

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 940
95TH GENERAL ASSEMBLY

4996L.02C

D. ADAM CRUMBLISS, Chief Clerk

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2 313.057, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as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

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

2 (1) "Bingo", a game in which each participant receives one or more cards, including, but
3 not limited to, pull-tab cards, marked off into twenty-five squares arranged on five horizontal
4 rows of five squares each; or, one or more cards marked off into twenty-five squares arranged
5 on five horizontal rows of five squares each which are not pull-tab cards and, in addition thereto,
6 one or more pull-tab cards. Each square is designated by number, letter or by a combination of
7 numbers and letters, except that the center square on the card shall be designated with the word
8 "free". No two cards shall be identical. As the announcer of the game announces a number,
9 letter or a combination of numbers and letters, each player covers the square corresponding to
10 the announced number, letter or combination by marking such card in ink. The numbers, letters
11 or combination of numbers and letters which are announced shall appear on an object selected
12 by chance, either manually or mechanically, from a receptacle containing the objects bearing
13 numbers, letters or combinations of numbers and letters. The winner of each game shall be the
14 player or players who are first to properly cover a predetermined and announced pattern of
15 squares upon the card or cards used by such player or players. A prize or prizes may be awarded
16 to the winner or winners of a game;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (2) "Bingo card", an individual game face marked off into twenty-five squares arranged
18 on five horizontal rows of five squares each, one or more of which may be contained on a bingo
19 sheet;

20 (3) **"Bingo card monitoring device", a technology aid which allows a bingo player**
21 **to enter bingo numbers as they are announced at a bingo occasion and which marks or**
22 **otherwise conceals those numbers on bingo cards which are electronically stored in and**
23 **displayed on the device. A bingo card monitoring device shall not include any device into**
24 **which currency, coin, tokens, or electronic funds transfer may be inserted or from which**
25 **currency, coin, tokens, or any receipt for monetary value can be dispensed or which, once**
26 **provided to a bingo player, is capable of communicating with any other bingo card**
27 **monitoring device or any other form of electronic device or computer. A bingo card**
28 **monitoring device shall only be permitted to monitor bingo games and not used for any**
29 **games or themes;**

30 (4) "Bingo equipment", all paraphernalia used to conduct a bingo game including
31 selection equipment, number display boards, and bingo cards and faces and other such related
32 equipment as may be defined by the rules and regulations of the commission. This definition
33 does not include audio or video equipment which plays no part in the conduct of the game other
34 than communicating the progress of the game or items used to mark numbers on the cards;

35 [(4)] (5) "Bingo sheet", a disposable piece of paper containing one or more bingo cards;

36 [(5)] (6) "Charitable organization", any organization which is organized and operated for
37 the relief of poverty, distress, or other condition of public concern within this state or organized
38 for financially supporting the activities of a charitable organization as hereinbefore defined. In
39 order to qualify as a charitable organization, no part of the net earnings of the organization may
40 inure to the benefit of any private shareholder or individual member of the organization.
41 Charitable organizations must have obtained an exemption from the payment of federal income
42 taxes as provided in section 501(c)(3) of the Internal Revenue Code of 1954, as amended;

43 [(6)] (7) "Commission", the Missouri gaming commission;

44 [(7)] (8) "Director", the director or other person in charge of the regulation of the game
45 of bingo, as designated by the Missouri gaming commission;

46 [(8)] (9) "Fraternal organization", any organization within this state operating under the
47 lodge system which exists for the common benefit, brotherhood or other interest of its members
48 except college fraternities and sororities and of which no part of the net earnings inures to the
49 benefit of any private shareholder or any individual member of such organization and which has
50 been exempted from the payment of federal income tax as provided in section 501(c)(5),
51 501(c)(8), or 501(c)(10) Internal Revenue Code of 1954, as amended;

52 [(9)] (10) "Hall provider", a person or business entity which leases premises in which
53 bingo games are conducted;

54 [(10)] (11) "Pull-tab card", any disposable card or ticket which accords a person an
55 opportunity to win something of value by opening, pulling, detaching, or otherwise removing
56 tabs from the card or ticket to reveal a set of numbers, letters, symbols, or configurations, or any
57 combination thereof. The term "pull-tab card" shall include any card known as a pickle ticket,
58 pickle, break-open, or pull-tab card;

59 [(11)] (12) "Religious organization", any organization, church, body of communicants,
60 or group, gathered in common membership for mutual support and edification in piety, worship
61 and religious observances. Such an organization may be a society of individuals united for
62 religious purposes at a definite place. In order to qualify as a religious organization, no part of
63 the net earnings of the organization may inure to the benefit of any private shareholder or any
64 individual member of such organization. Religious organizations shall maintain an established
65 place of worship within this state and shall have a regular schedule of services or meetings at
66 least on a weekly basis. Religious organizations must have obtained an exemption from the
67 payment of federal income taxes as provided by section 501(c)(3) or section 501(d) of the
68 Internal Revenue Code of 1954, as amended;

