SECOND REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

HOUSE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 940

95TH GENERAL ASSEMBLY

2010

4996L.02T

AN ACT

To repeal sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, RSMo, and to enact in lieu thereof seven new sections relating to bingo, with penalty provisions.

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

Section A. Sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050,

- 2 and 313.057, RSMo, are repealed and seven new sections enacted in lieu thereof,
- 3 to be known as sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050, and
- 4 313.057, to read as follows:

313.005. As used in sections 313.005 to 313.080, the following terms shall

- 2 mean:
- 3 (1) "Bingo", a game in which each participant receives one or more cards,
- 4 including, but not limited to, pull-tab cards, marked off into twenty-five squares
- 5 arranged on five horizontal rows of five squares each; or, one or more cards
- 6 marked off into twenty-five squares arranged on five horizontal rows of five
- 7 squares each which are not pull-tab cards and, in addition thereto, one or more
- 8 pull-tab cards. Each square is designated by number, letter or by a combination
- 9 of numbers and letters, except that the center square on the card shall be
- 10 designated with the word "free". No two cards shall be identical. As the
- 11 announcer of the game announces a number, letter or a combination of numbers
- 12 and letters, each player covers the square corresponding to the announced
- 13 number, letter or combination by marking such card in ink. The numbers, letters
- 14 or combination of numbers and letters which are announced shall appear on an

- object selected by chance, either manually or mechanically, from a receptacle containing the objects bearing numbers, letters or combinations of numbers and letters. The winner of each game shall be the player or players who are first to properly cover a predetermined and announced pattern of squares upon the card or cards used by such player or players. A prize or prizes may be awarded to the winner or winners of a game;
- 21 (2) "Bingo card", an individual game face marked off into twenty-five 22 squares arranged on five horizontal rows of five squares each, one or more of 23 which may be contained on a bingo sheet;
 - (3) "Bingo card monitoring device", a technology aid which allows a bingo player to enter bingo numbers as they are announced at a bingo occasion and which marks or otherwise conceals those numbers on bingo cards which are electronically stored in and displayed on the device. A bingo card monitoring device shall not include any device into which currency, coin, tokens, or electronic funds transfer may be inserted or from which currency, coin, tokens, or any receipt for monetary value can be dispensed or which, once provided to a bingo player, is capable of communicating with any other bingo card monitoring device or any other form of electronic device or computer. A bingo card monitoring device shall only be permitted to monitor bingo games and not used for any games or themes;
 - (4) "Bingo equipment", all paraphernalia used to conduct a bingo game including selection equipment, number display boards, and bingo cards and faces and other such related equipment as may be defined by the rules and regulations of the commission. This definition does not include audio or video equipment which plays no part in the conduct of the game other than communicating the progress of the game or items used to mark numbers on the cards;
- [(4)] (5) "Bingo sheet", a disposable piece of paper containing one or more bingo cards;
- [(5)] (6) "Charitable organization", any organization which is organized and operated for the relief of poverty, distress, or other condition of public concern within this state or organized for financially supporting the activities of a charitable organization as hereinbefore defined. In order to qualify as a charitable organization, no part of the net earnings of the organization may inure to the benefit of any private shareholder or individual member of the

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50 organization. Charitable organizations must have obtained an exemption from

