

New Gambling Rules Hurt Veterans' and Fraternal Organizations

Coldwater Community Picnic & MD Softball Tournament May Lose Tip Tickets This Year

Profits for the Coldwater Community Picnic and Coldwater's Muscular Dystrophy Softball Tournament, two charity events, may decrease due to confusion and problems caused by changes in Ohio's gambling laws.

Annually, the Coldwater Eagles donate the proceeds of tip tickets purchased during these festivals, as well as June's K of C Picnic, back to each festival. However, this year, many fraternal and veterans' organizations delayed seeking required licensure because of controversy surrounding House Bill 512 and its proposed amendments, all of which affect bingo, tip tickets and other forms of charitable gaming used by many organizations to raise money.

At a June 30 meeting at the Minster Eagles, which featured former Eagles past president Myron "Mo" Fischer, Rep. Keith Faber, Rep. Derrick Seaver and Rep. Mike Gilb, Coldwater Eagles representative Brian Hogenkamp indicated that occupancy requirements for the club had led to a delay in filing.

Occupancy requirements, although not noted in the gaming legislation, have begun to be more strictly enforced as a result of the furor over the new laws. "We're fighting the occupancy," said Hogenkamp. "We filed, but we still don't have it (license). We mailed it today (June 30)."

He asked the panel of legislators and Fischer, who spearheaded the fight to moderate H.B. 512, whether the Eagles would still be able to run tip ticket sales at the festivals. The answer was that they could five times a year IF they have a license.

Earlier in the meeting, Fischer had informed the audience of close to 200

members of veterans', fraternal and sports organization that, if they hadn't already applied for and received a license, their licenses would be delayed. "If you haven't sent them (application) in yet, it'll take a lot longer to get one," he said. He added that licenses should take no more than 30 days to receive from the date of application.

He estimated that those clubs that applied for their licenses after June 1 would receive them within the month of July, but all the Attorney General's office would say is that they are being processed.

The new gambling laws were initiated by Rep. Jon Husted and initially supported by Faber because their intention was to close down storefront gambling parlors, which ostensibly donated their profits to charity but, in reality, often served as fronts for illegal activities, such as money laundering. "The intent was to make you guys legal," he said.

However, the bill so restricted how income from bingo, instant bingo and other forms of charitable gambling was distributed that nonprofit organizations protested.

Initially, H.B. 512 didn't include sports organizations, such as Mercer County Sportsmen, into the bill. The Sportsmen club is a nonprofit that uses the proceeds from its charitable gambling to support children's and family activities.

It also mandated that only 35 percent of the gross profits could be kept by the club for operating expenses and payouts. Hours of operation for clubs that offered gambling would be severely restricted, too.

In addition, it restricted many clubs, because they also served alcohol or because they rented space. Many clubs shut down their bingo, tip tickets, raffles

and drawings. Many others, which continued to run them, were raided.

It also became a felony to engage in gambling outside the definition of the bill.

Many clubs lost significant amounts of revenue, in the hundreds of thousands of dollars range, because of the stricter regulations. As a result, they cut back their donations, which impacted Boy and Girl Scouts, Little Leagues, local festivals and myriad other activities that are essential to small-town Ohio.

After the negative results of such legislation were forcefully brought to the attention of Rep. Keith Faber, in large part by Wapakoneta's Fischer, he began working with other legislators, including Seaver and Sen. Jim Jordan, to introduce amendments that would make it easier for veterans' and fraternal organizations and possible for sports organizations to continue to support their charitable giving.

Their efforts led to a delay in the effective date of H.B. 512 from April 1 to July 1, which would also be the date the new Ohio budget would become effective.

At an earlier meeting, members of veterans' and fraternal organizations, which are listed as 501(c)(8) and (9) nonprofits, voted unanimously to request that they be considered 501(c)(3) organizations for the purposes of the bill so they could donate the proceeds of the gambling back to themselves to be used to support their charities and expenses as they see fit.

"We give away all our money anyway," said several members of the audience that evening.

Although the coalition of Faber, Seaver, Gilb, Jordan and Fischer weren't able to have that sort of wording put into

amendments in the budget bill, they did gain some ground.

They managed to include sports organizations among those permitted to offer charitable gambling. And they changed the way profits are distributed.

Instead of 35 percent of the gross going back to the clubs for expenses, 45 percent of the net profit (minus the winnings paid out) goes to the clubs, five percent can be given to local charities and 50 percent must be given to national 501(c)(3) charities.

The kinds of charities were expanded to include civic and governmental organizations, such as volunteer fire departments, park leagues and civic foundations.

However, no gaming revenue can be used to pay help, such as bartenders, and Faber advised clubs to put their gaming proceeds into a separate bank account. Expenses that go into conducting the games must be itemized; however, provisions that all a club's expenses must be itemized were thrown out.

The amendments put into the budget bill were approved by both houses and signed by the governor, making them law.

"It's the volunteer fire department, it's the Little Leagues, it's the Boy and Girl Scouts, it's the veterans who will have flags on their graves who will be benefited," he said.

"We can live with (this)," acknowledged Fischer. However, he and the legislators seemed united with the crowd in wanting to pursue the designation of veterans', fraternal and sports organizations as designated charities.

"I pledge to all of you that we are not done," promised Fischer.