

SECOND REGULAR SESSION

SENATE BILL NO. 815

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIGGINS.

Read 1st time January 22, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S2879.011

AN ACT

To repeal sections 313.005, 313.025, 313.030, 313.035, 313.045, 313.050, 313.052, 313.070, 313.075 and 313.080, RSMo 1994, and sections 313.010, 313.015, 313.020, 313.040, 313.055, 313.057 and 313.065, RSMo Supp. 1997, relating to bingo, and to enact in lieu thereof twenty new sections relating to the same subject, with penalty provisions.

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

Section A. Sections 313.005, 313.025, 313.030, 313.035, 313.045, 313.050, 313.052, 313.070, 313.075 and 313.080, RSMo 1994, and sections 313.010, 313.015, 313.020, 313.040, 313.055, 313.057 and 313.065, RSMo Supp. 1997, are repealed and twenty new sections enacted in lieu thereof, to be known as sections 313.005, 313.010, 313.015, 313.020, 313.025, 313.030, 313.035, 313.040, 313.045, 313.050, 313.052, 313.055, 313.057, 313.065, 313.070, 313.075, 313.080, 1, 2 and 3, to read as follows:

313.005. As used in sections 313.005 to [313.080] **313.085**, 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 square shall contain more than one number or letter.** 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

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

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;

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

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

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

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

(6) "Commission", the Missouri gaming commission;

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

(8) **"Export only supplier", any person that receives bingo products in Missouri that are not to be sold in Missouri, but exported to other jurisdictions;**

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

(10) **"Gross receipts", all receipts from the sale of bingo cards, pull-tab cards or other miscellaneous items, excluding concessions;**

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

(12) "Manufacturer", any person, firm, partnership, corporation and/or business which invents, fabricates, concocts or assembles materials to complete a piece of bingo equipment, cards and/or supplies, including but not limited to pull-tab cards, for sale in the state of Missouri, except this definition shall not include companies which manufacture sub-assembly products;

(13) "Net income", all receipts over and above the actual cost of conducting the occasion;

(14) "Net receipts", adjusted gross receipts less bingo card prizes awarded and pull-tab card prizes awarded, plus starting cash;

(15) "Occasion report", a report of activity conducted at each bingo or pull-tab occasion which includes the date of the occasion, the number of players, gross receipts, starting cash, prizes awarded, net receipts, and amount deposited. Each occasion report must be signed by the member in charge of the game, as a true and correct accounting of the bingo or pull-tab occasion;

(16) "Person", any individual, corporation, partnership, firm, association, limited liability company or organization or other entity natural or legal;

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

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

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

Internal Revenue Code of 1954, as amended;

(20) "Starting cash", cash on hand at the beginning of the occasion used to make change for the bingo or pull-tab games;

[(13)] **(21) "Supplier", a person or business entity that sells, markets or otherwise provides bingo equipment or supplies [to any bona fide religious, charitable, fraternal, veteran or service organization] to any person or entity in the state or that sells, markets or otherwise provides bingo equipment or supplies from a location within Missouri;**

(14) (22) "Veterans' organization", a post or organization of veterans, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization:

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

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

(c) In which no part of the net earnings of which inures to the benefit of any private shareholder or individual and which has been exempted from payment of federal income taxes 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 organization, which has been in existence for at least five years immediately prior to making an application for a license and which, during that period, has had twenty bona fide members, may conduct the game of bingo upon receiving a license from the commission. Any combination of unlicensed but eligible organizations, not to exceed five, may join in making an application and may receive a single license to conduct the game of bingo. Any information or report required by sections 313.005 to [313.080] **313.085** from an organization shall contain the required information regarding all of the organizations joined in the license and all requirements under sections 313.005 to [313.080] **313.085** shall apply with respect to all joined organizations and the membership thereof.