- 51 the payment of federal income taxes as provided in section 501(c)(3) of the
- 52 Internal Revenue Code of 1954, as amended;
- [(6)] (7) "Commission", the Missouri gaming commission;
- 54 [(7)] (8) "Director", the director or other person in charge of the
- 55 regulation of the game of bingo, as designated by the Missouri gaming
- 56 commission;
- [(8)] (9) "Fraternal organization", any organization within this state
- 58 operating under the lodge system which exists for the common benefit,
- 59 brotherhood or other interest of its members except college fraternities and
- 60 sororities and of which no part of the net earnings inures to the benefit of any
- 61 private shareholder or any individual member of such organization and which has
- 62 been exempted from the payment of federal income tax as provided in section
- 63 501(c)(5), 501(c)(8), or 501(c)(10) Internal Revenue Code of 1954, as amended;
- [(9)] (10) "Hall provider", a person or business entity which leases
- 65 premises in which bingo games are conducted;
- [(10)] (11) "Pull-tab card", any disposable card or ticket which accords
- 67 a person an opportunity to win something of value by opening, pulling, detaching,
- 68 or otherwise removing tabs from the card or ticket to reveal a set of numbers,
- 69 letters, symbols, or configurations, or any combination thereof. The term
- 70 "pull-tab card" shall include any card known as a pickle ticket, pickle, break-open,
- 71 or pull-tab card;
- 72 [(11)] (12) "Religious organization", any organization, church, body of
- 73 communicants, or group, gathered in common membership for mutual support
- 74 and edification in piety, worship and religious observances. Such an organization
- 75 may be a society of individuals united for religious purposes at a definite place.
- 76 In order to qualify as a religious organization, no part of the net earnings of the
- 77 organization may inure to the benefit of any private shareholder or any individual
- 78 member of such organization. Religious organizations shall maintain an
- 79 established place of worship within this state and shall have a regular schedule
- 80 of services or meetings at least on a weekly basis. Religious organizations must
- 81 have obtained an exemption from the payment of federal income taxes as provided
- 82 by section 501(c)(3) or section 501(d) of the Internal Revenue Code of 1954, as
- 83 amended;
- 84 [(12)] (13) "Service organization", any organization commonly known as

- 85 a civic club or county fair or other organization if such organization is a religious,
- 86 charitable, fraternal, veteran or service organization as described in article III,
- 87 section 39(a) of the Missouri Constitution and of which no part of the net
- 88 earnings inures to the benefit of any private shareholder or individual member
- 89 of such organization. Service organizations must have obtained an exemption
- 90 from the payment of federal income taxes as provided in section 501(c)(4),
- 91 501(c)(5) or 501(c)(7) of the Internal Revenue Code of 1954, as amended;
- 92 [(13)] (14) "Supplier", a person or business entity that sells, markets or
- 93 otherwise provides bingo equipment or supplies to any bona fide religious,
- 94 charitable, fraternal, veteran or service organization;
- 95 [(14)] (15) "Veterans' organization", a post or organization of veterans,
- 96 or an auxiliary unit or society of, or a trust or foundation for, any such post or
- 97 organization:

- (a) Organized in the United States or any of its possessions;
- 99 (b) In which at least seventy-five percent of the members of which are war
- 100 veterans and substantially all of the other members of which are individuals who
- 101 are veterans (but not war veterans) or are cadets, or are spouses, widows or
- 102 widowers of war veterans of such individuals; and
- (c) In which no part of the net earnings of which inures to the benefit of
- 104 any private shareholder or individual and which has been exempted from
- 105 payment of federal income taxes as provided by section 501(c)(19) of the Internal
- 106 Revenue Code of 1954, as amended.
 - 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

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313.020, and an abbreviated licensing fee of ten dollars per event, for any bona 14 fide religious, charitable, fraternal, veteran or service organization which 15 16 conducts a bingo game on not more than [four] fifteen occasions annually at which only pull-tab cards may be used. The organization shall have been in 17 existence for at least five years immediately prior to the first occasion on which 18 19 such organization conducts a bingo pull-tab game and during this period shall have had twenty bona fide members. For the purposes of this subsection, 20 "occasion" means an event having a duration of less than twenty-four hours. An 2122 organization that has been granted an abbreviated license shall be exempt from the provisions of subdivisions (11) and (14) of section 313.040. 23

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

2. An applicant may hold only one license and that license may not be 11 transferred or assigned to any other organization other than the organization 12 13 named in the license. Each licensed organization shall pay to the director an annual, nonrefundable license fee of fifty dollars[; provided, however, each 14 licensed organization which awards to winners of bingo games prizes or 15 merchandise having an aggregate retail value of five thousand dollars or less 16 annually and less than one hundred dollars in any single day shall pay to the 17 director an annual fee of ten dollars to be paid into the state treasury to the 18 credit of the gaming commission [bingo] fund. The director may, upon application 19 made by a county fair organization or by any organization qualified to receive a 20 21regular license, issue a special license authorizing such organization to conduct 22bingo 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 once annually, and a special licensee shall be exempt from the provisions of 2425subdivisions (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:
- 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;
- 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;

