

Proposed

Charitable Gaming  
915 SW Harrison St.  
Topeka, KS 66612-1588



phone: 785-296-6127  
fax: 785-368-8392  
www.ksrevenue.org

Nick Jordan, Secretary  
Patsy Congrove, Administrator

Sam Brownback, Governor

**State of Kansas  
Department of Revenue  
Notice of Hearing on Proposed Administrative Regulations**

A public hearing will be conducted by the Department of Revenue at 9:00 a.m. on Tuesday, January 12, 2016, in Room 230, Secretary's Conference Room on the second floor of the Docking State Office Building, 915 SW Harrison, Topeka to consider the adoption of charitable gaming regulations and revocation of bingo regulations. Copies of these proposed regulations may be found at [www.ksrevenue.org](http://www.ksrevenue.org).

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written comments from the public on the proposed regulations. All interested parties may submit written public comments on the proposed regulations prior to the hearing to Kathleen Smith, Tax Specialist, Office of Policy and Research, Room 230, Docking State Office Building, 915 SW Harrison, Topeka, Kansas 66612 or through e-mail at [kathleen.smith@kdor.ks.gov](mailto:kathleen.smith@kdor.ks.gov).

All interested parties will be given a reasonable opportunity to present their views, either orally or in writing or both, concerning the adoption of the proposed regulations. In order to give all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

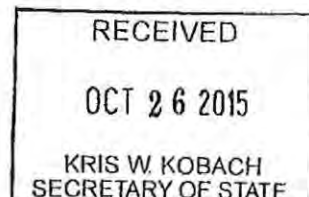
Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Kathleen Smith at (785) 296-3081 or TTY (785) 296-6461. Disabled parking is located in State Parking Lot No. 2, south of the Docking Building facing Harrison Street. The east entrance to the Docking Building is accessible.

These regulations are proposed for adoption on a permanent basis. A summary of the proposed regulations and the economic impact follows:

**Kansas Department of Revenue  
Article 23. Charitable Gaming  
Bingo Regulations**

**Adoption of K.A.R. 92-23-41.** K.A.R. 92-23-41 provides definitions for bingo as well as restrictions as to who may conduct games of bingo.

**Adoption of K.A.R. 92-23-42.** K.A.R. 92-23-42 refers to the bond requirements for distributors.



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**Adoption of K.A.R. 92-23-43.** K.A.R. 92-23-43 describes the use of bingo trust bank accounts.

**Adoption of K.A.R. 92-23-44.** K.A.R. 92-23-44 describes the requirements to schedule games of bingo and changes in dates of play.

**Adoption of K.A.R. 92-23-45.** K.A.R. 92-23-45 describes the handling of reusable bingo cards.

**Adoption of K.A.R. 92-23-46.** K.A.R. 92-23-46 refers to restrictions on player eligibility and game procedures through the use of house rules.

**Adoption of K.A.R. 92-23-47.** K.A.R. 92-23-47 provides the manner in which each number called during the game of bingo must be displayed for all players present to view.

**Adoption of K.A.R. 92-23-48.** K.A.R. 92-23-48 describes the procedures for a licensed organization to follow if a wrong number is called during a game of bingo.

**Adoption of K.A.R. 92-23-49.** K.A.R. 92-23-49 provides that persons selling refreshments or performing janitorial services shall not be deemed to participate in any conduct or management of bingo games.

**Adoption of K.A.R. 92-23-50.** K.A.R. 92-23-50 prohibits the communication of numbers needed to win between the player and any person involved in the conduct of bingo games.

**Adoption of K.A.R. 92-23-51.** K.A.R. 92-23-51 defines a disputed bingo game and specifies procedures to be followed for any disputed games of bingo.

**Adoption of K.A.R. 92-23-52.** K.A.R. 92-23-52 outlines how to handle multiple winners in a bingo game.

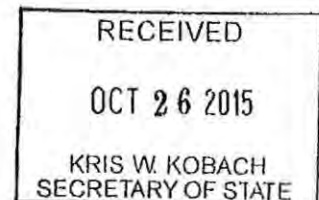
**Adoption of K.A.R. 92-23-53.** K.A.R. 92-23-53 describes how the winners of bingo games are to be verified by the licensee.

**Adoption of K.A.R. 92-23-54.** K.A.R. 92-23-54 provides that the value of a prize awarded may be contingent upon the number of players participating in the game of bingo.