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

313.015. 1. The commission shall issue a license for the conducting of bingo to any bona fide religious, charitable, fraternal, veteran or service organization or to any combination of eligible organizations, not to exceed five, which submits an application on a form prescribed by the director and which satisfies the director that such organization meets all of the requirements of sections 313.005 to [313.080] **313.085**. The burden of proof is at all times on the applicant to demonstrate by clear and convincing evidence its suitability to be licensed. Each license so issued shall expire at midnight one year from its [date] **month** of issuance. The commission, in its sole discretion, may reopen licensure hearings for any licensee at any time.

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

3. Any organization that obtains more than three special bingo licenses **or abbreviated pull-tab licenses** during any calendar year shall be required to file [an annual] **a financial report as may be required [in section 313.045] by the commission.**

313.020. 1. The application form for licensure under sections 313.005 to [313.080] **313.085** shall be prescribed by the commission and shall contain the following information:

- (1) The name and address of the organization;
- (2) A copy of the document from the United States Internal Revenue Service which grants the applicant tax-exempt status and the federal identification number;
- (3) A statement that the organization has been in continuing existence in this state for five years immediately preceding the making of the application and that it has had during that period a bona fide membership of at least twenty persons;
- (4) A statement as to whether the organization has had any previous application refused, revoked or suspended;
- (5) A statement of the purpose for which the bingo proceeds will be used;
- (6) A copy of the articles of incorporation and certificate of incorporation of the

organization, if applicable;

(7) A sworn statement signed by [the chief] **an** officer [and] **or** the secretary of the organization verifying that the statements contained in the application are true;

(8) The name and address of a person authorized to receive service of process on behalf of the organization;

(9) Such other information deemed necessary by the commission.

2. The commission shall issue an abbreviated **pull-tab** license for conducting [bingo] pull-tab card games to any organization which submits an application on a form prescribed by the director and which satisfies the director that such organization meets the requirements for an abbreviated **pull-tab** license pursuant to the provisions of section 313.010. [The application for an abbreviated license shall contain only the following information:

(1) The name and address of the organization;

(2) A statement that the organization satisfies the requirements established by section 313.010, for an abbreviated license, and all other applicable requirements for conducting bingo games pursuant to the provisions of sections 313.005 to 313.085;

(3) The location where the bingo pull-tab game will occur;

(4) The approximate date when the bingo pull-tab game will occur;

(5) The signature of the chief officer or secretary of the organization verifying that the statements contained in the application are true.] **Each applicant for license shall pay to the director a nonrefundable license fee of twenty-five dollars. For purposes of sections 313.005 to 313.085, "occasion" means an event having a duration of less than twenty-four hours. An organization that has been granted an abbreviated pull-tab license shall be exempt from the provisions of subdivisions (11) and (14) of section 313.040.**

3. A person who knowingly makes a false statement on an application is guilty of a class A misdemeanor and shall not ever again be considered for application by the commission, nor shall such person ever again assist in any manner with the management, conduct or operation of any game.

4. A renewal application shall only include any changes in the information required to be submitted with the initial application.

313.025. 1. If any applicant for licensure or organization licensed under sections 313.005 to [313.080] **313.085** proposes to conduct bingo on leased premises or use leased equipment, the terms of the lease shall be reduced to writing and a copy of the lease shall be submitted to the commission. The commission may approve or disapprove any such lease. No lease which has been approved by the commission shall be amended, modified or renewed in any manner until such amendments, modifications or renewals have been approved by the commission. No lease providing for a rental arrangement for premises or equipment for use in the game shall provide for payment in excess of the reasonable market rental rate for such premises or equipment and

in no case shall any payment be based on a percentage of gross receipts or proceeds. The reasonable market rental rate shall be determined by the commission.

