

SENATE BILL No. 262

By Committee on Federal and State Affairs

2-23

AN ACT concerning charitable gaming; establishing the charitable gaming act, amending K.S.A. 2014 Supp. 21-6403 and 79-3603 and repealing the existing sections; also repealing K.S.A. 79-4702 and 79-4715 and K.S.A. 2014 Supp. 79-4701, 79-4701a, 79-4703, 79-4704, 79-4705, 79-4705a, 79-4706, 79-4707, 79-4708, 79-4710, 79-4711, 79-4712a, 79-4713, 79-4716, 79-4717, 79-4718 and 79-4719.

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

New Section 1. Sections 1 through 18, and amendments thereto, shall be known and may be cited as the Kansas charitable gaming act.

New Sec. 2. (a) The legislature hereby declares that charitable gaming conducted by charitable organizations is an important method of raising funds for legitimate charitable purposes and is in the public interest. The purpose of this act is to establish an effective and efficient mechanism for regulating charitable gaming which includes:

(1) Defining the scope of charitable gaming activities;

(2) setting standards for the conduct of charitable gaming which insure honesty and integrity;

(3) providing for means of accounting for all moneys generated through the conduct of charitable gaming; and

(4) providing suitable penalties for violations of applicable laws and administrative rules and regulations.

(b) The intent of this act is to:

(1) Prevent the commercialization of charitable gaming;

(2) prevent participation in charitable gaming by criminal and other undesirable elements; and

(3) prevent the diversion of funds from legitimate charitable purposes.

(c) In order to carry out the purpose and intent, the provisions of this act and any administrative rules and regulations promulgated in accordance with this act shall be construed in the public interest and strictly enforced.

New Sec. 3. As used in this act:

(a) "Act" means the Kansas charitable gaming act.

(b) "Administrator" means the administrator of charitable gaming designated by the secretary pursuant to section 16, and amendments

Proposed Amendments to SB 262
Prepared by Mike Heim
Office of Revisor of Statutes
March 19, 2015

1 fraternal, educational or veterans' organization desiring to manage, operate
 2 or conduct games of bingo or raffles within the state of Kansas may make
 3 application for a license therefor in the manner provided under this
 4 section. Application for licenses required under the provisions of this act
 5 shall be made to the administrator upon forms prescribed by the
 6 administrator. The application shall contain:

- 7 (1) The name and address of the organization;
- 8 (2) the particular place or location or multiple locations or premises
 9 for which a license is desired;
- 10 (3) a sworn statement verifying that such organization is a bona fide
 11 nonprofit religious, charitable, fraternal, educational or veterans'
 12 organization authorized to operate within the state of Kansas signed by the
 13 presiding officer and secretary of the organization; and
- 14 (4) such other information as may be required by the administrator.

15 (b) An application for a license required under the provisions of this
 16 act shall be accompanied by a fee of \$25. bingo

17 ~~(e)~~ No charitable gaming licensee shall use an electronic gaming
 18 device to sell raffle tickets or to conduct raffles. No raffle licensee shall
 19 contract with a professional raffle or lottery vendor to manage, operate or
 20 conduct any raffle. (d)

21 ~~(f)~~ All licenses issued under the provisions of this act shall be issued
 22 in the name of the organization licensed. (e)

23 ~~(g)~~ No bingo license or raffle license shall be issued to any bona fide
 24 nonprofit religious, charitable, fraternal, educational or veterans'
 25 organization if any of its officers, directors or officials or persons
 26 employed on the premises. (f)

27 (1) Have been convicted of, have pleaded guilty to or pleaded nolo
 28 contendere to a violation of gambling laws of any state or the gambling
 29 laws of the United States, or shall have forfeited bond to appear in court to
 30 answer charges for any such violation, or have been convicted or pleaded
 31 guilty or pleaded nolo contendere to the violation of any law of this or any
 32 other state which is classified as a felony under the laws of such state; or

33 (2) at the time of application for renewal of a bingo license or raffle
 34 license issued hereunder would not be eligible for such license upon a first
 35 application.

36 (f) Each bingo license, raffle license and bingo certificate issued shall
 37 expire at midnight on June 30 following its date of issuance.

38 (g) A bingo licensee may hold only one license. Any licensee may
 39 operate or conduct games of bingo at locations that are specified in the
 40 license. However, any licensee may operate or conduct games of bingo at
 41 locations other than that specified in the license upon approval of the
 42 administrator. If any licensee does operate or conduct games of bingo
 43 under this provision at a location other than that specified in the license,

(c) (1) No license shall be required for any nonprofit religious,
 charitable, fraternal, educational or veterans' organization which
 conducts raffles the annual gross receipts which do not exceed
 \$25,000.

(2) Any such nonprofit organization which has annual gross
 receipts exceeding \$25,000 from raffles shall pay an annual fee
 according to the following schedule:

A. Non profit organizations where annual gross receipts are
 more than \$25,000 but do not exceed \$50,000 shall pay a
 license fee of \$25.