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(2) No person shall participate in conducting or managing the game of bingo except a person who has been a bona fide member of the licensed organization for at least two years immediately preceding such participation, who is not a paid staff person of the licensed organization employed and compensated specifically for conducting or managing the game of bingo and who volunteers the time and service necessary to conduct the game. Subject to constitutional restrictions, if any, no person shall participate in the actual operation of the game 36 of bingo under the direction of a person conducting or managing the game of bingo, except a person who has been a bona fide member of the licensed organization for at least one year immediately preceding such participation, who is not a paid staff person of the licensed organization employed and compensated specifically for operating the game of bingo and who volunteers the time and service necessary to operate the game. If any post or organization, by its national charter, has established an auxiliary organization for spouses, then members of the auxiliary organization shall be considered bona fide members of the licensed organization and members of the post or organization shall be considered bona fide members of the auxiliary organization for the purposes of this 46 subdivision. Any person who is a duly ordained member of the clergy and any person who is a full-time employee or staff member of the licensed organization employed for at least two years by that organization in a capacity not directly related to the conducting or managing of the game of bingo, who has specific assigned duties under a definite job description with the licensed organization, and who volunteers time and assistance to the organization without compensation for such time and assistance in the conducting and managing of the game of bingo by the organization shall not be considered a paid staff person for the purposes 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 week. The commission shall establish guidelines for the determination of whether a person is a paid staff person within the meaning of this subdivision 58 and shall specifically approve any full-time employee or staff member of the organization before such employee or staff member may volunteer time and 60 assistance in the conducting and managing of bingo games for any organization. The commission may suspend the approval of any employee or staff 62 63 member;

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(3) No person, firm, partnership or corporation shall receive any

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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;

- (4) The aggregate retail value of all prizes or merchandise awarded, except prizes or merchandise awarded by pull-tab cards and progressive bingo games, in any single day of bingo may not exceed [three thousand six hundred dollars and the prize awarded for any one game, other than progressive bingo games authorized pursuant to section 313.013, may not exceed five hundred dollars cash or its equivalent. No more than one five-hundred-dollar prize, other than prizes in progressive bingo games, shall be awarded on any single day of bingo] the amount set by the commission per regulation;
- (5) The number of games may not exceed sixty-two in any one day, including regular and special games. For purposes of this subdivision, the use of a pull-tab card and progressive bingo games shall not count as one of the sixty-two games per day, as limited by this subdivision, but no pull-tab card may be used except in conjunction with one of such sixty-two games;
- (6) The price paid for a single bingo card under the license may not exceed one dollar. The commission may establish by rule or regulation the number of bingo cards which may be placed on a single bingo sheet. The price for a single pull-tab card may not exceed one dollar. [The price for a single special game bingo card may not exceed fifty cents.] A licensee may not require a [minimum number of cards to be purchased by any individual] player to purchase more than a standard pack in order to participate in the bingo occasion;
- (7) The number of bingo days conducted by a licensee under the provisions of sections 313.005 to 313.080 shall be limited to [one day] two days per week;
- (8) Any person, officer or director of any firm or corporation, and any partner of any partnership renting or leasing to a licensed organization equipment or premises for use in a game shall meet all the qualifications set forth in subdivisions (1) to (5) and (8) of section 313.035 and shall not be a paid staff person of the licensee. Proof of compliance with this subdivision shall be submitted to the commission by the licensee in the manner required by the commission;
- (9) Subject to constitutional restrictions, if any, an organization licensed to conduct bingo in the state of Missouri may advertise a bingo occasion or special event bingo if expenditures for advertisement do not exceed [two] ten percent of

- the total amount expended from receipts of bingo conducted by the licensed organization for charitable, religious or philanthropic purposes. No advertising for any bingo occasion or occasions conducted by any organization shall include any reference to an aggregate value of bingo prizes which exceed the amount 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 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 games prizes or merchandise having an aggregate retail value of more than seven thousand five hundred dollars annually] and any special bingo licensee 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
 - 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

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20 available to the commission.

