

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Steven R. Brunk at 9:00 a.m. on May 05, 2011, in Room 346-S of the Capitol.

All members were present except:

Representative Kiegerl - excused
Representative Carlson - excused
Representative Seiwert - excused

Committee staff present:

Mike Heim, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Stephen Bainum, Committee Assistant

Conferees appearing before the Committee:

Representative Jane Goodman
Susan Riley, Kansas Charitable Bingo Association
Ralph Snyder, American Legion
Gary Walker, Bingo Manager at Hayden High School
John Phillips, Cessna Activity Center

Others attending:

See attached list.

Chairman Brunk opened the hearing on **SB 201 Bingo games; prize limits, time, location and conduct of games.**

Representative Jana Goodman testified as a proponent of **SB 201 (Attachment 1)**. She indicated that the bill was strongly supported by the Leavenworth County VFW, the American Legion Halls, as well as several churches. It provides some charitable funds and an opportunity for social contact.

Mike Heim, Office of the Revisor of Statutes gave a briefing on the changes in the bill.

Representative Goico asked if charitable games were separate from gambling. Mike said they were but thought the base bill could be amended.

Representative Gregory asked if the bill prevented advertising. Mike did not think that it did. She wanted to know the extent they went to for record keeping. Mike said that he would defer to others for the answer to that.

Representative Loganbill asked about the predicted increase in tax revenue if this bill is passed and how it is collected. Again Mike deferred to those who would testify later.

Representative Knox commented that this was bringing the Charitable Bingo laws up to date.

Susan Riley, Kansas Charitable Bingo Association testified as a proponent of **SB 201 (Attachment 2)**. She said that there were charitable organizations that depend on revenue from bingo. They serve senior citizens, veterans and youth and provide funding where the counties and state cannot. With the growth of the casinos many of these organizations face closing. This law will also benefit the state by the taxes that are collected. Changing the regulations does not add additional cost to the state.

Representative Patton questioned Susan about the collection of taxes. She indicated that they paid taxes on the paper and other items used in the game.

Representative Gregory asked if they were audited by the Department of Revenue. Susan replied that they were audited once a year.

CONTINUATION SHEET

The minutes of the House Federal and State Affairs Committee at 9:00 a.m. on May 05, 2011, in Room 346-S of the Capitol.

Ralph Snyder, American Legion testifies as a proponent of **SB 201** (Attachment 3). He presented the testimony of Charles M. Yunker who was unable to attend the hearing. He said that the changes in the bill would provide the flexibility that was needed by Bingo operators in order to remain viable.

Gary Walker, Bingo Manager, Hayden High School testified as a proponent of **SB 201** (Attachment 4). He said that the money they raise from Bingo goes directly into the operating budget of the school. Many things have changed since the Bingo rules were written 30 years ago. Now they have competition with the Indian Casinos, Indian Bingo Halls and Ft. Riley Bingo. We are asking for a little more flexibility in what we charge for playing papers and the monies we pay in prizes.

John Phillips, Cessna Activity Center, testimony as a proponent of **SB 201** was read by Susan Riley (Attachment 5). The revenue from bingo goes to the Cessna Activity Center in Wichita for the benefit of the employees. Surrounding States have much more liberal bingo laws with higher cash payouts. State owned Casino gaming, with their faster machines and their much greater cash awards can put the small Kansas Bingo games out of business.

Representative Rubin said that he supported the bill but that he might want an amendment on the progressive games.

Dave Thomas, Leavenworth American Legion gave Written Only testimony as a proponent of **SB 201** (Attachment 6). His testimony shared some of the impact that the casinos have had on Charitable Bingo.

Patsy Congrove, Department of Revenue, stood to answer questions from the committee about the taxes and licenses for Charitable Bingo. She explained the three different licenses issued by the Department.

Chairman Brunk closed the hearing on **SB 201**.

The meeting was adjourned at 9:57 a.m.

HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

DATE: May 5, 2011
ROOM 346-S

[illegible]

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HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
CORRECTIONS & JUVENILE JUSTICE
EDUCATION
SOCIAL SERVICE BUDGET

May 5, 2011

Thank you to the distinguished members of the committee and the chair for the opportunity to speak on behalf of SB 201.