**Adoption of K.A.R. 92-23-55.** K.A.R. 92-23-55 places restrictions on the cashing of prize checks.

**Adoption of K.A.R. 92-23-56.** K.A.R. 92-23-56 describes the selling of instant bingo tickets and provides procedures for licensed organizations to follow in conducting instant bingo games.

**Adoption of K.A.R. 92-23-57.** K.A.R. 92-23-57 describes the information that must be maintained by bingo licensees.



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**Adoption of K.A.R. 92-23-58.** K.A.R. 92-23-58 addresses the filing of monthly returns by each licensee.

**Adoption of K.A.R. 92-23-59.** K.A.R. 92-23-59 addresses the filing of monthly returns by each distributor.

**Revocation of K.A.R. 92-23-9 through 92-23-23, 92-23-25, 92-23-30 through 92-23-31, and 92-23-37 through 92-23-40.** These regulations are being revoked due to the repeal of existing bingo statutes and the passage of new legislation during the 2015 session for the Charitable Gaming Act,

**Economic Impact:**

The Kansas Department of Revenue may see a slight increase in revenues for bingo due to the unlimited times an organization may sponsor bingo and the removal of limitations on when a premise may host bingo.

An increase in revenues may occur for licensed organizations, distributors and premises due to the removal of limitations on the number of times an organization can play bingo and the number of times premises can host bingo in a week. Distributors may experience an increase in sales of faces and instant bingo.

**Raffle Regulations**

**Adoption of K.A.R. 92-23-70.** K.A.R. 92-23-70 provides definitions for charitable raffles.

**Adoption of K.A.R. 92-23-71.** K.A.R. 92-23-71 addresses licensing requirements for charitable raffles including suspension and revocation of a raffle license, transferring of a raffle license and renewal of a raffle license.

**Adoption of K.A.R. 92-23-72.** K.A.R. 92-23-72 provides charitable raffle ticket requirements.

**Adoption of K.A.R. 92-23-73.** K.A.R. 92-23-73 describes the conduct of charitable raffles including accountability of ticket sales and cancellations and postponement of the drawing.

**Adoption of K.A.R. 92-23-74.** K.A.R. 92-23-74 describes the awarding of charitable raffle prizes.

**Adoption of K.A.R. 92-23-75.** K.A.R. 92-23-75 provides the reporting requirements and recordkeeping for charitable raffles.

**Economic Impact:**

Nonprofit organizations that conduct raffles within the state of Kansas shall be required to register with the Department of Revenue and pay a licensing fee based on a tiered schedule beginning with annual gross receipts exceeding \$25,000. If the Kansas Department of Revenue registers 30 nonprofit organizations to conduct raffles in a licensing period and those nonprofit organizations have annual gross receipts of more than \$25,000 but less than \$50,000, the

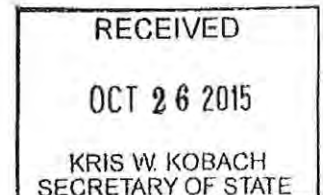
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Department would collect \$750 (30 organizations multiplied by \$25 licensing fee) in licensing fees for the period.

These regulations will have positive economic impact on the non-profit sector holding charitable gaming licenses. The conduct of raffles will encourage fund raising activities for nonprofit organizations.

A copy of these regulations and the economic impact statements may be obtained from the Kansas Department of Revenue, Office of Policy and Research, Room 230, Docking State Office Building, 915 SW Harrison, Topeka, Kansas 66612-1588 or via our website: [www.ksrevenue.org](http://www.ksrevenue.org).



Proposed

92-23-9. (Authorized by K.S.A. 79-4708; implementing K.S.A 79-4706,  
79-4708; effective May 1, 1985; revoked P-\_\_\_\_\_.)

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92-23-10. (Authorized by and implementing K.S.A. 2000 Supp. 79-4708;  
effective May 1, 1985; amended Feb. 22, 2002; revoked P-  
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92-23-11. (Authorized by and implementing K.S.A. 79-4708; effective  
May 1, 1985; revoked P-\_\_\_\_\_.)

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92-23-12. (Authorized by and implementing K.S.A. 79-4708; effective  
May 1, 1985; revoked P-\_\_\_\_\_.)

