

KANSAS DEPARTMENT OF REVENUE PUBLICATION

KANSAS BINGO HANDBOOK

PREPARED BY

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KANSAS DEPARTMENT OF REVENUE-OFFICE OF CHARITABLE GAMING

INTRODUCTION

When conducting a bingo session, it is recommended that the licensee read aloud the house rules prior to every session. A reminder to the audience should be given before the beginning of each session stating that the public may not communicate with the caller regarding the numbers on their faces needed to win.

This handbook has been prepared by the Kansas Department of Revenue to provide a source of information regarding charitable bingo regulated under Kansas law. This includes nonprofit organizations which are licensed to conduct the bingo games, the distributors which are registered to sell bingo supplies to the licensed organizations; and the lessor of premises. It will not address every situation or question. The Kansas bingo statutes and regulations, which are provided in the handbook should be used as an additional resource to ensure your organization is complying with its legal obligations regarding bingo operations.

This handbook is provided for informational purposes only and is intended to assist licensees with the conduct of their games. However, statutes supersede all other parts of the handbook.

If you have questions or need additional information not addressed by this handbook, then please call Customer Relations at 785-368-8222, email bingo@kdor.ks.gov or write to:

Administrator of Charitable Gaming
Kansas Department of Revenue
Docking State Office Building
915 SW Harrison Street
Topeka, KS 66625-3512

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All bingo forms may be found at www.ksrevenue.org

For questions about reports and taxes filed with the Internal Revenue Service, please refer to I.R.S. Publication 3079, which may be found at www.irs.gov

History of Bingo/Charitable Gaming Regulation in Kansas

Until 1974, the Kansas Constitution (Section 3 of Article 15) prohibited all lotteries, including bingo. Recognizing the existing practice of many churches and other charitable organizations of raising money through the conduct of bingo games, the 1974 Kansas Legislature overwhelmingly passed Senate Concurrent Resolution No. 72 authorizing a vote of the people on the issue of whether to amend the Kansas Constitution to permit bingo for charitable purposes. The people approved the amendment, which reads:

Section 3a. Notwithstanding the provisions of section 3 of article 15 of the Constitution of the state of Kansas, the Legislature may regulate, license and tax the operation or conduct of games of “bingo,” as defined by law, by bona fide nonprofit religious, charitable, fraternal, educational and veterans organizations.

The 1975 Legislature passed Senate Bill 116, which defined bingo and adopted restrictions on how, when and where bingo games could be conducted. Regulation of bingo games and collection of the bingo enforcement tax was delegated to the Kansas Department of Revenue’s taxation director.

Since 1975, the Kansas Legislature has fine-tuned bingo regulations with amendments passed in 1977, 1980, 1982, 1984, 1989 and 1993. In 1995, the Legislature passed Senate Concurrent Resolution No. 1602 authorizing a vote of the people on the issue of whether to amend Section 3a of Article 15 of the Kansas Constitution to legalize the sale of “instant bingo” or pull tabs by bingo licensees. The people approved the amendment and the Legislature subsequently passed amendments to the bingo statutes defining instant bingo and the related regulatory provisions.

The Legislature passed House Bill 2013 in the 2000 session. This made major changes to the bingo statutes effective July 1, 2000, including the following:

- The addition of progressive and mini call bingo games.
- Permitting a limited number of free raffles.
- Phased out of the sales tax on bingo.
- A new taxing mechanism for collecting the enforcement tax on call bingo.
- Created the position of Administrator of Charitable Gaming with the Kansas Department of Revenue.

In the 2011 session of the Kansas Legislature, Senate Bill 76 was passed and signed into law. This made major changes to the bingo statutes effective July 1, 2011, including the following:

- Expanded the definition of instant bingo games to determine the winner(s).
- Allowed members of beneficiary organizations to assist licensees in conducting bingo games.
- Allowed licensed organizations to give workers up to \$10 retail value of food during each bingo session.
- Changed price limitations for selling bingo faces and instant bingo tickets.

- Changed the time restrictions on when mini call bingo games may be played and when instant bingo tickets may be sold.
- Changed the prize limits for progressive call bingo games.
- Removed the restrictions on the number of “bingo event” instant bingo games which may be played in a bingo session.
- Increased the number of mini call bingo games which may be played in a bingo session.

The 2015 Legislature made major changes to bingo and legalized raffle regulations and the bingo statutes were changed to the Charitable Gaming Act. In November 2014, Kansas citizens voted to legalize raffles and to have the Kansas Department of Revenue, Office of Charitable Gaming recognized as the agency to monitor and license raffles. Only nonprofits are eligible to conduct raffles within the state.

Restrictions were removed on the following:

- The manner in which bingo premises can be divided.
- Advertising of bingo games.
- Prohibiting other games or contests where prizes are awarded from being conducted on a premises where bingo is to be conducted
- Added language exempting payment of taxes of less than \$200 from the requirement that licensees with gross receipts of \$1,000 or more must make all payments related to the management, operation, or conduct of bingo games from a Bingo Trust Account.
- The number of days bingo games can be conducted at premises other than the premises listed on the licensee.
- The number of days bingo games can be conducted.
- The number of times a premise can be used for bingo each week.
- The number of call games that can be conducted in one bingo session.
- The number of licensees that may conduct bingo games at a given location in any one session.
- The required waiting period between bingo session as well as 1,000 feet of a premises where bingo is conducted.
- The number of progressive, mini games and instant bingo games that may be conducted during a session of bingo.
- Removed requirements regulating the amount the premise may charge for rental costs and percentage of net proceeds.
- The time restriction on when instant bingo tickets may be sold and the price of the ticket.
- The requirement stating that flares must have the license number of the license and business name on the flare.
- The starting amount of prize money for a progressive game.
- The price amount for a single game of bingo.
- Limitations on premise owner and bingo licensees’ ability to conduct drawing.
- Removed the value of the \$25 drawing.

The Charitable Gaming Act also:

- Changed the limit on the consolation prize to \$1,000 in value.
- Allows the aggregate prize for a single session of call bingo to be increased annually based on the consumer price index.
- Increased the \$500 prize amount checks that must be drawn on the Bingo Trust Bank Account to \$1,199 or more.
- Allows an employee of the bingo license to assist in the conduct of bingo games.

In the same bill, raffles for specific nonprofit organizations became legal.

SECTION I – ORGANIZATIONS LICENSED TO CONDUCT BINGO GAMES

Licensing Requirements and Process

To be eligible for a bingo license, an organization must meet all of the following requirements:

- Be a nonprofit religious, charitable, fraternal, educational or veterans organization with a tax-exempt ruling from the Internal Revenue Service.
- Have been in continuous existence in Kansas for at least 18 months prior to applications
- None of the officers, directors or officials of the organization, or any person employed on the premises where the bingo games are to be conducted, has been convicted of a felony or gambling violation in Kansas or any other jurisdiction.
- Membership in the organization is open to a person of any race, color or physical handicap.

The entire gross receipts received from the operation of bingo games, except that portion used for the payment of prizes, license fees, and taxes, must be exclusively for the lawful purposes of the licensed organization. No person involved in the operation of bingo games for the licensed organization may receive any compensation or profit from such activity. However, an employee of the organization may assist with bingo.

Each organization may have only one active license at a time. Organizations may not clone themselves to obtain more than one license. In other words, an organization may not establish a second organization with the same or overlapping membership requirements, purpose, location and actual membership to obtain another bingo license. Organizations which are affiliated with or subordinate to each other must have different membership requirements. A prime example of this type of situation in which two affiliated or subordinate organizations may both have bingo licenses is a fraternal or veterans organization which has an auxiliary for spouses and/or children. Another example would be a church with both men's and women's auxiliaries. Each auxiliary may hold a bingo license but if either auxiliary does, then the church itself may not hold a bingo license, because the membership would overlap.

No bingo licensee may be issued a license to operate or conduct games of bingo at any location or locations unless that location is specified in the license. Licensees issued may not be transferred or assignable. Organizations may only conduct games of bingo in the county or adjacent county in which such organization is located as reported in its application for licensure.

State, county and city governmental units are not nonprofit organizations and therefore not eligible for a bingo license.

A copy of the Application for Bingo License may be printed from the Kansas Department of Revenue website under Charitable Gaming. The page is located under bingo forms. The preferable method is to apply online. For assistance with this contact the Customer Relations desk at 785-368-8222.

Organizations should not drive to Topeka in the hope of having their license issued or renewed the same day. Organizations should allow one to two weeks for license approval or renewal.

Kansas law requires that the license certificate be displayed in plain view at the location the organization is hosting bingo. The usual practice is to display the certificate in the area where the licensed organization is selling bingo faces.

Bingo licenses expire on June 30 and must be renewed annually. Renewals online are the quickest method of completing the process.

Registration for Retailer's Sales Tax

The sales tax on bingo faces and instant bingo is collected by each Bingo Distributor at the time of purchase by the licensed organization and remitted to the Kansas Department of Revenue monthly. Therefore, your organization will not be required to register for sales tax or file sales tax returns unless it sells other items which are subject to sales tax, such as daubers, concessions, food, etc. However, a 3 percent enforcement tax payment is required by those organizations using reusable bingo cards.

If an organization falls behind in payment of their bingo purchases the distributor has the right to request the state to intervene.

Bingo Trust Accounts

Every licensee who has gross receipts of \$1,000 or more from both the sale of bingo faces and instant bingo in any calendar month is required to maintain a bingo trust account. The licensee shall notify the administrator of the name of the bank together with the number and name of the account.

Records of the account including deposits, withdrawals and monthly banks statements shall be kept on site for four months and be available for three years.

All payments and only those relating to the conduct of any games are to be paid by check from this account, including bingo license fees, fines, enforcement tax and prize money. Receipts from any other source shall not be deposited into the bingo account.

Required Records for Bingo Sessions

Licensees are required to keep the following records on each bingo session they conduct:

- The date and location of each bingo game conducted,
- Name of the operator or manager of each bingo game,
- Value of all prizes awarded for each game played,
- Value of all other prizes awarded in connection with games of bingo,
- Name and address of each call bingo winner of a prize of more than \$100,
- Number of players present at each bingo session,
- For each progressive call bingo game, the winning and consolation prizes offered, and the number of balls required to win each prize,
- If using volunteers from a beneficiary organization, the name, address and contact phone number of that organization.
- The gross sale of receipts from reusable bingo cards

The Daily Bingo Record form is provided on line at the department's website. While the use of this form is not required, it does make the review of your records much easier as it includes all of the required information in a concise form.

Each licensee must keep records for all bingo games for a period of three years following the date of each bingo session. The books and records for the most recent four months must be available at all times for review without notice during each bingo session. You may be required to furnish records concerning a longer period of time.

