

FIRST REGULAR SESSION

# HOUSE BILL NO. 671

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES LAIR (Sponsor), FISHER (125), BROWN (149), DIECKHAUS, KOENIG, TRACY, RUESTMAN, ZERR, ALLEN, SCHAAF, BROWN (50), JONES (89), DAY, TILLEY, FAITH, FLANIGAN, SMITH (150), HOBBS, NANCE, BRUNS, NIEVES, DOUGHERTY AND NORR (Co-sponsors).

1667L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 313.010, 313.015, 313.040, 313.045, 313.050, 313.055, and 313.057, RSMo, and to enact in lieu thereof eight new sections relating to bingo, with penalty provisions.

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

Section A. Sections 313.010, 313.015, 313.040, 313.045, 313.050, 313.055, and 313.057, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 313.010, 313.015, 313.040, 313.045, 313.050, 313.055, 313.057, and 313.090, to read as follows:

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 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 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 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

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.

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, other than prizes in progressive bingo games;**

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] **machines** or [any] mechanized coin-operated [machine]  
105 **machines approved by the commission** may be used to sell pull-tab cards [or to pay prize  
106 money, merchandise gifts or any other form of a prize] **so long as each organization selling**  
107 **from a coin-operated machine owns or leases their own machine from a licensed supplier.**  
108 **Organizations may not share a pull-tab vending machine;**

109 (17) No rented or reusable bingo cards may be used to conduct any game. All games  
110 must be conducted with disposable paper bingo cards that are marked by permanent ink as

111 prescribed by the rules and regulations of the commission, **or by electronic bingo card**  
112 **monitoring device as approved by the commission;**

113 (18) No licensee shall purchase or use any bingo supplies from a person who is not  
114 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 or abbreviated pull-tab licensee which**  
4 **conducts more than three occasions in any calendar year** shall report [annually] **quarterly**  
5 to the commission on forms 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.

313.055. 1. A tax is hereby imposed on each organization conducting the game of bingo  
2 which awards to winners of bingo games prizes or merchandise having an aggregate retail value  
3 of more than five thousand dollars annually and more than one hundred dollars in any single day.  
4 The tax shall be in the amount of two-tenths of one cent upon each bingo card and progressive  
5 bingo game card sold in Missouri to be paid by the supplier. The taxes, less two percent of the  
6 total amount paid which may be retained by the supplier, **if timely paid by the supplier**, shall  
7 be paid on a monthly basis to the commission, by each supplier of bingo supplies and shall be  
8 due on the last day of the month following the month in which the bingo card was sold, with the  
9 date of sale being the date on the invoice evidencing the sale, along with such reports as may be  
10 required by the commission. The taxes shall be deposited in the state treasury, credited to the  
11 bingo proceeds for education fund.

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

17 the amount of taxes due for failure to submit the reports required by this section and pay the  
18 taxes due.

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**  
33 **investigation. If the cost of the investigation exceeds the total amount of fees filed by the**

34 **applicant in this subsection, the commission may assess additional fees as it deems**  
35 **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 investigation. If the cost of the investigation exceeds the**  
41 **total amount of fees filed by the applicant in this subsection, the commission may assess**  
42 **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.

2           **313.090. The proceedings and activities under sections 313.004 to 313.085 are**  
3 **exempt from the provisions of sections 536.063 to 536.077, RSMo, and the commission shall**  
4 **not be required to use procedures prescribed by sections 536.063 to 536.077, RSMo, with**  
5 **respect to its administration of sections 313.004 to 313.085.**

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