPORQ WASTE BUNT ESKILSON indo Elsenbur 3118 SW MS TOPEKA 66604 3615 JW WOODVALLEY PL FOPEKA, KS GLOPH ZOD SEEL RANDY SMITH 6325 S.W. 324 St., Topcka 66614 Kenneth P. Weddle 201 SW 29 - Tou #11 Tapela 66611 An u Kokonal 1262 Boswell Topeka 66604 Gary A. Jones Jill M. Sittenauer 1265 Indian Tr. Ct. Topla 66604 Sittenauer 1500 Melain 62 = 17 Manhotta-18 66502 Angela F. Greek 9021 SW 24 19-TOPEKA 15666 M KATHIFEN JACKSON 1616 S.W. Campbell Topoha, KS 66604 SUE RIVER 1620 NW 65 TOPEKS ES GULLS GOLDY Karla Ewing BOB CALVERT Rt. 1 BOX 54 GRASTVILLE, KS. 66429 MARK AKAGI 521 Livoley Laurence KS 666 4132 SW 642 # 20 Topula 66600 Alison KKOSSOVEY 1200 Pierro Markattas KS 66502 MACIAG PO DOX 234 AUTHVISTAKS 66830 Das Jardine Terrace Manhattanks Deffor Waldron Micinia Baincartali 3016 Sw Lincoln, TOREKA, 45 66611 NANCYWEST TOTOTALLY 66604 1900 WATHE WAN STEVE D. ROACH 2929 Knellwood, Topska Ke 16611

> HF35A 3/3/3



PRESIDENT

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Chet Tart KRBB FM Wichita

913/235-1307 FAX 913/233-3052

February 27, 1994

TO: Members of the House Federal and State Affairs Committee

FROM: Harriet Lange, Executive Director

RE: HB 2854 / Lottery promotion and advertising

As a matter of principle we object to any legislation that would prohibit advertising in any medium, of a legal product, service, or enterprise. And we object to any legislation that singles out radio and television programming and advertising for regulation or prohibition.

Inasmuch as HB 2854 would prohibit advertising on sports and athletic broadcasts by a legal enterprise - the Kansas Lottery - we must oppose it.

We urge you not to prohibit Lottery advertising on sports broadcasts. Thank you for your consideration.

House Federal & State Offairs February 27, 1992 attachment # 6



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN ATTORNEY GENERAL MAIN PHONE: (913) 296-2215 CONSUMER PROTECTION: 296-3751 TELECOPIER: 296-6296

TESTIMONY OF
ASSISTANT ATTORNEY GENERAL DAVID C. WETZLER
ON BEHALF OF ATTORNEY GENERAL ROBERT T. STEPHAN
TO THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

RE: S.B. 245

FEBRUARY 27, 1992

Madam Chairperson and Members of the Committee:

Attorney General Stephan offers Senate Bill 245 in order to make minor changes to the registration requirements for charitable organizations under the Charitable Organizations and Solicitation Act.

The Act provides numerous basis for charitable organizations to exempt themselves from registering with the Secretary of State. One of the exemptions begins at line 42 of page 1 of Senate Bill 245. Under this provision, a charitable organization is not required to register with the Secretary of State if it meets both of the following conditions: 1) the charitable organization must not intend to solicit and receive and must not actually receive contributions in excess of \$10,000 during the organization's tax period, and 2) the organization's fund raising functions must be carried on by persons who are unpaid for soliciting funds on behalf of the organization.

House Federal & State Affairs Lebruary 27, 1992 The Attorney General originally suggested to the Senate Committee on Federal and State Affairs that the amount in line 1 of page 2 be raised to \$100,000. The Senate Committee amended the line to reflect the amount of \$25,000 instead of \$100,000. The Attorney General would prefer the amount be raised to \$100,000 but will not object to the amount of \$25,000 if this committee decides it is a more appropriate figure.

The Attorney General is requesting this change for the following reasons. First, it is apparent the \$10,000 figure was enacted to exempt charities which were not in the business of full-time fund raising but raised money occasionally for various charitable causes. The Attorney General wants to maintain this exemption but he is interested in changing the dollar amount to reflect the amount of money these "small" charities are able to raise in comparison to the amounts they raised when the act was originally passed by the legislature.

Second, because even small charities are easily able to raise more than \$10,000, a larger amount of charities are required to register with the Secretary of State. Due to the increase in registration and limited personnel, the Attorney General and Secretary of State are unable to police and enforce this registration requirement. Such inability renders this registration requirement useless.

Additionally, the Attorney General is requesting this committee to strike the language which states "if all of such organization's fund raising functions are carried on by persons who are unpaid for such services."

The deletion of this language would enable the "smaller" charities to employ professional fund raisers to assist them in soliciting charitable contributions while remaining exempt from the registration requirements. It should be noted the professional fund raiser who is hired by a charitable organition would still be required to register with the Secretary of State and indicate the name of the organization for whom it is soliciting funds.

The proposed changes to the Act would exempt more charitable organizations from the Act's registration requirements; however, all charitable organizations, regardless of size or exemption status, would remain subject to the provisions of the Act which prohibit unlawful acts and practices in connection with charitable solicitations. This change would primarily benefit groups such as the Optimist Club, Elks Club and other fraternal or social organizations which raise funds for charitable purposes but are not in the business of soliciting funds on a full-time basis.

