

SECOND REGULAR SESSION

[P E R F E C T E D]

# SENATE BILL NO. 940

95TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR PEARCE.

Read 1st time February 15, 2010, and ordered printed.

Read 2nd time February 18, 2010, and referred to the Committee on Ways and Means.

Reported from the Committee April 8, 2010, with recommendation that the bill do pass.

Taken up for Perfection April 12, 2010. Bill declared Perfected and Ordered Printed.

TERRY L. SPIELER, Secretary.

4996S.01P

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## AN ACT

To repeal sections 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, RSMo, and to enact in lieu thereof six new sections relating to bingo, with penalty provisions.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 313.010, 313.015, 313.040, 313.045, 313.050, and  
2 313.057, RSMo, are repealed and six new sections enacted in lieu thereof, to be  
3 known as sections 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, to  
4 read as follows:

313.010. 1. Any bona fide religious, charitable, fraternal, veteran or  
2 service organization, which has been in existence for at least five years  
3 immediately prior to making an application for a license and which, during that  
4 period, has had twenty bona fide members, may conduct the game of bingo upon  
5 receiving a license from the commission. Any combination of unlicensed but  
6 eligible organizations, not to exceed five, may join in making an application and  
7 may receive a single license to conduct the game of bingo. Any information or  
8 report required by sections 313.005 to 313.080 from an organization shall contain  
9 the required information regarding all of the organizations joined in the license  
10 and all requirements under sections 313.005 to 313.080 shall apply with respect  
11 to all joined organizations and the membership thereof.

12 2. Notwithstanding any other provisions to the contrary, the commission  
13 shall require only an abbreviated license, pursuant to the provisions of section

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

14 313.020, and an abbreviated licensing fee of ten dollars per event, for any bona  
15 fide religious, charitable, fraternal, veteran or service organization which  
16 conducts a bingo game on not more than [four] **fifteen** occasions annually at  
17 which only pull-tab cards may be used. The organization shall have been in  
18 existence for at least five years immediately prior to the first occasion on which  
19 such organization conducts a bingo pull-tab game and during this period shall  
20 have had twenty bona fide members. For the purposes of this subsection,  
21 "occasion" means an event having a duration of less than twenty-four hours. An  
22 organization that has been granted an abbreviated license shall be exempt from  
23 the provisions of subdivisions (11) and (14) of section 313.040.

313.015. 1. The commission shall issue a license for the conducting of  
2 bingo to any bona fide religious, charitable, fraternal, veteran or service  
3 organization or to any combination of eligible organizations, not to exceed five,  
4 which submits an application on a form prescribed by the director and which  
5 satisfies the director that such organization meets all of the requirements of  
6 sections 313.005 to 313.080. The burden of proof is at all times on the applicant  
7 to demonstrate by clear and convincing evidence its suitability to be  
8 licensed. Each license so issued shall expire at midnight one year from its date  
9 of issuance. The commission, in its sole discretion, may reopen licensure hearings  
10 for any licensee at any time.

11 2. An applicant may hold only one license and that license may not be  
12 transferred or assigned to any other organization other than the organization  
13 named in the license. Each licensed organization shall pay to the director an  
14 annual, nonrefundable license fee of fifty dollars[; provided, however, each  
15 licensed organization which awards to winners of bingo games prizes or  
16 merchandise having an aggregate retail value of five thousand dollars or less  
17 annually and less than one hundred dollars in any single day shall pay to the  
18 director an annual fee of ten dollars] to be paid into the state treasury to the  
19 credit of the gaming commission [bingo] fund. The director may, upon application  
20 made by a county fair organization or by any organization qualified to receive a  
21 regular license, issue a special license authorizing such organization to conduct  
22 bingo for the period of any fair, picnic, festival or celebration conducted by such  
23 qualified organization not exceeding one week and which is held not more than  
24 once annually, and a special licensee shall be exempt from the provisions of  
25 subdivisions (7) [and], (11), **and (14)** of section 313.040. Each organization  
26 receiving a special license shall pay to the director a fee of twenty-five dollars, to

27 be paid into the state treasury to the credit of the gaming commission [bingo]  
28 fund.

