

Appendix C - Bingo Statutes

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79-4701. Definitions. As used in this act:

(a) "Act" means the bingo act.

(b) "Administrator" means the administrator of charitable gaming designated by the secretary pursuant to K.S.A. 2000 Supp. 79-4717, and amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(q) "Nonprofit fraternal organization" means any organization within this state which exists for the common benefit, brotherhood, or other interests of its members and is authorized by its written constitution, charter, articles of incorporation or bylaws to engage in a fraternal, civic or service purpose within this state and has been determined by the administrator to be organized and operated as a bona fide fraternal organization and which has been exempted from the payment of federal income taxes as provided by section 501(c)(8) or section 501(c)(10) of the federal internal revenue code of 1986, as amended, or determined to be organized and operated as a bona fide nonprofit fraternal organization by the administrator.

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

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

amended, or determined to be organized and operated as a bona fide nonprofit veterans' organization by the administrator.

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

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

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

(w) "Regular game of bingo" means any game of bingo which is subject to the 25 game limit, \$50 prize limit and the \$1 charge limit imposed under subsections (g), (h) and (j) of K.S.A. 79-4706, and amendments thereto.

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

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

History: L. 1975, ch. 491, § 1; L. 1977, ch. 341, § 3; L. 1982, ch. 425, § 1; L. 1984, ch. 366, § 1; Revived and amend., L. 1995, ch. 261, § 3; L. 2000, ch. 173, § 2; July 1.

79-4701a. Bingo act; citation of act. K.S.A. 79-4701 et seq., and amendments thereto, shall be known and may be cited as the bingo act.

History: L. 2000, ch. 173, § 1; July 1.

79-4702. Power to regulate, license and tax games vested exclusively in state. The power to regulate, license and tax the management, operation and conduct of and participation in games of bingo is hereby vested exclusively in the state.

History: L. 1975, ch. 491, § 2; L. 1977, ch. 341, § 4; July 1.

79-4703. Licensure; application; fee; restrictions; leased premises, requirements and registration certificate. (a) Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization desiring to manage, operate or conduct games of bingo within the state of Kansas may make application for a license therefor in the manner provided under this section. Application for licenses required under the provisions of this act shall be made to the administrator upon forms prescribed by the administrator. The application shall contain:

(1) the name and address of the organization;

(2) the particular place or location for which a license is desired;

(3) a sworn statement verifying that such organization is a bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization authorized to operate within the state of Kansas signed by the presiding officer and secretary of the organization; and

(4) such other information as may be required by the administrator.

(b) No bingo license shall be issued to any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization if any of its officers, directors or officials or persons employed on the premises:

(1) Has been convicted of, has pleaded guilty to or pleaded nolo contendere to a violation of gambling laws of any state or the gambling laws of the United States, or shall have forfeited bond to appear in court to answer charges for any such violation, or has been convicted or pleaded guilty or pleaded nolo contendere to the violation of any law of this or any other state which is classed as a felony under the laws of such state;

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

(c) An application for a license required under the provisions of this act shall be accompanied by a fee of \$25 and if such organization is to conduct bingo on any leased premises, the terms of the lease shall be reduced to writing and a copy of the lease shall be submitted to the administrator. The administrator shall have the power and authority to approve or disapprove any lease submitted. No

lease, which has been approved by the administrator, shall be amended, modified or renewed in any manner until such amendments, modifications or renewals of such lease have been approved by and are on file with the administrator. No lease submitted to the administrator shall be approved unless:

(1) The rental cost of the premises itself is fair and reasonable. The rent charged for any session of bingo shall not exceed 50% of the net proceeds for the session or the fair and reasonable rental value determined by the administrator, whichever is less. The rental costs so charged shall be substantiated to the administrator under rules and regulations adopted pursuant to the bingo act.

(2) Any costs additional to the costs under paragraph (1) of this subsection (c) which are to be borne by the lessee shall reflect the actual costs incurred by the lessor and first shall be substantiated to the administrator under rules and regulations adopted pursuant to the bingo act.

(3) No costs shall be borne by the lessee unless such costs are enumerated in the lease submitted to the administrator.

