

SENATE BILL No. 201

By Committee on Federal and State Affairs

2-14

1 AN ACT concerning bingo games; relating to the operation thereof and
2 prizes awarded; amending K.S.A. 2010 Supp. 79-4701 and 79-4706
3 and repealing the existing sections.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2010 Supp. 79-4701 is hereby amended to read as
7 follows: 79-4701. As used in this act:

8 (a) "Act" means the bingo act.

9 (b) "Administrator" means the administrator of charitable gaming
10 designated by the secretary pursuant to K.S.A. 2010 Supp. 79-4717, and
11 amendments thereto.

12 (c) "Bingo" or "games of bingo" means the games of call bingo and
13 instant bingo.

14 (d) "Bingo card" or "card" means a reusable card which is marked
15 off into 25 squares arranged in five horizontal rows of five squares each
16 and five vertical rows of five squares each, with each square being
17 designated by a number, letter or combination of numbers and letters.
18 Only the center square shall be designated with the word "free." No two
19 cards in the same game shall be identical.

20 (e) "Bingo face" or "face" means a piece of paper which is marked
21 off into 25 squares arranged in five horizontal rows of five squares each
22 and five vertical rows of five squares each, with each square being
23 designated by a number, letter or combination of numbers and letters.
24 Only the center square shall be designated with the word "free." No two
25 bingo faces in the same game shall be identical. Faces shall be disposable
26 and shall not be reused after the game in which a player has used such
27 face.

28 (f) "Call bingo" means a game in which: (1) Each player pays a
29 charge; (2) a prize or prizes are awarded to the winner or winners; (3)
30 each player receives one or more cards or faces; and (4) each player
31 covers the squares on each card or face as the operator of such game
32 announces a number, letter or combination of numbers and letters
33 appearing on an object selected by chance, either manually or
34 mechanically from a receptacle in which have been placed objects
35 bearing numbers, letters or combinations of numbers and letters
36 corresponding to the system used for designating the squares. The winner

1 of each game is the player or players first covering properly a
2 predetermined and announced pattern of squares upon the card or face
3 being used by such player or players.

4 "Call bingo" shall include any regular, special, mini and progressive
5 game of bingo.

6 "Call bingo" shall not include any game utilizing an electronic or
7 computerized card system.

8 (g) "Department" means the department of revenue.

9 (h) "Director" means the director of taxation.

10 (i) "Distributor" means any person or entity that sells or distributes
11 instant bingo tickets, bingo cards or bingo faces.

12 (j) "Instant bingo" means a game: (1) In which each player pays a
13 charge; (2) in which a prize or prizes are awarded to the winner or
14 winners; (3) in which each player receives one or more disposable pull-
15 tab or break-open tickets which accord a player an opportunity to win
16 something of value by opening or detaching the paper covering from the
17 back of the ticket to reveal a set of numbers, letters, symbols or
18 configurations, or any combination thereof; (4) which is conducted by a
19 licensee under this act; (5) the conduct of which must be in the presence
20 of the players; and (6) which does not utilize any dice, normal playing
21 cards, instant ticket with a removable latex covering or slot machines.
22 Winners of instant bingo shall be determined either: (1) By a combination
23 of letters, numbers or symbols determined and posted prior to the sale of
24 instant bingo tickets ~~or~~; (2) by matching a letter, number or symbol
25 under a tab of an instant bingo ticket with the winning letter, number or
26 symbol in a designated call game of bingo during the same session; *or*
27 *(3) by matching a letter, number or symbol under a tab of an instant*
28 *bingo ticket with one or more letters, numbers or symbols announced in,*
29 *or as a continuation of, a designated call game of bingo during the same*
30 *session.*

31 "Instant bingo" shall not include any game utilizing electronically
32 generated or computer-generated tickets.

33 (k) "Lessor" means the owner, co-owner, lessor or sublessor of
34 premises upon which a licensee is permitted to manage, operate or
35 conduct games of bingo, whether or not a written lease has been entered
36 into and submitted to the administrator as required in subsection (c) of
37 K.S.A. 79-4703, and amendments thereto, and includes all political
38 subdivisions and other public agencies.

39 (l) "Licensee" means any nonprofit organization holding a license to
40 manage, operate or conduct games of bingo pursuant to K.S.A. 79-4701,
41 et seq., and amendments thereto.