This bill is strongly supported by Leavenworth County VFW and American Legion Halls, as well as several churches that have regular bingo nights. For them bingo does provide some charitable funds. However, many citizens I spoke with were primarily concerned with the social aspect of these evenings.

One veteran told me that they actually lose money on their weekly bingo night, but they continue to operate them because they are so important to the community as a "night out" for vets and their families.

This bill is an update to existing operating statutes for these organizations that preserves an important fundraising and fellowship opportunity to veterans groups and churches.

Representative Jana Goodman
Kansas House District 41

House Fed & State Affairs
Date: 5.05.11

Attachment

1

**Kansas Charitable Gaming Association
Susan Riley Chair
Testimony Senate Bill 201**

Dear Sirs and Madams;

As Chairwoman for the Kansas Charitable Gaming Association, I represent a large percentage of Bingo Licensees throughout the state. Almost without exception these organizations all depend on the revenue from bingo in order to keep their doors open. Many of our bingo organizations serve our veterans, senior citizens, and the youth of their community. They provide funding where the counties and state cannot.

As I travel around the state and talk to bingo organizations, I can't describe to you the fear on their faces when we talk about their organization's bingo revenue. The closing of their organizations is a very real possibility if we do not act swiftly in changing the current bingo regulations. Bingo regulations have not been revised in many years; they have not kept up with inflation. We must give these organizations the flexibility to meet the demands of their patrons. With the growth of casinos, many organizations find themselves with their backs against the wall. Although we understand we will never be able to compete with casinos we are simply asking for some flexibility in the bingo regulations.

The changing of our current bingo regulations benefits not only the nonprofits, but it will benefit the state as well. Taxes are collected on all bingo paper, instant win ticket, and daubers sold by the organizations. Changing the current regulations does not add additional collection costs.

I respectfully request that you pass Senate Bill 201 without amendments. Your support of this bill will tell everyone that you support Veterans, Senior Citizens, and the Youth of our state.

Respectfully

Susan Riley
Director, Emporia Senior Center
Chairwoman, Kansas Charitable Gaming

House Fed & State Affairs

Date: 5.05.11

Attachment 2

House Committee on Federal and State Affairs

Testimony on Senate Bill 201

By

Charles M. Yunker, Adjutant
The American Legion Department of Kansas

Thursday, May 5, 2011 Room 346S

Thank you Chairman Brunk and members of the Committee, on behalf of The American Legion Department of Kansas I wish to express our organization's sincere appreciation for granting me the opportunity to address you regarding Senate Bill 201, an Act concerning bingo games in the State of Kansas relating to the operation thereof and prizes awarded.

The American Legion is pleased to support Senate Bill 201 which is the result of compromises between our organization and others who support updating the games of Bingo in Kansas. The compromises contained in Senate Bill 201 are long overdue in order to allow both large and small Bingo operations to remain somewhat competitive in the face of increased gaming opportunities in Kansas.

We believe for instance the increases in maximum prizes and extended hour's mini bingo games may be offered will provide the flexibility needed by all Bingo operators in order to remain viable, thus providing the State a more stable source of revenue.

Again I wish to thank the Chairman and the Committee for providing this opportunity to testify in favor of Senate Bill 201. We urge your vote and support of this measure during this legislative session.

Charles M. Yunker

House Fed & State Affairs

Date: 5.05.11

Attachment

3

Hello, my name is Gary Walker. I am the Bingo Manager at Hayden High School here in Topeka. The money we raise from Bingo goes directly into the operating budget of our school and helps to lower tuition costs for our families. I thank you for allowing me to testify today on behalf of Senate Bill #201 that you are considering. Several of the Bingo Managers and Parlor Owners have worked on this bill to update some of the rules governing bingo in Kansas.

These rules have been changed very little since they were originally written thirty years ago. Many things have changed during that time. All the states around us are allowed to pay more prize money than we are. We are competing with Indian Casinos, Indian Bingo Halls, and Ft. Riley Bingo. And now many of our non-profit organizations will have the added competition of State-run Casinos. We will lose some of the smaller organizations that just can't compete, and without some changes many of the others will be in trouble. Bingo is one of the most regulated activities in the State.