29 3. Any organization that obtains more than three special bingo licenses  
30 during any calendar year shall be required to file an annual report as required  
31 in section 313.045.

313.040. The conducting of bingo is subject to the following restrictions:

2 (1) (a) The entire net receipts over and above the actual cost of  
3 conducting the game shall be exclusively devoted to the lawful, charitable,  
4 religious or philanthropic purposes of the organization permitted to conduct that  
5 game and no receipts shall be used to compensate in any manner any person who  
6 works for or is in any way affiliated with the licensed organization. Any person  
7 who violates the provisions of this paragraph shall be guilty of a class D felony;

8 (b) Proceeds from the game of bingo may not be loaned to any person,  
9 except that this provision shall not prohibit the investment of the proceeds in any  
10 licensed banking or savings institution, instrument of the United States,  
11 Missouri, or any political subdivision thereof. Any person who violates the  
12 provisions of this paragraph shall be guilty of a class C misdemeanor; and

13 (c) The actual cost of conducting the game shall only include the following:

14 a. The cost of the prizes;

15 b. The purchasing of the bingo cards from a licensed supplier;

16 c. The purchasing or leasing of the equipment used in conducting the  
17 game;

18 d. The lease rental on the premises in which the game is conducted to  
19 include an allocation of utility costs, if applicable, costs of providing security,  
20 including the employment of a reasonable number of security personnel at a  
21 compensation level which complies with rules and regulations promulgated by the  
22 commission and such personnel is actually present and engaged in security  
23 duties, and bookkeeping and accounting expenses;

24 e. The actual cost of providing reasonable janitorial services. The cost of  
25 such services shall not be above the fair market rate charged for similar services  
26 in the community where the bingo game is being conducted;

27 f. Subject to constitutional restrictions, if any, the fair market cost of  
28 advertising each bingo occasion. Such advertising shall be procured in accordance  
29 with the rules and regulations of the commission;

30 (2) No person shall participate in conducting or managing the game of  
31 bingo except a person who has been a bona fide member of the licensed

32 organization for at least two years immediately preceding such participation, who  
33 is not a paid staff person of the licensed organization employed and compensated  
34 specifically for conducting or managing the game of bingo and who volunteers the  
35 time and service necessary to conduct the game. Subject to constitutional  
36 restrictions, if any, no person shall participate in the actual operation of the game  
37 of bingo under the direction of a person conducting or managing the game of  
38 bingo, except a person who has been a bona fide member of the licensed  
39 organization for at least one year immediately preceding such participation, who  
40 is not a paid staff person of the licensed organization employed and compensated  
41 specifically for operating the game of bingo and who volunteers the time and  
42 service necessary to operate the game. If any post or organization, by its national  
43 charter, has established an auxiliary organization for spouses, then members of  
44 the auxiliary organization shall be considered bona fide members of the licensed  
45 organization and members of the post or organization shall be considered bona  
46 fide members of the auxiliary organization for the purposes of this  
47 subdivision. Any person who is a duly ordained member of the clergy and any  
48 person who is a full-time employee or staff member of the licensed organization  
49 employed for at least two years by that organization in a capacity not directly  
50 related to the conducting or managing of the game of bingo, who has specific  
51 assigned duties under a definite job description with the licensed organization,  
52 and who volunteers time and assistance to the organization without compensation  
53 for such time and assistance in the conducting and managing of the game of bingo  
54 by the organization shall not be considered a paid staff person for the purposes  
55 of this subdivision. No full-time employee or staff member shall volunteer such  
56 time and assistance to more than one organization nor more than one day in any  
57 week. The commission shall establish guidelines for the determination of  
58 whether a person is a paid staff person within the meaning of this subdivision  
59 and shall specifically approve any full-time employee or staff member of the  
60 organization before such employee or staff member may volunteer time and  
61 assistance in the conducting and managing of bingo games for any  
62 organization. The commission may suspend the approval of any employee or staff  
63 member;

