

February 13, 2013

The Honorable Ralph Ostmeyer, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Ostmeyer:

SUBJECT: Fiscal Note for SB 148 by Senator LaTurner

In accordance with KSA 75-3715a, the following fiscal note concerning SB 148 is respectfully submitted to your committee.

SB 148 would allow any non-for-profit organization to conduct one or more raffles if the gross proceeds from the raffles are no greater than \$5,000 in any given month. The organization may conduct raffles in which gross proceeds exceed \$5,000 during a calendar month if it registers annually with the Administrator of Charitable Gaming within the Department of Revenue and files an annual report of its raffle activity. The proceeds could be used solely for charitable or community betterment purposes. The Department would be required to adopt the rules and regulations necessary to implement these provisions and any person or organization found in violation of these provisions would be considered as operating a public nuisance.

The bill defines raffle as a gambling scheme in which: (1) participants pay or agree to pay something of value for an opportunity to win something of value; (2) winning opportunities are represented by tickets differentiated by sequential enumeration; (3) winners are picked by a random drawing of tickets or by a race utilizing inanimate objects floated along a river, stream, canal or other body of water; and (4) the raffle is conducted for the benefit of a not-for-profit qualified organization described in 501(c)(3) of the Internal Revenue Code or agencies or instrumentalities of the United States government, the State of Kansas, and political subdivisions such organization having been in existence for 18 months or more.

The Department of Revenue indicates that the costs associated with registering not-for-profit organizations as required in SB 148 would increase its FY 2014 expenditures, but is unable to provide an estimate because it does not know how many organizations would register. The Department indicates that it does not have enough resources within the Office of Administrator of Charitable Gaming to adequately process the additional registrations.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue