

As Amended by Senate Committee

Session of 2009

SENATE BILL No. 107

By Committee on Federal and State Affairs

1-26

10 AN ACT concerning bingo games; relating to operation thereof and
11 prizes awarded; amending K.S.A. 2008 Supp. 79-4701, 79-4706 and
12 79-4717 and repealing the existing sections.
13

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

15 Section 1. K.S.A. 2008 Supp. 79-4701 is hereby amended to read as
16 follows: 79-4701. As used in this act:

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

18 (b) "Administrator" means the administrator of charitable gaming
19 designated by the secretary pursuant to K.S.A. 2008 Supp. 79-4717, and
20 amendments thereto.

21 (c) "Bingo" or "games of bingo" means the games of call bingo and
22 instant bingo.

23 (d) "Bingo card" or "card" means a reusable card which is marked
24 off into 25 squares arranged in five horizontal rows of five squares each
25 and five vertical rows of five squares each, with each square being des-
26 ignated by a number, letter or combination of numbers and letters. Only
27 the center square shall be designated with the word "free". No two cards
28 in the same game shall be identical.

29 (e) "Bingo face" or "face" means a piece of paper which is marked
30 off into 25 squares arranged in five horizontal rows of five squares each
31 and five vertical rows of five squares each, with each square being des-
32 ignated by a number, letter or combination of numbers and letters. Only
33 the center square shall be designated with the word "free". No two bingo
34 faces in the same game shall be identical. Faces shall be disposable and
35 shall not be reused after the game in which a player has used such face.

36 (f) "Call bingo" means a game in which: (1) Each player pays a
37 charge; (2) a prize or prizes are awarded to the winner or winners; (3)
38 each player receives one or more cards or faces; and (4) each player covers
39 the squares on each card or face as the operator of such game announces
40 a number, letter or combination of numbers and letters appearing on an
41 object selected by chance, either manually or mechanically from a recep-
42 tacle in which have been placed objects bearing numbers, letters or com-
43 binations of numbers and letters corresponding to the system used for

1 designating the squares. The winner of each game is the player or players
2 first covering properly a predetermined and announced pattern of squares
3 upon the card or face 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 com-
7 puterized 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 win-
14 ners; (3) in which each player receives one or more disposable pull-tab
15 or break-open tickets which accord a player an opportunity to win some-
16 thing of value by opening or detaching the paper covering from the back
17 of the ticket to reveal a set of numbers, letters, symbols or configurations,
18 or any combination thereof; (4) which is conducted by a licensee under
19 this act; (5) the conduct of which must be in the presence of the players;
20 and (6) which does not utilize any dice, normal playing cards, instant ticket
21 with a removable latex covering or slot machines. Winners of instant bingo
22 shall be determined either (1) by a combination of letters, numbers or
23 symbols determined and posted prior to the sale of instant bingo tickets
24 or (2) by matching a letter, number or symbol under a tab of an instant
25 bingo ticket with the winning letter, number or symbol in a designated
26 call game of bingo during the same session.

27 “Instant bingo” shall not include any game utilizing electronically gen-
28 erated or computer-generated tickets.

29 (k) “Lessor” means the owner, coowner, lessor or sublessor of prem-
30 ises upon which a licensee is permitted to manage, operate or conduct
31 games of bingo, whether or not a written lease has been entered into and
32 submitted to the administrator as required in subsection (c) of K.S.A. 79-
33 4703, and amendments thereto, and includes all political subdivisions and
34 other public agencies.

35 (l) “Licensee” means any nonprofit organization holding a license to
36 manage, operate or conduct games of bingo pursuant to K.S.A. 79-4701
37 et seq., and amendments thereto.

38 (m) “Mini bingo” means a game of call bingo in which the prizes
39 awarded are not less than 50% of the gross receipts derived from the sale
40 of cards or faces for participation in the game, but not more than \$50.

41 (n) “Net proceeds” means the gross receipts received by the licensee
42 from charges imposed on players for participation in games of bingo and
43 any admission fees or charges less amounts actually paid as prizes in

1 games of bingo and any tax payable by the licensee.

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

17 (p) “Nonprofit charitable organization” means any organization
18 which is organized and operated for:

19 (1) The relief of poverty, distress, or other condition of public con-
20 cern within this state; or

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

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

32 (q) “Nonprofit fraternal organization” means any organization within
33 this state which exists for the common benefit, brotherhood, or other
34 interests of its members and is authorized by its written constitution,
35 charter, articles of incorporation or bylaws to engage in a fraternal, civic
36 or service purpose within this state and has been determined by the ad-
37 ministrator to be organized and operated as a bona fide fraternal organ-
38 ization and which has been exempted from the payment of federal income
39 taxes as provided by section 501(c)(8) or section 501(c)(10) of the federal
40 internal revenue code of 1986, as amended, or determined to be organ-
41 ized and operated as a bona fide nonprofit fraternal organization by the
42 administrator.

43 (r) “Nonprofit educational organization” means any public or private

1 elementary or secondary school or institution of higher education which
2 has been determined by the administrator to be organized and operated
3 as a bona fide educational organization and which has been exempted
4 from the payment of federal income taxes as provided by section 501(c)(3)
5 of the federal internal revenue code of 1986, as amended, or determined
6 to be organized and operated as a bona fide nonprofit educational organ-
7 ization by the administrator.

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

26 (t) “Person” means any natural person, corporation, partnership, trust
27 or association.

28 (u) “Premises” means any room, hall, building, enclosure or outdoor
29 area used for the management, operation or conduct of a game of bingo
30 by a licensee.

31 (v) “Progressive bingo” means a game of call bingo in which either
32 the established prize amount or number of bingo balls or objects called,
33 or both, may be increased from one session to the next scheduled session
34 if no player completes the required pattern within the specified number
35 of bingo balls or objects drawn. The player’s opportunity to win shall
36 increase as the prize amount increases.

37 (w) “Regular game of bingo” means any game of bingo which is sub-
38 ject to the 25 game limit, ~~\$50 and \$100 prize limit~~, **\$100 prize limit and**
39 **the \$3 charge limit** and the ~~\$1 charge limit~~ imposed under subsections
40 ~~(g), (h) and (j) of~~ by K.S.A. 79-4706, and amendments thereto.

41 (x) “Secretary” means the secretary of revenue or the secretary’s
42 designee.

43 (y) “Session” means a day on which a licensee conducts games of

1 bingo.

2 Sec. 2. K.S.A. 2008 Supp. 79-4706 is hereby amended to read as
3 follows: 79-4706. Games of bingo shall be managed, operated and con-
4 ducted in accordance with the bingo act and rules and regulations adopted
5 pursuant thereto and the following restrictions:

6 (a) The entire gross receipts received by any licensee from the op-
7 eration or conduct of games of bingo, except that portion utilized for the
8 payment of the cost of prizes and license fees and taxes on games of bingo
9 imposed under the provisions of this act, shall be used exclusively for the
10 lawful purposes of the licensee permitted to conduct that game.

11 (b) Games of bingo managed, conducted or operated by a licensee,
12 shall be managed, conducted or operated only by a bona fide member or
13 spouse of a bona fide member of the licensee or parent organization or
14 an auxiliary unit or society of such licensee *or of the beneficiary*
15 *organization*.

16 (c) No lessor, employee of such lessor or employee, officer or share-
17 holder of a for profit corporation which is the lessor shall play any game
18 of bingo or participate in any drawing on premises leased by any such
19 lessor nor shall such person be responsible for or assist in the manage-
20 ment, operation or conduct of any game of bingo or drawing on such
21 premises.

22 (d) No person may participate in the management, conduct or op-
23 eration of bingo games by a licensee if such person, within five years prior
24 to such participation, has been convicted of or pleaded guilty or *nolo*
25 *contendere* to any felony or illegal gambling activity or purchased a tax
26 stamp for wagering or gambling activity.

27 (e) No person may receive any remuneration or profit for participat-
28 ing in the management, conduct or operation of any game of bingo man-
29 aged, conducted or operated by a licensee. *Food offered in the course of*
30 *a volunteer duty shift and consumed on the premises shall not be con-*
31 *sidered remuneration*.

32 (f) The aggregate value of all prizes including the retail value of all
33 merchandise awarded or offered by a licensee in a single session to win-
34 ners of games of regular and special call bingo shall not exceed ~~\$1,200~~
35 ~~\$1,800~~ **\$1,500**. The value of a prize awarded in a progressive or mini
36 bingo game shall not be included when determining the limit imposed
37 by this subsection. Any monetary prize of \$500 or more awarded in games
38 of bingo shall be paid by a check drawn on the bingo trust bank account
39 of the licensee. Any monetary prize awarded in games of bingo shall be
40 paid by a check on the bingo trust bank account of the licensee upon the
41 request of the winner of such award.

42 (g) The total number of regular, special and progressive call bingo
43 games managed, operated or conducted by any licensee in any session

1 shall not exceed 25 and not more than five of such games shall be special
 2 games. Not more than one licensee may conduct bingo games at a given
 3 location or registered premises in any one session.

4 (h) The prize awarded by a licensee in any one regular call bingo
 5 game shall not exceed ~~\$50~~ \$100. The prize in any one special call bingo
 6 game shall not exceed ~~\$500~~ \$1,000.

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

10 ~~(j) The charge made by a licensee for a bingo card or equivalent~~
 11 ~~number of bingo faces to play in regular bingo games in any one session~~
 12 ~~shall not exceed \$1. Such bingo card or equivalent number of bingo faces~~
 13 ~~shall be valid for all such regular bingo games conducted or operated by~~
 14 ~~the licensee in any one session. The charge made by a licensee for a single~~
 15 ~~bingo card or bingo face to play in any single, mini or progressive special~~
 16 ~~game shall not exceed \$1. The charge made by a licensee for a single~~
 17 ~~instant bingo ticket shall not exceed \$1.~~

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**
 20 **session shall not exceed \$3. Such bingo card or equivalent number**
 21 **of bingo faces shall be valid for all such regular bingo games con-**
 22 **ducted or operated by the licensee in any one session. The charge**
 23 **made by a licensee for a single bingo card or bingo face to play in**
 24 **any single, mini or progressive special game shall not exceed \$3.**
 25 **The charge made by a licensee for a single instant bingo ticket shall**
 26 **not exceed \$3.**

27 ~~(k) (j)~~ **(k)** Games of bingo shall not be managed, operated or con-
 28 ducted by any licensee on more than ~~two~~ three calendar days in any one
 29 week.

30 ~~(l) (k)~~ **(l)** All licenses issued under the provisions of this act shall be
 31 issued in the name of the organization licensed.

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

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

40 ~~(o) (n)~~ **(o)** A lessor of premises used for the management, operation
 41 or conduct of games of bingo or a licensee may not advertise games of
 42 bingo except to the extent and in the manner prescribed by the rules and
 43 regulations adopted pursuant to the bingo act. Any advertisement of any

1 game of bingo by or on behalf of such lessor or licensee shall specify the
 2 organization which is managing, operating or conducting such game. The
 3 announcement of the cancellation of a game of bingo shall not be con-
 4 sidered to be an advertisement.

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

10 (2) One drawing during a session may be conducted by the licensee
 11 or the lessor of the premises. ~~Only~~ **Except as otherwise provided, only**
 12 a nonmonetary prize having a value not exceeding ~~\$25 \$500~~ **\$100** shall
 13 be awarded to the winner of such drawing. There shall be no charge for
 14 participation in such drawing. There shall be no requirement to purchase
 15 anything of value in order to participate in such drawing. No more than
 16 ~~four six~~ **five drawings per month** of such drawings shall be conducted by
 17 each licensee or lessor during any calendar year. **Each licensee may**
 18 **conduct two drawings within a licensed year with a nonmonetary**
 19 **prize having a value not exceeding \$500. Such drawings shall be**
 20 **included in the total number of drawings conducted for the month**
 21 **in which they are held.**

22 ~~(q) (p)~~ **(q)** No licensee shall manage, operate or conduct bingo on
 23 any leased premises or with leased equipment unless all of the terms and
 24 conditions of rental or use, including the rental of chairs, bingo equip-
 25 ment, tables, security guards, janitor service or any other services, are set
 26 forth in a lease submitted, approved and on file with the administrator.

27 ~~(r)~~ No premises shall be used for the management, operation or con-
 28 duct of games of bingo by licensees on more than three calendar days in
 29 any one week.

30 **(r) No premises shall be used for the management, operation or**
 31 **conduct of games of bingo by licensees on more than four calendar**
 32 **days in any one week.**

33 ~~(s) (q)~~ **(s)** No premises shall be subdivided to provide multiple prem-
 34 ises where games of bingo are managed, operated or conducted by li-
 35 censees, whether or not the multiple premises have different addresses.

36 ~~(t) (r)~~ **(t)** No game of bingo shall be managed, operated or conducted
 37 by licensees on leased premises if at any time during the immediately
 38 preceding 44 hours the premises, or any leased premises within 1,000
 39 feet of them, have been used for the management, operation or conduct
 40 of a game of bingo. **A game of bingo shall be managed, operated or con-**
 41 **ducted only once during any 24-hour period by a licensee or licensed**
 42 **premises. No other game of bingo may operate within 1,000 feet of such**
 43 **licensee or licensed premises that has been used for the management,**

1 *operation or conduct of a bingo game during the 24-hour period.*
2 ~~(t)~~ ~~(s)~~ **(u)** Every licensee who has gross receipts of \$1,000 or more
3 received from participation in games, admission fees or charges and from
4 any other source directly related to the operation or conduct of any games
5 of bingo in any calendar month shall maintain a bingo trust bank account
6 into which all such receipts are deposited daily and from which all pay-
7 ments are made relating to the management, operation or conduct of any
8 games of bingo, except payment of prizes of less than \$200. Having once
9 established such bingo trust bank account, the licensee shall continue to
10 make deposits of all receipts therein. Every licensee shall notify the ad-
11 ministrator of the name of the bank in which the bingo trust bank account
12 is maintained, together with the number and name of the account. Every
13 licensee who maintains a bingo trust bank account shall maintain a com-
14 plete record of all deposits and withdrawals from such bank account and
15 the same shall be available to the administrator to audit at any reasonable
16 time.

17 The records required under this subsection are in addition to all other
18 records required to be kept by the licensee. The records required by this
19 subsection shall be maintained in the same place as all other records
20 required to be kept by the licensee.

21 ~~(s)~~ ~~(t)~~ **(v)** No instant bingo ticket shall be sold by a licensee more
22 than ~~one hour~~ ~~two hours~~ **90 minutes** prior to the start of the first regular
23 or special game of call bingo of a session or after the termination of the
24 last game of call bingo operated or conducted by the licensee for such
25 session.

26 ~~(w)~~ ~~(t)~~ **(w)** No licensee shall purchase or obtain bingo faces or instant
27 bingo tickets from any person or entity other than a distributor registered
28 pursuant to K.S.A. 79-4712a, and amendments thereto.

29 ~~(x)~~ ~~(t)~~ **(x)** All instant bingo tickets sold or distributed to licensees shall
30 bear on the face thereof a unique serial number which shall not be re-
31 peated on the same manufacturer's form number less than every three
32 years. All instant bingo tickets shall be sold or distributed in boxes. Each
33 box shall be sealed by the manufacturer with a seal which includes a
34 warning to the purchaser that the box may have been tampered with if
35 the box was received by the purchaser with the seal broken. Each box of
36 instant bingo tickets shall contain tickets printed in such a manner as to
37 insure that at least 60% of the gross revenues generated by the ultimate
38 sale of all tickets from such box shall be returned to the final purchasers
39 of such tickets. No box of instant bingo tickets may be opened by a li-
40 censee unless all tickets contained in a previously opened box with the
41 same form number have been sold.

42 ~~(y)~~ ~~(t)~~ **(y)** Each box of instant bingo tickets sold or distributed to
43 licensees shall be accompanied by a flare which contains the following

1 information: (1) The name of the game; (2) the manufacturer's name or
2 logo; (3) the game form number; (4) the ticket count in the game; (5) the
3 prize structure for the game, which includes the number of winning tick-
4 ets by denomination and their respective winning symbol or number com-
5 binations; (6) the cost per ticket; (7) the game serial number; (8) the
6 winning numbers or symbols for the top three winning tiers set out in
7 such a manner that each prize may be marked off as the prize is won and
8 awarded; (9) the business name of the distributor; and (10) if sold or
9 distributed to a licensee under the bingo act, the Kansas bingo license
10 number of the licensee to which the game is sold.

11 ~~(z)~~ ~~(x)~~ ~~(z)~~ (1) No progressive game may exceed 20 consecutive ses-
12 sions conducted by a licensee prior to the awarding of the established
13 prize.

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

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

20 (4) If the progressive bingo game prize is not awarded at a bingo
21 session, the progressive bingo game shall be continued at a future occa-
22 sion until such time a winner is determined. The winning prize shall be
23 the full amount. If there is no winner of a progressive bingo game at a
24 session, a stated consolation prize in an amount not to exceed \$250 may
25 be awarded. Any consolation prize shall be less than the value of the
26 progressive bingo game prize amount.

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

31 (6) When a person achieves the first preannounced winning combi-
32 nation, the game shall be completed and the next progressive bingo game
33 and winning combination shall be commenced with a new bingo card or
34 face and all objects or balls in the receptacle.

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

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

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

1 ~~(aa) (y)~~ **(aa)** Except as specifically provided by rules and regulations
 2 adopted pursuant to the bingo act, the distribution, sale or use of bingo
 3 cards is prohibited from and after July 1, 2003, and thereafter, only bingo
 4 faces shall be distributed, sold or used in call bingo games operated and
 5 conducted by licensees.

6 ~~(bb) (z)~~ **(bb)** ~~Only three games of instant bingo in which the winner~~
 7 ~~or winners of such game is determined by matching a letter, number or~~
 8 ~~symbol under a tab of an instant bingo ticket with the winning letter,~~
 9 ~~number or symbol in a designated call game of bingo during the same~~
 10 ~~session shall be played in any one session.~~ There shall be no limit on the
 11 number of instant bingo tickets which may be sold for participation in
 12 any such game of instant bingo.

13 ~~(cc) (aa)~~ **(cc)** The total number of mini games of bingo managed,
 14 operated or conducted by a licensee during a session shall not exceed 20
 15 games. No mini bingo game shall be conducted by a licensee more than
 16 ~~one hour~~ **two hours 90 minutes** prior to, or ~~two hours 90 minutes~~
 17 after the commencement of, the first regular or special game of call bingo
 18 operated or conducted by the licensee for such session.

19 Sec. 3. K.S.A. 2008 Supp. 79-4717 is hereby amended to read as
 20 follows: 79-4717. (a) The secretary of revenue shall designate an admin-
 21 istrator of charitable gaming. Any person designated the administrator of
 22 charitable gaming shall have at least five years' experience in the area of
 23 charitable gaming regulation *or similar background*. The administrator of
 24 charitable gaming shall be in the unclassified service and shall receive an
 25 annual salary fixed by the secretary of revenue and approved by the
 26 governor.

27 (b) Under the supervision of the secretary, the administrator of char-
 28 itable gaming shall administer and enforce the provisions of the bingo act
 29 and any rules and regulations adopted pursuant thereto. The administra-
 30 tor's exclusive duties shall be the administration and enforcement of the
 31 bingo act and any rules and regulations adopted pursuant thereto. The
 32 administrator shall be solely accountable to and report to the secretary of
 33 revenue.

34 Sec. 4. K.S.A. 2008 Supp. 79-4701, 79-4706 and 79-4717 are hereby
 35 repealed.

36 Sec. 5. This act shall take effect and be in force from and after its
 37 publication in the statute book.