

SECOND REGULAR SESSION

# HOUSE BILL NO. 2766

## 103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KNIGHT.

4374H.011

JOSEPH ENGLER, Chief Clerk

### AN ACT

To repeal sections 313.005, 313.055, and 313.057, RSMo, and to enact in lieu thereof two new sections relating to the sale of bingo cards.

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

Section A. Sections 313.005, 313.055, and 313.057, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 313.005 and 313.057, to read as follows:

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

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

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  
18 arranged on five horizontal rows of five squares each, one or more of which may be contained  
19 on a bingo sheet;

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

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

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

36           (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  
38 organized for financially supporting the activities of a charitable organization as hereinbefore  
39 defined. In order to qualify as a charitable organization, no part of the net earnings of the  
40 organization may inure to the benefit of any private shareholder or individual member of the  
41 organization. Charitable organizations must have obtained an exemption from the payment of  
42 federal income taxes as provided in Section 501(c)(3) of the Internal Revenue Code of 1954,  
43 as amended;

44           (7) "Commission", the Missouri gaming commission;

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

47           (9) "Fraternal organization", any organization within this state operating under the  
48 lodge system which exists for the common benefit, brotherhood or other interest of its  
49 members except college fraternities and sororities and of which no part of the net earnings  
50 inures to the benefit of any private shareholder or any individual member of such organization  
51 and which has been exempted from the payment of federal income tax as provided in Section  
52 501(c)(5), 501(c)(8), or 501(c)(10) Internal Revenue Code of 1954, as amended;

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

55 (11) **"Key person", an individual who is:**

56 (a) **An officer, director, trustee, proprietor, managing agent, or general manager**  
57 **of an applicant or licensee or of a business entity key person of any applicant or licensee;**

58 (b) **A holder of any direct or indirect legal or beneficial publicly traded interest**  
59 **whose combined direct, indirect, or attributed publicly traded interest is five percent or**  
60 **more in an applicant or licensee or in a business entity key person of an applicant or**  
61 **licensee;**

62 (c) **A holder of any direct or indirect legal or beneficial privately held interest**  
63 **whose combined direct, indirect, or attributed privately held interest is one percent or**  
64 **more in an applicant or licensee or in a business entity key person of an applicant or**  
65 **licensee;**

66 (d) **A holder of any direct or indirect legal or beneficial interest in an applicant**  
67 **or licensee or in a business entity key person of an applicant or licensee if the interest**  
68 **was required to be issued under agreement with or authority of a government entity;**

69 (e) **An owner of an excursion gambling boat; or**

70 (f) **Anyone so designated by the commission or director;**

71 (12) "Pull-tab card", any disposable card or ticket which accords a person an  
72 opportunity to win something of value by opening, pulling, detaching, or otherwise removing  
73 tabs from the card or ticket to reveal a set of numbers, letters, symbols, or configurations, or  
74 any combination thereof. The term "pull-tab card" shall include any card known as a pickle  
75 ticket, pickle, break-open, or pull-tab card;

76 ~~[(12)]~~ (13) "Religious organization", any organization, church, body of  
77 communicants, or group, gathered in common membership for mutual support and  
78 edification in piety, worship and religious observances. Such an organization may be a  
79 society of individuals united for religious purposes at a definite place. In order to qualify as a  
80 religious organization, no part of the net earnings of the organization may inure to the benefit  
81 of any private shareholder or any individual member of such organization. Religious  
82 organizations shall maintain an established place of worship within this state and shall have a  
83 regular schedule of services or meetings at least on a weekly basis. Religious organizations  
84 must have obtained an exemption from the payment of federal income taxes as provided by  
85 Section 501(c)(3) or Section 501(d) of the Internal Revenue Code of 1954, as amended;

86 ~~[(13)]~~ (14) "Service organization", any organization commonly known as a civic club  
87 or county fair or other organization if such organization is a religious, charitable, fraternal,  
88 veteran or service organization as described in Article III, Section 39(a) of the Missouri  
89 Constitution and of which no part of the net earnings inures to the benefit of any private

90 shareholder or individual member of such organization. Service organizations must have  
91 obtained an exemption from the payment of federal income taxes as provided in Section 501  
92 (c)(4), 501(c)(5) or 501(c)(7) of the Internal Revenue Code of 1954, as amended;

93 ~~[(14)]~~ **(15)** "Supplier", a person or business entity that sells, markets or otherwise  
94 provides bingo equipment or supplies to any bona fide religious, charitable, fraternal, veteran  
95 or service organization;

96 ~~[(15)]~~ **(16)** "Veterans' organization", a post or organization of veterans, or an auxiliary  
97 unit or society of, or a trust or foundation for, any such post or organization:

98 (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 veterans  
100 and substantially all of the other members of which are individuals who are veterans (but not  
101 war veterans) or are cadets, or are spouses, widows or widowers of war veterans of such  
102 individuals; and

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

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

5 2. The commission shall submit two sets of fingerprints for each key person, as  
6 defined ~~[in commission rules and regulations]~~ **under section 313.005**, of an entity or  
7 organization seeking issuance or renewal of a Missouri bingo equipment and supplies  
8 manufacturer or supplier license, for the purpose of checking the person's prior criminal  
9 history when the commission determines a nationwide check is warranted. The fingerprint  
10 cards and any required fees shall be sent to the Missouri state highway patrol's criminal  
11 records division. The first set of fingerprints shall be used for searching the state repository  
12 of criminal history information. The second set of fingerprints shall be forwarded to the  
13 Federal Bureau of Investigation, Identification Division, for the searching of the federal  
14 criminal history files. The patrol shall notify the commission of any criminal history  
15 information or lack of criminal history information discovered on the individual.  
16 Notwithstanding the provisions of section 610.120, all records related to any criminal  
17 history information discovered shall be accessible and available to the commission.

