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Gaming, Bingo,  
and Other  
Games**

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# Kansas Legislator Briefing Book 2014

## Alcohol, Drugs, and Gaming

### C-3 Charitable Gaming, Bingo, and Other Games

In 1974, Kansas voters approved a constitutional amendment authorizing the Legislature to regulate, license, and tax the operation of games of “bingo” by bona fide non-profit organizations, including religious, charitable, fraternal, educational, and veterans. The constitutional amendment was amended in 1995 to authorize games of “instant bingo” (also known as “pull-tabs”) as a similar type of bingo game.

The Legislature adopted implementing legislation in 1975 to regulate, license, and tax charitable bingo games and assigned the Department of Revenue to staff and operate the state’s oversight of regulating, licensing, and taxing bingo games and bingo operators. An Administrator of Charitable Gaming supervises the agency’s bingo program.

The 2011 Legislature amended the bingo laws by creating an alternative method to conduct instant bingo, raising the prices of instant bingo tickets, increasing the operating hours of instant bingo, increasing the number of mini-bingo games allowed, restricting the hours mini-bingo can be conducted, allowing a beneficiary organization to be licensed to conduct bingo, and removing the existing statutory prize limits for “progressive bingo” games.

### Entities Regulated in the Charitable Bingo Industry

The types of organizations, businesses, and facilities that are regulated include:

- (1) Licensed non-profit organizations that conduct bingo games (any bona fide group that is eligible and licensed to conduct bingo games, such as a veterans group or a church group).
- (2) Registered premises lessors that provide facilities for bingo games (the owner or lessor of premises where a non-profit organization may conduct bingo games).
- (3) Registered bingo card distributors that provide such tickets (a person or entity may sell instant bingo tickets and bingo cards/disposable bingo faces to non-profit organizations).

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

- Be a non-profit 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 eighteen months prior to application (adult care homes are exempt from this requirement).
- 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.

The Secretary of Revenue is vested with general administration of the bingo statutes and assistance is provided by the Administrator of Charitable Gaming. The Director of Taxation is charged with specific duties related to the taxation of bingo. Revenue field agents inspect the licensees, registered distributors, and registered facilities to periodically monitor the conduct of the games and to find unlicensed operators.

### **Variations of Call Bingo Game That Are Permitted**

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

- A wheel of fortune may be used to select the maximum quantity of balls or other objects that are to be selected in order to win the top prize in a special call bingo game.
- Because the statutory definition of call bingo does not specify a limit on the number of objects that may be selected by chance, games involving 90 numbers instead of 75 are legal.

- “U-pickum” cards are legal as long as they conform to the description of a card per KSA 79-4701(d), *i.e.*, 25 squares with a free space in the middle. They may be used for regular or special games, however if used for a regular game, the card must be included in the package of regular cards being sold. They may be used in the same game along with hard cards or paper faces, but the pattern to win must be the same for 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.
- 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 hard card with numbers ending in “8.” In each case, once the pattern is determined, then the game proceeds as 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 following reasons:

- 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.
- 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 KSA 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.”
- Pig Game. There are several variations of bingo games that 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 selecting 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 that has accumulated in the “pig” in addition to the regular prize for that game.

The Administrator of Charitable Gaming and the Kansas Department of Revenue do not regulate tribal bingo or other tribal gaming or bingo games conducted on reservation lands. They do not have any authority regarding bingo at military reservations and bases.

During the 2013 Session, there were several attempts to pass legislation to expand the type of games that could be played as charitable gaming. The Governor vetoed 2013 HB 2120, noting in the veto message that the language in the bill violates Article 15, Section 3 of the *Kansas Constitution*. The Governor further noted that he would support a policy goal of permitting certain limited raffles for charitable purposes. The Governor encouraged the Legislature to consider a constitutional amendment to accomplish such a goal.

**Revenue.** The bingo tax generated \$389,029 in FY 2012, of which \$259,366 was transferred to the State Gaming Revenues Fund according to statute. Of the bingo tax revenue, \$259,366 was transferred to the State General Fund and \$129,633 was transferred to the Bingo Regulation Fund. In addition, an annual transfer was made in FY 2012 shifting \$20,000 from the Bingo Regulation Fund to the Problem Gambling Grant Fund.

For more information, please contact:

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