69 [(12)] (13) "Service organization", any organization commonly known as a civic club
70 or county fair or other organization if such organization is a religious, charitable, fraternal,
71 veteran or service organization as described in article III, section 39(a) of the Missouri
72 Constitution and of which no part of the net earnings inures to the benefit of any private
73 shareholder or individual member of such organization. Service organizations must have
74 obtained an exemption from the payment of federal income taxes as provided in section
75 501(c)(4), 501(c)(5) or 501(c)(7) of the Internal Revenue Code of 1954, as amended;

76 [(13)] (14) "Supplier", a person or business entity that sells, markets or otherwise
77 provides bingo equipment or supplies to any bona fide religious, charitable, fraternal, veteran or
78 service organization;

79 [(14)] (15) "Veterans' organization", a post or organization of veterans, or an auxiliary
80 unit or society of, or a trust or foundation for, any such post or organization:

81 (a) Organized in the United States or any of its possessions;

82 (b) In which at least seventy-five percent of the members of which are war veterans and
83 substantially all of the other members of which are individuals who are veterans (but not war
84 veterans) or are cadets, or are spouses, widows or widowers of war veterans of such individuals;

85 and

86 (c) In which no part of the net earnings of which inures to the benefit of any private
87 shareholder or individual and which has been exempted from payment of federal income taxes
88 as provided by section 501(c)(19) of the Internal Revenue Code of 1954, as amended.

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

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

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

9 2. An applicant may hold only one license and that license may not be transferred or
10 assigned to any other organization other than the organization named in the license. Each
11 licensed organization shall pay to the director an annual, nonrefundable license fee of fifty
12 dollars[; provided, however, each licensed organization which awards to winners of bingo games
13 prizes or merchandise having an aggregate retail value of five thousand dollars or less annually

14 and less than one hundred dollars in any single day shall pay to the director an annual fee of ten
15 dollars] to be paid into the state treasury to the credit of the gaming commission [bingo] fund.
16 The director may, upon application made by a county fair organization or by any organization
17 qualified to receive a regular license, issue a special license authorizing such organization to
18 conduct bingo for the period of any fair, picnic, festival or celebration conducted by such
19 qualified organization not exceeding one week and which is held not more than once annually,
20 and a special licensee shall be exempt from the provisions of subdivisions (7) [and] , (11), **and**
21 **(14)** of section 313.040. Each organization receiving a special license shall pay to the director
22 a fee of twenty-five dollars, to be paid into the state treasury to the credit of the gaming
23 commission [bingo] fund.

24 3. Any organization that obtains more than three special bingo licenses during any
25 calendar year shall be required to file an annual report as required 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 conducting the game
3 shall be exclusively devoted to the lawful, charitable, religious or philanthropic purposes of the
4 organization permitted to conduct that game and no receipts shall be used to compensate in any
5 manner any person who works for or is in any way affiliated with the licensed organization. Any
6 person who violates the provisions of this paragraph shall be guilty of a class D felony;

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

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

13 a. The cost of the prizes;

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

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

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

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

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

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

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

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

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

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

76 (7) The number of bingo days conducted by a licensee under the provisions of sections
77 313.005 to 313.080 shall be limited to [one day] **two days** per week;

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

83 (9) Subject to constitutional restrictions, if any, an organization licensed to conduct
84 bingo in the state of Missouri may advertise a bingo occasion or special event bingo if
85 expenditures for advertisement do not exceed [two] **ten** percent of the total amount expended
86 from receipts of bingo conducted by the licensed organization for charitable, religious or
87 philanthropic purposes[. No advertising for any bingo occasion or occasions conducted by any
88 organization shall include any reference to an aggregate value of bingo prizes which exceed the
89 amount authorized by law to be paid out in a single bingo occasion];

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

313.057. 1. It is unlawful for any person, either as an owner, lessee or employee, to
2 operate, carry on, conduct or maintain any form of manufacturing, selling, leasing or distribution

3 of any bingo equipment or supplies without having first procured and maintained a Missouri
4 bingo equipment and supplies manufacturer or supplier license.

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

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

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

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

36 6. The commission shall charge and collect from each applicant for a manufacturer's
37 license a one-time application fee set by the commission, not to exceed [one] **five** thousand
38 dollars. The commission shall charge and collect an annual renewal fee for each manufacturer

39 licensee not to exceed [five hundred] **one thousand** dollars. **The applicant shall be**
40 **responsible for the total cost of the criminal history investigation. If the cost of the**
41 **investigation exceeds the total amount of fees filed by the applicant in this subsection, the**
42 **commission may assess additional fees as it deems appropriate.**

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

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

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

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

70 11. Until January 1, 1995, all suppliers shall pay a tax on all pull-tab cards distributed
71 by them in the amount of ten dollars per box when sold by any organization licensed to conduct
72 bingo pursuant to the provisions of sections 313.005 to 313.080. No box sold shall contain more
73 than twenty-four hundred pull-tab cards. Beginning January 1, 1995, a tax is hereby imposed
74 in the amount of two percent of the gross receipts of the retail sales value charged for each

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

✓