(d) Each license issued shall expire at midnight on June 30 following its date of issuance. A licensee may hold only one license and that license is valid for only one location. However, any licensee may operate or conduct games of bingo, not to exceed five days in any one year, at locations other than that specified in the license. If any licensee does operate or conduct games of bingo under this provision at a location other than that specified in the license, such licensee shall submit a written notification to the administrator, at least three days prior to operating or conducting bingo at such other location. No organization shall be issued a license to operate or conduct games of bingo at any location outside the county within which such organization is located as reported in its application for licensure pursuant to subsection (a). No licensee shall operate or conduct games of bingo at any location outside the county within which such licensee is located. Licenses issued under the provisions of this act shall not be transferred or assignable. If any organization licensed to play bingo changes any of its officers, directors or officials during the term of its bingo license, such organization shall report the names and addresses of such individuals to the administrator immediately with the sworn statement of each such individual as required by this section on forms prescribed by the administrator. No organization which denies its membership to persons for the reason of their race, color or physical handicap, shall be granted or allowed to retain a license issued under the authority of this act. Except for nonprofit adult care homes licensed under the laws of the state of Kansas, no license shall be issued to any organization under the provisions of this act which has not been in existence continuously within the state of Kansas for a period of 18 months immediately preceding the date of making application for a license. The licensee shall display the license in a prominent place in the vicinity of the area where it is to conduct bingo.

(e) No lessor of premises used for the management, operation or conduct of any games of bingo shall permit the management, operation or conduct of bingo games on such premises unless such lessor has been issued a registration certificate by the administrator. Application for registration shall be accompanied by a fee of \$100. Such application shall be made upon forms prescribed by the administrator and shall be submitted to the administrator. The application shall contain:

(1) The name or names of the lessor of premises which will be used for the management, operation or conduct of any games of bingo including, in the case of a corporation, partnership, association, trust or other entity, the names of all individuals having more than a 10% ownership interest, either directly or indirectly in such entity;

(2) the address of such premises;

(3) the name or names of any and all organizations which will manage, operate or conduct any games of bingo on such premises during the period for which the registration certificate is valid;

(4) such other information as may be required by the administrator.

(f) Each registration certificate, or renewal thereof, issued under the provisions of subsection (e) shall expire at midnight on June 30 following its date of issuance. The certificate of registration shall be valid for only one premises and shall be displayed in a prominent place in the registered premises.

(g) No registration certificate 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.

History: L. 1975, ch. 491, § 3; L. 1977, ch. 341, § 5; L. 1982, ch. 425, § 2; L. 1984, ch. 366, § 2; L. 2000, ch. 173, § 3; July 1.

79-4704. Taxation. 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 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) Whenever, in the judgment of the administrator, it is necessary, in order to secure the collection of the tax due under subsection (b), the administrator shall require any distributor subject to such tax to file a bond with the director under conditions established by and in such form and amount as prescribed by rules and regulations adopted by the secretary.

History: L. 1975, ch. 491, § 4; L. 1977, ch. 341, § 6; Revived and amend., L. 1995, ch. 261, § 4; L. 2000, ch. 173, § 4; July 1.

79-4705. Returns and tax to director of taxation; forms, contents; extension of time; penalties and interest; waiver or reduction. (a) On dates prescribed by the administrator, every operator shall make a return to the administrator upon forms prescribed by the administrator. Such form shall contain:

- (1) The name and address of the licensee;
- (2) the amount of the gross receipts received from charges for participation in games using bingo cards during the preceding reporting period;
- (3) the number of bingo faces and the name of the distributor from whom such faces were purchased or otherwise obtained during the preceding reporting period;
- (4) the amount of the gross receipts received from charges for admission to the premises for participation in games of bingo during the preceding reporting period;
- (5) the number of each denomination of instant bingo tickets sold during the preceding reporting period; and
- (6) such other information as the administrator may deem necessary.

(b) At the time of making such return, licensees conducting call bingo games using bingo cards shall remit to the administrator the amount of the tax then due under subsection (a) of K.S.A. 79-4704, and amendments thereto. The administrator may extend the time for the payment of such taxes for a period not exceeding 60 days under rules and regulations adopted pursuant to the bingo act.

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

- (1) the number of instant bingo tickets sold or distributed to each licensee;
- (2) the amount of the retail sales price of such tickets;
- (3) the number of bingo cards sold or distributed to each licensee;
- (4) the number of bingo faces sold or distributed to each licensee; and

(5) and such other information as the administrator may deem necessary. At the time of making such return, the distributor shall remit to the administrator an amount equal to 98% of the tax due under subsection (b) of K.S.A. 79-4704, and amendments thereto.