Attorney General Stephan respectfully requests that you approve this bill.

SB 245

TESTIMONY PRESENTED TO: HOUSE FEDERAL & STATE AFFAIRS COMMITTEE PROVIDED BY: KANSAS DEPARTMENT OF WILDLIFE AND PARKS

H.B. 2910 amends K.S.A. 32-1131 and 32-1132, pertaining to the operation of a boat or vessel while under the influence of drugs or alcohol. The bill provides that a person found guilty of operating a vessel under the influence or who refuses to submit for testing to determine the presence of drugs or alcohol shall not operate a vessel without first satisfactorily completing a boater education course.

The Department of Wildlife and Parks provides a voluntary boater education program. In addition, organizations such as the Coast Guard Auxiliary also provide boater education courses.

H.B. 2910 provides for the Secretary of Wildlife and Parks to approve appropriate boater education courses that will allow for compliance with the bill.

Officers of the department responsible for enforcement of boating laws and regulations have been provided with equipment to test for B.U.I. The officers have been trained to properly operate the equipment and supplementary training is routinely provided.

B.U.I. statutes of this department are very similar to D.U.I. statutes. Under D.U.I. statutes, persons found guilty of D.U.I. or persons refusing to submit to D.U.I. testing are subject to loss of their driver's license. There is not a similar provision for B.U.I. because a boater's license does not exist.

Establishment of a requirement to take a boater education course would expose persons found guilty of B.U.I. or those refusing to take a B.U.I. test to a course which deals in part with boating and use of alcohol or drugs. They would also benefit from the safety and proper operation components of the training. Some individuals may have already completed a boater education course, but they would still be required to complete the course again prior to operation of a boat.

House Federal 3 State affeirs Jebruary 27, 1992 Astachment # 8

BOARD OF GOVERNORS GOVERNORS

(At Large)
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Chief of Police

Arkansas City, Kansas 67005 CHARLES RUMMERY Chief W.S.U. Police

Wichita, Kansas 67208 DENNIS TANGEMAN Kansas Highway Patrol

Topeka, Kansas 66603 BOB SCHUMAKER Santa Fe R.R. Police Topeka, Kansas 66612

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FRANK P. DENNING
Johnson Co. Sheriff's Office

Olathe, Kansas 66202 DAVE SMALL Paola Police Department

Paola, Kansas 66071

DARRELL PFLUGHOFT

Kansas Lottery Security

Kansas City, Kansas 66103

DISTRICT 2

DANA KYLE

Riley County Police Department Manhattan, Kansas 66502 RANDALL THOMAS

Lyon County Sheriff's Office Emporia, Kansas 66801 DOUGLAS PECK

Kansas Highway Patrol Emporia, Kansas 66801 DISTRICT 3 IIM HUFF

Chief of Police Ellsworth, Kansas 67439

CARL McDONALD
Dickinson County Sheriff's Office
Abilene, Kansas 67410
ALLEN BACHELOR

ALLEN BACHELOR Kansas Highnoay Patrol Salina, Kansas 67401 DISTRICT 4

LAWRENCE YOUNGER
Chief of Police
Hays. Kansas 67601

JOHN FROSS
Ft. Hays State University Police

Hays, Kansas 67601 FRANK REESE Ellis County Sheriff's Office Hays, Kansas 67601

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KENT NEWPORT
Holcomb Police Department

Holcomb, Kansas 67851 CAMERON HENSON Kansas Bureau of Investigation Liberal, Kansas 67901

Liberal, Kansas 67901 RAY MORGAN

Kearny County Sheriff's Office Lakin, Kansas 67860 DISTRICT 6

DAVE SMITH
Hoisington Police Department
Hoisington, Kansas 67594

JIM DAILY Barton County Sheriff's Office Great Bend, Kansas 67530

DICK BURCH Kansas Law Enforcement Training Ctr. Hutchinson, Kansas 67504

DISTRICT 7
DELBERT FOWLER
Chief of Police
Derby, Kansas 67037

Derby, Kansas 67037

BOB ODELL

Cowley County Sheriff
Winfield, Kansas 67156

Winfield, Kansas 67156
LARRY WELCH
Ks. Law Enforcement Training Center

Hutchinson, Kansas 67504
DISTRICT 8

ALLEN FLOWERS
Chief of Police
Coffeyville, Kansas 67337
LOWELL PARKER

Greenwood County Sheriff Eureka, Kansas 67045 TINY WILNERD Ks. Dept. Wildlife & Parks

Howard, Kansas 67349
SERGEANT-AT-ARMS
KENNITH McGLEASON
Kansas Highway Patrol
Wakeeney, Kansas 67672

Kansas Peace Officers' Association

INCORPORATED

TELEPHONE 316-722-7030 FAX 316-729-0655 P.O. BOX 2592 • WICHITA, KANSAS 67201



February 25, 1992 House Bill No. 2910

Madam Chairman and Members of the Committee:

My name is Helen Stephens, representing the 3,000 members of the Kansas Peace Officers Association.

KPOA supports passage of House Bill 2910. Although boat operators are not licensed, this bill does follow the same procedures as for those who operate a motor vehicle under the influence.

If you so desire to make a stronger statement on this issue, KPOA would support any amendments approved by Wildlife and Parks.

Thank you for the opportunity to speak to you today.

In Unity There Is Strength House February 27, 1992