B. Non profit organizations where annual gross receipts which
 exceed \$50,000 but do not exceed \$75,000 shall pay a license
 fee of \$50.

C. Non profit organization where annual gross receipts
 exceed \$75,000 but do not exceed \$100,000 shall pay a license
 fee of \$75.

D. Non profit organization where annual gross receipts
 exceed \$100,000 shall pay a fee of \$100.

(3) Upon recommendations of the administrator, the secretary
 shall adopt rules and regulations to implement the license
 requirements for nonprofit organizations conducting raffles.

(j) No registration certificate issued under provisions of subsection (f) shall be issued for any premises if any individual who is connected in any way, directly or indirectly, with the owner or lessor of the premises, within five years prior to registration, has been convicted of or pleaded guilty or nolo contendere to any felony or illegal gambling activity or purchased a tax stamp for wagering or gambling activity.

(k) Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization that conducts charitable raffles for which the aggregate gross receipts from such raffles in the calendar year does not exceed \$25,000 shall be exempt from the provisions of this section, except that such organization shall be subject to the provisions of subsection (c) regarding how such raffles are managed, operated and conducted.

New Sec. 6. For the purpose of providing revenue which may be used by the state and for the privilege of operating or conducting games of bingo under the authority of this act:

(a) There is hereby levied and there shall be collected and paid by each licensee a tax at the rate of 3% upon the gross receipts received by the licensee from charges for participation in call bingo games using reusable bingo cards and any admission fees or charges. The tax imposed by this section shall be in addition to the license fee imposed under K.S.A. 79-4703, and amendments thereto.

(b) There is hereby levied and there shall be collected and paid by each distributor a tax at a rate of \$0.002 upon each bingo face sold or distributed by the distributor to each licensee conducting call bingo games within the state of Kansas. The distributor shall include the tax due under this subsection in the sales price of each bingo face paid by the licensee and such tax shall be itemized separately on the invoice provided to the licensee.

(c) There is hereby levied and there shall be collected and paid by each distributor a tax at a rate of 1% upon the total of the printed retail sales price of all tickets in each box of instant bingo tickets sold or distributed by the distributor to each licensee conducting instant bingo games within the state of Kansas. The distributor shall include the tax due under this subsection in the sales price of each box paid by the licensee and such tax shall be itemized separately on the invoice provided to the licensee.

(d) If a distributor does not receive payment in full from a licensed organization within 60 days of the delivery of call bingo and instant bingo supplies, the supplier shall notify the department of charitable gaming in writing of the delinquency. Upon receipt of the notice of delinquency, the department of charitable gaming may revoke or suspend the license.

(e) ~~There is hereby levied and there shall be collected and paid by each licensee an enforcement tax at the rate of 1% upon the gross receipts~~

strike

1 ~~exceeding \$25,000 in any calendar year received by the licensee for~~ strike
2 ~~raffles.~~

3 ~~(4)~~ Whenever, in the judgment of the administrator, it is necessary, in
4 order to secure the collection of the tax due under subsection (b), the
5 administrator shall require any distributor subject to such tax to file a bond
6 with the director under conditions established by and in such form and
7 amount as prescribed by rules and regulations adopted by the secretary.

8 New Sec. 7. (a) On dates prescribed by the administrator, every
9 licensee conducting bingo shall make a return to the administrator upon
10 forms prescribed by the administrator. Such form shall contain:

11 (1) The name and address of the licensee;

12 (2) the amount of the gross receipts received from charges for
13 participation in games using bingo cards during the preceding reporting
14 period;

15 (3) the number of bingo faces and the name of the distributor from
16 whom such faces were purchased or otherwise obtained during the
17 preceding reporting period;

18 (4) the amount of the gross receipts received from charges for
19 admission to the premises for participation in games of bingo during the
20 preceding reporting period;

21 (5) the number of each denomination of instant bingo tickets sold
22 during the preceding reporting period; and

23 (6) such other information as the administrator may deem necessary.

24 (b) On dates prescribed by the administrator, every licensee
25 conducting raffles for which ~~an enforcement tax is levied and collected~~
26 pursuant to section 6, and amendments thereto, shall make a return to the
27 administrator upon forms prescribed by the administrator. Such form shall
28 contain:

29 (1) The name and address of the licensee; _____

and _____

30 (2) the amount of gross receipts received from raffles conducted by
31 the licensee; and

32 (3) any other information deemed necessary by the administrator.

33 ~~(c) At the time of making such return, licensees conducting raffles~~
34 ~~shall remit to the administrator the amount of the tax due under section 6,~~
35 ~~and amendments thereto. The administrator may extend the time for the~~
36 ~~payment of such taxes for a period of not exceeding 60 days under rules~~
37 ~~and regulations adopted pursuant to this act.]~~

38 (d) On dates prescribed by the administrator, every distributor shall
39 make a return to the administrator upon forms prescribed by the
40 administrator. Such form shall state:

41 (1) The number of instant bingo tickets sold or distributed to each
42 licensee;

43 (2) the amount of the retail sales price of such tickets;

strike and reletter subsections accordingly

a license fee is required

5