(d) If any licensee or distributor fails to make a return or remit any tax, when required to do so by the provisions of this act, except in the case of an extension of time granted by the administrator, there shall be added to the tax determined to be due a penalty of 25% of the amount of such tax, together with interest at the rate per month prescribed by subsection (a) of K.S.A. 79-2968, and amendments thereto, from the date the tax was due until paid.

(e) If any tax determined and assessed by the administrator is not remitted due to fraud with intent to evade the tax imposed by this act, there shall be added thereto a penalty of 50% of the amount of such tax, together with interest at the rate per month prescribed by subsection (a) of K.S.A. 79-2968, and amendments thereto, from the date the tax was due until paid.

(f) Whenever, in the judgment of the administrator, the failure of any licensee or distributor to comply with the provisions of subsection (a), (b) or (c) was due to reasonable cause, the administrator, in the administrator's discretion, may waive or reduce any of the penalties or interest imposed by this section, upon making a record of the reason therefor.

(g) The penalties imposed under this section shall be in addition to all other penalties imposed by law.

History: L. 1975, ch. 491, § 5; L. 1977, ch. 341, § 7; L. 1980, ch. 308, § 26; Revived and amend., L. 1995, ch. 261, § 5; L. 2000, ch. 173, § 5; July 1.

79-4705a. Determination of correctness of tax return; subpoenas and interrogatories. (a) For the purpose of ascertaining the correctness of any return or for the purpose of determining the receipts and remittances of any licensee or distributor, the administrator may examine any books, papers, records or memoranda, bearing upon the matters required to be included in the records of the licensee or distributor. The administrator may require the attendance of the licensee or distributor in the county where the licensee or distributor resides, or where the location of the registered premises for bingo games are located, or of any person having knowledge relating to such records, and may take testimony and require proof of such person or persons.

(b) The administrator may issue subpoenas to compel access to or for the production of such books, papers, records or memoranda in the custody of or to which the licensee or distributor has access, or to compel the appearance of such persons. The administrator may issue interrogatories to any such person to the same extent and subject to the same limitations as would apply if the subpoena or interrogatories were issued or served in aid of a civil action in the district court. The administrator may administer oaths and take depositions to the same extent and subject to the same limitations as would apply if the deposition was in aid of a civil action in the district court. In case of the refusal of any person to comply with any subpoena or interrogatory or to testify to any matter regarding which such person lawfully may be questioned, the district court of any county, upon application of the administrator, may order such person to comply with such subpoena or interrogatory or to testify. Failure to obey the court's order may be punished by the court as contempt. Subpoenas or interrogatories issued under the provisions of this section may be served upon individuals and corporations in the manner provided in K.S.A. 60-304, and amendments thereto, for the service of process by any officer authorized to serve subpoenas in civil actions or by the administrator.

History: L. 1984, ch. 366, § 4; L. 2000, ch. 173, § 6; July 1.

79-4706. Restrictions on bingo games and instant bingo tickets. Games of bingo shall be managed, operated and conducted in accordance with the bingo act and rules and regulations adopted pursuant thereto and the following restrictions:

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

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

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

(d) No person may participate in the management, conduct or operation of bingo games by a licensee if such person, within five years prior to such participation, 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.

(e) No person may receive any remuneration or profit for participating in the management, conduct or operation of any game of bingo managed, conducted or operated by a licensee.

(f) The aggregate value of all prizes including the retail value of all merchandise awarded or offered by a licensee in a single session to winners of games of regular and special call bingo shall not exceed \$1,200. The value of a prize awarded in a progressive or mini bingo game shall not be included when determining the limit imposed by this subsection. Any monetary prize of \$500 or more awarded in games of bingo shall be paid by a check drawn on the bingo trust bank account of the licensee. Any monetary prize awarded in games of bingo shall be paid by a check on the bingo trust bank account of the licensee upon the request of the winner of such award.

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

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

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

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

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

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

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

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

(o) A lessor of premises used for the management, operation or conduct of games of bingo or a licensee may not advertise games of bingo except to the extent and in the manner prescribed by the

rules and regulations adopted pursuant to the bingo act. Any advertisement of any game of bingo by or on behalf of such lessor or licensee shall specify the organization which is managing, operating or conducting such game. The announcement of the cancellation of a game of bingo shall not be considered to be an advertisement.