Bingo Enforcement Taxes

There are three types of bingo enforcement taxes that may be paid by the organization:

- Tax on Disposable Paper Faces for Call Bingo Games. Each licensed organization in the state of Kansas must pay a bingo enforcement tax of \$.002 per face on all disposable paper used for call bingo games. All licensed organizations must purchase their disposable paper used for call bingo games from a bingo distributor which is registered with the Kansas Department of Revenue. A list of registered distributors is available from the administrator. The tax is computed by the distributor and paid by the licensed organization to the distributor at the same time the licensed organization pays the distributor for the paper. The distributor then remits the tax payments monthly to the Kansas Department of Revenue.
- Tax on Instant Bingo Tickets (Pull-tabs). Each licensed organization in the state of Kansas must pay a bingo enforcement tax of 1 percent of the retail sales price of all instant bingo tickets (pull-tabs) which it purchases for sale at its bingo games. All licensed organizations must purchase their instant bingo tickets (pull-tabs) from a bingo distributor which is registered with the Kansas Department of Revenue. A list of registered distributors is available from the administrator. The tax is computed by the distributor and paid by the licensed organization to the distributor at the same

time the licensed organization pays the distributor for the instant bingo tickets (pull-tabs). The distributor then remits the tax payments monthly to the Kansas Department of Revenue.

- Tax on Sale of Reusable Bingo Cards for Call Bingo Games. The licensed organization must pay a bingo enforcement tax of 3 percent upon the gross receipts received from charges for reusable bingo cards used in call bingo games. This tax is computed by the organization and paid monthly to the Kansas Department of Revenue at the time the licensed organization completes and files the bingo licensee's monthly report.

Monthly Reports to the Kansas Department of Revenue

Monthly reports are due to the Administrator of Charitable Gaming by the 25th day of the month following the reported month. This applies to all licensees even though there may not have been any play during the month.

This report is used to collect data on the purchase and sales of bingo paper and instant bingo tickets (pull-tabs). This data is used in various state reports and also used to audit bingo paper distributors to assure that they remit to the department all bingo enforcement taxes collected from the organizations. This report is also used to calculate and pay the 3 percent bingo enforcement tax on reusable bingo card sales.

Correcting Mistakes on a Monthly Report

If a licensee discovers that it has made a mistake on a return submitted to the department, the organization should complete and submit a "Corrected Copy" using a blank monthly report form. Be sure to write in the month, year, name of the organization and bingo license number. These blank forms may be printed from the website of the Kansas Department of Revenue at www.ksrevenue.org. Click on "Miscellaneous" and then "Bingo." Under "Bingo Forms," click on "Organization's Monthly Report (BI-4)." The license number and month and year of play must be included. Write "Corrected Copy" across the top of the form and mail or fax to the department. Organizations may not the make change to the monthly report once it has been submitted.

Regulation

Regulation of bingo is accomplished by the Kansas Department of Revenue in several ways. The department's regulatory activities may include:

- Providing educational materials such as this handbook
- Conducting educational workshops
- Compliance reviews by department field agents. These may be held at the primary site of bingo or by a telephone conference to include the agent and two representatives from the organization.

Periodic compliance reviews are conducted by compliance field agents. Their primary responsibility is to assist you in becoming or remaining compliant with bingo statutes and regulations. During a review, the field agent may do the following:

- Answer your questions.
- Make certain your license certificate is displayed in a conspicuous place.
- Make certain games are conducted in accordance with the bingo statutes and regulations.
- When selling reusable bingo cards as authorized by law, make certain you are calculating your taxes correctly and paying the correct amount.
- Make certain you have all required records on premises for the last four full months.
- Assist you in devising a plan of action for coming into compliance, if required.
- Determine an appropriate period of time to institute the plan of action.
- Complete a report which is maintained as part of your record.
- Provide you with a copy of the report.
- Make return visits to assure progress is being made toward full compliance.

Organizations should retain their copy of the compliance report for future reference.

Legal Consequences of Violations

A license may be revoked or suspended and/or a fine imposed for the following reasons:

- Giving false information when obtaining the license.
- The organization has become ineligible for a license.
- A serious violation or repeated violations of the bingo statutes and/or regulations.

A revocation or suspension and/or fine are imposed after notice is given to the licensed organization and the opportunity for a hearing before the administrator is provided as specified in the Kansas Administrative Procedures Act. Revocations may be imposed for a minimum of six months and a maximum of 12 months. Suspensions may be imposed for up to 12 months. The maximum fine for each violation is \$500. Appeals from decisions of the administrator may be taken as provided by the Kansas Act for Judicial Review and Civil Enforcement of Agency Actions, K.S.A. 77-601 et seq.. A license suspension or revocation will remain in effect until such an appeal has been resolved.

Scheduling the Place and Time for Conducting Bingo Games

The bingo license:

The licensee shall be displayed in a prominent place in the vicinity of the area where it is to conduct bingo.

The bingo license is issued in the name of the applicant organization only and cannot be transferred or assigned to another organization.

When a license is initially obtained or renewed, a schedule of bingo sessions must be included. If a licensee chooses to schedule a session at a time or date different from that previously furnished, written notice must be provided to the Administrator at least seven days prior to the date of the session. Inclement weather or other “acts of nature” are the only basis upon which a licensee may cancel a game without giving advance notice to the administrator. Notice may be given by mail, fax or email.

The bingo session starts when play begins for the first call bingo game of the day, whether it is a mini, regular or progressive call bingo game.

License certificates are only valid for the location printed on the certificate. If an organization changes locations or plays at multiple locations, the organization must notify the administrator of the additional address and the effective date and time of play. If the organization is moving within the same county, then the administrator will merely issue a new certificate reflecting the address of the new location. There is no fee for this change.

Complaints from Players

If a player has a complaint about the operation of an organization's bingo games, the player should first notify the organization. The organization should make a record of the complaint, including the name of the person and a description of the complaint. If the

organization is unable to resolve the complaint, then the player may send a written complaint to the Administrator of Charitable Gaming for the Kansas Department of Revenue by mail or email. A notice including the mailing address to which a complaint may be sent must be posted in plain view on the bingo premises.

When Kansas Department of Revenue receives a written complaint from a player, a field agent will usually be assigned to visit the organization. The field agent may perform a full compliance review at this time. If the complaint is found to be valid, a plan of action will be determined. The resolution of the complaint will be documented along with all compliance findings. The organization will receive a copy of the report.

House Rules for Call Bingo and Progressive Games

The establishment and posting of house rules for both regular bingo and progressive games is required. House rules should cover procedures for playing call bingo and instant bingo which are not specified by the bingo laws and regulations. House rules may not conflict with state bingo laws and regulations but may be more restrictive than the state bingo laws and regulations. For example, the bingo laws do not specify a minimum age to play call bingo. However, an organization may establish a house rule which specifies a minimum age for call bingo players.

The house rules should be displayed so that every player is made aware of them before any bingo cards or booklets are purchased. This eliminates confusion and ill feelings over the way the session is conducted and the protocol during the session. Lack of clarity in either of these areas may lead to a disputed game and/or the loss of customers. Many of the complaints from players involve issues which would not have arisen if house rules had been established, posted and consistently followed.

House rules for progressive call bingo games are required and must remain in effect until the top prize has been won and paid out. Each progressive game must have a separate set of house rules.

Other topics for the house rules may include, but are not limited to:

- Any age restrictions on playing bingo.
- The rules for any pattern games which you offer.
- How prizes for instant bingo will be issued.
- The hours during which instant bingo tickets will be sold.
- How prizes will be awarded if there are multiple winners in one bingo game.
- The rules regarding the issuance of free cards if they are offered.
- How games and/or prizes will be affected if there is limited attendance.
- Splitting a call bingo booklet between two or more players.
- Behavior which is banned on the premises.

- Handling the sale of half packs purchased later in the evening.
- Any other aspect which is unique to the way the licensee operates the games.
- Reduction of prize money based on attendance-this must be announced prior to the first number called. Full refunds must be provided if a player chooses not to play once the payouts have been reduced.

Restrictions on Bingo Workers

All persons working or assisting in conducting a call or instant bingo game must:

- Be at least 18 years of age.
- Be a (1) member or the spouse of a member of the licensed organization conducting the bingo game or (2) be a member or spouse of a parent or auxiliary unit or society of the licensed organization or (3) be a member of a beneficiary organization. A beneficiary organization is another organization which receives donated funds from the bingo profits of the licensed organization sometime during the license year. Members and spouses of members of another local organization sharing the same state or national affiliation as the licensed organization are not eligible to assist.
- Be a volunteer and not be paid or compensated in any way for their participation in conducting the bingo games.
- Not have been convicted of a felony or illegal gambling activity. (This applies to any member of the organization who is on the premises.)
- Not participate as a player in any bingo game which he or she is managing, operating or conducting any portion of the same game, including calling or verifying numbers, selling cards or instant bingo tickets. Note that this requirement applies to each individual game, not to the entire bingo session. A person who is selling instant bingo tickets may simultaneously play call bingo because it is not the same game. A bingo worker may not have someone else play call bingo cards or instant bingo tickets for them.
- Only one employee of the lessor may assist in a session if there has been a cancellation by a licensee's volunteer to work that session. The lessor's employee may not handle money.
- Any employee of the licensee may assist in the conduct of bingo.
- Volunteers who are members of a licensee's nonprofit organization may assist only one licensee during the same licensing period.

A volunteer may work both the call bingo and instant bingo games provided that the duties do not conflict. For example, a person selling instant bingo tickets can also be used to verify a winner in a call bingo game.

The restriction on workers playing a bingo card does not preclude a worker from marking the card of a player who must temporarily leave the playing area during part of a bingo game due to circumstances beyond their control. If the player wins a prize, the worker may not share in that prize.

Persons working in a snack bar or concession stand operated by a licensed organization during bingo games, whether paid or unpaid (volunteer), may also play call bingo and instant bingo if permitted by the licensed organization.

An organization may assign unpaid (volunteer) persons working in the organization's snack bar or concession stand during bingo games to also sell bingo cards and instant bingo tickets (pull-tabs). However while doing so, such persons are subject to all of the restrictions which apply to bingo workers listed above.

A person regularly employed by a licensed organization as a janitor is not considered a bingo worker as long as he or she does not also assist in activities related to the actual conduct of the games.

If an organization conducts bingo games in a registered premise, the registered premise owner, manager, and employees cannot participate in conducting any of the bingo games with one exception. One employee of the premise may assist with the conduct of bingo during that session in case of a last-minute volunteer cancellation. The employee may not handle money.

This prohibition has been interpreted to include the following:

- The premise owner cannot assist in any way in the conduct of bingo games at their premise. This includes calling, selling cards or working the floor.
- It is not recommended that the premise owner, manager and employees play bingo in any session held at the premise where they are employed, even if they are not working that day.
- Persons working in a concession stand operated by the registered premise are considered employees, whether or not they are paid, and therefore are prohibited from playing bingo in that premise.
- Licensed organizations should consider having each worker sign a statement acknowledging the rules and his/her eligibility to participate as a volunteer for the bingo session.

Age Restrictions for Bingo Players

Call bingo games. There is no statutory age requirement for participating in a game of call bingo. However, licensees are free to impose their own age restrictions as a house

rule as long as they are reasonable and consistently enforced. Minors, if allowed to play, must be subject to the same rules as adults.

Instant bingo (pull-tabs). A person must be at least 18 years of age to purchase instant bingo tickets (pull-tabs). There is no statutory age restriction for opening instant bingo tickets or for claiming prizes. However, persons under 18 years of age may not be given pull-tabs in lieu of cash when claiming a prize. Licensees are free to impose their own age restrictions as a house rule as long as they are reasonable and consistently enforced.

Types and Descriptions of Call Bingo Games Permitted

Session means a day on which a licensee conducts games of bingo.