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

22 security interest for which bingo equipment is security in whole or in part for the lien, the  
23 commission may authorize the disposition of the bingo equipment without requiring a  
24 supplier's license.

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

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

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

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

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

53 9. All license fees collected pursuant to this section shall be paid over immediately to  
54 the state treasurer to be deposited to the credit of the gaming commission fund.

55 10. All licensees pursuant to this section shall maintain for a period of not less than  
56 three years full and complete records of all business carried on in this state and shall make  
57 same available for inspection to any duly authorized representative of the commission. If a  
58 supplier does not receive payment in full from an organization within thirty days of the

59 delivery of bingo supplies, the supplier shall notify the commission in writing, or in a manner  
60 specified by the commission in its rules and regulations, of the delinquency. Upon receipt of  
61 the notice of delinquency, the commission shall notify all suppliers that until further notice  
62 from the commission, all sales of bingo supplies to the delinquent organizations shall be on a  
63 cash-only basis. Upon receipt of the notice from the commission, no supplier may extend  
64 credit to the delinquent organization until such time as the commission approves credit sales.  
65 If a manufacturer does not receive payment in full from a supplier within ninety days of the  
66 delivery of bingo supplies, the manufacturer shall notify the commission in writing, or in a  
67 manner specified by the commission in its rules and regulations, of the delinquency. Upon  
68 receipt of the notice of delinquency, the commission shall notify all manufacturers that until  
69 further notice from the commission, all sales of bingo supplies to the delinquent supplier shall  
70 be on a cash-only basis. Upon receipt of the notice from the commission, no manufacturer  
71 may extend credit to the delinquent supplier until such time as the commission approves  
72 credit sales.

73       11. ~~[Until January 1, 1995, all suppliers shall pay a tax on all pull-tab cards~~  
74 ~~distributed by them in the amount of ten dollars per box when sold by any organization~~  
75 ~~licensed to conduct bingo pursuant to the provisions of sections 313.005 to 313.080. No box~~  
76 ~~sold shall contain more than twenty-four hundred pull-tab cards. Beginning January 1, 1995,~~  
77 ~~a tax is hereby imposed in the amount of two percent of the gross receipts of the retail sales~~  
78 ~~value charged for each pull-tab card sold in Missouri to be paid by the supplier. The taxes,~~  
79 ~~less two percent of the total amount paid which may be retained by the supplier, if timely filed~~  
80 ~~and paid, shall be paid on a monthly basis to the commission by each supplier of pull tabs and~~  
81 ~~shall be due on the last day of each month following the month in which the pull tabs were~~  
82 ~~sold. The taxes shall be deposited in the state treasury, credited to the bingo proceeds for~~  
83 ~~education fund.] All pull-tab cards sold by suppliers in this state shall bear on the face thereof~~  
84 ~~the amount for which such pull-tab cards will be sold. Each unit container shall contain cards~~  
85 ~~printed in such a manner as to ensure that at least sixty percent of the gross revenues~~  
86 ~~generated by the ultimate sale of such cards shall be returned to the final purchasers of such~~  
87 ~~cards. [Any supplier who fails to pay the tax imposed pursuant to this subsection shall have~~  
88 ~~his license issued pursuant to this section revoked and shall be guilty of a class A~~  
89 ~~misdemeanor.]~~

2       ~~[313.055. 1. A tax is hereby imposed on each organization conducting~~  
3 ~~the game of bingo which awards to winners of bingo games prizes or~~  
4 ~~merchandise having an aggregate retail value of more than five thousand~~  
5 ~~dollars annually and more than one hundred dollars in any single day. The tax~~  
6 ~~shall be in the amount of two tenths of one cent upon each bingo card and~~  
7 ~~progressive bingo game card sold in Missouri to be paid by the supplier. The~~  
8 ~~taxes, less two percent of the total amount paid which may be retained by the~~

8 supplier, shall be paid on a monthly basis to the commission, by each supplier  
9 of bingo supplies and shall be due on the last day of the month following the  
10 month in which the bingo card was sold, with the date of sale being the date on  
11 the invoice evidencing the sale, along with such reports as may be required by  
12 the commission. The taxes shall be deposited in the state treasury, credited to  
13 the bingo proceeds for education fund.

14 2. All taxes not paid to the commission by the person or licensee  
15 required to remit the same on the date when the same becomes due and  
16 payable to the commission under the provisions of sections 313.005 to  
17 313.085 shall bear interest at the rate to be set by the commission not to exceed  
18 two percent per calendar month, or fraction thereof, from and after such date  
19 until paid. In addition, the commission may impose a penalty not to exceed  
20 three times the amount of taxes due for failure to submit the reports required  
21 by this section and pay the taxes due.]

✓