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

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

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

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

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

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

(u) Every licensee who has gross receipts of \$1,000 or more received from participation in games, admission fees or charges and from any other source directly related to the operation or conduct of any games of bingo in any calendar month shall maintain a bingo trust bank account into which all such receipts are deposited daily and from which all payments are made relating to the management, operation or conduct of any games of bingo, except payment of prizes of less than \$200. Having once established such bingo trust bank account, the licensee shall continue to make deposits of all receipts therein. Every licensee shall notify the administrator of the name of the bank in which the bingo trust bank account is maintained, together with the number and name of the account. Every licensee who maintains a bingo trust bank account shall maintain a complete record of all deposits and withdrawals from such bank account and the same shall be available to the administrator to audit at any reasonable time.

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

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

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

(x) All instant bingo tickets sold or distributed to licensees shall bear on the face thereof a unique serial number which shall not be repeated on the same manufacturer's form number less than every three years. All instant bingo tickets shall be sold or distributed in boxes. Each box shall be sealed by the manufacturer with a seal which includes a warning to the purchaser that the box may have been tampered with if the box was received by the purchaser with the seal broken. Each box of instant bingo tickets shall contain tickets printed in such a manner as to insure that at least 60% of the gross revenues generated by the ultimate sale of all tickets from such box shall be returned to the final

purchasers of such tickets. No box of instant bingo tickets may be opened by a licensee unless all tickets contained in a previously opened box with the same form number have been sold.

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

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

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

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

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

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

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

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

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

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

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

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

(cc) The total number of mini games of bingo managed, operated or conducted by a licensee during a session shall not exceed 20 games. No mini bingo game shall be conducted by a licensee more than one hour prior to, or after the commencement of, the first regular or special game of call bingo operated or conducted by the licensee for such session.

History: L. 1975, ch. 491, § 6; L. 1977, ch. 341, § 8; L. 1980, ch. 324, § 1; L. 1982, ch. 425, § 3; L. 1984, ch. 366, § 3; L. 1984, ch. 365, § 1; L. 1989, ch. 304, § 1; Revived and amend., L. 1995, ch. 261, § 6; L. 2000, ch. 173, § 7; July 1.

79-4707. Revocation or suspension of license or registration, hearing; procedure; injunctions. (a) The administrator, after a hearing in accordance with the provisions of the Kansas administrative procedure act, may revoke or suspend any license or registration certificate issued under the provisions of this act for any of the following reasons:

(1) The licensee or registrant has obtained the license or registration certificate by giving false information in the application therefor;

(2) the licensee or registrant has violated any of the laws of the state of Kansas or provisions of this act or any rules and regulations adopted pursuant thereto for the registration, licensing, taxing, management, conduct or operation of games of bingo; or

(3) the licensee or registrant has become ineligible to obtain a license under this act.

(b) Any action of the administrator pursuant to subsection (a) is subject to review in accordance with the act for judicial review and civil enforcement of agency actions. In case of the revocation of the license of any licensee or the registration of any registrant, no new license or registration shall be issued to such lessor, sublessor or organization, or any person acting for or on its behalf, for a period of six months thereafter. No revocation or suspension of a license or registration certificate shall be for a period in excess of one year if the applicant otherwise is qualified on the date the applicant makes a new application therefor.

(c) The administrator is hereby authorized to enjoin any person from managing, operating or conducting any games of bingo, or from leasing any premises for such purposes, if such person does not possess a valid license or registration certificate issued pursuant to the provisions of the bingo act. The administrator shall be entitled to have an order restraining such person from managing, operating or conducting any games of bingo or for any other purpose contrary to the provisions of the bingo act or from leasing premises for any of such purposes. No bond shall be required for any such restraining order, nor for any temporary or permanent injunction issued in such proceedings.

History: L. 1975, ch. 491, § 7; L. 1977, ch. 341, § 9; L. 1982, ch. 425, § 4; L. 1986, ch. 318, § 142; L. 1988, ch. 356, § 346; L. 2000, ch. 173, § 9; July 1.

79-4708. Administration of act; rules and regulations. (a) The administration and enforcement of the bingo act and any rules and regulations adopted pursuant thereto shall be vested in the administrator.