2. If any applicant for licensure or any organization licensed under the provisions of sections 313.005 to [313.080] **313.085** proposes to purchase or lease bingo supplies, bingo equipment, or bingo services or premises in which bingo will be conducted, the applicant or licensee may be required at the discretion of the commission to submit in writing a detailed listing of the supplies to be purchased or leased together with the quoted price therefor and a copy of the lease, if such supplies are to be leased. No purchase or lease of bingo supplies shall provide for payment in excess of the reasonable market purchase price or reasonable market rental rate for such equipment and in no case shall any payment be based on a percentage of gross receipts or proceeds. The reasonable market purchase price or reasonable market rental rate shall be determined by the commission.

3. Persons who lease premises, sell or lease supplies or equipment, or furnish commodities or services to sponsoring organizations to conduct bingo games shall take no part in operating such bingo games, **except organizations which lease to their own organization or their own auxiliary may be allowed, at the discretion of the commission, to assist with the management, conduct or operation of their own bingo games.**

313.030. Any organization licensed to play bingo which changes any of its officers, directors or officials during the term of the bingo license shall immediately report the names and addresses of such individuals to the director, along with a sworn statement of each such individual as required on forms furnished by the director. Each licensee shall display the license in a prominent place in the area where it is to conduct bingo **or an abbreviated pull-tab game**. The license issued by the commission shall authorize the licensee to conduct only the game commonly known as bingo **or an abbreviated pull-tab game**.

313.035. 1. The following persons and organizations are not eligible for any license under the provisions of sections 313.005 to [313.080] **313.085** and shall not participate in the management, conduct or operation of any game:

- (1) Any person who has been convicted of a felony;
- (2) Any person who is or has been a professional gambler or gambling promoter;
- (3) Any person who has ever purchased a tax stamp for wagering or gambling activity;
- (4) Any person who has been convicted of or pleaded nolo contendere to any illegal gambling activity or forfeited bond for not appearing while charged with any illegal gambling activity;
- (5) Any person the commission has determined, based on the person's prior activities or criminal record, if any, poses a threat to the public interest or to the effective regulation and control of bingo, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of bingo or the carrying on of the business and financial

arrangements incidental to the conduct of bingo;

(6) Any firm, organization or corporation in which a person defined in subdivision (5) of this subsection is an officer, director or employee, whether compensated or not;

(7) Any firm, organization or corporation in which a person defined in subdivision (5) of this subsection is to participate in the management or operations of a bingo game;

(8) Any person who, at the time of the application for renewal of a bingo license, would not be eligible for such license upon first application.

2. Any bona fide religious, charitable, fraternal, veteran or service organization whose license has been revoked under sections 313.005 to 313.085 shall not be eligible for any license under sections 313.005 to 313.085 until such organization has demonstrated to the commission, through clear and convincing evidence, that the person or persons who were directly involved in the event or events which led to the revocation or had knowledge of the event or events which led to the revocation and failed to report such event or events to the commission, have been dismissed from any involvement, directly or indirectly, with the conducting of **[a] any** bingo game **[for that organization or, if the organization owns the premises where bingo is conducted, that person or persons may not participate in the management, conduct or operation of any bingo game at that premises]**.

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

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

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

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

a. The cost of the prizes;

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

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

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

e. The actual cost of providing reasonable janitorial services. The cost of such services

shall not be above the fair market rate charged for similar services in the community where the bingo game is being conducted;

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

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

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

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

(5) The number of games may not exceed sixty-two in any one day, including regular and special games. For purposes of this subdivision, the use of a pull-tab card and progressive bingo games shall not count as one of the sixty-two games per day, as limited by this subdivision, [but no pull-tab card may be used except in conjunction with one of such sixty-two games] **unless an abbreviated pull-tab license has been obtained**;

(6) The price paid for a single bingo card under the license may not exceed one dollar. The commission may establish by rule or regulation the number of bingo cards which may be placed on a single bingo sheet. The price for a single pull-tab card may not exceed one dollar. [The price for a single special game bingo card may not exceed fifty cents.] A licensee may not require a minimum number of cards to be purchased by any individual;

(7) The number of bingo days conducted by a licensee under the provisions of sections 313.005 to [313.080] **313.085** shall be limited to one day per week;