64 (3) No person, firm, partnership or corporation shall receive any  
65 remuneration, profit or gift for participating in the management, conduct or  
66 operation of the game, including the granting or use of bingo cards without charge  
67 or at a reduced charge from the licensed organization or from any other source;

68 (4) The aggregate retail value of all prizes or merchandise awarded,  
69 except prizes or merchandise awarded by pull-tab cards and progressive bingo  
70 games, in any single day of bingo may not exceed [three thousand six hundred  
71 dollars and the prize awarded for any one game, other than progressive bingo  
72 games authorized pursuant to section 313.013, may not exceed five hundred  
73 dollars cash or its equivalent. No more than one five-hundred-dollar prize, other  
74 than prizes in progressive bingo games, shall be awarded on any single day of  
75 bingo] **the amount set by the commission per regulation;**

76 (5) The number of games may not exceed sixty-two in any one day,  
77 including regular and special games. For purposes of this subdivision, the use  
78 of a pull-tab card and progressive bingo games shall not count as one of the  
79 sixty-two games per day, as limited by this subdivision, but no pull-tab card may  
80 be used except in conjunction with one of such sixty-two games;

81 (6) The price paid for a single bingo card under the license may not exceed  
82 one dollar. The commission may establish by rule or regulation the number of  
83 bingo cards which may be placed on a single bingo sheet. The price for a single  
84 pull-tab card may not exceed one dollar. [The price for a single special game  
85 bingo card may not exceed fifty cents.] A licensee may not require a [minimum  
86 number of cards to be purchased by any individual] **player to purchase more  
87 than a standard pack in order to participate in the bingo occasion;**

88 (7) The number of bingo days conducted by a licensee under the provisions  
89 of sections 313.005 to 313.080 shall be limited to [one day] **two days** per week;

90 (8) Any person, officer or director of any firm or corporation, and any  
91 partner of any partnership renting or leasing to a licensed organization  
92 equipment or premises for use in a game shall meet all the qualifications set forth  
93 in subdivisions (1) to (5) and (8) of section 313.035 and shall not be a paid staff  
94 person of the licensee. Proof of compliance with this subdivision shall be  
95 submitted to the commission by the licensee in the manner required by the  
96 commission;

97 (9) Subject to constitutional restrictions, if any, an organization licensed  
98 to conduct bingo in the state of Missouri may advertise a bingo occasion or special  
99 event bingo if expenditures for advertisement do not exceed [two] **ten** percent of  
100 the total amount expended from receipts of bingo conducted by the licensed  
101 organization for charitable, religious or philanthropic purposes[. No advertising  
102 for any bingo occasion or occasions conducted by any organization shall include  
103 any reference to an aggregate value of bingo prizes which exceed the amount

104 authorized by law to be paid out in a single bingo occasion];

105 (10) No person under the age of sixteen years may play or participate in  
106 the conducting of bingo. Any person under the age of sixteen years may be within  
107 the area where bingo is being played only when accompanied by his parent or  
108 guardian;

109 (11) No licensee shall lease premises in which it conducts bingo games  
110 from someone who is not a hall provider licensed by the commission;

111 (12) No licensee shall pay any consulting fees to any person for any  
112 service performed in relation to the bingo game;

113 (13) No licensee shall pay concession fees to any person who provides  
114 refreshments to the participants in the bingo game;

115 (14) No licensee shall conduct a bingo session at any time during the  
116 [ten-hour] period between [midnight and 10:00 a.m.] **1:00 a.m. and 7:00 a.m.**;

117 (15) No licensee, while a bingo game is being conducted, shall knowingly  
118 permit entry to any part of the licensed premises to any person of notorious or  
119 unsavory reputation or who has an extensive police record or who has been  
120 convicted of a felony;

121 (16) No vending machine or any mechanized coin-operated machine may  
122 be used to sell pull-tab cards or to pay prize money, merchandise gifts or any  
123 other form of a prize;

124 (17) No rented or reusable bingo cards may be used to conduct any game.  
125 All games must be conducted with disposable paper bingo cards that are marked  
126 by permanent ink as prescribed by the rules and regulations of the commission,  
127 **or by electronic bingo card monitoring device as approved by the**  
128 **commission;**

129 (18) No licensee shall purchase or use any bingo supplies from a person  
130 who is not licensed by the state of Missouri as a bingo supplier.