(b) Upon recommendation of the administrator, the secretary shall adopt all rules and regulations necessary for the administration and enforcement of the bingo act by the administrator.

History: L. 1975, ch. 491, § 8; L. 1977, ch. 341, § 10; L. 1984, ch. 366, § 5; L. 2000, ch. 173, § 10; July 1.

79-4710. Disposition of license and registration fees and tax revenues. (a) All amounts received by or for the administrator from license and registration fees pursuant to this act shall be remitted to the state treasurer. The state treasurer shall deposit all of such moneys in the state treasury and, except as provided by K.S.A. 79-4711, and amendments thereto, shall credit the same to the state bingo regulation fund.

(b) All amounts received by or for the administrator from the tax levied pursuant to K.S.A. 79-4704, and amendments thereto, shall be remitted to the state treasurer. The state treasurer shall deposit all of such moneys in the state treasury.

(c) There is hereby created, in the state treasury, the state bingo regulation fund. Except as provided by K.S.A. 79-4711, and amendments thereto, 1/3 of each deposit remitted to the state treasurer pursuant to subsection (b) shall be credited to the state bingo regulation fund and the balance shall be credited to the state general fund. Except as provided by subsections (d) and (e), all moneys in the state bingo regulation fund shall be expended for the administration and enforcement of the bingo act, and amendments thereto, and rules and regulations adopted pursuant thereto. Such expenditures shall be made upon vouchers approved by the administrator.

(d) Except as otherwise provided by this act, all operating expenses of the administrator related to the administration and enforcement of the bingo act appropriated by the legislature shall be paid from the state bingo regulation fund. At the end of each fiscal year, the director of accounts and reports shall transfer to the state general fund any moneys in the state bingo regulation fund on each such date in excess of the amount required to pay all operating expenses of the administrator related to the administration and enforcement of the bingo act.

(e) On July 1 of each year or as soon thereafter as sufficient moneys are available, \$20,000 credited to the state bingo regulation fund shall be transferred and credited to the problem gambling grant fund established by K.S.A. 2000 Supp. 79-4805, and amendments thereto.

(f) Upon the effective date of this act, the director of accounts and reports shall transfer all moneys in the county and city bingo tax fund to the state bingo regulation fund. Upon the effective date of this act, all liabilities of the county and city bingo tax fund existing prior to the effective date are hereby imposed on the state bingo regulation fund. The county and city bingo tax fund is hereby abolished.

History: L. 1975, ch. 491, § 10; L. 1977, ch. 341, § 11; L. 1984, ch. 366, § 6; Revived and amend., L. 1995, ch. 261, § 8; L. 2000, ch. 173, § 11; July 1.

79-4711. Bingo refund fund. There is hereby created the bingo refund fund in the state treasury. The bingo refund fund shall be a refund clearing fund and refunds of the fees imposed under K.S.A. 79-4703, and amendments thereto, and of the tax levied under K.S.A. 79-4704, and amendments thereto, shall be made from such fund. The bingo refund fund shall be maintained by the administrator from the license and registration fees received and taxes collected under the bingo act in an amount sufficient for such refunds not to exceed \$10,000.

History: L. 1977, ch. 341, § 12; Revived and amend., L. 1995, ch. 261, § 9; L. 2000, ch. 173, § 12; July 1.

79-4712a. Distributors of disposable bingo cards and instant bingo tickets; registration. (a) No person or entity shall sell or distribute any bingo faces, bingo cards or instant bingo tickets to any licensee unless such person or entity has been issued a distributor registration certificate by the administrator. Application for registration shall be submitted to the administrator and shall be accompanied by a fee of \$500 and shall be made upon forms prescribed by the administrator.

(b) Each distributor registration certificate shall expire at midnight on June 30 following its date of issuance. Application for renewal of a registration certificate shall be submitted to the administrator and shall be accompanied by a fee of \$500 and shall be made upon forms prescribed by the administrator.

(c) The administrator shall establish, by rules and regulations adopted under the bingo act, reasonable criteria for approval of applications for registration. The administrator shall refuse to

register a distributor if any owner, manager or employee thereof, within five years prior to registration, has been convicted of or pleaded guilty or nolo contendere to any felony or illegal gambling violation in this or any other jurisdiction.

(d) All distributors shall maintain for a period of not less than three years full and complete records of all bingo cards, bingo faces and instant bingo tickets sold or distributed to licensees. Such records shall be made available for inspection by any authorized representative of the administrator.