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

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

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

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

(12) No licensee shall pay any consulting fees to any person for any service performed in

relation to the bingo game;

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

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

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

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

(17)] No rented or reusable bingo cards may be used to conduct any game. All games must be conducted with disposable paper bingo cards that are marked by permanent ink as prescribed by the rules and regulations of the commission;

[(18)] (17) No [licensee] person shall purchase or use any bingo supplies or pull-tabs from a person who is not licensed by the state of Missouri as a bingo supplier, unless otherwise approved by the commission. Any person who knowingly violates the provisions of this section shall be guilty of a class D felony.

313.045. Each **regular** licensee [which awards to winners of bingo games prizes or merchandise having an aggregate retail value of more than seven thousand five hundred dollars annually] shall report [annually] **quarterly and any organization that holds four or more special bingo or abbreviated pull-tab occasions in any calendar year shall report annually** to the commission on forms prescribed by the commission the following information:

- (1) The number of games it has conducted during the reporting year;
- (2) The location at which and the days it conducted games;
- (3) The gross receipts it received from each game;
- (4) An itemization of the cost of conducting each game, other than for prizes, and the names and addresses of the person to whom said expenses were paid;
- (5) The purposes for which the net proceeds of the game were used and the amounts so used;

(6) Subject to constitutional provisions, advertising expenditures;

(7) 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 the previous three years. **The form and content of the occasion reports maintained by the organization shall be in a manner prescribed by the commission. The records should include date of each occasion or event, pull-tabs sold, bingo cards sold, miscellaneous sales, starting cash, pull-tab prizes awarded, bingo card prizes awarded, net receipts and amount deposited. Any pull-tabs or bingo cards given away must be documented**

and the occasion report must be signed by a representative of the organization as a true and correct accounting of the occasion. Such records shall be open to inspection by the commission.

313.052. A holder of any license **or any person involved in a bingo or pull-tab game** shall be subject to imposition of penalties, **exclusion from the management, conduct or operation of bingo**, suspension or revocation of [such] **any** license, **if applicable**, or other action for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit charitable bingo operations in [Missouri or] the state of Missouri unless the [licensee] **person** proves by clear and convincing evidence that [they are] **he is** not guilty of such action. The commission shall take appropriate action against any licensee **or person** who violates the law or the rules and regulations of the commission. Without limiting other provisions of sections 313.005 to 313.085, the following acts or omissions may be grounds for such discipline:

(1) Failing to comply with or make provision for compliance with the provisions of sections 313.005 to 313.085, the rules and regulations of the commission or any federal, state or local law or regulation;

(2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to bingo;

(3) Receiving or purchasing goods or services from a person or business entity who does not hold a supplier's or manufacturer's license issued pursuant to sections 313.005 to 313.085, but who is required to hold such license by the provisions of sections 313.005 to 313.085 or the rules and regulations of the commission;

(4) **Providing, distributing or leasing bingo supplies, pull-tabs and equipment without first procuring a supplier and/or manufacturer license as required by section 313.057;**

(5) Associating with, either socially or in business affairs, or employing persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body and would adversely affect public confidence and trust in gaming;

[(5)] (6) Employing in any bingo operation any person known to have been found guilty of cheating or using any improper device in connection with any bingo game;

[(6)] (7) Use of fraud, deception, misrepresentation or bribery in securing any permit or license issued pursuant to the provisions of sections 313.005 to 313.085;

[(7)] (8) Obtaining or attempting to obtain any fee, charge, or other compensation by fraud, deception, or misrepresentation;

[(8)] (9) Incompetence, misconduct, gross negligence, fraud, misrepresentation or

dishonesty in the performance of the functions or duties regulated by the provisions of sections 313.005 to 313.085.