Kansas law permits three types of call bingo games, as follows:

Regular Games:

- The total of all prizes awarded for all regular and special games conducted during a bingo session cannot exceed \$1,200.
- There are no restrictions on the price that may be charged for each reusable card or disposable paper faces sold for a regular game.

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

- The house rules for each progressive game must be posted at the start of each game and cannot be changed until the game is completed (top prize awarded).
- The number of called balls within which a player must get the announced pattern to win the top prize shall be increased over the course of the game until the top prize is won. However, the number of balls does not have to be increased every session. It can be left unchanged for one or more sessions, as long as it is increased enough times to assure that the top prize is won within the statutory limit of 20 sessions for each progressive game. The number of balls may be increased by more than one each session.
- There is no limit on the top prize for progressive games. There are no restrictions on the prizes awarded for subsequent sessions of the same progressive game. The top prize does not have to be increased each session. The top prize must be awarded within 20 sessions from the start of each new progressive game.
- A consolation prize not exceeding \$1,000 may be paid in any session where winner exceeds the number of balls required to win the top prize. Any consolation prize shall be less than the value of the top prize at each session.
- The prizes paid for progressive games are exempt from the limit of \$1,200 in prizes per session for regular bingo.
- There are no restrictions on the price that may be charged for each reusable bingo card or disposable paper face sold for a progressive game.
- The winning prize shall be the full amount. Prize amounts may not be reduced until a new progressive game begins.
- A licensee shall not cease bingo operations unless all progressive bingo games are completed and prizes are awarded.

Mini (or Early Bird) Games: a game of call bingo in which the prizes awarded are not less than 50 percent of the gross receipts derived from the sale of cards or faces for participation in the game.

- The prize for each mini-game must be at least 50 percent of the proceeds from the sale of the cards or faces for that game.
- The prizes paid for mini-games are exempt from the limit of \$1,200 in prizes per session for regular bingo games.
- There are no restrictions on the price that may be charged for each reusable bingo card or disposable paper face sold for a mini-game.

Sale of Reusable Bingo Cards (Hard Cards) and Disposable Paper Faces for Call Bingo Games

Licensees may only sell bingo cards and faces which contain 25 squares with five horizontal rows and five vertical rows of five squares each, with each square designated by a combination of letters and/or numbers except the center square, which is designated as "free." Each card or faces must be unique from all others played in the same call bingo game.

Licensees may sell more than one color or type of disposable paper face or reusable bingo card for the same game, with different prices and different prizes, but the winners must be determined by the same pattern.

There are no restrictions on the price that may be charged for each reusable bingo card or disposable paper face sold for any type of call bingo game.

Licensees may require that players purchase a specified minimum number of faces or cards for regular games before they are eligible to purchase them for special or progressive games.

Gift certificates may be sold for the purchase of cards at upcoming bingo sessions. Receipts from the sale of gift certificates are to be included in the gross receipts on the day the certificates are sold.

A player's eligibility to participate in a bingo game or session cannot be determined by the player's attendance at prior bingo sessions.

Free cards or faces may be offered by the licensee to those who have paid to play bingo that day provided they are good for that day only. In effect, this practice is considered as a discount on the cards or faces. A registered premises lessor may not offer free or discounted cards or faces to the players.

Licensees may offer discounts on the price of bingo cards or faces to repeat customers. A card or face may be used to accomplish this, as long as it is made available to anyone requesting it. The card is punched each time bingo cards or booklets are purchased. After a specified number of punches, the player is entitled to free or discounted bingo cards or faces.

Licensees may have advertisements printed on either front or back of call bingo faces.

Conducting Call Bingo Games

When conducting a bingo session, it is recommended that the licensee read aloud the house rules prior to every session. A reminder to the audience should be given before the beginning of each session stating the public may not communicate with the caller regarding the numbers on their faces needed to win.

Each number selected during the game must be verbally announced and visually displayed to the players present. A selected number is not valid until it has been announced and displayed. Callers should be certain to display the ball/number long enough for the players to recognize it and react. This is true in a speedball game as well as in the standard game. There is no specified number of seconds that the number must be displayed. Watching the response of the audience will provide sufficient clues about whether it is displayed long enough. In a speedball game, the timing should be based upon what the majority of players with a reasonable amount of cards can handle. When there is no video system used to display the ball, the caller should hold up the ball so that the players can see the number at the same time or immediately after he or she calls out (announces) the number. The purpose of displaying the ball is so the players can verify that the correct number was called. If a video system is used to display the number on the ball, then the players will usually see the number before the caller announces it. However, the number is not a valid number (useable in the announced pattern) until the caller calls it out (announces it). A number does not have to be called just because some or even all of the players have seen it on a video monitor.

Electronic random number generators do not conform to the description of how bingo numbers are to be selected and are therefore not permitted.

No person shall communicate verbally or in any other manner the number or numbers needed by any players to win a bingo game to any person involved in the conduct of that bingo game.

The winning pattern for each game must be the same for all players and must be announced prior to the game. Each game is complete when at least one player completes the pre-announced pattern and wins a prize. Licensees are not permitted to offer a game in which various prizes are paid for different patterns. An example would be when four corners would pay \$3 and a postage stamp would pay a bonanza card for the same game. This game is illegal because it does not conform to the definition of a bingo winner. "The winner of each game is the player or players first properly covering properly a predetermined and announced pattern of squares upon the card or face being used by such player or players."

Wrong number called

When a caller calls a number different from what is on the ball or other object selected by chance, and this fact is brought to the caller's attention before a prize or prizes are actually awarded for that game, then the mistake must be corrected by announcing that the correct number will be used rather than the incorrect number (unless, of course, the incorrect number was subsequently selected and called). The correct number and not the incorrect number will be used to determine the winner or winners at the end of that game and the prize or prizes awarded accordingly. If correcting the mistake creates one or more immediate winners, then the game should be over at that point. If it can be determined who would have won first if the mistake had not been made, then the prize should be awarded to such winner. If it cannot be determined who would have won first or there is a doubt about it, then the prize should be split among all of the players who have made bingo at the time that the mistake is announced and corrected. If the mistake is discovered and brought to the attention of the caller or person in charge after the prize or prizes have already been given to the winner or winners of that game, then the correction should not be made and the winners remain unchanged.

Patterns on the same face or reusable bingo card

In a call bingo game which involves a series of patterns all played on the same face or reusable bingo card (such as starting with a regular bingo, then a picture frame, then a blackout), with a prize awarded to the first person to obtain each pattern, only the pattern or patterns in effect at any one point can be a good bingo and result in the awarding of a prize.

Verification of winners

The winning numbers on the card or face of each winner must be verified by

- At least one other player unrelated by blood or marriage to either the winning player or the caller of that bingo game AND
- One or more of the bingo workers.

Electronic verification.

If the organization has an electronic verifier on its bingo machine, the following method may be used:

The bingo worker shall call out the card or face number while the other player verifies that the correct card or face number was called. The caller shall type the card or face number into the bingo machine with an electronic verifier and announce the machine's response as to whether the card or face is a winner.

Manual verification.

If there is no electronic verifier available, then the manual method should be used.

The bingo worker shall call back the winning numbers while the other player looks at the face or card and verifies that the correct numbers are being called back. The winning numbers shall be called out loud so that the other players present can hear the numbers. The caller shall announce whether the card or face is a winner. In the case of a blackout pattern, the worker and another player may instead verify that the card or face does not contain any number which was not called.

Game ends

When the balls are dropped at the end of a call bingo game, the blower should also be turned off so that the balls in the tube drop back into the machine. All of the balls must have an equal chance of being selected as the first ball at the start of the next game. [Approved by Bingo Attorney on 04/13/00.]

Awarding Prizes for Call Bingo Games

Prizes shall be awarded to the first player or players properly covering a predetermined and announced pattern of squares on their bingo card or face. All prizes must be awarded as advertised or announced before the session begins unless the bingo session is canceled due to conditions beyond the control of the licensee.

Licensees are encouraged to include in the house rules either a last number called or honoring the player that made bingo several calls earlier commonly called the sleeper.

All winning cards or faces must be properly verified as described in the Verification of Winners section.

When a prize consists of merchandise (such as a turkey) rather than cash, the amount of the prize is the fair market value of the merchandise or services even though the prize may have been donated or purchased at a discount. The fair market value of a prize consisting of merchandise cannot exceed the cash prize limit for call bingo.

Prizes may not exceed the allowed legal amounts.

Call bingo - \$1,200 per bingo session

Min- games – 50 percent of revenues from mini games per session

Progressive games – no limit on top prize

Consolation prize may not exceed \$1,000. The prize must be less than the value of the progressive bingo game prize amount.

Record the name and address of each winner of a prize of \$100 or more. If a player refuses to provide this information, then the prize should not be awarded to that individual. If the licensee is required to have a bingo trust account, all prizes of \$500 or more for call bingo must be paid by check from that account. The check may not be cashed by the licensee, concession stand, premises operator or any other business operated on the same premises where the bingo session is being conducted.

The prize awarded in a bingo game may not be solely the opportunity to participate in another game of chance. Call bingo cards or faces, instant bingo tickets or Kansas Lottery tickets may be given as prizes, but the prize may not consist solely of cards, tickets and/or Kansas Lottery tickets. [Ruling of Secretary of Revenue dated 6/25/76] Call bingo cards, faces or instant bingo tickets given as part of a prize must be useable in the same bingo session. Instant bingo tickets may be given as prizes to players under 18 years of age because this does not constitute a sale of instant bingo tickets.

Multiple winners

If more than one player wins a game at the same time, then the licensee may either divide the announced prize equally among the winning players or award the full prize to each player. If a player simultaneously wins on more than one card or face, then the licensee may treat the player either as a single winner or as multiple winners. However, licensees should be careful not to exceed the statutory prize limits per game and per session. The licensee's house rules should address how each of these situations will be handled.

Reduction of prizes

A licensee may not refuse to award a prize as advertised. The amount of the prize awarded to the winner of a bingo game may be made contingent upon the number of players present only if the exact terms are a part of the house rules. The decision to invoke such rules must be announced prior to the start of the first game. Players must have the option of returning all cards and be given a full refund.