One of the most important changes that we are asking for is adjustment on how we can sell and play games involving pull tabs. Downline Derby is a pull tab game that has saved many bingo halls in Missouri, but it is illegal in Kansas. We want to change that. You will hear more about Downline Derby in future testimony.

We also are asking for a little more flexibility in what we can charge for playing papers and the monies we can pay in prizes.

Highlights of these changes are:

- * A change in how individual games end allowing pull tab games to finish after regular bingos.
- * The addition of a game such as Downline Derby.
- * Minimum and maximum charges for papers and pull tabs.
- * Loosen restrictions on the playing of early bird games
- * Changes in how progressive pots are increased each session.

You already have a Director of Charitable Gaming whose job is to collect taxes on bingo, and to assist organizations in properly running their games. It has been my experience that she has done a good job in both cases and has been helpful and fair in working with our organization and I believe across the State. With the changes we are suggesting many of us will continue to survive with the competition we are facing. Additionally income that we would make is a necessity for us.

I stand ready to answer questions you might have.

Gary Walker

House Fed & State Affairs

Date: 5.05.11

Attachment

4

Thank you Chairman Brunk and Committee Member for conducting a hearing on S.B.201. I had a previous commitment today and couldn't attend your committee hearing. Therefore, I am emailing you this information.

My name is John Phillips and I manage Bingo games for the Cessna Activity Center in Wichita, KS. We are a non profit support organization for Cessna employees. All proceeds from our bingo games support our activity center and youth sports activities. We sponsor over 3,000 youth in baseball, softball and basketball every year with proceeds earned from our bingo games.

We have worked for years with other non profits to bring to the legislature a bill that would enhance bingo fund raising in Kansas. Surrounding States have much more liberal bingo laws with higher cash payouts. In Kansas, Bingo can only be played in one location 3 days a week. The time during which a bingo game can be played is limited and the cash awards that can be paid out are extremely limited. In addition, no one can receive a financial benefit from the operation of a bingo game. All the proceeds must go to charity.

State Owned Casino gaming, with their faster slot machines and their much greater cash awards can put small Kansas Bingo games out of business. We believe, from the experience we have gained from other states, that if you would pass S.B.201, we could create enough interest in our small bingo games to stay in operation, even though a casino might open within a few blocks.

If you do not pass S.B.201 this year, many charitable organizations will be forced to close their doors. While you may not personally be impacted, trust me, the many charitable services bingo sponsors collectively provide to their communities will be sorely missed in the difficult financial times we live in.

We ask that you give this bill favorable consideration and pass it on to the full House so that it can become law.

Thank you,
John Phillips

House Fed & State Affairs

Date: 5.05.11

Attachment 5

Dave Thomas, Finance Officer
American Legion Post 23, Leavenworth, Kansas
SB 201

Good morning Ladies and Gentlemen...my name is Dave Thomas, I am the current Finance officer for American Legion Post 23, Leavenworth, Kansas, and immediate Past Department Commander for the Department of Kansas, American Legion. I might add these are volunteer positions and I am speaking to you today as a volunteer.

I would like to share with you the impact the casinos have on our Bingo at the Post in Leavenworth, and across the State of Kansas. As Department Commander, I traveled to the different Posts during the past year, and heard the negative impact that outdated Bingo laws, and Casinos that allow gambling are having on the different fraternal and Veterans Clubs across the state.

Kansas needs to modernize the regulations and the benefits of allowing new games, and pull tabs, such as Downline derby into the mix. We need these games to subsidize our income, and not lose our patrons to Missouri, and Oklahoma, which have much more lenient bingo regulations, and offer larger payout prizes.

Twenty percent of the American Legion organizations in Kansas depend on bingo as their major source of revenue. What happens or doesn't happen in bingo has a big impact on what we are able to do in our communities. Our Legions sponsor youth programs, etc. When revenues are down these programs suffer or will cease to exist.

We will die out for lack of income as Bingo is or was a great source for us. Several years ago we would have as high as 130-160 people attend our Bingo, but with the Casino's just across the state line, and now the possibility of one in Wyandotte County, we just cannot compete with them.

I ask you to please, pass this bill SB201, it is of the utmost importance to the welfare of our Organizations.

House Fed & State Affairs

Date: 5.05.11

Attachment

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