



## ***ACM Legislative Update/Alert 1/4/07 CALL TO ACTION!***

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***Proudly Serving Charitable Gambling Organizations Throughout Minnesota***

Thursday, January 4, 2007

Dear Charitable Gambling Industry,

With the recent election our industry will again be facing changes that will require our commitment and focus.

We have many newly elected legislators, a new majority in the Minnesota House of Representatives, and leadership is changing in both parties in the Minnesota House of Representatives & Senate.

In addition, committee chairs and membership will change pretty much across the board. With these changes we need to again begin working with all legislators in the Minnesota House and Senate. We must work to educate them about the value of charitable gambling to our communities and our need for tax reduction and reform.

With the high number of new legislators, local organizations need to redouble efforts to open up lines of communications with your respective Minnesota House of Representatives and Senate members. Hopefully you started that effort during the campaign season, but if not, it is never too late to start!

As non-profit entities we should be questioning our elected officials on why non-profit/tax-exempt charitable gambling organizations are paying more in taxes than any similar for-profit entity.

This past session a member of the Minnesota House shared a letter with me that he had received from one of the organizations in his district. That letter told about the gambling manager just completing his Gambling Control Board Annual Report and how shocked he was when he discovered that his organization was paying 43.56 percent of his gross profit in taxes!! This gambling manager's question was very simple, but it had a profound impact on this state representative ... "is there any other business that is taxed at a 43% rate?" ... this legislator, now armed with this knowledge on just how much his local group pays in taxes could be critical to our success in tax reduction and reform.

That is why we are asking that all charitable gaming organizations take a copy of your Annual Report and ask yourself if you are okay with state government taking more from you as a non-profit/tax-exempt organization than from our for-profit counterparts! **If you are not happy with the number you see under Taxes/Fees, we'd ask you to call your local legislators and sit down with them in the next few weeks (no later than the end of January).** Show them your organizations Annual Report to the Gambling Control Board for Fiscal Years 2005 & 2006 and let them see the percent of annual gross profits used for taxes and fees. Show them the distributor invoice for your last pull-tab/tipboard order and let them see that the taxes paid are more than the cost of the product.

***Ask your local legislators for their help in correcting this problem with a charitable gambling tax reduction and reform package for this important segment of the non-profit community. Unless you act, it is very unlikely the Legislature will even consider changing the current charitable gambling tax structure which we all know is extremely onerous and unfair.***

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Another major potential piece of legislation which appears to be gaining momentum as a result of the recent elections is the proposal for a statewide smoking ban.

As you may recall, in the 2005 session this very controversial issue did not have the support to move it out of the House Commerce Committee. And in 2006 it completely fell off the table and was never discussed. But, it is very likely to return this coming session for more discussion and probable action.

Clearly the present inconsistent, hodgepodge city-by-city, county-by-county approach is creating significant anti-competitive situations around the state, which the Legislature will eventually be forced to address. **Critical to any statewide legislation is local preemption to ensure that a level playing field is maintained across the state. It is imperative that you talk to your local legislators immediately to ensure that local preemption is part of any smoking ban enacted this year.**

It is very clear that smoking bans have had a negative impact on charitable gambling. The degree of impact is dependent on the type of smoking ban implemented. ***We must make our legislators understand that any statewide smoking ban must be accompanied by a corresponding reduction and reform in our charitable gambling taxes to help keep our industry alive.***

We must work together as an industry to make sure that if and when a statewide smoking ban is discussed we are at the table to minimize any negative impact.

There is also another reason organizations and their members need to meet with local legislators - to show them the overall benefit and value of charitable gambling in the communities they represent. Make sure when you meet with your local legislators that you show them a list of your charitable contributions for the last year or two. Also make them aware of the number of your charitable gambling employees.

On a final note, the good works and deeds we do as charitable gambling organizations can do more to protect our industry than anything else we can do or buy. If our communities and public officials really know how much we are contributing to our local needs, we will remain a force to be reckoned with. That is why we all need to tell our charitable gambling story community by community ... after all, if we don't tell our story, no one else will.

Respectfully,

*King Wilson*

King Wilson

Executive Director

P.S. - I am enclosing a contact sheet for feedback as you discuss these important issues with your legislators. Please complete the sheet and return to me. Thanks!

## Who Represents US?

Use the District Finder at <http://geo.commissions.leg.state.mn.us/districts/start.html> to retrieve a list of your representatives with contact information.

House Public Information Services - Call House Information for assistance with finding your representative and senator.

Phone: (651) 296-2146 or 1 (800) 657-3550 TTY: (651) 296-9896

Senate Information Office - Call Senate Information for help in identifying your representative and senator.

Phone: (651) 296-0504 or (651) 296-2887

# 2007 Legislative Contact Sheet

From: Organization/Company \_\_\_\_\_

Senator/Representative: \_\_\_\_\_

Reaction to reduction & reform of charitable gambling taxes: \_\_\_\_\_

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Reaction to statewide smoking ban: \_\_\_\_\_

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Senator/Representative: \_\_\_\_\_

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*Return to:*  
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