No licensee may refuse to conduct a bingo game or session or refuse to award a prize as advertised based upon a contingency other than inclement weather or other "acts of nature" beyond the licensee's control. The amount of the prize awarded to the winner of a bingo game may be made contingent upon the number of players present only if the exact terms of the contingency are advertised (made known to the players) at or before the time when they purchase their bingo cards or faces for that session. If the licensee intends to invoke the contingent (reduce) prize for any game during a bingo session, then such decision must be announced to the players prior to the start of the first game of the session and the player must be given an opportunity to return all of the cards or faces

purchased for that session and obtain a full refund for those cards or faces. [Revenue Ruling 23-76-1(IV) promulgated by the Secretary of Revenue on 5/58/76]

The amount of the prize awarded in a bingo game may be determined by a special ball in the bingo machine. If that ball is selected during the game, then the amount of the prize is increased to an amount which was announced prior to the start of the game. However, care must be exercised to prevent exceeding the statutory per game or per session prize limits. [Interpretation by the Bingo Attorney on 12/09/85]

Licensees shall not distribute numbered tickets to the bingo players which are then used to determine whether a player receives a higher prize if the player winner of a call bingo game. This constitutes an illegal lottery. [Interpretation by the Bingo Attorney on 12/09/95]

Licensees may sell two or more different colored faces or cards for the same call bingo game, which have different purchase prices, and then award a different prize amount depending upon the color of the face which wins the game. The amount of the prizes to be awarded for each different color face must be announced prior to the sale of the faces. [Interpretation by the Bingo Attorney on 10/11/88]

Variations of Call Bingo Game Which Are Permitted

The following variations of call bingo games have been ruled upon as legal:

- A wheel of fortune may be used to select the maximum quantity of balls or other objects which are to be selected in order to win the top prize in a call bingo game. [Opinion rendered 6/07/76 by the Assistant Attorney General assigned to the K.B.I. (Ref. 7)]
- "U-pickum" cards are legal as long as they conform to the description of a card face with 25 squares with a free space in the middle. They may be used in the same game along with reusable cards or paper faces, but the pattern to win must be the same for both all types of cards used in the same game. A higher price may be paid to persons winning on the U-pickum cards as long as the statutory prize limits are not exceeded. [Approved by Bingo Attorney on 03/03/92]
- A call bingo game may have the winning pattern determined by chance at the beginning of the game. The selection process may involve a wheel or the first ball selected for the game. One example is an odd-even game. In this game, the first number selected determines whether odd or even numbers are to be used in covering squares during the rest of the game. In other words, the announced pattern is all odd or all even squares, depending upon which number is selected first. Another variation is using the first ball selected to determine the numbers of the squares that must be "blacked out" as the winning pattern. For example, if the first ball selected ends in an "8", then the winning pattern is all squares on each face or reusable card with

numbers ending in “8.” In each case, once the pattern is determined, then the game proceeds are usual.

Variations of Call Bingo Games Which Are Not Permitted

The following types of call bingo games have been determined to be illegal for the reasons stated:

- Bonanza Bingo Game. This is a call bingo game in which some of the numbers are selected and posted in advance of the start of the actual bingo session and the remaining numbers are selected (until someone wins) during the bingo session. The game is illegal when the initial numbers are not selected, called, displayed and posted while all (or the majority) of the players are present to verify that the numbers are selected by chance and correctly posted.
- Wild Number Game. In this game, one or more numbers are designated as wild numbers and are covered or marked by the players on their cards even though the numbers were never actually selected (except for the number upon which the "wild" numbers are based). The numbers are usually derived from the first number actually selected in the game. For example, if "B13" is selected first, then all numbers ending in a "3" are designated as "wild", such as 3, 13, 23, 33, 43, etc. This practice is illegal because it does not conform to the requirement that each number must be individually selected by chance.
- Good Neighbor Game. In this game, the players sitting on each side of the actual winner of a bingo game are given a small prize, such as a dollar. This practice is illegal because K.S.A. 79-4701(f) states that the winner of a prize is the "player or players first properly covering a predetermined and announced pattern of squares..." This practice constitutes an illegal lottery and is a violation of K.S.A. 79-4706(p)(1).
- Pig Game. There are several variations of bingo games which are referred to as "pig games." Most are illegal, but the particular characteristics must be analyzed before such a conclusion can be made. The most common type of "pig" game starts with selected a number by chance at the beginning of the bingo session. This number is posted or displayed and each time that it is called throughout the session, a specific amount of money is placed or added to a pot or "pig" by the licensed organization. If any player wins on that number in any call bingo game conducted during that session, then that player is awarded the amount of money which has accumulated in the "pig" in addition to the regular prize for that game. This practice actually constitutes an illegal lottery.

Conducting Instant Bingo Games (Pull-tabs)

Who is eligible to sell instant bingo tickets

Instant bingo may only be sold by the licensee.

No person under the age of 18 shall participate in the management, operation or conduct of any game of bingo or sell any instant to a person under the age of 18.

There is no limit on the number of instant bingo games which may be sold during a bingo session and there is no limit on the number of tickets in each game.

Restrictions on where prize money may be awarded

Prize money may only be paid out to the winner within the premises designated by the licensee for the conduct of games of bingo.

Disposal of instant tickets

Once instant bingo tickets have been sold they shall remain on the premises designated by the licensee for the conduct of bingo and shall be disposed of by placing them in a receptacle provided by the licensee. The licensee is responsible for arranging for the removal and disposal of the tickets. However, the licensee shall retain all the winning tickets.

Instant bingo tickets (pull-tabs) may not have a removable latex covering or be electronically or computer generated.

What is a bingo event

A "bingo event" instant bingo game is a special type of instant bingo game in which one or more of the winners are determined by matching the number or numbers on the instant bingo tickets with one or more numbers or pattern of numbers selected either during a designated call bingo game or as a continuation of a designated call bingo game.

Awarding of prizes

Prizes for instant bingo tickets may be paid in cash, check or merchandise (such as a color television set). There is no upper limit on the amount of prizes that are paid. However at least 60 percent of the gross sales revenues from the sale of each game must be paid out in prizes.

An instant bingo game in which the prize is awarded by matching the winning number in a call bingo game shall not be carried over from one session to another. If not all of the tickets from a game have been sold before awarding a prize, then the amount of the prize

may be reduced based upon a formula or schedule that has been known to the players before the commencement of the instant bingo game.

One variation of the instant bingo game uses a board where players with winning tickets are permitted to select from a variety of hidden prizes. This game is legal only if every one of the winning tickets receives some prize of value.

Instant bingo games in which one or more “winning” tickets permit the player to participate in another game of chance where they may or may not win a prize are illegal because they do not conform to the description of instant bingo.

Instant bingo tickets may only be sold to a person who is at least 18 years of age. However, there is no legal restriction on who may open a ticket and claim the prize, if any. Therefore, once a ticket is legally purchased, the purchaser may give the ticket to a person under the age of 18 to open. If the ticket is a winner, a person under the age of 18 may claim the prize. If the prize is cash, more tickets in lieu of cash may not be given to a person under the age of 18 because that would, in effect, constitute selling tickets to such a person.

All activity related to the playing of instant bingo tickets is to take place on the premises identified in the bingo license application. Thus, all instant bingo tickets must be purchased, opened and prizes claimed within the premises where the call bingo session takes place. Prizes are not to be paid on winning tickets from a prior bingo session. It is a violation of Kansas criminal gambling laws to sell or possess a pull-tab except as defined by the Kansas bingo statutes. [K.S.A. 21-4303a]

Each licensee should establish a secure area where all instant bingo tickets are stored between bingo sessions to assure that they are not being sold at times other than that authorized by law.

Free or Donation Call Bingo Games

The statutory provisions for bingo licensing and regulation do not apply to call bingo games conducted by persons or businesses when no consideration is required for participation (see below for the definition of "consideration"). These games can take the form of either free or "donation" games. "Donation" games are call bingo games which are free but the players are encouraged to make a voluntary donation to the game sponsor. There must be no requirement or coercion for players to pay money or anything of value in order to participate. Typically there is a limit on the number of cards or faces given to each player at a free or donation bingo session. The number of cards or faces that a person may play cannot be based upon whether the player made a donation or not.

Donation call bingo sessions may be sponsored by licensed organization and they are not counted toward any of the limits which apply to that organization's licensed bingo sessions. However, donation bingo sessions conducted by licensed organizations must clearly be advertised as such so as not to confuse the public. A licensed organization

may not conduct free or donation call bingo games on the same day that they conduct regulated bingo games. [Interpretation rendered by the Bingo Attorney on 2/22/88.]

No free or donation call bingo games may be conducted by any licensed organization or by any unlicensed person or organization at any premises where regulated (licensed) bingo games are conducted on the same day. This applies to both leased and owned premises. [Interpretation rendered by the Bingo Attorney on 4/05/88.]

"Consideration," as it related to gambling activities, is defined by K.S.A. 21-4302 as anything "which is a commercial or financial advantage to the promoter or a disadvantage to any participant. Mere registration without purchase of goods or services, personal attendance at places or events without payment of an admission price or fee, listening to or watching radio or television programs, answering the telephone or making a telephone call, and acts of like nature are not consideration." [K.S.A. 21-4302 and Attorney General's letters dated 6/02/71 and 8/27/71]

SECTION II - REGISTERED PREMISES

Registration Requirements

A bingo premise is any room, hall, building, enclosure or outdoor area used for the management, operation or conduct of a game of bingo.

A bingo lessor means the owner, co-owner, lessor or sub-lessor of a premise upon which a licensee is permitted to manage, operate or conduct games of bingo. A bingo lessor must apply for and be issued a certificate of registration prior to entering a lease agreement with a bingo licensee.

A registration certificate will not be issued if any person who is connected in any way, directly or indirectly, with the owner or lessor of the premises has, within the five years prior to application, been convicted of a felony or illegal gambling activity or purchased a tax stamp for wagering or gambling activity.

Each certificate of registration is good for only one location and must be posted at that location.

The Registration Process

The following steps are required to register a premise:

- Complete an Application for Initial Registration of Bingo Premises. These are located at the Kansas Department of Revenue website under Charitable Gaming and forms.
- Pay a \$100 application fee by check or money order

Upon approval, each leased bingo premise is assigned a bingo registration number and issued a Kansas Bingo Premises Registration Certificate. The registration certificate must be displayed in plain view at the premises. The usual practice is to display the certificate in the area where the licensed organization is selling bingo cards.

Registration certificates expire on June 30 of each year and must be renewed annually.

Exemption from Registration of Premises

A premise may be exempted from registration by the administrator if the following conditions exist:

- There is no charge made for the use of the premise or the charge is a fixed nominal amount intended to cover only the premises owner's actual costs for utilities and maintenance for the time period it is used for bingo, **or**
- The organization is the full-time, exclusive tenant of the premise; the rent is paid monthly or annually; the conduct of bingo games is only a relatively small part of the organization's activities on the premise; and the amount of rent paid is not

based on whether bingo games are conducted on the premise or the amount of the receipts from conducting bingo games.

The circumstances must be documented in writing, including any agreement between the premise owner and the licensed organization, and submitted to the administrator for a decision.

Lease Agreements

All lease agreements between leased premises and licensed organizations must conform to the following requirements and be submitted by the licensee to the administrator for approval:

- The lease agreement must be in writing and be dated and signed by both lessor and lessee. The name of lessor should include both the correct legal name and the "doing business as" name, if any.
- No charges other than rent can be made by the lessor unless they are the lessor's actual charges, are included in the lease agreement and approved by the administrator. All charges must be fair and reasonable.

Specify the address of premise and a description of the portion being leased, if it is not the entire premise.

Specify the date that lease period commences and terminates. If there is no set termination date, then the lease should provide for automatic periodic renewal and termination upon notice by either party. The manner and timing of notice should be specified.

If the premise is not leased continuously to the lessee, then specify the days and times the lease covers.

Specify which party is responsible for maintenance, repair and replacement of major premise components and systems such as roof, heating and cooling systems, etc. If the premise is being rented to more than one organization on a daily basis, then the lessor should be responsible for these expenses unless damaged by the negligence or willful actions of a particular lessee.

Specify the type and amount of insurance to be provided by each party, if any.

Specify the manner of notice and rights of parties upon default in payment of rent or violation of other terms of the agreement.

Any modifications, amendments or renewals of lease agreements must be submitted to the administrator for approval.

