

NATIONAL COUNCIL OF LEGISLATORS FROM GAMING STATES  
COMMITTEE ON BINGO AND CHARITABLE GAMING  
SANTA FE, NEW MEXICO  
JUNE 4, 2004  
DRAFT MINUTES

The Committee on Bingo and Charitable Gaming of the National Council of Legislators from Gaming States (NCLGS) met at the Santa Fe Hilton, in Santa Fe, New Mexico, on June 4, 2004, at 11:45 a.m.

Representative James Buskey of Alabama, presided over the meeting.

Other members of the Committee present were:

Rep. Kevin Ryan, CT  
Sen. Steve Geller, FL  
Sen. Lana Oleen, KS  
Rep. Tim Solobay, PA

Other legislators present were:

Rep. Charles Dean, FL  
Rep. David Hess, NH  
Sen. Carlos Cisneros, NM  
Rep. Anna Crook, NM  
Sen. Dianna Duran, NM  
Sen. Mary Jane Garcia, NM  
Rep. Henry Saavedra, NM  
Rep. Edward Sandoval, NM  
Sen. John Arthur Smith, NM  
Sen. Sue Wilson Beffort, NM  
Rep. Donald Whitaker, NM  
Rep. Joe Pickett, TX

Others present were:

Bob Mackin, Mackin & Company, NCLGS Executive Director  
Susan Nolan, Mackin & Company, NCLGS Deputy Executive Director  
Ann Henstrand, MultiState Associates, Inc.

## MINUTES

The Committee voted unanimously to accept, as submitted, the minutes of its January 9, 2004, meeting in Las Vegas, Nevada.

## UPDATE ON CHARITABLE GAMING LEGISLATION/REGULATION

Ms. Henstrand reported that Mary Magnusson of the National Association of Fundraising Ticket Manufacturers (NAFTM) had conflict and could not attend the meeting, but had submitted a report on current legislative and regulatory issues, which was read in summary form into the record by Ms. Henstrand.

Ms. Henstrand said that Ms. Magnusson had noted that gaming expansion was up for discussion in nearly all the state legislatures, and that for charitable organizations, gaming expansion if achieved is often accompanied by diminished giving.

Ms. Henstrand reported that Ms. Magnusson's report noted that several bills were introduced in Alaska that would have affected charitable gaming and one that passed allowed for the running of rat races for charitable purposes.

Ms. Henstrand said that Ms. Magnusson's report went on to describe various bingo and other game expansions in states including Alabama, Florida, and Georgia. She said that the report noted that the Georgia Senate also passed a resolution encouraging the lottery to adopt instant ticket devices. She said, according to the document reported the following initiatives:

- The Illinois legislature passed a bill that allowed charities to receive a three year bingo license and a bill to exempt some raffles from licensing requirements.
- In Iowa, one bill relating to trade-ins at Bingo games passed and was signed into law.
- Kansas had a vigorous debate allowing for significant gaming expansion, but in the end none of the bills passed. A racino bill in Kentucky failed.
- Maryland was one of a handful of states that continued to regulate charity gaming at the local level pursuant to state law, and that in 2004, two minor modifying bills were passed governing those activities.
- The Minnesota legislature passed a bill allowing veterans organizations to use gambling proceeds to send veterans to the dedication of the World War Two memorial in Washington D.C.

Ms. Henstrand said the report went on to say that

- Nebraska addressed the fact that charity gaming receipts have declined by about 40 percent since the legalization of slots and riverboat gambling in Iowa, so the legislature is being asked to address that problem and there are bills under debate that would do so.
- In New Hampshire some bills that reorganized their state government sent the regulatory authority over charity gaming to the Pari-Mutuel Commission.

- In New York, there were three bills that are still under consideration that would exempt charity organizations from the indoor smoking bans in effect elsewhere. One such bill passed out of committee.
- In Ohio a bill passed to regulate bingo and instant bingo imposing certain requirements and loosening others.
- Oklahoma tax rates for the not-for-profit organizations who run bingo games is considered onerous, so the legislature this year passed a bill exempting veterans groups from those tax burdens.
- Pennsylvania had a very visible racinos debate, and that is of concern to the charitable and bingo representative because of the potential for decreases in their own receipts.
- In Tennessee, after considerable debate, a charitable gaming authorization law was amended with certain requirements on annual events, specifying the types of games. Texas also had a very visible racinos debate, and is of concern.
- Virginia requires charity organizations to retain a minimum amount of proceeds, which is difficult, so a bill in 2004 extended a moratorium on the requirement while the issue is hashed out for possible amendment.

Senator Lana Oleen commented that in Kansas had quite a bit of activity concerning gaming expansion, and that she wanted to clarify her role and opinion in the matter. She noted that people in this organization knew her well enough to know she isn't too excited about expanding gambling opportunities in Kansas. However, she wanted to note that the Governor's proposals were structured so as to allow for a statewide vote that would allow for local votes on whether or not particular communities wished to expand gaming. She said current lottery vendors, bowling alleys, and veterans organizations all were attached to the bill, which would have allowed for the addition of more than 2,000 slot machines in Kansas. She said it was her opinion that such a change should require a statewide vote, and that is why she brought forward the proposal to put the expansion to such a vote.

Senator Geller also added a comment pointing out that charitable bingo can be a complicated issue, and that NCLGS had adopted a model bill for bingo and charitable gaming requiring minimum percentages that go to the charities and other security measures. He said he wanted to point out that the model had required two years of hard work and to direct their attention to the model bill, which is available on the NCLGS website.

Representative Dean of Florida said he wished to explain the circumstances under which a consensus bill which passed in both the House and the Senate to allow for instant bingo by veterans and other charitable organizations had been unexpectedly vetoed by the

Governor, and that given the political environment, could not sustain an override vote. Representative Dean added that he expected the bill to return for passage and if necessary an override next year.

Representative Buskey explained the circumstances under which Alabama's "Bingo for Books" bill passed in the Senate but could not pass in the House. He noted that there was a good chance that the bill will pass into law next year.

Representative Wayne Pettigrew of Oklahoma commented that the lottery issue would be on the ballot in November there. He explained some of the circumstances of that bill's trip to the ballot, and some of what the bill would accomplish. He also described briefly the prevalence of the Indian tribal presence in the state of Oklahoma, the 39 tribes in Oklahoma, and their history.

A New Mexico representative commented on the possibility in New Mexico of the emergence of bingo machines that resemble a slot machine, and noted that the debate in the state had been complex and lively.

Representative David Hess from New Hampshire asked if any other states had experienced the phenomena of multi-hall linked electronic-linked bingo. There was a general discussion about the blurring between the different classes of machines due to technological improvements.

#### ADJOURNMENT

There being no further business, the meeting adjourned at 12:15 a.m.