- 3. The holder of a state bingo license may, within two years of cessation of conducting bingo or upon specific approval by the commission, dispose of by sale in a manner approved by the commission, any or all of his bingo equipment and supplies, without a supplier's license. In case of foreclosure of a lien by a bank or other person holding a security interest for which bingo equipment is security in whole or in part for the lien, the commission may authorize the disposition of the bingo equipment without requiring a supplier's license.
- 4. Any person whom the commission determines to be a suitable person to receive a license pursuant to the provisions of this section may be issued a manufacturer's or supplier's license. The commission may require suppliers to post a bond with the commission in an amount and in the manner prescribed by the commission. The burden of proving his qualification to receive or hold a license pursuant to this section is at all times on the applicant or licensee.
- 5. The commission shall charge and collect from each applicant for a supplier's license a one-time application fee set by the commission, not to exceed five thousand dollars. The commission shall charge and collect an annual renewal fee for each supplier licensee not to exceed one thousand dollars. The applicant shall be responsible for the total cost of the criminal history investigation. If the cost of the investigation exceeds the total amount of fees filed by the applicant in this subsection, the commission may assess additional fees as it deems appropriate.
- 6. The commission shall charge and collect from each applicant for a manufacturer's license a one-time application fee set by the commission, not to exceed [one] five thousand dollars. The commission shall charge and collect an annual renewal fee for each manufacturer licensee not to exceed [five hundred] one thousand dollars. The applicant shall be responsible for the total cost of the criminal history investigation. If the cost of the investigation exceeds the total amount of fees filed by the applicant in this subsection, the commission may assess additional fees as it deems appropriate.
 - 7. The commission shall charge and collect from each applicant for a hall provider's license a one-time application fee set by the commission, not to exceed seven hundred fifty dollars. The commission shall charge and collect an annual renewal fee for each hall provider licensee not to exceed five hundred dollars.

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- 8. All licenses issued pursuant to this section shall be issued for the calendar year and shall expire on December thirty-first of each year. Regardless of the date of application or issuance of the license, the fee to be charged and collected pursuant to this section shall be the full annual fee.
- 9. All license fees collected pursuant to this section shall be paid over immediately to the state treasurer to be deposited to the credit of the gaming commission [bingo] fund.
 - 10. All licensees pursuant to this section shall maintain for a period of not less than three years full and complete records of all business carried on in this state and shall make same available for inspection to any duly authorized representative of the commission. If a supplier does not receive payment in full from an organization within thirty days of the delivery of bingo supplies, the supplier shall notify the commission in writing, or in a manner specified by the commission in its rules and regulations, of the delinquency. Upon receipt of the notice of delinquency, the commission shall notify all suppliers that until further notice from the commission, all sales of bingo supplies to the delinquent organizations shall be on a cash-only basis. Upon receipt of the notice from the commission, no supplier may extend credit to the delinquent organization until such time as the commission approves credit sales. If a manufacturer does not receive payment in full from a supplier within ninety days of the delivery of bingo supplies, the manufacturer shall notify the commission in writing, or in a manner specified by the commission in its rules and regulations, of the delinquency. Upon receipt of the notice of delinquency, the commission shall notify all manufacturers that until further notice from the commission, all sales of bingo supplies to the delinquent supplier shall be on a cash-only basis. Upon receipt of the notice from the commission, no manufacturer may extend credit to the delinquent supplier until such time as the commission approves credit sales.
 - 11. Until January 1, 1995, all suppliers shall pay a tax on all pull-tab cards distributed by them in the amount of ten dollars per box when sold by any organization licensed to conduct bingo pursuant to the provisions of sections 313.005 to 313.080. No box sold shall contain more than twenty-four hundred pull-tab cards. Beginning January 1, 1995, a tax is hereby imposed in the amount of two percent of the gross receipts of the retail sales value charged for each pull-tab card sold in Missouri to be paid by the supplier. The taxes, less two percent of the total amount paid which may be retained by the supplier, if timely

filed and paid, shall be paid on a monthly basis to the commission by each supplier of pull-tabs and shall be due on the last day of each month following the month in which the pull-tabs were sold. The taxes shall be deposited in the state treasury, credited to the bingo proceeds for education fund. All pull-tab cards sold by suppliers in this state shall bear on the face thereof the amount for which such pull-tab cards will be sold[, and the license number of the supplier shall be printed on the inventory statement commonly called the flare, enclosed in each unit container]. Each unit container shall contain cards printed in such a manner as to ensure that at least sixty percent of the gross revenues generated by the ultimate sale of such cards shall be returned to the final purchasers of such cards. Any supplier who fails to pay the tax imposed pursuant to this subsection shall have his license issued pursuant to this section revoked and shall be guilty of a class A misdemeanor.

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