Operation of premises

Only those organizations with a current bingo licensee may operate games of bingo on the premise.

Nothing in the bingo statutes regulates the dispensing of liquor on bingo premises. Therefore, if liquor is sold during the time when bingo games are conducted, then the premise owner must comply with the same liquor laws which apply in non-bingo situations.

Regulation

Regulation of bingo is accomplished by the Kansas Department of Revenue in several ways. All are intended to make certain that the premise is operated in accordance with the bingo statutes and regulations. The department's regulatory activities include:

- Providing educational materials such as this handbook.
- Conducting educational workshops.
- Compliance reviews by department field agents.
- Audits by department auditors.
- Telephone reviews conducted between volunteers and field agents.

Periodic compliance reviews are conducted by compliance field agents. Their primary responsibility is to assist you in becoming or remaining compliant with bingo statutes and regulations. During a review, the field agent may do the following:

- Answer your questions.
- Make certain your registration certificate is displayed in a conspicuous place.
- Determine whether all statutes and regulations are being complied with.
- Assist you in devising a plan of action for coming into compliance, if required.
- Determine an appropriate period of time to institute the plan of action.
- Complete a report which is maintained as part of your record.
- Provide you with a copy of the report.

You should maintain your copy of the compliance report for future reference.

Complaints from Players

On occasion, the department will receive a written complaint about a premise. Such a complaint will usually result in a visit by a field agent. The nature of the complaint will be identified. If the complaint is found to be valid, a plan of action will be determined and a warning or violation may be issued. Generally, this will be accompanied by a full compliance review. The resolution of the complaint will be documented along with other compliance findings. You will receive a copy of the report.

Legal Consequences of Violations

A premise's registration may be revoked or suspended and/or a fine imposed for the following reasons:

- Giving false information when obtaining the registration certificate.
- The premise owner has become ineligible.

A revocation or suspension and/or fine are imposed after notice is given to the registrant and the opportunity for a hearing is provided as specified in the Kansas Administrative Procedures Act. Revocations may be imposed for a minimum of six months and a maximum of 12 months. Suspensions may be imposed for up to 12 months. The maximum fine for each violation is \$500.

SECTION III - REGISTERED DISTRIBUTORS

Registration Requirements and Process

A business is required to register as a bingo distributor with the Kansas Department of Revenue if it sells or distributes disposable paper bingo cards (faces) or instant bingo tickets (pull-tabs) to organizations in Kansas which are licensed to conduct bingo games.

A registration certificate will not be issued if any person who is an owner, manager or employee has, within five years prior to application, been convicted of any felony or illegal gambling activity.

The following steps are required to register as a bingo supplies distributor:

- Complete an online Application for Initial Registration of Bingo found at the Kansas Department of Revenue website under Charitable Gaming bingo forms.
- Pay an application fee of \$500 by check or money order.
- Pay a tax bond of \$1,000 by separate check or money order.

Upon approval, each distributor will be assigned a registration number and issued a Kansas Bingo Distributor Registration Certificate.

Registration certificates expire on June 30 of each year and must be renewed annually.

Instant Bingo Ticket (Pull-tab) Requirements

All instant bingo tickets must be sold in boxes which are sealed by the manufacturer. The manufacturer may be a distributor which opens the box, adds some printing to each ticket, and re-seals the box. Each game of instant bingo tickets must have a unique serial number stamped or printed on each ticket in the game. Each serial number cannot be repeated on the same manufacturer's form number less than once every three years. Each game must pay out prizes of at least 60 percent of the total retail sales price of the tickets in that game.

Each game of instant bingo tickets sold or distributed to licensees must be accompanied by a flare which contains the following information:

- Name of the game,
- Manufacturer's name or logo,
- Game form number,
- Number of tickets in the box,
- Prize structure for the game (number of winners and the winning symbol or number combination),
- Cost per ticket,
- Game serial number,

- A list of the winning numbers or symbols for the top three tiers set out in such a manner that each prize may be marked off as the prize is won and awarded,
- Business name of the distributor.

Record Keeping Requirements

Distributors are required to maintain for a period of at least three years all records of bingo cards, faces, and instant bingo tickets (pull-tabs) sold to licensed organizations. These records must be made available for inspection by any authorized representative of the Bingo Administrator.

Regulation

Regulation of bingo is accomplished by the Kansas Department of Revenue in several ways. All are intended to make certain that the bingo supplies sold meet the requirements in the bingo statutes and regulations. They also are intended to make certain that each is paying their fair share of taxes. Regulation includes:

- Providing educational materials such as this handbook.
- Conducting educational workshops.
- Audits by department auditors.
- Conduct telephone interviews between the licensee volunteers and field agents.

Compliance reviews may be conducted by compliance field agents. Their primary responsibility is to assist you in becoming or remaining compliant with regulations and tax obligations. During a review, the field agent may do the following:

- Answer your questions.
- Determine if all state taxes are current.
- Request a refund of state taxes if you have submitted too much.
- Discuss payment arrangements if you have an outstanding tax liability.
- Make certain you are calculating your taxes correctly and paying the correct amount.
- Identify areas where you are not compliant.
- Solicit a plan of action for coming into compliance, if required.
- Determine an appropriate period of time to institute the plan of action.
- Complete a report which is maintained as part of your record.
- Provide you with a copy of the report.

The Kansas Department of Revenue may periodically audit a distributor's records and returns filed to assure that all taxes are being properly collected and remitted as required by law. An audit generally covers the previous three years unless extended by written

agreement between the distributor and the department. Prior to an audit, a distributor will receive a letter from the department indicating that the distributor has been selected for an audit. The auditor will make an appointment to begin the audit. During the first meeting, the auditor will review the distributor's business practices, the accounting system used, and other related matters. The auditor will make every effort to minimize the disruption of the distributor's business activities.

Legal Consequences of Violations

A distributor registration may be revoked or suspended and/or a fine imposed for the following reasons:

- Giving false information when obtaining the license or registration certificate.
- Violation of provisions of the bingo act or rules and regulations relating to bingo.
- A revocation or suspension and/or fine is imposed after notice is given to the registrant and the opportunity for a hearing is provided as specified in the Kansas Administrative Procedures Act. Revocations may be imposed for a minimum of six months and a maximum of 12 months. Suspensions may be imposed for up to 12 months. The maximum fine for each violation is \$500.

Collection and Payment of Bingo Enforcement Taxes with Monthly Returns

Each distributor is required to collect the bingo enforcement taxes on all disposable paper faces and instant bingo tickets sold to licensees within Kansas.

The tax on disposable paper faces is \$.002 per face sold to the licensed organization. If a case of paper containing 18,000 faces is sold, the enforcement tax on that case is \$36. The tax must be listed as a separate item for each series or case of paper faces listed on the invoice when the licensee is billed by the distributor.

The tax on instant bingo tickets is 1 percent of the total face amount of the tickets in each game sold to the licensed organization. If a game of instant bingo tickets contains 900 tickets which are to be sold for 50 cents each, then the tickets will be sold to the public for a total of \$450. The enforcement tax on that game is 1 percent of \$450 or \$4.50. The tax must be listed as a separate item for game of instant bingo listed on the invoice when the licensee is billed by the distributor

The return and the taxes due must be remitted to the Kansas Department of Revenue by the 25th day of the month following the month when the call bingo faces or instant bingo tickets (pull-tabs) were sold to licensed organizations.

APPENDIX A

Questions and Answers for Bingo

Q. Who needs a bingo license?

A. Kansas law permits nonprofit religious, educational, charitable, and fraternal and veterans organizations to conduct bingo games in which the players are charged for participation if the organization first obtains a bingo license from the Kansas Department of Revenue. No license is required if a bingo game sponsor offers free bingo games or merely encourages a voluntary contribution. Bingo licenses cost \$25 and expire on July 1 of each year.

- Kansas law requires that any person or business which leases facilities or premises to an organization for the conduct of bingo games on a daily basis or charges rent based upon the organization's revenue from bingo games must be registered and is subject to various restrictions. Bingo premises registration certificates cost \$100 and are good for 12 months commencing on July 1 of each year.
- Kansas law also requires that any person or business which sells disposable paper bingo faces or pull-tabs to an organization with a bingo license must be registered and is subject to various restrictions. Bingo premises registration certificates cost \$500 and are good for twelve months commencing on July 1 of each year. A one-time cash bond of \$1,000 is also required.

Q. How often can a charitable bingo licensee play bingo?

A. There is no limit on how many times a bingo licensee may host a bingo session. However, all times, days and locations must be on file with the Office of Charitable Gaming.

Q. Can players save chairs for their friends?

A. It is up to individual licensees to make that decision.

Q. Are children allowed to play bingo?

A. This is up to the individual organization. Youth under the age of 18 are not allowed to purchase pull-tabs nor are they allowed to assist with the operation of bingo.

Q. Can organizations reduce their prize money based on attendance?

A. Under Kansas laws this is legal. Licensees must first announce this action prior to the start of the first game and allow people to receive a refund for all unplayed games.

Q. Can a player pick their own faces or re-usable cards?

A. That is up to the individual licensees.

Appendix B

Responsibilities of License

Responsibilities of Distributor

Responsibilities of Premises

RESPONSIBILITIES LICENSEE AND CERTIFICATE HOLDER

The expiration date for all licensees and certificates: June 30.

It is the responsibility of all bingo licensees and certificate holders to follow the Charitable Gaming Act and Rules and Regulations.

LICENSEE

Licensee: a licensee shall be required for affiliated organization of any state or national nonprofit religious, charitable, fraternal, educational or veterans organization.

Licensee fee: \$25 per fiscal year

Duties:

- a. Conduct games managed and operated by volunteer members of the organization. Volunteers may be from the auxiliary unit, ancillary division or a beneficiary organization. There must be at least one member of the organization assisting with the game.
- b. The Office of Charitable Gaming must approve any lease affiliated with a premise.
- c. Play is only permitted at licensed premises or the licensee's own location.
- d. Complete and file monthly reports due by the 25th of the following month. Even if the organization does not play that month a report must be filed.
- e. No volunteer shall receive remuneration or profit from assisting with bingo.
- f. Any employee of the organization may assist with bingo.
- g. If an organization exceeds \$1,000 in gross receipts in any month they must establish a bingo trust account.
- h. Keep records for a period of three years.
- i. Post house rules for regular and progressive games.
- j. Notify the department of any changes in schedule three days in advance in writing.
- k. Organizations must keep a daily (game) log for their records and for department field agents.

Other:

- a. No person younger than the age of 18 may assist in any way with bingo.
- b. There is no limit on the number of times a licensee may host bingo a day or week. All conduct and management of bingo games must remain under the control of the volunteer membership.

Best practices

Licensees are encouraged to keep their facilities clean and updated. Volunteers who welcome their guests and remember the names of their players are appreciated by the

public. Volunteers assisting with bingo should make every effort to make their player feel welcomed and encouraged to return. A common complaint occurs when volunteers do not treat their players with respect. The best publicity is word of mouth.

DISTRIBUTOR

Distributor: any person or entity that sells or distributes instant bingo tickets, bingo cards or bingo faces. Distributors must be licensed by the state of Kansas.