313.055. 1. Until January 1, 1995, a tax is hereby imposed on each organization conducting the game of bingo which awards to winners of bingo games prizes or merchandise having an aggregate retail value of more than five thousand dollars annually and more than one hundred dollars in any single day. The tax shall be in an amount equal to two and one-half percent of the total gross receipts realized from each game of bingo conducted, shall be paid on a monthly basis to the commission, by each person or licensee conducting a game or games of bingo and shall be due on the fifteenth day of the month following the month in which each bingo game was conducted. Beginning January 1, 1995, the tax shall be in the amount of two-tenths of one cent upon each bingo card and progressive bingo game card sold in Missouri to be paid by the supplier. **Any person found to be engaging in activities that require a bingo supplier license, but such person has failed to acquire a bingo supplier license, shall be liable for all taxes and twice that amount of penalties that would be due if the person held a valid supplier license.** The taxes, less two percent of the total amount paid which may be retained by the supplier, **if timely filed and paid**, shall be paid on a monthly basis to the commission, by each supplier of bingo supplies and shall be due on the last day of the month following the month in which the bingo card was sold, with the date of sale being the date on the invoice evidencing the sale, along with such reports as may be required by the commission. The taxes shall be deposited in the state treasury, credited to the bingo proceeds for education fund.

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

313.057. 1. It is unlawful for any person, either as an owner, lessee or employee, to operate, carry on, conduct or maintain any form of manufacturing, selling, leasing or distribution of any bingo equipment or supplies without having first procured and maintained a Missouri bingo equipment and supplies manufacturer or supplier license **or to lease premises upon which bingo is conducted without first having obtained a hall provider license. Anyone applying for a hall provider, supplies manufacturer or supplier license must file an application on forms approved by the commission. Such application must be accompanied by the application or renewal fee established by this section. The commission shall investigate all applicants for such licenses to determine the applicant's suitability.**

2. The holder of a state bingo license may, within two years of cessation of conducting

bingo or upon specific approval by the commission, dispose of by sale in a manner approved by the commission, any or all of his bingo equipment and supplies, without a supplier's license. In case of foreclosure of a lien by a bank or other person holding a security interest for which bingo equipment is security in whole or in part for the lien, the commission may authorize the disposition of the bingo equipment without requiring a supplier's license. **Any person found to be in violation of this section shall be guilty of a class A misdemeanor.**

3. Any person whom the commission determines to be a suitable person to receive a license under the provisions of this section may be issued a **hall provider's**, manufacturer's or supplier's license. The commission may require [suppliers] **persons licensed under this section** to post a bond with the commission in an amount and in the manner prescribed by the commission. The burden of proving his qualification to receive or hold a license under this section is at all times on the applicant or licensee **to prove by clear and convincing evidence his suitability to be licensed. The commission may reopen licensure hearings for any licensee at any time.**

4. The commission shall charge and collect from each applicant for a supplier's license a one-time application fee set by the commission, not to exceed five thousand dollars. The commission shall charge and collect an annual renewal fee for each supplier licensee not to exceed one thousand dollars.

5. The commission shall charge and collect from each applicant for a manufacturer's license a one-time application fee set by the commission, not to exceed one thousand dollars. The commission shall charge and collect an annual renewal fee for each manufacturer licensee not to exceed five hundred dollars.

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

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

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

9. All licensees under this section shall maintain for a period of not less than three years full and complete records of all business carried on [in this state] and shall make same available for inspection to any duly authorized representative of the commission. **Any licensee under this section shall make its business premises open for the inspection of any agent of the commission at a reasonable time to be determined by the commission.** If a supplier does not receive payment in full from an organization within thirty days of the delivery of bingo supplies, the supplier shall notify the commission in writing, or in a manner specified by the