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92-23-13. (Authorized by and implementing K.S.A. 79-4708; effective  
May 1, 1985; revoked.P-\_\_\_\_\_.)

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92-23-14. (Authorized by K.S.A. 79-4708; implementing K.S.A. 79-4706; effective May 1, 1985; revoked P-\_\_\_\_\_.)

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92-23-15. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4706; effective May 1, 1985; amended Feb. 22, 2002;  
revoked P-\_\_\_\_\_.)

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92-23-16. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4706; effective May 1, 1986; amended Feb. 22, 2002;  
revoked P-\_\_\_\_\_.)

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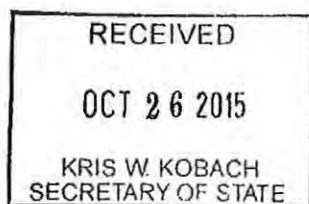
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92-23-17. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4704; effective Feb. 22, 2002; revoked P-

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92-23-18. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4704 and 79-4705; effective Feb. 22, 2002; revoked P-  
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92-23-19. (Authorized by and implementing K.S.A. 2000 Supp. 79-4708;  
effective Feb. 22, 2002; revoked P-\_\_\_\_\_.)

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92-23-20. (Authorized by and implementing K.S.A. 2000 Supp. 79-4708;  
effective Feb. 22, 2002; revoked P- . . . . .)

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92-23-21. (Authorized by and implementing K.S.A. 2000 Supp. 79-4708;  
effective Feb. 22, 2002; revoked P-\_\_\_\_\_.)

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92-23-22. (Authorized by and implementing K.S.A. 2000 Supp. 79-4708;  
effective Feb. 22, 2002; revoked P-\_\_\_\_\_.)

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92-23-23. (Authorized by and implementing K.S.A. 2000 Supp. 79-4708;  
effective Feb. 22, 2002; revoked P-\_\_\_\_\_.)

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92-23-25. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4706; effective Feb. 22, 2002; revoked P-  
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92-23-30. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4706; effective Feb. 22, 2002; revoked P-  
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92-23-31. (Authorized by and implementing K.S.A. 2000 Supp. 79-4706;  
effective Feb. 22, 2002; revoked P-\_\_\_\_\_.)

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92-23-37. (Authorized by K.S.A. 1976 Supp. 79-4708; effective, E-77-49,  
Sept. 30, 1976; effective Feb. 15, 1977; revoked P-\_\_\_\_\_.)

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92-23-38. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4706; effective, E-77-49, Sept. 30, 1976; effective Feb. 15,  
1977; amended, E-81-27, Sept. 10, 1980; amended May 1, 1981; amended May 1,  
1985; amended May 1, 1986; amended Feb. 22, 2002; revoked P-  
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92-23-38a. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4706 and 79-4708; effective, E-81-27, Sept. 10, 1980;  
effective May 1, 1981; amended May 1, 1985; amended Feb. 22, 2002; revoked  
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92-23-39. (Authorized by K.S.A. 1976 Supp. 79-4708; effective, E-77-49,  
Sept. 30, 1976; effective Feb. 15, 1977; revoked P-\_\_\_\_\_.)

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92-23-40. (Authorized by K.S.A. 2000 Supp. 79-4708; implementing  
K.S.A. 2000 Supp. 79-4706; effective, E-80-12, Aug. 8, 1979; effective May 1,  
1980; amended Feb. 22, 2002; revoked P-\_\_\_\_\_.)

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**92-23-41. Definitions; persons conducting games of bingo;**

**restrictions:** (a) For purposes of K.A.R. 92-23-41 through K.A.R. 92-23-59, each of the following terms shall have the meaning specified in this subsection:

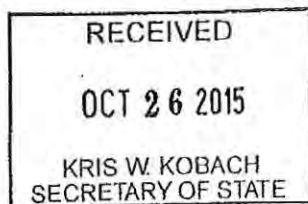
(1) "Gross bingo receipts" means the revenue received from the sale of bingo faces, reusable bingo cards, instant bingo tickets, and any charges or admission fees imposed on players for participation in games of bingo.

(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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5179 and 75-5181; effective P-\_\_\_\_\_.)



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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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5176 and 75-5184; effective P-\_\_\_\_\_.)