History: L. 1995, ch. 261, § 7; L. 2000, ch. 173, § 13; July 1.

79-4713. Administrative fines for violations. (a) In addition to or in lieu of any other civil or criminal penalty provided by law, the administrator, upon a finding that a licensee, lessor or distributor has violated any provision of the bingo act any rule and regulation adopted pursuant thereto, shall impose on such licensee, lessor or distributor a civil fine not exceeding \$500 for each violation.

(b) No fine shall be imposed pursuant to this section except upon the written order of the administrator to the licensee, lessor or distributor who committed the violation. Such order shall state the violation, the fine to be imposed and the right of the licensee, lessor or distributor to appeal the order. Such order shall be subject to appeal and review in the manner provided by the Kansas administrative procedure act.

(c) Any fine collected pursuant to this section shall be paid to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the state bingo regulation fund.

History: L. 1993, ch. 155, § 8; L. 2000, ch. 173, § 14; July 1.

79-4715. Reports to racing and gaming commission. The director of alcoholic beverage control of the department of revenue shall submit to the Kansas racing and gaming commission semiannual activity reports concerning inspections and investigations of bingo operations in this state.

History: L. 1996, ch. 256, § 22; July 1.

79-4716. Bingo faces; identification; requirements prior to sale or distribution. The administrator shall require, pursuant to rules and regulations adopted pursuant to the bingo act, identification of each sheet of bingo faces in order to insure compliance with the provisions of this act. Each package of bingo faces sold or distributed to licensees shall be accompanied by a printed statement which contains the following information:

- (a) The number of bingo faces contained in the package;
- (b) the wholesale cost of each package, including the tax paid;
- (c) identification of the manufacturer;
- (d) the business name of the distributor;
- (e) the Kansas bingo license number of the licensee to which the package is sold; and
- (f) any other information required by the administrator.

History: L. 2000, ch. 173, § 8; July 1.

79-4717. Administrator of charitable gaming; qualifications; powers and duties. (a) The secretary of revenue shall designate an administrator of charitable gaming. Any person designated the administrator of charitable gaming shall have at least five years' experience in the area of charitable gaming regulation. The administrator of charitable gaming shall be in the unclassified service and shall receive an annual salary fixed by the secretary of revenue and approved by the governor.

(b) Under the supervision of the secretary, the administrator of charitable gaming shall administer and enforce the provisions of the bingo act and any rules and regulations adopted pursuant thereto. The administrator's exclusive duties shall be the administration and enforcement of the bingo act and any rules and regulations adopted pursuant thereto. The administrator shall be solely accountable to and report to the secretary of revenue.

History: L. 2000, ch. 173, § 15; July 1.

79-4718. Performance audit. The department of revenue shall be subject to a performance audit of the first year of implementation and enforcement of this act by the department. The scope of such audit shall be determined by the legislative post audit committee and shall include, but not be limited to, the efficiency and effectiveness of the department in implementing and enforcing this act. The post auditor may contract for the conduct of such performance audit in accordance with procedures established by the legislative post audit act. The report of the audit required by this section shall be submitted to the legislative post audit committee and to the legislature no later than the first day of the 2002 session. The furnishing of audit services pursuant to this section shall be a transaction between the post auditor and the department of revenue and shall be settled in accordance with the provisions of K.S.A. 75-5515 and amendments thereto.

History: L. 2000, ch. 173, § 16; July 1.

79-4719. Severability. If any provision of the bingo act or the application thereof to any person or circumstances is held unconstitutional or otherwise invalid, such unconstitutionality or invalidity shall not affect other provisions or applications of the act which can be given effect without the unconstitutional or invalid provision or application, and, to this end, the provisions of this act are severable.

History: L. 2000, ch. 173, § 17; July 1.

21-4303a. Illegal bingo operation. (a) Illegal bingo operation is the management, operation or conduct of games of bingo in violation of the laws of the state of Kansas pertaining to the regulation, licensing and taxing of games of bingo or rules and regulations adopted pursuant thereto. Illegal bingo operation is a class A nonperson misdemeanor.

(b) This section shall be a part of and supplemental to the Kansas criminal code.

History: L. 1977, ch. 341, § 2; L. 1992, ch. 239, § 214; L. 1993, ch. 291, § 162; July 1.