Bond: \$1,000 one-time payment

Licensee fee: \$500 per year

Duties:

- a. Distributors must collect and remit the enforcement taxes from each organization purchasing faces, reusable faces and pull-tabs during the month by the 25th of the preceding month to the Kansas Department of Revenue.
- b. If a licensee falls behind in payment of more than 60 days of their bingo purchases the distributor may submit the delinquency to the Office of Charitable Gaming. At that point the Office of Charitable Gaming will have the authority to suspend the license until payment or a schedule of payment has been agreed upon by both parties.

Distributors are a good source of information to the licensee and can be of assistance if a licensee needs ideas for new games or promotion.

PREMISES

Premise: any room, hall, building, enclosure or outdoor area used for the management, operation or conduct of a game of bingo by a licensee.

Lessor: means the owner, co-owner, lessor or sublessor of a premise upon which a licensee is permitted to manage, operate or conduct games of bingo.

Licensee: \$100 per fiscal year

Explanation: in many cases the premise acts as the lessor for the licensee for the licensee providing the space, chairs, tables, bingo equipment and snack bar. Other responsibilities may include security or janitorial services.

However, the case of the local county or state fair their provisions may vary.

An organization may own their building and play at that location. In that case they do not need to apply for a premise license.

Duties:

- a. When completing the premises application the Office of Charitable Gaming must be notified who is playing at the location, the dates and times. If the lessor changes the schedule after the application has been approved changes must be sent to the Office of Charitable Gaming in writing no later than seven days in advance.
- b. The bingo playing schedule with names, days of the week and times must be posted on the inside and outside of the premises.
- c. There must be a “complaint” sign posted with updated phone number at each bingo location.
- d. Only one employee of the lessor may help with a licensee’s bingo session on a temporary basis.

Premise owners and staff are not to be involved in the operation or conduct of bingo except in a temporary situation.

There is no limit on the number of times a day or week a premise host bingo sessions. However, all games must be sponsored and conducted by a licensee.

APPENDIX – C

KANSAS STATUTES FOR CHARITABLE GAMING

75-5171. Kansas charitable gaming act; citation of act. K.S.A. 2015 Supp. 75-5171 through [75-5188](#), and amendments thereto, shall be known and may be cited as the Kansas charitable gaming act.

History: L. 2015, ch. 62, § 1; July 1.

75-5172. Same; purpose. (a) The legislature hereby declares that charitable gaming conducted by charitable organizations is an important method of raising funds for legitimate charitable purposes and is in the public interest. The purpose of this act is to establish an effective and efficient mechanism for regulating charitable gaming which includes:

(1) Defining the scope of charitable gaming activities;

(2) setting standards for the conduct of charitable gaming which insure honesty and integrity;

(3) providing for means of accounting for all moneys generated through the conduct of charitable gaming; and

(4) providing suitable penalties for violations of applicable laws and administrative rules and regulations.

(b) The intent of this act is to:

(1) Prevent the commercialization of charitable gaming;

(2) prevent participation in charitable gaming by criminal and other undesirable elements; and

(3) prevent the diversion of funds from legitimate charitable purposes.

(c) In order to carry out the purpose and intent, the provisions of this act and any administrative rules and regulations promulgated in accordance with this act shall be construed in the public interest and strictly enforced.

History: L. 2015, ch. 62, § 2; July 1.

75-5173. Same; definitions. As used in this act:

(a) "Act" means the Kansas charitable gaming act.

(b) "Administrator" means the administrator of charitable gaming designated by the secretary pursuant to K.S.A. 2015 Supp. [75-5186](#), and amendments thereto.

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

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

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

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

(f) "Charitable gaming" means bingo, including call bingo, and instant bingo and charitable raffles.

(g) "Charitable raffle" means a raffle conducted by a nonprofit religious, charitable, fraternal, educational or veterans organization.

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

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

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

(k) "Electronic gaming device" means a device that, as a result of the insertion of a coin or other object, operates, either completely automatically or with the aid of some physical act by the player, in such a manner that, depending upon elements of chance, it may eject something of value.

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

Winners of instant bingo shall be determined either: (1) By a combination of letters, numbers or symbols determined and posted prior to the sale of instant bingo tickets; (2) by matching a letter, number or symbol under a tab of an instant bingo ticket with the winning letter, number or symbol in a designated call game of bingo during the same session; or (3) by matching a letter, number or symbol under a tab of an instant bingo ticket with one or more letters, numbers or symbols announced in, or as a continuation of, a designated call game of bingo during the same session.

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

(m) "Lessor" means the owner, co-owner, lessor or sublessor of premises upon which a licensee is permitted to manage, operate or conduct games of bingo.

(n) "Licensee" means any nonprofit organization holding a license to manage, operate or conduct games of bingo or charitable raffles pursuant to K.S.A. 2015 Supp. [75-5171](#) through [75-5188](#), and amendments thereto. A license shall be required for each affiliated organization of any state or national nonprofit religious, charitable, fraternal, educational or veteran's organization.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(y) "Raffle" means a game of chance in which each participant buys a ticket or tickets from a nonprofit organization with each ticket providing an equal chance to win a prize and the winner being determined by a random drawing.

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

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

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

History: L. 2015, ch. 62, § 3; July

75-5174. Same; power to regulate, license and tax charitable games. (a) The power to regulate, license and tax the management, operation and conduct of and participation in games of bingo and raffles is hereby vested exclusively in the state.

(b) The raffle of a motor vehicle shall be deemed an isolated or occasional sale of such motor vehicle to the raffle winner and subject to retailer's sales tax pursuant to K.S.A. [79-3603](#)(o), and amendments thereto.

History: L. 2015, ch. 62, § 4; July 1.

75-5175. Same; licensure, application, fee; restrictions on licensure; leased premises, registration certificate. (a) Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization desiring to manage, operate or conduct games of bingo or raffles within the state of Kansas may make application for a license therefor in the manner provided under this section. Application for licenses required under the

provisions of this act shall be made to the administrator upon forms prescribed by the administrator. The application shall contain:

(1) The name and address of the organization;

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

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

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

(b) An application for a bingo license required under the provisions of this act shall be accompanied by a fee of \$25.

(c) (1) No license shall be required for any nonprofit religious, charitable, fraternal, educational or veterans' organization which conducts raffles the annual gross receipts which do not exceed \$25,000.

(2) Any such nonprofit organization which has annual gross receipts exceeding \$25,000 from raffles shall pay an annual fee according to the following schedule:

(A) Nonprofit organizations where annual gross receipts are more than \$25,000 but do not exceed \$50,000 shall pay a license fee of \$25.

(B) Nonprofit organizations where annual gross receipts which exceed \$50,000 but do not exceed \$75,000 shall pay a license fee of \$50.

(C) Nonprofit organizations where annual gross receipts exceed \$75,000 but do not exceed \$100,000 shall pay a license fee of \$75.

(D) Nonprofit organizations where annual gross receipts exceed \$100,000 shall pay a fee of \$100.

(3) Upon recommendations of the administrator, the secretary shall adopt rules and regulations to implement the license requirements for nonprofit organizations conducting raffles.

(d) No charitable gaming licensee shall use an electronic gaming device to sell raffle tickets or to conduct raffles. No raffle licensee shall contract with a professional raffle or lottery vendor to manage, operate or conduct any raffle.

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

(f) No bingo license or raffle license shall be issued to any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization if any of its officers, directors or officials:

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

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

(g) Each bingo license, raffle license and bingo certificate issued shall expire at midnight on June 30 following its date of issuance.

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

(i) No lessor of premises used for the management, operation or conduct of any games of bingo shall permit the management, operation or conduct of bingo games on such premises unless such lessor has been issued a registration certificate by the administrator. Application for registration shall be accompanied by a fee of \$100. Such

application shall be made upon forms prescribed by the administrator and shall be submitted to the administrator. The application shall contain:

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

(2) the address of such premises;

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

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

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

(k) No registration certificate issued under provisions of subsection (g) shall be issued for any premises if any individual who is connected in any way, directly or indirectly, with the owner or lessor of the premises, within five years prior to registration, has been convicted of or pleaded guilty or nolo contendere to any felony or illegal gambling activity or purchased a tax stamp for wagering or gambling activity.

(l) Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization that conducts charitable raffles for which the aggregate gross receipts from such raffles in the fiscal year does not exceed \$25,000 shall be exempt from the provisions of this section, except that such organization shall be subject to the provisions of subsection (d) regarding how such raffles are managed, operated and conducted.

History: L. 2015, ch. 62, § 5; July 1.

75-5176. Same; taxation. For the purpose of providing revenue which may be used by the state and for the privilege of operating or conducting games of bingo under the authority of this act:

(a) There is hereby levied and there shall be collected and paid by each licensee a tax at the rate of 3% upon the gross receipts received by the licensee from charges for participation in call bingo games using reusable bingo cards and any admission fees or charges. The tax imposed by this section shall be in addition to the license fee imposed under K.S.A. 2015 Supp. [75-5175](#), and amendments thereto.

(b) There is hereby levied and there shall be collected and paid by each distributor a tax at a rate of \$0.002 upon each bingo face sold or distributed by the distributor to each licensee conducting call bingo games within the state of Kansas. The distributor shall include the tax due under this subsection in the sales price of each bingo face paid by the licensee and such tax shall be itemized separately on the invoice provided to the licensee.

(c) There is hereby levied and there shall be collected and paid by each distributor a tax at a rate of 1% upon the total of the printed retail sales price of all tickets in each box of instant bingo tickets sold or distributed by the distributor to each licensee conducting instant bingo games within the state of Kansas. The distributor shall include the tax due under this subsection in the sales price of each box paid by the licensee and such tax shall be itemized separately on the invoice provided to the licensee.

(d) If a distributor does not receive payment in full from a licensed organization within 60 days of the delivery of call bingo and instant bingo supplies, the supplier shall notify the department of charitable gaming in writing of the delinquency. Upon receipt of the notice of delinquency, the department of charitable gaming may revoke or suspend the license.

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

History: L. 2015, ch. 62, § 6; July 1.

75-5177. Same; returns; remittance of tax; penalties and interest; waiver or reduction. (a) On dates prescribed by the administrator, every licensee conducting bingo shall make a return to the administrator upon forms prescribed by the administrator. Such form shall contain:

(1) The name and address of the licensee;

(2) the amount of the gross receipts received from charges for participation in games using bingo cards during the preceding reporting period;

(3) the number of bingo faces and the name of the distributor from whom such faces were purchased or otherwise obtained during the preceding reporting period;

(4) the amount of the gross receipts received from charges for admission to the premises for participation in games of bingo during the preceding reporting period;

(5) the number of each denomination of instant bingo tickets sold during the preceding reporting period; and

(6) such other information as the administrator may deem necessary.

(b) On dates prescribed by the administrator, every licensee conducting raffles for which a license fee is required pursuant to K.S.A. 2015 Supp. [75-5175](#), and amendments thereto, shall make a return to the administrator upon forms prescribed by the administrator. Such form shall contain:

- (1) The name and address of the licensee;
- (2) the amount of gross receipts received from raffles conducted by the licensee; and
- (3) any other information deemed necessary by the administrator.

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

- (1) The number of instant bingo tickets sold or distributed to each licensee;
- (2) the amount of the retail sales price of such tickets;
- (3) the number of bingo cards sold or distributed to each licensee;
- (4) the number of bingo faces sold or distributed to each licensee; and
- (5) such other information as the administrator may deem necessary.