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92-23-43. **Bingo trust bank accounts.** Each licensee required to establish and use a bingo trust bank account pursuant to K.S.A. 2015 Supp. 75-5179, 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 K.S.A. 2015 Supp. 75-5179, and amendments thereto. (Authorized by K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5179; effective P-\_\_\_\_\_.)

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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 K.S.A. 2015 Supp. 75-

5181; implementing K.S.A. 2015 Supp. 75-5179; effective P-  
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92-23-45. 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 K.S.A. 2015 Supp. 75-5181; effective P-\_\_\_\_\_.)

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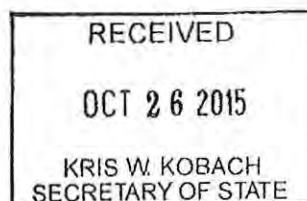
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**92-23-46. Bingo; house rules.** Any licensee may impose restrictions on player eligibility and game procedures through the use of "house rules" if these house rules meet all of the following conditions:

(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 K.S.A. 2015.Supp..75-5181; effective P-\_\_\_\_\_.)



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92-23-47. **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 K.S.A. 2015 Supp. 75-5181; effective P-\_\_\_\_\_.)

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**92-23-48. 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 K.S.A. 2015 Supp. 75-5181; effective P-

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**92-23-49. 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 K.S.A. 2015 Supp. 75-5181; effective P-\_\_\_\_\_.)

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92-23-50. 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 K.S.A. 2015-Supp: 75-5181; effective P-\_\_\_\_\_.)

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92-23-51. **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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5179 and 75-5181; effective P-\_\_\_\_\_.)

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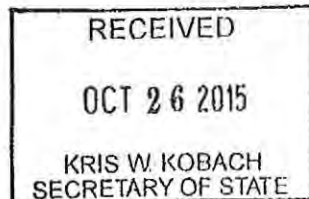
DEPT. OF ADMINISTRATION

Proposed

92-23-52. 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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5179; effective P-\_\_\_\_\_.)



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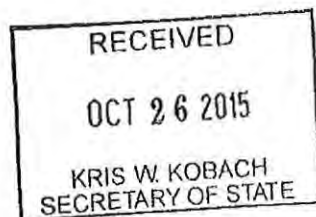
92-23-53. **Verification of winners.** The winning numbers on the bingo face or reusable bingo card of each announced winner of each call bingo game shall be verified by the following individuals:

(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 K.S.A. 2015 Supp. 75-5181; effective P-\_\_\_\_\_.)



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92-23-54. 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 K.S.A. 2015 Supp. 75-5181; effective P-\_\_\_\_\_.)

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92-23-55. 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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5179; effective P-\_\_\_\_\_.)

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92-23-56. 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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5179; effective P-\_\_\_\_\_.)

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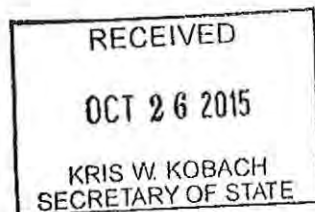
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92-23-57. Bingo; records; inspection; preservation. (a) Each licensee shall maintain records that are necessary to determine the amount of tax due and to determine that the games of bingo operated or conducted by the licensee are operated or conducted in compliance with the Kansas charitable gaming act, K.S.A. 2015 Supp. 75-5171 through 75-5188, 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. 92-23-51. 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;



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(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

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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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5179; effective P-  
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**92-23-58. 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. (Authorized by K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5176 and 75-5180; effective P-\_\_\_\_\_.)

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**92-23-59. 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 K.S.A. 2015 Supp. 75-5181; implementing K.S.A. 2015 Supp. 75-5176 and 75-5177; effective P-\_\_\_\_\_.)

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**92-23-70. Definitions.** As used in K.A.R. 92-23-70 through K.A.R. 92-23-75, each of the following terms shall have the meaning specified in this regulation:

(a) "Gross receipts" means the total number of raffle tickets sold and given away multiplied by the selling price of a single raffle ticket. For the purpose of determining potential gross receipts, each raffle ticket shall be calculated at its individual selling price before the application of any discount for the purchase of two or more raffle tickets.

All charitable raffles conducted within the same licensing period shall be included when determining gross receipts.

(b) "Licensing period" means the period of time beginning on July 1 and through the following June 30. (Authorized by and implementing K.S.A. 2015 Supp. 75-5188; effective P-\_\_\_\_\_.)