313.045. Each **regular bingo** licensee [which awards to winners of bingo  
2 games prizes or merchandise having an aggregate retail value of more than seven  
3 thousand five hundred dollars annually] **and any special bingo licensee**  
4 **which conducts games on more than three occasions in any calendar**  
5 **year** shall report [annually] **quarterly** to the commission on forms prescribed  
6 by the commission the following information:

7 (1) The number of games it has conducted during the reporting year;

8 (2) The location at which and the days it conducted games;

9 (3) The gross receipts it received from each game;

10 (4) An itemization of the cost of conducting each game, other than for  
11 prizes, and the [names and addresses] **name** of the person to whom said  
12 expenses were paid;

13 (5) The purposes for which the net proceeds of the game were used and  
14 the amounts so used;

15 (6) Any other information that the director may require by rule or  
16 regulation.

313.050. Each licensee shall keep a complete record of bingo games  
2 conducted within the previous [three] **two** years, **except for the records**  
3 **stipulated as one-year retention by regulation.** Such records shall be open  
4 to inspection by the commission.

313.057. 1. It is unlawful for any person, either as an owner, lessee or  
2 employee, to operate, carry on, conduct or maintain any form of manufacturing,  
3 selling, leasing or distribution of any bingo equipment or supplies without having  
4 first procured and maintained a Missouri bingo equipment and supplies  
5 manufacturer or supplier license.

6 2. The commission shall submit two sets of fingerprints for each key  
7 person, as defined in commission rules and regulations, of an entity or  
8 organization seeking issuance or renewal of a Missouri bingo equipment and  
9 supplies manufacturer or supplier license, for the purpose of checking the  
10 person's prior criminal history when the commission determines a nationwide  
11 check is warranted. The fingerprint cards and any required fees shall be sent to  
12 the Missouri state highway patrol's criminal records division. The first set of  
13 fingerprints shall be used for searching the state repository of criminal history  
14 information. The second set of fingerprints shall be forwarded to the Federal  
15 Bureau of Investigation, Identification Division, for the searching of the federal  
16 criminal history files. The patrol shall notify the commission of any criminal  
17 history information or lack of criminal history information discovered on the  
18 individual. Notwithstanding the provisions of section 610.120, RSMo, all records  
19 related to any criminal history information discovered shall be accessible and  
20 available to the commission.

21 3. The holder of a state bingo license may, within two years of cessation  
22 of conducting bingo or upon specific approval by the commission, dispose of by  
23 sale in a manner approved by the commission, any or all of his bingo equipment  
24 and supplies, without a supplier's license. In case of foreclosure of a lien by a  
25 bank or other person holding a security interest for which bingo equipment is

26 security in whole or in part for the lien, the commission may authorize the  
27 disposition of the bingo equipment without requiring a supplier's license.

28           4. Any person whom the commission determines to be a suitable person  
29 to receive a license pursuant to the provisions of this section may be issued a  
30 manufacturer's or supplier's license. The commission may require suppliers to  
31 post a bond with the commission in an amount and in the manner prescribed by  
32 the commission. The burden of proving his qualification to receive or hold a  
33 license pursuant to this section is at all times on the applicant or licensee.

34           5. The commission shall charge and collect from each applicant for a  
35 supplier's license a one-time application fee set by the commission, not to exceed  
36 five thousand dollars. The commission shall charge and collect an annual  
37 renewal fee for each supplier licensee not to exceed one thousand dollars. **The**  
38 **applicant shall be responsible for the total cost of the criminal history**  
39 **investigation. If the cost of the investigation exceeds the total amount**  
40 **of fees filed by the applicant in this subsection, the commission may**  
41 **assess additional fees as it deems appropriate.**

