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51357
Attachment 2

- It appears to me that the proposed definition of charitable purpose is substantively identical to the definition being struck elsewhere. Is that an accurate understanding? If it deviates in any fashion, please identify the differences.

-Yes we copy pasted the exact language and moved it to the definition section. This does not deviate at all.

- Why is "gross revenue" being redefined? I do not understand why "gross revenue" would need to include "each ticket."

-We are not redefining gross revenue, it's always included sales for each ticket. The reason for the clarification is organizations were getting confused as to what net total verses gross sales meant. Please see 67-7710 (3). This does not bring any change of any kind.

- The definition of "raffle" appears benign, but why is the current definition inadequate?

-To ensure compliance with the raffle limitation requirement set in section 67-7710 (2). This was written to eliminate the opportunity for perpetual raffles. Some organizations interpreted the current law to mean they were allowed to hold multiple raffles per event, and were going over the allotted 12 raffles per year. In other words some organizations wanted to hold unlimited raffles per event therefor bypassing the 12 raffles per year limitation. They believe they can hold twelve events with unlimited raffles at the event.

- Does this bill attempt to alter the method that the lottery commission pays prizes, including electronically? If so, why?

-No, the Lottery Commission is the regulatory agency only. We do not participate, manage, or influence in any manner in these games. We are only the regulatory agency that assures compliance.

- Section 4 grants the electronic bill payment, which I initially thought dealt with the normal business expenses, but it appears to me that this language could be used to pay prizes, including at the time play. Please address whether this language is intended to have this application. If it doesn't, why was the language so broadly written?

-This would not allow payment at time of play. This was written for business expenses only and does not include prizes. The organization still has to meet the requirements under Idaho Code 67-7709 (1)(b) by using a numbered check. This would only allow them to use an electronic check which is not instant and is a check generated at the bank and mailed to the payee.

This request came from Opera Idaho and other bingo organizations. The purpose of this change was to not only reduce the cost of repetitive bills by eliminating the check cost, and postage; but also as a convenience for the organization.

- On page 8, why are you striking the last sentence of I.C. § 67-7710?
- : **Tim Davis at the Attorney General's office indicated this was not necessary. The reason for striking that sentence is that he thinks it is inaccurate as it says raffles conducted lawfully pursuant to the chapter are not gambling under 18-3801. But they are. Charitable raffles are still gambling under definition of gambling, but it is legal authorized gambling under Article III, Section 20, Idaho Constitution. We just thought we could clean up that unnecessary, inaccurate language.**
Q: On page 9, why do you want to criminalize this conduct? Isn't the civil penalty at the bottom of page 15 sufficient? What is driving this criminal enhancement?
A: Tim Davis at the Attorney General's office recommended standardizing the penalties for any of these violations in charitable gaming. This language is currently in 67-7709(4) under the bingo section as well.

- On page 9, why do you want to criminalize this conduct? Isn't the civil penalty at the bottom of page 15 sufficient? What is driving this criminal enhancement?

-Tim Davis at the Attorney General's office recommended to standardize the penalties for any of these violations in charitable gaming. This language is currently under 67-7709(4) under the bingo section as well.

- On page 10, why does the commission want to continue to allow an organization to share a license? It seems to me that language doesn't incorporate the duties of disclosure in the application for each chapter of the organization. The language only requires that the information required in subsection 2 is provided. So, if the initial license application contains the information of the applying organization, then subsection 3 has been satisfied. Nothing in subsection 3 requires the same information to be provided for the new chapter of the organization. Yes, I realize that is the current statutory standard, but we've goofed. If I'm reading it right, we should fix this for you.

-I don't disagree, this has been a problem. At times, it has been difficult to verify information with the smaller groups running under the main licensee. The burden of proof has always fallen on the licensee to ensure the chapters are reporting and in compliance.

The other side of this, is if the chapters cannot hold raffles under the main licensee many will go unreported under Idaho Code 67-7713 which exempts licensure of any organization were the total market value of the prizes is under \$5,000.

- Could you provide a side-by-side comparison of the struck suspension/revocation language with the proposed new suspension/revocation language?

-This was 67-7712. We literally copy and pasted the exact same language starting with 67-7712 (2) under current code and place all of it under new section 67-7713A making it its own section. This is not new language.