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92-23-71. Licensing requirements; renewals. (a) Each applicant expecting to conduct charitable raffles with annual gross receipts exceeding \$25,000 shall apply to the department for a charitable raffle license at least 30 days before any raffle tickets may be sold.

(b) Each application for a charitable raffle license or the renewal of a charitable raffle license shall be submitted on a form prescribed by the department and be accompanied by the applicable fees prescribed in K.S.A. 2015 Supp. 75-5175, and amendments thereto.

(c) In addition to information requested on the application, any applicant or licensee may be required to provide any of the following with an application or renewal:

(1) A copy of the applicant's or licensee's articles of incorporation or bylaws or, if the applicant or licensee is not a corporation, a copy of any bylaws... or other documents that specify the nonprofit organization's structure and purpose;

(2) a copy of the ruling or determination letter from the internal revenue service recognizing the applicant or licensee as a nonprofit organization; and

(3) a current roster of all active members of the nonprofit organization.

(d) Each licensee shall maintain current information on its license. The licensee shall inform the department within 30 days of any changes in the information supplied in its most recent application filed with the department.

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(e) Any licensee may request a hearing in accordance with the Kansas administrative procedure act before a charitable raffle license may be suspended or revoked by the secretary. The licensee shall surrender the raffle license to the department upon receipt of the final order of suspension or revocation.

(1) For each suspension, the license shall be returned to the licensee at the end of the suspension period.

(2) For each revocation, the former licensee may reapply for a charitable raffle license no earlier than six months following the date of revocation.

(f) Charitable raffle licenses shall not be transferred or assigned to another nonprofit religious organization, nonprofit charitable organization, nonprofit fraternal organization, nonprofit educational organization, or nonprofit veterans' organization.

(g) Only one nonprofit organization may be licensed for each charitable raffle.

(h) Each licensee wanting to renew its license shall submit an application for renewal at least 30 days before the date the licensee intends to begin selling charitable raffle tickets in the new licensing period. (Authorized by and implementing K.S.A. 2015 Supp. 75-5175; effective P-\_\_\_\_\_.)

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Proposed

92-23-72. Charitable raffle ticket requirements. (a) Except as specified in subsection (f), each raffle ticket shall contain all of the following information printed in a clear and legible manner:

- (1) The name of the licensee as it appears on the raffle license;
- (2) the licensee's Kansas charitable raffle license number;
- (3) the word "raffle";
- (4) the date, time, and location of the raffle drawing;
- (5) the price of the raffle ticket;
- (6) a statement specifying whether a participant must be present to win;
- (7) a unique sequential identification number on the raffle ticket and ticket

stub that is different from any other number found on a ticket sold for that particular raffle activity; and

- (8) any other information that the administrator requests.

(b) The ticket stub portion of the raffle ticket that is given to the purchaser shall contain a sequential number corresponding to the number printed on the raffle ticket from which the stub is detached. The raffle ticket portion of the ticket that is retained by the licensee shall contain a space for the purchaser's name, address, and telephone number if a participant's presence is not required when a winner is determined.

(c) A sample raffle ticket may be requested by the department for each raffle conducted by the licensee.

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(d) Each raffle ticket shall be offered for the same price as that for every other raffle ticket being sold for the same charitable raffle. Any licensee may offer a discount for the purchase of two or more raffle tickets if the discount is offered to all persons wanting to participate in the charitable raffle.

(e) Each raffle ticket to participate in a charitable raffle shall be paid for in advance by cash, check, or credit card. The extension of credit shall be prohibited. The issuance of free raffle tickets shall not be prohibited; however, the value of all free raffle tickets shall be included in the gross receipts derived from the charitable raffle.