At the time of making such return, the distributor shall remit to the administrator an amount equal to 98% of the tax due under K.S.A. 2015 Supp. [75-5176\(b\)](#), and amendments thereto.

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

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

(f) Whenever, in the judgment of the administrator, the failure of any licensee or distributor to comply with the provisions of subsection (a), (b), (c) or (d) was due to reasonable cause, the administrator, in the administrator's discretion, may waive or

reduce any of the penalties or interest imposed by this section, upon making a record of the reason therefor.

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

History: L. 2015, ch. 62, § 7; July 1.

75-5178. Same; determining correctness of returns; subpoenas and interrogatories.

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

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

History: L. 2015, ch. 62, § 8; July 1.

75-5179. Same; restrictions on charitable gaming; exemption. Games of bingo shall be managed, operated and conducted in accordance with the Kansas charitable gaming act and rules and regulations adopted pursuant thereto and the following restrictions:

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

(b) Games of bingo shall be managed, conducted or operated by a bona fide member or spouse of a bona fide member of the licensee or parent organization, an auxiliary unit or society or a beneficiary organization of such licensee or of the beneficiary organization. During each session of bingo there must be at least one member of the licensee organization on duty and assisting with the game. Such member must be listed with the office of charitable gaming.

(c) No person may participate in the management, conduct or operation of bingo games or raffles by a licensee if such person, within five years prior to such participation, has been convicted of or pleaded guilty or nolo contendere to any felony or illegal gambling activity or purchased a tax stamp for wagering or gambling activity.

(d) No person may receive any remuneration or profit for participating in the management, conduct or operation of any game of bingo or any raffle managed, conducted or operated by a licensee unless such remuneration or profit goes to the benefit of another nonprofit group. Any employee of the licensee, however, may assist in the conduct of any charitable gaming event.

(e) (1) The aggregate value of all prizes including the retail value of all merchandise awarded or offered by a licensee in a single session to winners of games of call bingo shall not exceed \$1,200. The administrator shall increase the call bingo cap on July 1 of each year to reflect changes in the consumer price index for all urban consumers as published by the United States department of labor for the preceding fiscal year. The value of a prize awarded in a progressive or mini bingo game shall not be included when determining the limit imposed by this subsection. Any monetary prize of \$1,199 or more awarded in games of bingo shall be paid by a check drawn on the bingo trust bank account of the licensee. Any monetary prize awarded in games of bingo shall be paid by a check on the bingo trust bank account of the licensee upon the request of the winner of such award.

(2) Charitable raffle licensees shall report to the department the name and address of all raffle winners of any prize the retail value of which is \$1,199 or more.

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

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

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

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

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

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

(k) No licensee shall purchase or obtain bingo faces or instant bingo tickets from any person or entity other than a distributor registered pursuant to K.S.A. 2015 Supp. [75-5184](#), and amendments thereto.

(l) All instant bingo tickets sold or distributed to licensees shall bear on the face thereof a unique serial number which shall not be repeated on the same manufacturer's form number less than every three years. All instant bingo tickets shall be sold or distributed in boxes. Each box shall be sealed by the manufacturer with a seal which includes a warning to the purchaser that the box may have been tampered with if the box was received by the purchaser with the seal broken. Each box of instant bingo tickets shall contain tickets printed in such a manner as to insure that at least 60% of the gross revenues generated by the ultimate sale of all tickets from such box shall be returned to the final purchasers of such tickets. No box of instant bingo tickets may be opened by a licensee unless all tickets contained in a previously opened box with the same form number have been sold.

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

(n) (1) Progressive bingo games may be conducted in conjunction with a session of bingo.

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

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

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

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

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

(7) If the progressive bingo game prize is not awarded at a bingo session, the progressive bingo game shall be continued at a future occasion until such time a winner is determined. The winning prize shall be the full amount. If there is no winner of a progressive bingo game at a session, a stated consolation prize in an amount not to exceed \$1,000 may be awarded. Any consolation prize shall be less than the value of the progressive bingo game prize amount.

(o) Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization that conducts charitable raffles for which the aggregate gross receipts from such raffles in the fiscal year does not exceed \$25,000 shall be exempt from the provisions of this section.

History: L. 2015, ch. 62, § 9; July 1.

75-5180. Same; revocation or suspension of license; hearings; procedure; injunctions. (a) The administrator, after a hearing in accordance with the provisions of the Kansas administrative procedure act, may revoke or suspend any license or registration certificate issued under the provisions of this act for any of the following reasons:

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

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

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

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

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

History: L. 2015, ch. 62, § 10; July 1.

75-5181. Same; administration and enforcement of act. (a) The administration and enforcement of the Kansas charitable gaming act and any rules and regulations adopted pursuant thereto shall be vested in the administrator.

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

History: L. 2015, ch. 62, § 11; July 1.

75-5182. Same; disposition of fees and tax proceeds; state charitable gaming regulation fund. (a) All amounts received by or for the administrator from license and registration fees pursuant to this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. [75-4215](#), and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state charitable gaming regulation fund, except as provided by K.S.A. 2015 Supp. [75-5183](#), and amendments thereto.

(b) All amounts received by or for the administrator from the tax levied pursuant to K.S.A. 2015 Supp. [75-5176](#), and amendments thereto, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. [75-4215](#), and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury.

(c) There is hereby created, in the state treasury, the state charitable gaming regulation fund. Except as provided by K.S.A. 2015 Supp. [75-5183](#), and amendments thereto, each deposit remitted to the state treasurer pursuant to subsection (b) shall be credited to the state charitable gaming regulation fund. Except as provided by subsections (d) and (e), all moneys in the state charitable gaming regulation fund shall be expended for the administration and enforcement of the Kansas charitable gaming act, and rules and regulations adopted pursuant thereto. Such expenditures shall be made upon vouchers approved by the administrator.

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

History: L. 2015, ch. 62, § 12; July 1.

75-5183. Same; charitable gaming refund fund. There is hereby created the charitable gaming refund fund in the state treasury. The Kansas charitable gaming refund fund shall be a refund clearing fund and refunds of the fees imposed under K.S.A. 2015 Supp. [75-5175](#), and amendments thereto, and of the tax levied under K.S.A. 2015 Supp. [75-5176](#), and amendments thereto, shall be made from such fund. The charitable gaming refund fund shall be maintained by the administrator from the license and registration fees received and taxes collected under the Kansas charitable gaming act in an amount sufficient for such refunds not to exceed \$10,000.

History: L. 2015, ch. 62, § 13; July 1.

75-5184. Same; distribution of disposable bingo cards and instant bingo tickets; registration. (a) No person or entity shall sell or distribute any bingo faces, bingo cards or instant bingo tickets to any licensee unless such person or entity has been issued a distributor registration certificate by the administrator. Application for registration shall be submitted to the administrator and shall be accompanied by a fee of \$500 and shall be made upon forms prescribed by the administrator.

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

(c) The administrator shall establish, by rules and regulations adopted under the Kansas charitable gaming act, reasonable criteria for approval of applications for registration. The administrator shall refuse to register a distributor if any owner, manager or employee thereof, within five years prior to registration, has been convicted of or pleaded guilty or nolo contendere to any felony or illegal gambling violation in this or any other jurisdiction.

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

History: L. 2015, ch. 62, § 14; July 1.

75-5185. Same; penalties and fines for violation of act. (a) In addition to or in lieu of any other civil or criminal penalty provided by law, the administrator, upon a finding that a licensee, lessor or distributor has violated any provision of the Kansas charitable gaming act or any rule and regulation adopted pursuant thereto, shall impose on such licensee, lessor or distributor a civil fine not exceeding \$500 for each violation.

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

(c) Any fine collected pursuant to this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. [75-4215](#), and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state charitable gaming regulation fund.

History: L. 2015, ch. 62, § 15; July 1.

75-5186. Same; administrator of charitable gaming; powers and duties. (a) The secretary of revenue shall designate an administrator of charitable gaming. The administrator of charitable gaming shall be in the unclassified service and shall receive an annual salary fixed by the secretary of revenue and approved by the governor.

(b) Under the supervision of the secretary, the administrator of charitable gaming shall administer and enforce the provisions of the Kansas charitable gaming act and any rules and regulations adopted pursuant thereto. The administrator's exclusive duties shall

be the administration and enforcement of the Kansas charitable gaming act and any rules and regulations adopted pursuant thereto. The administrator shall be solely accountable to and report to the secretary of revenue.

History: L. 2015, ch. 62, § 16; July 1.

75-5187. Same; severability. If any provision of the Kansas charitable gaming act or the application thereof to any person or circumstances is held unconstitutional or otherwise invalid, such unconstitutionality or invalidity shall not affect other provisions or applications of the act which can be given effect without the unconstitutional or invalid provision or application, and, to this end, the provisions of this act are severable.

History: L. 2015, ch. 62, § 17; July 1.

75-5188. Same; rules and regulations; annual report. (a) The department of revenue shall adopt rules and regulations governing the conduct of raffles by nonprofit religious, charitable, fraternal, educational and veterans' organizations. The rules and regulations may include, but not be limited to, standards for the preparation, sale and accountability of tickets, the conduct of drawings and the awarding of prizes.

(b) The administrator shall prepare an annual report on the operation of charitable raffles in this state. The report shall contain any recommended changes to the law to enhance the enforcement of the act. The annual report shall be submitted to the house and senate committees on federal and state affairs. The report shall be submitted on or before January 15 of each year beginning in 2016 and ending with the report due on or before January 15, 2018.

History: L. 2015, ch. 62, § 18; July 1.

APPENDIX – D

KANSAS REGULATIONS FOR CHARITABLE GAMING

92-23-41. Definitions; persons conducting games of bingo; restrictions. (a)

For purposes of K.A.R. 92-23-41 through K.A.R. 92-23-60, each of the following terms shall have the meaning specified in this subsection:

(1) “Gross bingo receipts” means the revenue received from the sale of bingo faces, reusable bingo cards, instant bingo tickets, and any charges or admission fees imposed on players for participation in games of bingo.

(2) “Licensing period” means the period of time beginning on July 1 and through the following June 30.

(b) A person engaged in the management, operation, or conduct of a game of bingo shall not participate as a player in that game of bingo.

(c) Only one employee of the lessor may assist the licensee with the session if there has been a cancellation by a licensee’s volunteer to work. The lessor’s employee shall not handle any money.

(d) Volunteers who are members of a licensee’s nonprofit organization may assist only one licensee during the same licensing period. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, secs. 9 and 11; effective P-_____.)

92-23-42. Bond required for distributors. Each distributor shall post a cash bond of \$1,000 at the time of initial registration. Any distributor may subsequently be required by the director to increase the cash bond to an amount equal to three times the average monthly tax liability based upon the distributor’s sales for the previous 12 months. If the distributor does not have 12 months of tax liability history to use for this calculation, then an estimate of the tax liability may be made by the director based upon

the best information available. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, secs. 6 and 14; effective P-_____.)

92-23-43. Bingo trust bank accounts. Each licensee required to establish and use a bingo trust bank account pursuant to L. 2015, ch. 62, sec. 9, and amendments thereto, shall comply with all of the following requirements:

(a) The bingo trust bank account name shall include the word “bingo.”