42           6. The commission shall charge and collect from each applicant for a  
43 manufacturer's license a one-time application fee set by the commission, not to  
44 exceed [one] **five** thousand dollars. The commission shall charge and collect an  
45 annual renewal fee for each manufacturer licensee not to exceed [five hundred]  
46 **one thousand** dollars. **The applicant shall be responsible for the total**  
47 **cost of the criminal history investigation. If the cost of the**  
48 **investigation exceeds the total amount of fees filed by the applicant in**  
49 **this subsection, the commission may assess additional fees as it deems**  
50 **appropriate.**

51           7. The commission shall charge and collect from each applicant for a hall  
52 provider's license a one-time application fee set by the commission, not to exceed  
53 seven hundred fifty dollars. The commission shall charge and collect an annual  
54 renewal fee for each hall provider licensee not to exceed five hundred dollars.

55           8. All licenses issued pursuant to this section shall be issued for the  
56 calendar year and shall expire on December thirty-first of each year. Regardless  
57 of the date of application or issuance of the license, the fee to be charged and  
58 collected pursuant to this section shall be the full annual fee.

59           9. All license fees collected pursuant to this section shall be paid over  
60 immediately to the state treasurer to be deposited to the credit of the gaming  
61 commission [bingo] fund.

62           10. All licensees pursuant to this section shall maintain for a period of not  
63 less than three years full and complete records of all business carried on in this  
64 state and shall make same available for inspection to any duly authorized  
65 representative of the commission. If a supplier does not receive payment in full  
66 from an organization within thirty days of the delivery of bingo supplies, the  
67 supplier shall notify the commission in writing, or in a manner specified by the  
68 commission in its rules and regulations, of the delinquency. Upon receipt of the  
69 notice of delinquency, the commission shall notify all suppliers that until further  
70 notice from the commission, all sales of bingo supplies to the delinquent  
71 organizations shall be on a cash-only basis. Upon receipt of the notice from the  
72 commission, no supplier may extend credit to the delinquent organization until  
73 such time as the commission approves credit sales. If a manufacturer does not  
74 receive payment in full from a supplier within ninety days of the delivery of bingo  
75 supplies, the manufacturer shall notify the commission in writing, or in a manner  
76 specified by the commission in its rules and regulations, of the  
77 delinquency. Upon receipt of the notice of delinquency, the commission shall  
78 notify all manufacturers that until further notice from the commission, all sales  
79 of bingo supplies to the delinquent supplier shall be on a cash-only basis. Upon  
80 receipt of the notice from the commission, no manufacturer may extend credit to  
81 the delinquent supplier until such time as the commission approves credit sales.

82           11. Until January 1, 1995, all suppliers shall pay a tax on all pull-tab  
83 cards distributed by them in the amount of ten dollars per box when sold by any  
84 organization licensed to conduct bingo pursuant to the provisions of sections  
85 313.005 to 313.080. No box sold shall contain more than twenty-four hundred  
86 pull-tab cards. Beginning January 1, 1995, a tax is hereby imposed in the  
87 amount of two percent of the gross receipts of the retail sales value charged for  
88 each pull-tab card sold in Missouri to be paid by the supplier. The taxes, less two  
89 percent of the total amount paid which may be retained by the supplier, if timely  
90 filed and paid, shall be paid on a monthly basis to the commission by each  
91 supplier of pull-tabs and shall be due on the last day of each month following the  
92 month in which the pull-tabs were sold. The taxes shall be deposited in the state  
93 treasury, credited to the bingo proceeds for education fund. All pull-tab cards  
94 sold by suppliers in this state shall bear on the face thereof the amount for which  
95 such pull-tab cards will be sold[, and the license number of the supplier shall be  
96 printed on the inventory statement commonly called the flare, enclosed in each  
97 unit container]. Each unit container shall contain cards printed in such a

98 manner as to ensure that at least sixty percent of the gross revenues generated  
99 by the ultimate sale of such cards shall be returned to the final purchasers of  
100 such cards. Any supplier who fails to pay the tax imposed pursuant to this  
101 subsection shall have his license issued pursuant to this section revoked and  
102 shall be guilty of a class A misdemeanor.

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