(f) If all raffle ticket purchases and the subsequent raffle are conducted during the same event, it shall be permissible to clearly display the following information at the event in lieu of printing the information on each raffle ticket:

- (1) The name of the licensee as it appears on the raffle license;
- (2) the licensee's Kansas charitable raffle license number;
- (3) the word "raffle";
- (4) the date, time, and location of the raffle drawing;
- (5) the price of the raffle ticket;
- (6) a statement specifying whether a participant must be present to win;

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(7) a unique sequential identification number on the raffle ticket and ticket stub that is different from any other number found on a ticket sold for that particular raffle activity; and

(8) any other information that the administrator requests. (Authorized by and implementing K.S.A. 2015 Supp. 75-5188; effective P-  
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Proposed

92-23-73. Conduct of charitable raffle. (a) Each licensee shall be responsible for the following:

- (1) The conduct and management of the charitable raffle;
- (2) the publishing of a promotional plan and advertising for each charitable raffle; and
- (3) the accountability of raffle ticket sales, which shall include all of the following:

- (A) Tracking raffle tickets provided to each raffle ticket seller;
- (B) collecting all receipts from each raffle ticket seller;
- (C) collecting the portion of all raffle tickets sold that shall be retained by the licensee; and

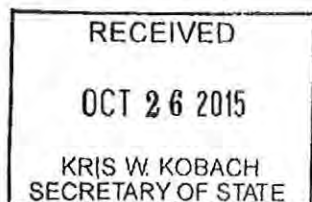
(D) collecting all unsold raffle tickets.

(b) All raffle tickets sold or given away shall be placed in the pool of raffle tickets from which the winners shall be drawn.

(c) Each raffle ticket placed in the raffle container shall have an equal opportunity to win.

(d) The order in which the winners will be determined shall be announced before the start of the drawing.

(e) Only one raffle ticket shall be drawn at a time.



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(f) If a participant's presence is required when a winner is to be determined, statements specifying this condition shall be printed on each raffle ticket and all promotional material concerning the charitable raffle. If a participant's presence is not required when a winner is to be determined, each participant shall complete the portion of the raffle ticket providing the participant's name, address, and telephone number.

(g) Only raffle tickets that have been sold or given to a participant shall be included in the raffle container when determining the winner.

(h) If more than one prize or opportunity to win has been offered in a particular charitable raffle and a series of drawings must be made to determine all of the winners, any raffle ticket that has been drawn may be returned to the raffle container.

(i) Prizes awarded in a charitable raffle may include cash, merchandise, and anything of value that may be legally owned. If any prize other than cash is awarded, the prize shall be valued at fair market value.

(j) Each licensee conducting a charitable raffle in which prizes of real or personal property are to be awarded shall have paid for in full or otherwise become the owner without lien or interest of others of all the real or personal

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property to be awarded as prizes, before the date on which the winners will be determined.

(k) The licensee shall not participate in a charitable raffle as a player.

Raffle tickets shall not be purchased in the name of the licensee. Individual members of the licensee may purchase raffle tickets.

(l) If a charitable raffle is canceled, the decision to cancel the charitable raffle shall be announced publicly and shall be posted at the licensee's principal office and web site. All receipts from raffle ticket sales shall be returned to each purchaser within 30 days of cancellation of the charitable raffle.

(m) If a charitable raffle is postponed, the postponement shall be announced publicly and shall be posted at the licensee's principal office and web site. The postponed charitable raffle shall be conducted within 30 days of the original date scheduled.

Any participant may request a refund on the purchase price of a raffle ticket if that participant is not able to be present on the date of the postponed charitable raffle and the participant's presence is required. (Authorized by and implementing K.S.A. 2015 Supp. 75-5188; effective P-\_\_\_\_\_.)

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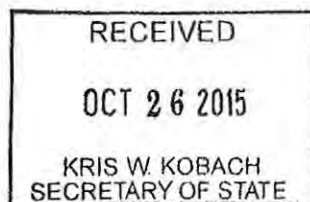
Proposed

92-23-74. Awarding charitable raffle prizes. (a) All charitable raffle prizes shall be awarded.

(b) Each licensee shall make a diligent effort to locate the winners of all prizes.

(c) A prize shall not be forfeited to the licensee.

(d) Each prize that is not claimed or for which the winner cannot be located within 30 days from the date of the drawing shall be awarded by conducting another drawing using the original pool of raffle tickets. (Authorized by and implementing K.S.A. 2015 Supp. 75-5188; effective P-  
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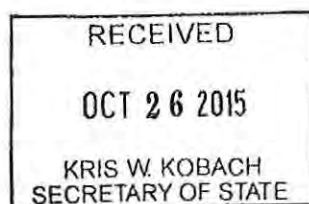
Proposed

92-23-75. Reporting requirements; recordkeeping. (a) Each licensee shall annually report all charitable raffle winners of any prize for which the retail value is at least \$1,199. The report shall be submitted on a reconciliation form prescribed by the department.

