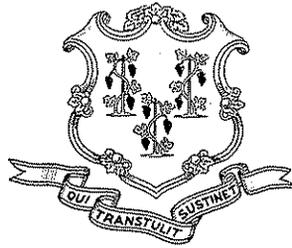


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**Testimony to Public Safety & Security Committee
SB 417 An Act Eliminating the Limit on teacup Raffle Prizes**

Good Morning Chairwoman Hartley, Chairman Dargan and distinguished members of the Public Safety Committee. Thank you for this opportunity to testify before you today regarding the laws related to gaming and charitable organizations.

I am here today representing myself as well as the concerns of the Milford Hospital Auxiliary, a group of volunteers who organize the annual "Festival of Trees" fundraiser to benefit Milford Hospital. For the past 35 years, The Festival of Trees has been a widely attended and integral part of the Milford holiday celebration and raises much needed funds to support our local hospital. Here is how it works: people donate Christmas Trees and other people donate the trimmings which consist of themed items, gift certificates and the like. For example, one tree every year is the fire truck tree and is covered with beautiful fire trucks and toys. There may be as many as fifteen trees in the Hospital's main lobby that the community comes to view during the holiday season. Other items are also donated in addition to those that adorn the trees. Throughout the time of the event, people can purchase raffle tickets to place in the container that corresponds to the tree or prize that they want. There is a drawing event that is well attended by the community as well as the local press. They draw the winner of each item and everyone goes on their merry way.

In 2009 the Auxiliary was cited with violating the gaming statutes because, amongst other things, each tree was worth more than \$100, there were gift certificates on the trees, and they did not take out enough permits to cover the value of the donations. They were cited because they reported that they were expecting to have 60 prizes and due to the generosity of the community, they ended up with over 80 prizes donated. They tried to work with the Division of Special Revenue to address the violations. Ultimately, I had a meeting with them and DSR and we jointly came to the conclusion that there is no way for them to legally continue with this event because the permitting process does not have the right "category" for them to fit into. So, they

tried to change the event to conform to the law and it was a flop. The most frustrating part of this experience was the fact that during these economic hard times when the state has no money, the DSR sent a state agent to watch the raffle for four hours. So not only are we hurting our charitable organizations that are trying to support our towns, we are wasting taxpayer dollars in having state agents drive around the state with their mileage reimbursed to take down on a piece of paper that Mary Smith won the blue toddler bicycle.

At the same time the Auxiliary was trying to work with DSR, they looked around the state and found many other organizations that were having the same type of tea cup raffle, who were not being subjected to the same scrutiny. Some of those organizations had permits and some had just completely ignored the law because they couldn't possibly conform to the requirements. A review from OFA shows that revenue from permits are down significantly over the past several years and I would suggest that it is because the permitting requirements are not reasonable any more.

In response to this concern, the Public Safety Committee was kind enough to move HB 5340 AAC Prizes for Teacup Raffles, out of Committee. Ultimately, Public Act 10-132 amended the statute (Section 7-185a(e)) so that gift certificates were acceptable prizes and the hundred dollar limit on prizes was increased to a two hundred fifty dollar limit. While we are pleased by this improvement, it is a very slight change and did not achieve our ultimate goal of eliminating the financial limit on teacup raffle prizes.

Although the Division does not support an unlimited value on prizes, its concern is unsupported since the Division would maintain its role supervising and monitoring raffle activities to prevent abuse and fraud. Residents of Milford and surrounding towns have shown tremendous support for a change in the statutes to reflect this. After the Auxiliary was forced to reconfigure its Celebration of Trees event, 720 supporters signed a petition asking the State to increase the maximum value of prizes at a Tea Cup Raffle to \$1,000.00.

Second, I ask that the law allow for some flexibility in the number of prizes listed on the permit. Last year, the Auxiliary expected to have 60 prizes, so that is what they put on the permit. When they ended up with 88 donations, the state penalized them for their success rather than allowing for a supplemental report or other reasonable option.

Third, I ask that the length of time during which a tea cup raffle may occur be extended from the current ten days to fourteen days. Connecticut's charitable organizations believe that having two weekends to fundraise would be of significant benefit.

Finally, any help with simplifying the permitting and reporting requirements would be extremely helpful to our charitable organizations. Just a quick look at Section 7-182 is enough to make anyone decide not to bother with trying to comply. The organization has to provide a verified statement in duplicate that shows the amount of the gross receipts, the number and price of the tickets sold, each item of expense incurred or paid, each expenditure, who they paid, the net

profit and what they used the net profit for. Then the police or the First Selectman sends the statement to the ED of DSR who keeps it on file for a year. The PTA still has to keep the copies for a year also. This is all in addition to the fact that we have state agents diligently attending local teacup raffles and writing reports on who won what. And by the way, the application for the permit isn't even available on line. Suffice it to say that the laws regarding permitting and reporting for charitable organizations are complicated and onerous.

Our PTA's, auxiliary clubs, church groups and other charitable organizations are really struggling with this unnecessary and counterproductive bureaucracy. When times are so tough, we rely on those charitable organizations to fill in the gaps in our communities. I hope you share my view that the state should not be making it harder, in fact impossible, for them to do their good work. I thank you for your time and attention and I will help in any way I can to address this. If you have any questions, I would be happy to try to answer.

Thank you for your attention to this matter.

A handwritten signature in black ink, appearing to read "Gayle", with a long horizontal flourish extending to the right.

Senator Gayle Slossberg

14th Senate District