42 (m) "Mini bingo" means a game of call bingo in which the prizes
43 awarded are not less than 50% of the gross receipts derived from the sale

1 of cards or faces for participation in the game, but not more than \$50.

2 (n) "Net proceeds" means the gross receipts received by the licensee
3 from charges imposed on players for participation in games of bingo and
4 any admission fees or charges less amounts actually paid as prizes in
5 games of bingo and any tax payable by the licensee.

6 (o) "Nonprofit religious organization" means any organization,
7 church, body of communicants, or group, gathered in common
8 membership for mutual support and edification in piety, worship, and
9 religious observances, or a society of individuals united for religious
10 purposes at a definite place and of which no part of the net earnings
11 inures to the benefit of any private shareholder or individual member of
12 such organization, and which religious organization maintains an
13 established place of worship within this state and has a regular schedule
14 of services or meetings at least on a weekly basis and has been
15 determined by the administrator to be organized and created as a bona
16 fide religious organization and which has been exempted from the
17 payment of federal income taxes as provided by section 501(c)(3) or
18 section 501(d) of the federal internal revenue code of 1986, as amended,
19 or determined to be organized and operated as a bona fide nonprofit
20 religious organization by the administrator.

21 (p) "Nonprofit charitable organization" means any organization
22 which is organized and operated for:

23 (1) The relief of poverty, distress, or other condition of public
24 concern within this state; or

25 (2) for financially supporting the activities of a charitable
26 organization as defined in paragraph (1); or

27 (3) for conferring direct benefits on the community at large; and of
28 which no part of the net earnings inures to the benefit of any private
29 shareholder or individual member of such organization and has been
30 determined by the administrator to be organized and operated as a bona
31 fide charitable organization and which has been exempted from the
32 payment of federal income taxes as provided by sections 501(c)(3),
33 501(c)(4), 501(c)(5), 501(c)(6) and 501(c)(7) of the federal internal
34 revenue code of 1986, as amended, or determined to be organized and
35 operated as a bona fide nonprofit charitable organization by the
36 administrator.

37 (q) "Nonprofit fraternal organization" means any organization within
38 this state which exists for the common benefit, brotherhood, or other
39 interests of its members and is authorized by its written constitution,
40 charter, articles of incorporation or bylaws to engage in a fraternal, civic
41 or service purpose within this state and has been determined by the
42 administrator to be organized and operated as a bona fide fraternal
43 organization and which has been exempted from the payment of federal

1 income taxes as provided by section 501(c)(8) or section 501(c)(10) of
2 the federal internal revenue code of 1986, as amended, or determined to
3 be organized and operated as a bona fide nonprofit fraternal organization
4 by the administrator.

5 (r) "Nonprofit educational organization" means any public or private
6 elementary or secondary school or institution of higher education which
7 has been determined by the administrator to be organized and operated as
8 a bona fide educational organization and which has been exempted from
9 the payment of federal income taxes as provided by section 501(c)(3) of
10 the federal internal revenue code of 1986, as amended, or determined to
11 be organized and operated as a bona fide nonprofit educational
12 organization by the administrator.

13 (s) "Nonprofit veterans' organization" means any organization within
14 this state or any branch, lodge, or chapter of a national or state
15 organization within this state, the membership of which consists
16 exclusively of individuals who qualify for membership because they were
17 or are members of the armed services or forces of the United States, or an
18 auxiliary unit or society of such a nonprofit veterans' organization the
19 membership of which consists exclusively of individuals who were or are
20 members of the armed services or forces of the United States, or are
21 cadets, or are spouses, widows or widowers of individuals who were or
22 are members of the armed services or forces of the United States, and of
23 which no part of the net earnings inures to the benefit of any private
24 shareholder or individual member of such organization, and has been
25 determined by the administrator to be organized and operated as a bona
26 fide veterans' organization and which has been exempted from the
27 payment of federal income taxes as provided by section 501(c)(4) or
28 501(c)(19) of the federal internal revenue code of 1986, as amended, or
29 determined to be organized and operated as a bona fide nonprofit
30 veterans' organization by the administrator.

31 (t) "Person" means any natural person, corporation, partnership, trust
32 or association.

33 (u) "Premises" means any room, hall, building, enclosure or outdoor
34 area used for the management, operation or conduct of a game of bingo
35 by a licensee.

36 (v) "Progressive bingo" means a game of call bingo in which either
37 the established prize amount or number of bingo balls or objects called,
38 or both, may be increased from one session to the next scheduled session
39 if no player completes the required pattern within the specified number of
40 bingo balls or objects drawn. The player's opportunity to win shall
41 increase as the prize amount increases.

42 (w) "Regular game of bingo" means any game of bingo which is
43 subject to the 25 game limit; *and* \$50 prize limit ~~and the \$1 charge limit~~

1 imposed under subsections ~~(g), (h) and (j)~~ of by K.S.A. 79-4706, and
2 amendments thereto.

3 (x) "Secretary" means the secretary of revenue or the secretary's
4 designee.

5 (y) "Session" means a day on which a licensee conducts games of
6 bingo.

7 Sec. 2. K.S.A. 2010 Supp. 79-4706 is hereby amended to read as
8 follows: 79-4706. Games of bingo shall be managed, operated and
9 conducted in accordance with the bingo act and rules and regulations
10 adopted pursuant thereto and the following restrictions:

11 (a) The entire gross receipts received by any licensee from the
12 operation or conduct of games of bingo, except that portion utilized for
13 the payment of the cost of prizes and license fees and taxes on games of
14 bingo imposed under the provisions of this act, shall be used exclusively
15 for the lawful purposes of the licensee permitted to conduct that game.

16 (b) Games of bingo managed, conducted or operated by a licensee,
17 shall be managed, conducted or operated only by a bona fide member or
18 spouse of a bona fide member of the licensee or parent organization or an
19 auxiliary unit or society of such licensee *or of the beneficiary*
20 *organization. During each session of bingo there must be at least one*
21 *member of the licensee organization on duty and assisting with the game.*
22 *Such member must be listed with the office of charitable gaming.*

23 (c) No lessor, employee of such lessor or employee, officer or
24 shareholder of a for profit corporation which is the lessor shall play any
25 game of bingo or participate in any drawing on premises leased by any
26 such lessor nor shall such person be responsible for or assist in the
27 management, operation or conduct of any game of bingo or drawing on
28 such premises.

29 (d) No person may participate in the management, conduct or
30 operation of bingo games by a licensee if such person, within five years
31 prior to such participation, has been convicted of or pleaded guilty or
32 *nolo contendere* to any felony or illegal gambling activity or purchased a
33 tax stamp for wagering or gambling activity.

34 (e) No person may receive any remuneration or profit for
35 participating in the management, conduct or operation of any game of
36 bingo managed, conducted or operated by a licensee. *Food offered in the*
37 *course of a volunteer duty shift and consumed on the premises shall not*
38 *be considered remuneration, provided the retail value of such food*
39 *offered does not exceed \$10.*

40 (f) The aggregate value of all prizes including the retail value of all
41 merchandise awarded or offered by a licensee in a single session to
42 winners of games of regular and special call bingo shall not exceed
43 \$1,200. The value of a prize awarded in a progressive or mini bingo

1 game shall not be included when determining the limit imposed by this
2 subsection. Any monetary prize of \$500 or more awarded in games of
3 bingo shall be paid by a check drawn on the bingo trust bank account of
4 the licensee. Any monetary prize awarded in games of bingo shall be paid
5 by a check on the bingo trust bank account of the licensee upon the
6 request of the winner of such award.

7 (g) The total number of regular, special and progressive call bingo
8 games managed, operated or conducted by any licensee in any session
9 shall not exceed 25 and not more than five of such games shall be special
10 games. Not more than one licensee may conduct bingo games at a given
11 location or registered premises in any one session.

12 (h) The prize awarded by a licensee in any one regular call bingo
13 game shall not exceed \$50. The prize in any one special call bingo game
14 shall not exceed \$500.

15 (i) The retail value of any merchandise received by a winner of a
16 bingo game shall be considered as the cash value for the purposes of
17 determining the value of the prize.

18 ~~(j) The charge made by a licensee for a bingo card or equivalent~~
19 ~~number of bingo faces to play in regular bingo games in any one session~~
20 ~~shall not exceed \$1. Such bingo card or equivalent number of bingo faces~~
21 ~~shall be valid for all such regular bingo games conducted or operated by~~
22 ~~the licensee in any one session. The charge made by a licensee for a~~
23 ~~single bingo card or bingo face to play in any single, mini or progressive~~
24 ~~special game shall not exceed \$1. The charge made by a licensee for a~~
25 ~~single instant bingo ticket shall not exceed \$1 \$2.~~

26 (k) Games of bingo shall not be managed, operated or conducted by
27 any licensee on more than two calendar days in any one week.

28 (l) All licenses issued under the provisions of this act shall be issued
29 in the name of the organization licensed.

30 (m) Each licensee shall keep a record of all games of bingo
31 managed, operated or conducted by it for a period of three years
32 following the date the game is managed, operated or conducted.

33 (n) No person under the age of 18 years shall participate in the
34 management, operation or conduct of any game of bingo managed,
35 operated or conducted by a licensee under the provisions of this act and
36 no licensee shall sell any instant bingo ticket to a person under the age of
37 18 years.

38 (o) A lessor of premises used for the management, operation or
39 conduct of games of bingo or a licensee may not advertise games of
40 bingo except to the extent and in the manner prescribed by the rules and
41 regulations adopted pursuant to the bingo act. Any advertisement of any
42 game of bingo by or on behalf of such lessor or licensee shall specify the
43 organization which is managing, operating or conducting such game. The

1 announcement of the cancellation of a game of bingo shall not be
2 considered to be an advertisement.

3 (p) (1) Except as provided by paragraph (2) of this subsection, no
4 game of chance or contest where a prize is awarded, other than games of
5 bingo, shall be conducted on any premises where licensees are
6 conducting games of bingo, where the intent of such game of chance or
7 contest is to induce participation in such games of bingo.

8 (2) One drawing during a session may be conducted by the licensee
9 or the lessor of the premises. Only a nonmonetary prize having a value
10 not exceeding \$25 shall be awarded to the winner of such drawing. There
11 shall be no charge for participation in such drawing. There shall be no
12 requirement to purchase anything of value in order to participate in such
13 drawing. No more than four of such drawings shall be conducted by each
14 licensee or lessor during any calendar year.

15 (q) No licensee shall manage, operate or conduct bingo on any
16 leased premises or with leased equipment unless all of the terms and
17 conditions of rental or use, including the rental of chairs, bingo
18 equipment, tables, security guards, janitor service or any other services,
19 are set forth in a lease submitted, approved and on file with the
20 administrator.

21 (r) No premises shall be used for the management, operation or
22 conduct of games of bingo by licensees on more than three calendar days
23 in any one week.

24 (s) No premises shall be subdivided to provide multiple premises
25 where games of bingo are managed, operated or conducted by licensees,
26 whether or not the multiple premises have different addresses.

27 (t) No game of bingo shall be managed, operated or conducted by
28 licensees on leased premises if at any time during the immediately
29 preceding 44 hours the premises, or any leased premises within 1,000 feet
30 of them, have been used for the management, operation or conduct of a
31 game of bingo.

32 (u) Every licensee who has gross receipts of \$1,000 or more
33 received from participation in games, admission fees or charges and from
34 any other source directly related to the operation or conduct of any games
35 of bingo in any calendar month shall maintain a bingo trust bank account
36 into which all such receipts are deposited daily and from which all
37 payments are made relating to the management, operation or conduct of
38 any games of bingo, except payment of prizes of less than \$200. Having
39 once established such bingo trust bank account, the licensee shall
40 continue to make deposits of all receipts therein. Every licensee shall
41 notify the administrator of the name of the bank in which the bingo trust
42 bank account is maintained, together with the number and name of the
43 account. Every licensee who maintains a bingo trust bank account shall

1 maintain a complete record of all deposits and withdrawals from such
2 bank account and the same shall be available to the administrator to audit
3 at any reasonable time.

4 The records required under this subsection are in addition to all other
5 records required to be kept by the licensee. The records required by this
6 subsection shall be maintained in the same place as all other records
7 required to be kept by the licensee.

8 (v) No instant bingo ticket shall be sold by a licensee more than ~~one~~
9 ~~hour~~ *two hours* prior to the start of the first regular or special game of call
10 bingo of a session or *one hour* after the termination of the last game of
11 call bingo operated or conducted by the licensee for such session.

12 (w) No licensee shall purchase or obtain bingo faces or instant bingo
13 tickets from any person or entity other than a distributor registered
14 pursuant to K.S.A. 79-4712a, and amendments thereto.