(b) Each licensee shall annually reconcile the charitable raffle license fee paid based on the gross receipts from the previous licensing period. The licensee shall submit the reconciliation on a form prescribed by the department.

(c) Each licensee shall maintain the following information for each charitable raffle, for three years after the date the charitable raffle was conducted:

- (1) Date of charitable raffle;
- (2) total gross receipts;
- (3) total number of raffle tickets available for sale;
- (4) number of raffle tickets sold;
- (5) number of raffle tickets given away;
- (6) number of raffle tickets returned unsold to the licensee;
- (7) raffle ticket price;
- (8) value of all raffle tickets sold and given away;
- (9) name and address of all charitable raffle winners of any prize;
- (10) receipts for the purchase of prizes awarded or a statement indicating the fair market value of the prizes donated for each charitable raffle; and



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(11) deposit records indicating that the proceeds from the charitable raffle have been deposited into the licensee's bank account. (Authorized by and implementing K.S.A. 2015 Supp. 75-5188; effective P-\_\_\_\_\_.)

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fax: 785-368-8392  
www.ksrevenue.org

Nick Jordan, Secretary  
Patsy Congrove, Administrator

Sam Brownback, Governor

**KANSAS DEPARTMENT OF REVENUE  
ECONOMIC IMPACT STATEMENT  
CHARITABLE GAMING**

**K.A.R. 92-23-9 through 92-23-23, 92-23-25, 92-23-30 through 92-23-31, and  
92-23-37 through 92-23-40**

**K.A.R. 92-23-41, 92-23-42, 92-23-43, 92-23-44, 92-23-45, 92-23-46, 92-23-47, 92-23-48,  
92-23-49, 92-23-50, 92-23-51, 92-23-52, 92-23-53, 92-23-54, 92-23-55, 92-23-56, 92-23-57,  
92-23-58, 92-23-59**

**I. Summary of Revoked Regulations and Proposed Regulations.**

K.A.R. 92-23-9 through 92-23-23, 92-23-25, 92-23-30 through 92-23-31, 92-23-37 through 92-23-40 are being revoked due to new legislation being passed during the 2015 session for the Charitable Gaming Act.

K.A.R. 92-23-41 provides definitions for bingo as well as restrictions as to who may conduct games of bingo.

K.A.R. 92-23-42 refers to the bond requirements for distributors.

K.A.R. 92-23-43 describes the use of bingo trust bank accounts.

K.A.R. 92-23-44 describes the requirements to schedule games of bingo and changes in dates of play.

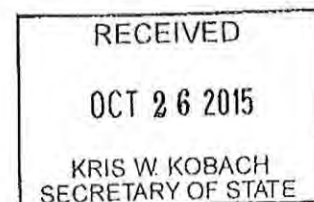
K.A.R. 92-23-45 describes the handling of reusable bingo cards.

K.A.R. 92-23-46 refers to restrictions on player eligibility and game procedures through the use of house rules.

K.A.R. 92-23-47 provides the manner in which each number called during the game of bingo must be displayed for all players present to view.

K.A.R. 92-23-48 describes the procedures for a licensed organization to follow if a wrong number is called during a game of bingo.

K.A.R. 92-23-49 provides that persons selling refreshments or performing janitorial services shall not be deemed to participate in any conduct or management of bingo games.



K.A.R. 92-23-50 prohibits the communication of numbers needed to win between the player and any person involved in the conduct of bingo games.

K.A.R. 92-23-51 defines a disputed bingo game and specifies procedures to be followed for any disputed games of bingo.

K.A.R. 92-23-52 outlines how to handle multiple winners in a bingo game.

K.A.R. 92-23-53 describes how the winners of bingo games are to be verified by the licensee.

K.A.R. 92-23-54 provides that the value of a prize awarded may be contingent upon the number of players participating in the game of bingo.

K.A.R. 92-23-55 places restrictions on the cashing of prize checks.

K.A.R. 92-23-56 describes the selling of instant bingo tickets and provides procedures for licensed organizations to follow in conducting instant bingo games.

K.A.R. 92-23-57 describes the information that must be maintained by bingo licensees.

K.A.R. 92-23-58 addresses the filing of monthly returns by each licensee.

K.A.R. 92-23-59 addresses the filing of monthly returns by each distributor.