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

10. Until January 1, 1995, all suppliers shall pay a tax on all pull-tab cards distributed by them in the amount of ten dollars per box when sold by any organization licensed to conduct bingo under the provisions of sections 313.005 to [313.080] **313.085**. [No box sold shall contain more than twenty-four hundred pull-tab cards.] **The commission shall promulgate rules and regulations establishing standards to ensure that all pull-tabs within a single pull-tab game are shipped in randomly packaged containers. Suppliers failing to meet such standards are subject to discipline pursuant to section 313.052. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is promulgated under the authority delegated in this section shall become effective only if it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior to the effective date of this section is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to the effective date of this section if it fully complied with the provisions of chapter 536, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.** Beginning January 1, 1995, a tax is hereby imposed in the amount of two percent of the gross receipts of the retail sales value charged for each pull-tab card sold in Missouri to be paid by the supplier. **Any person found to be engaging in activities that require a bingo supplier license, but such person has failed to acquire a bingo supplier license, shall be liable for all taxes and twice that amount of penalties that would be due if the person held a valid supplier license.** The taxes, less two percent of the total amount paid which may be retained by the supplier, if timely filed and paid, shall be paid on a

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

313.065. The administration of sections 313.005 to [313.080] **313.085** shall be vested in the commission which shall have power to adopt and enforce rules and regulations to regulate and license the management, operation and conduct of games of bingo and participants therein and to properly administer and enforce the provisions of sections 313.005 to [313.080] **313.085**. No rule or portion of a rule promulgated under the authority of sections 313.005 to 313.080 shall become effective unless it has been promulgated pursuant to the provisions of section 536.024, RSMo.

313.070. Any license issued under sections 313.005 to [313.080] **313.085** shall be suspended or revoked by the commission if it is found that the licensee or any person connected therewith has violated any provision of sections 313.005 to [313.080] **313.085** or any rule or regulation of the commission adopted pursuant to sections 313.005 to [313.080] **313.085**.

313.075. The conduct or playing games of bingo under the provisions of sections 313.005 to [313.080] **313.085** does not constitute gambling or gambling activities and the power of the division of liquor control to prohibit the licensing of any premises on which gambling or gambling activities are conducted or played, or to prohibit the sale or consumption of beer or alcoholic beverage on any premises on which gambling or gambling activities are conducted or played, shall not apply where the only activity is the conduct or playing of games of bingo under the provisions of sections 313.005 to [313.080] **313.085**. Any licensee under sections 313.005 to [313.080] **313.085** may, if such licensee meets all other requirements of the liquor licensing laws of this state, be licensed by the division of liquor control as provided in chapters 311 and 312, RSMo, and the conduct or playing of games of bingo under the provisions of sections 313.005 to [313.080] **313.085** shall not, by itself, be a reason for refusal to license or for suspension or revocation of a license under the provisions of chapter 311 or 312, RSMo.

313.080. Any person who violates any provision of sections 313.005 to [313.080] **313.085** shall be guilty of a class A misdemeanor.

Section 1. In conjunction with section 313.847, RSMo, the commission shall, on written request from any person, provide such person with the information required by subdivisions (1) through (12) of subsection 1 of section 313.847.

Section 2. 1. Full and complete records of all business carried on shall be maintained for a period of three years and stored by the supplier in such a manner as to be available for inspection upon request by the commission at no charge.

2. All records regarding the receipt of bingo products including bingo paper, pull-tabs and bingo equipment from licensed manufacturers and the sale of these products to licensed Missouri operators, other licensed suppliers or operators or suppliers in other states shall be maintained.

3. All documents generated by the supplier with each order of products from the manufacturer or each product sold to the operator (i.e. order forms, bills of lading or other documents) must be retained with the invoice.

4. Suppliers shall record sales transactions of the products listed above on a preprinted serially numbered sales invoice. A minimum of three copies of each invoice, or two copies and a payment stub, are required. Two copies, or one copy and the payment stub, are to be sent to the operator with the order and/or billing. One of these copies is to be retained by the operator and one copy or the payment stub is to be returned with the payment to the supplier. The supplier must retain a copy of the original invoice and the paid copy or payment stub of the invoice. At least one copy of the original invoice must be kept in a file with all other invoices. The date of the sale will be evidenced by the date on the invoice. Voided invoices must also be retained by the supplier.