(b) Only revenue received from the conduct of call bingo and instant bingo shall be deposited into the bingo trust bank account. Funds from other sources shall not be deposited in the account.

(c) Cash prizes from call bingo games under \$500 and all prizes from instant bingo games may be paid from the daily gross bingo receipts before depositing these receipts in the bingo trust bank account if the licensee keeps a detailed written record of the gross bingo receipts, cash prizes paid, and net deposit made to the account for the day.

(d) All payments made from the bingo trust bank account shall be made by check.

(e) Any excess funds in the bingo trust bank account that are not needed for the payment of bingo prizes, taxes, and expenses may be removed from the account by writing a check. These excess funds may be used for any lawful purpose of the nonprofit organization pursuant to L. 2015, ch. 62, sec. 9, and amendments thereto. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, sec. 9; effective P-_____.)

92-23-44. Schedule of games of bingo. (a) Each applicant or licensee applying for an initial bingo license or for renewal of an existing bingo license shall furnish, at the time of the application, a schedule of the games of bingo that will be conducted. The schedule shall include the date and time of each session. If the games of bingo will be conducted only occasionally or on irregular dates that have not been determined at the time of the application, the applicant or licensee shall state this on the application form and shall furnish a schedule in accordance with subsection (b).

(b) If a licensee intends to conduct games of bingo on a date or at a time different from that previously furnished in writing to the secretary, the licensee shall submit written notice of the change to the administrator at least three days before the effective date of that change.

(c) Each licensee and lessor shall post information inside the premises and outside the premises providing the following information:

(1) Name of the nonprofit organization conducting the session; and

(2) date and time of each session. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, sec. 9; effective P-_____.)

92-23-45. Progressive bingo. If progressive bingo is offered by a licensee, the progressive bingo shall be conducted during a session. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, sec. 9; effective P-_____.)

92-23-46. Handling of reusable bingo cards. (a) No person shall select or set aside any reusable bingo cards for playing by the person or another person before the

time that the reusable bingo cards are made accessible to all of the players before the start of a session.

(b) No person shall set aside or reserve reusable bingo cards between games of bingo. All reusable bingo cards to be used for a particular session shall be shuffled before being sold or rented to the players so as to ensure that reusable bingo cards returned from the previous session do not remain in the order in which they were returned.

(c) At the end of each session, all reusable bingo cards used during the session shall be returned to one common area. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-_____.)

92-23-47. Bingo; house rules. Any licensee may impose restrictions on player eligibility and game procedures through the use of “house rules” if these house rules meet all of the following conditions:

(a) The house rules do not conflict with state laws and regulations and local ordinances.

(b) The house rules are conspicuously posted at the location where games of bingo are conducted.

(c) The house rules are uniformly and consistently enforced by the licensee. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-_____.)

92-23-48. Display of numbered objects used in conducting games of bingo. As each number is called during each game of bingo, the selected object upon which the number appears shall be displayed to the players present so that each player who desires

to see the number can do so. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-_____.)

92-23-49. Bingo; procedure for correction if wrong number called. (a) If a caller calls a number different from what is on the ball or other object selected by chance and this fact is brought to the caller's attention before the prize is awarded for that game of bingo, then the mistake shall be corrected by announcing that the correct number will be used rather than the incorrect number.

(1) If this correction results in one or more immediate winners, then the game of bingo shall be deemed complete at that point. If the caller can determine who would have won first if the mistake had not been made, then the prize or prizes shall be awarded to that winner or those winners. If the caller cannot determine which winner would have won first, then the prize or prizes shall be split as equally as possible among the winners.

(2) If this correction does not result in at least one winner, then the game of bingo shall be continued until there is a winner.

(b) If a caller calls a number different from what is on the ball or other object selected by chance and this fact is brought to the caller's attention after the prize or prizes have been awarded for that game of bingo, then no correction shall be made and the winner or winners shall retain the prize or prizes. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-_____.)

92-23-50. Bingo; persons selling refreshments or performing janitorial work.
A person who is only selling refreshments or providing janitorial services for games of bingo shall not be deemed to be participating in the management, conduct, or operation of

games of bingo. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-
_____.)

92-23-51. Communication of numbers needed to win prohibited. Each licensee shall ensure that no person communicates verbally or in any other manner the number or numbers needed by any player to win a game of bingo to any person involved in the conduct of that game of bingo. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-_____.)

92-23-52. Disputed game of bingo. (a) “Disputed game of bingo” shall mean a game of bingo at which a participant or observer registers a complaint with a licensee’s employee or volunteer who is operating, conducting, or managing games of bingo for the licensee. If the participant or observer is not satisfied with the manner in which the complaint is handled, then that individual may file a written complaint with the administrator.

(b) Each licensee shall, on the premises, post in plain view of the participants the address where bingo complaints may be filed. The address shall be provided to each licensee by the department. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, secs. 9 and 11; effective P-_____.)

92-23-53. Bingo; multiple winners. (a) Before the beginning of the first call bingo game of a session, the licensee shall notify the players of how the licensee intends to pay out the prize for each game of bingo during that session if there are multiple winners.

(b) If a bingo player has a winning pattern simultaneously on two or more bingo faces or reusable bingo cards, then that player shall be treated as a separate winner for each such winning bingo face or reusable bingo card when determining the awarding of the prize or prizes for that game of bingo.

(c) If a bingo player has two or more winning patterns simultaneously on the same bingo face or reusable bingo card, then the licensee may treat the player as a separate winner for each winning pattern when determining the awarding of the prize or prizes for that game only if the licensee has published a house rule to that effect. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, sec. 9; effective P-
_____.)

92-23-54. Verification of winners. The winning numbers on the bingo face or reusable bingo card of each announced winner of each call bingo game shall be verified by the following individuals:

(a) At least one other call bingo player unrelated by blood or marriage to either the winning player or the caller of that game of bingo; and

(b) one or more of the bingo workers, using one of the following methods:

(1) The bingo worker shall call back the winning numbers while the other call bingo player looks at the bingo face or reusable bingo card and verifies that the correct numbers are being called back. The winning numbers shall be called out loud so that the other players present can hear the numbers. The caller shall announce whether the bingo face or reusable bingo card is a winner. For a blackout game, the numbers not selected may be called by the bingo worker and other call bingo player to verify the winners; or

(2) the bingo worker shall call out the unique identifying number on the bingo face while the other call bingo player verifies that the correct identifying number was called. The caller shall type the identifying number into the bingo machine with an electronic verifier and announce the bingo machine's response as to whether the bingo face is a winner. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-_____.)

92-23-55. Bingo; reduction in value of prizes. Any licensee may make the value of the prize awarded to the winner of call bingo contingent upon the number of players participating, if the exact terms of the contingency are posted or announced to all of the players before their purchase of any bingo faces or reusable bingo cards for the game. (Authorized by and implementing L. 2015, ch. 62, sec. 11; effective P-_____.)

92-23-56. Cashing of prize checks. Checks written by licensees for call bingo prizes of \$500 or more shall not be cashed by any licensee or member of the licensee's nonprofit organization, any lessor, any employee or agent of the lessor, or any other person located upon the premises where the licensee is conducting games of bingo. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, sec. 9; effective P-_____.)

92-23-57. Bingo; instant bingo. (a) Each licensee shall maintain and enforce written procedures to ensure that the licensee's instant bingo tickets are sold only at the times and places permitted by law.

(b) Instant bingo tickets shall be sold only by the licensee.

(c) Each prize for a winning instant bingo ticket shall be paid out to the winner only within the premises designated by the licensee for the conduct of games of bingo.

(d) Once sold, instant bingo tickets shall remain within the premises designated by the licensee for the conduct of games of bingo and shall be disposed of by placing them in receptacles provided by the licensee. The licensee shall be responsible for arranging for the removal and disposal of the instant bingo tickets. However, the licensee shall retain all winning tickets.

(e) An instant bingo game in which the prize is awarded by matching the winning number in a call bingo game shall not be carried over from one session to another. If not all of the tickets from a game have been sold before awarding a prize, then the amount of the prize may be reduced based upon a formula or schedule that has been made known to the players before the commencement of the instant bingo game. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, sec. 9; effective P-
_____.)

92-23-58. Bingo; records; inspection; preservation. (a) Each licensee shall maintain records that are necessary to determine the amount of tax due and to determine that the games of bingo operated or conducted by the licensee are operated or conducted in compliance with the Kansas charitable gaming act, L. 2015, ch. 62, secs. 1 through 18, and amendments thereto. The records shall show the following:

(1) The date and location of each call bingo game conducted;

(2) the name of the operator or manager who conducted or operated each game of bingo;

(3) the number of call bingo games played daily;

(4) the value of all prizes awarded for each call bingo game played;

(5) the value of all other prizes awarded in connection with games of bingo;

(6) the date on which each call bingo prize was awarded;

(7) the name and address of each winner of a call bingo game in which the prize awarded was more than \$100 in value and of all winners of prizes in disputed games of bingo as defined in K.A.R. 92-23-52. A prize shall not be awarded to any individual who refuses to give the individual's name and address to a licensee in compliance with this regulation;

(8) the daily gross bingo receipts received by the licensee for admission, charges for participation, and any other charges in connection with games of bingo, with separate totals for call bingo and instant bingo;

(9) the number of players present during each session on which games of bingo are conducted;

(10) for each progressive bingo game, the winning and consolation prizes offered and the number of bingo balls required to win each of these prizes; and

(11) the occurrence of any drawing conducted during each session and, if any drawing occurred, a description of the prize awarded and its fair market value.

(b) All records required by subsection (a) shall be preserved for at least three years following the date on which the game of bingo to which the records pertain was managed, operated, or conducted.

(c) All records required by this regulation shall be available for, and subject to, inspection by the director of taxation or the director's authorized agents and employees at a location previously designated by the licensee. The records shall be subject to inspection at any reasonable time. The records for the preceding four months shall be available for inspection without advance notice at all times that the licensee is operating or conducting games of bingo.

(d) Each licensee shall provide all information, tax returns, and records regarding or related to the operation, management, or conduct of games of bingo that are requested by the department. Failure to provide all requested information shall constitute grounds for revocation of a bingo license. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, sec. 9; effective P-_____.)

92-23-59. Bingo; filing of returns; notice; hearings; license revocation. (a) On or before the last day of each calendar month, each licensee that was licensed during the preceding calendar month shall submit a return and remit all enforcement taxes due for the preceding month to the department. The return shall be submitted upon a form furnished by the department.

(b) If a licensee does not operate or conduct any games of bingo during a calendar month, the licensee shall still submit a return for that month.

(c) Upon a licensee's violation of any terms of the act or of the implementing regulations, that person's license may be revoked by the secretary or the secretary's designee, after reasonable notice and a hearing. All revocation proceedings shall be conducted pursuant to the Kansas administrative procedure act. (Authorized by L. 2015,

ch. 62, sec. 11; implementing L. 2015, ch. 62, secs. 6 and 10; effective P-
_____.)

92-23-60. Due date of tax return by distributors. Each distributor shall submit a return and remit the tax due for each month's sale of bingo faces and instant bingo tickets by the 25th day of the month following the month in which the sales were made. (Authorized by L. 2015, ch. 62, sec. 11; implementing L. 2015, ch. 62, secs. 6 and 7; effective P-_____.)