**II. Reasons or Reasons the Revoked Regulations and Proposed Regulations are Required, Including Whether or not the Regulations are Mandated by Federal Law.**

The revocation of existing regulations and proposed regulations are required due to the passage of 2015 Senate Substitute for House Bill 2155 which repealed existing bingo statutes and enacted new bingo statutes.

These regulations are not mandated by federal law.

**III. Anticipated Economic Impact upon the Kansas Department of Revenue.**

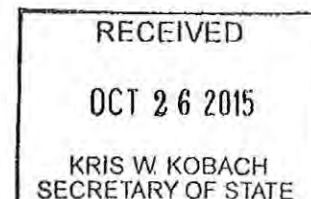
These changes may have a slight increase in revenues for bingo due to the unlimited times an organization may sponsor bingo and the removal of limitations on when a premise may host bingo.

**IV. Anticipated Financial Impact upon Other Governments Agencies and upon Private Business or Individuals.**

An increase in revenues may occur for licensed organizations, distributors and premises due to the removal of limitations on the number of times an organization can play bingo and the number of times premises can host bingo in a week. Distributors may experience an increase in sales of faces and instant bingo.

**V. Description of any Less Costly or Less Intrusive Methods that were Considered by the Department of Revenue for Achieving the State Purpose of the Regulations and the Reason that those Methods were Rejected in Favor of the Revocation of Regulations and Proposed Regulations.**

None.



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Proposed

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Patsy Congrove, Administrator

Sam Brownback, Governor

**KANSAS DEPARTMENT OF REVENUE  
ECONOMIC IMPACT STATEMENT  
CHARITABLE GAMING  
K.A.R. 92-23-70, 92-23-71, 92-23-72, 92-23-73, 92-23-74, 92-23-75**

**I. Summary of Proposed Regulations.**

K.A.R. 92-23-70 provides definitions for charitable raffles.

K.A.R. 92-23-71 addresses licensing requirements for charitable raffles including suspension and revocation of a raffle license, transferring of a raffle license and renewal of a raffle license.

K.A.R. 92-23-72 provides charitable raffle ticket requirements.

K.A.R. 92-23-73 describes the conduct of charitable raffles including accountability of ticket sales and cancellations and postponement of the drawing.

K.A.R. 92-23-74 describes the awarding of charitable raffle prizes.

K.A.R. 92-23-75 provides the reporting requirements and recordkeeping for charitable raffles.

**II. Reason or Reasons the Proposed Regulations are Required, Including Whether or not the Regulations are Mandated by Federal Law.**

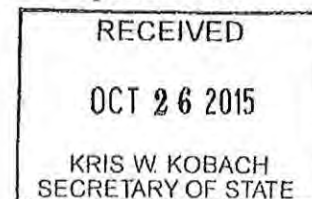
2015 Senate Substitute for House Bill 2155 granted authority to the Department of Revenue to adopt regulations governing the conduct of charitable raffles by nonprofit religious, charitable, fraternal, educational, and veterans' organizations.

These regulations are not mandated by federal law. However, winners must comply with federal tax laws.

**III. Anticipated Economic Impact upon the Kansas Department of Revenue.**

Nonprofit organizations that conduct raffles within the state of Kansas shall be required to register with the Department of Revenue and pay a licensing fee based on a tiered schedule beginning with annual gross receipts exceeding \$25,000. If the Kansas Department of Revenue registers 30 nonprofit organizations to conduct raffles in a licensing period and those nonprofit organizations have annual gross receipts of more than \$25,000 but less than \$50,000, the Department would collect \$750 (30 organizations multiplied by \$25 licensing fee) in licensing fees for the period.

**IV. Anticipated Financial Impact upon Other Government Agencies and upon Private Business or Individuals.**



Proposed

These regulations will have positive economic impact on the non-profit sector holding charitable gaming licenses. The conduct of raffles will encourage fund raising activities for nonprofit organizations.

**V. Description of any Less Costly or Less Intrusive Methods that were Considered by the Department of Revenue for Achieving the State Purpose of the Regulations and the Reason that those Methods were Rejected in Favor of the Proposed Regulations.**

The Kansas Department of Revenue has determined that the proposed regulations are the least intrusive method for achieving its purpose of the administration of charitable raffles. The regulations have been developed based on Department interactions with various affected nonprofit organizations.