5. A sales invoice shall include:

- (1) The invoice number;**
- (2) Date of sale;**
- (3) License number and name of the operator;**
- (4) Destination;**
- (5) Total number of pull-tabs per deal, retail price per pull-tab and serial number of each pull-tab deal;**
- (6) Total number of bingo cards, number of packets, number of bingo cards on each sheet, number of bingo sheets in each packet and serial number and color of the top sheet of each packet;**
- (7) Serial number of each piece of bingo equipment and description of the equipment;**
- (8) Applicable bingo tax or fees;**
- (9) Suppliers name and license number.**

Other information may be substituted only if the supplier has received approval from the commission.

6. Credit memorandums should also be issued by suppliers to bingo operators for returned merchandise, which may be resold to another operator. The credit

memorandum issued to the operator should indicate the same information as the sales invoice. The amounts should be shown as negative amounts for both the cost of the goods and the tax. When the supplier files the monthly report, the returned merchandise should be shown as a negative amount. If the items are resold to another operator, the total tax amount should be on the sales invoice.

7. Suppliers are only allowed to buy bingo products from licensed Missouri manufacturers and are only allowed to sell bingo products to licensed Missouri suppliers or operators.

8. All products received by the supplier are subject to the taxes required by sections 313.055 and 313.057, except under the following circumstances:

(1) Suppliers will be allowed to make tax free sales to other licensed suppliers, if a bingo resale exemption certificate is completed and signed by the seller and the purchaser. One copy must be retained by the seller, one by the purchaser and one shall be filed with the commission. Resale exemption certificates are valid for a period of five years, unless either the seller or the purchaser no longer holds a valid license issued by the commission. Sales invoices for supplier to supplier sales must include the same information as sales invoices to operators;

(2) Suppliers are allowed to make tax free sales if the products are sold to and shipped to an entity or person in other states (export sales). These sales must comply with the record keeping requirements listed in 1 through 5 above;

(3) Suppliers will be allowed credit for returned products, if a credit memorandum has been received from the manufacturer;

(4) Damaged or obsolete products which the supplier does not intend to sell must be itemized to include the applicable serial number(s), before it can be destroyed. A copy of this list must be filed with the commission. The destruction of the product(s) must be witnessed by commission personnel or the supplier must have obtained prior written approval from the commission before it can be destroyed;

(5) The supplier must file a police report and submit a copy of such report to the Commission when bingo products are determined to have been stolen. The serial number(s) of all stolen product(s) must be listed in the report along with a description of the product(s).

If violations of this restriction or other restrictions listed in this section, or chapter 313, RSMo are identified by the commission, the suppliers license could be subject to immediate suspension or revocation.

Section 3. 1. A manufacturer shall maintain copies of all sales invoices. Invoices shall include name of manufacturer, manufacturer's Missouri license number, name and license number of the Missouri supplier, invoice number, full description of bingo equipment/merchandise shipped, serial number of equipment/merchandise and date

equipment/merchandise was shipped.

2. Invoices reflecting sales of bingo paper and pull-tabs shall also include the total number of bingo cards or bingo sheets in a packet of bingo paper and the total number of pull-tabs per deal, retail price per tab and the color and the serial number of the top sheet of bingo paper or pull-tab.

3. In packaging the bingo paper or pull-tabs, the manufacturer shall comply with the following packaging requirements:

(1) Each package, box or container shall be sealed; and

(2) The serial number shall be placed on the outside of the package so that it can be clearly viewed from the outside.

4. All required records, reports and receipts shall be maintained for a minimum of three years and stored in such a manner as to be available for inspection by the commission upon request at no charge.

5. Manufacturers are only allowed to sell their products to suppliers licensed by the commission. If violations of this restriction or other restrictions listed in this section, or chapter 313, RSMo, are identified by the commission, the manufacturer's license may be subject to immediate suspension or revocation.

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