15 (x) All instant bingo tickets sold or distributed to licensees shall bear
16 on the face thereof a unique serial number which shall not be repeated on
17 the same manufacturer's form number less than every three years. All
18 instant bingo tickets shall be sold or distributed in boxes. Each box shall
19 be sealed by the manufacturer with a seal which includes a warning to the
20 purchaser that the box may have been tampered with if the box was
21 received by the purchaser with the seal broken. Each box of instant bingo
22 tickets shall contain tickets printed in such a manner as to insure that at
23 least 60% of the gross revenues generated by the ultimate sale of all
24 tickets from such box shall be returned to the final purchasers of such
25 tickets. No box of instant bingo tickets may be opened by a licensee
26 unless all tickets contained in a previously opened box with the same
27 form number have been sold.

28 (y) Each box of instant bingo tickets sold or distributed to licensees
29 shall be accompanied by a flare which contains the following
30 information: (1) The name of the game; (2) the manufacturer's name or
31 logo; (3) the game form number; (4) the ticket count in the game; (5) the
32 prize structure for the game, which includes the number of winning
33 tickets by denomination and their respective winning symbol or number
34 combinations; (6) the cost per ticket; (7) the game serial number; (8) the
35 winning numbers or symbols for the top three winning tiers set out in
36 such a manner that each prize may be marked off as the prize is won and
37 awarded; (9) the business name of the distributor; and (10) if sold or
38 distributed to a licensee under the bingo act, the Kansas bingo license
39 number of the licensee to which the game is sold.

40 (z) (1) No progressive game may exceed 20 consecutive sessions
41 conducted by a licensee prior to the awarding of the established prize.

42 (2) No more than two progressive bingo games may be conducted in
43 any one session.

1 (3) A prize for a progressive game may start at an amount not to
2 exceed \$250 and may be increased by no more than \$100 for each session
3 during which the progressive game is continued. The prize awarded at the
4 end of any progressive game shall not exceed \$1,000 \$400.

5 (4) If the progressive bingo game prize is not awarded at a bingo
6 session, the progressive bingo game shall be continued at a future
7 occasion until such time a winner is determined. The winning prize shall
8 be the full amount. If there is no winner of a progressive bingo game at a
9 session, a stated consolation prize in an amount not to exceed \$250 \$400
10 may be awarded. Any consolation prize shall be less than the value of the
11 progressive bingo game prize amount.

12 (5) All progressive bingo games and rules for such games shall be
13 described fully and posted in the house rules prior to the start of the
14 session. Such games shall comply with requirements imposed under the
15 bingo act and any rules and regulations adopted pursuant thereto.

16 (6) When a person achieves the first preannounced winning
17 combination, the game shall be completed and the next progressive bingo
18 game and winning combination shall be commenced with a new bingo
19 card or face and all objects or balls in the receptacle.

20 (7) The rules for a progressive bingo game shall remain in effect
21 until the game ends and the winner is determined.

22 (8) Progressive bingo games may not be conducted in conjunction
23 with a session of bingo conducted at a location other than that specified in
24 the license as authorized by subsection (c) of 79-4703, and amendments
25 thereto.

26 (9) A licensee shall not cease bingo operations unless all progressive
27 bingo games are completed and prizes are awarded, unless prior approval
28 has been received from the secretary.

29 (aa) Except as specifically provided by rules and regulations adopted
30 pursuant to the bingo act, the distribution, sale or use of bingo cards is
31 prohibited from and after July 1, 2003, and thereafter, only bingo faces
32 shall be distributed, sold or used in call bingo games operated and
33 conducted by licensees.

34 (bb) ~~Only three games of~~ *There shall be no limit on the number of*
35 *games of* instant bingo, in which the winner or winners of such game is
36 determined by matching a letter, number or symbol under a tab of an
37 instant bingo ticket with the winning letter, number or symbol in a
38 designated call game of bingo during the same session ~~shall be, which~~
39 *may be* played in any one session. There shall be no limit on the number
40 of instant bingo tickets which may be sold for participation in any such
41 game of instant bingo.

42 (cc) The total number of mini games of bingo managed, operated or
43 conducted by a licensee during a session shall not exceed ~~20~~ 30 games.

1 No mini bingo game shall be conducted by a licensee more than ~~one hour~~
2 *two hours* prior to, or *one hour* after the ~~commencement~~ *termination* of,
3 the first regular or special game of call bingo operated or conducted by
4 the licensee for such session.

5 Sec. 3. K.S.A. 2010 Supp. 79-4701 and 79-4706 are hereby
6 repealed.

7 Sec. 4. This act shall take effect and be in force from and after its
8 publication in the Kansas register.