

## HOUSE BILL No. 2291

By Committee on Federal and State Affairs

2-10

1 AN ACT concerning charitable gaming; establishing the charitable gaming  
2 act; amending K.S.A. 2014 Supp. 79-3603 and repealing the existing  
3 section; also repealing K.S.A. 79-4702 and 79-4715 and K.S.A. 2014  
4 Supp. 79-4701, 79-4701a, 79-4703, 79-4704, 79-4705, 79-4705a, 79-  
5 4706, 79-4707, 79-4708, 79-4710, 79-4711, 79-4712a, 79-4713, 79-  
6 4716, 79-4717, 79-4718 and 79-4719.

7  
8 *Be it enacted by the Legislature of the State of Kansas:*

9 New Section 1. Sections 1 through 18, and amendments thereto, shall  
10 be known as and may be cited as the Kansas charitable gaming act.

11 New Sec. 2. (a) The legislature hereby declares that charitable gaming  
12 conducted by charitable organizations is an important method of raising  
13 funds for legitimate charitable purposes and is in the public interest. The  
14 purpose of this act is to establish an effective and efficient mechanism for  
15 regulating charitable gaming which includes:

- 16 (1) Defining the scope of charitable gaming activities;  
17 (2) setting standards for the conduct of charitable gaming which  
18 insure honesty and integrity;  
19 (3) providing for means of accounting for all moneys generated  
20 through the conduct of charitable gaming; and  
21 (4) providing suitable penalties for violations of applicable laws and  
22 administrative rules and regulations.

23 (b) The intent of this act is to:

- 24 (1) Prevent the commercialization of charitable gaming;  
25 (2) prevent participation in charitable gaming by criminal and other  
26 undesirable elements; and  
27 (3) prevent the diversion of funds from legitimate charitable  
28 purposes.

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

33 New Sec. 3. As used in this act:

- 34 (a) "Act" means the Kansas charitable gaming act.  
35 (b) "Administrator" means the administrator of charitable gaming  
36 designated by the secretary pursuant to section 16, and amendments

1 thereto.

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

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

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

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

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

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

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

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

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

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

37 (l) "Instant bingo" means a game: (1) In which each player pays a  
38 charge; (2) in which a prize or prizes are awarded to the winner or  
39 winners; (3) in which each player receives one or more disposable pull-tab  
40 or break-open tickets which accord a player an opportunity to win  
41 something of value by opening or detaching the paper covering from the  
42 back of the ticket to reveal a set of numbers, letters, symbols or  
43 configurations, or any combination thereof; (4) which is conducted by a

1 licensee under this act; (5) the conduct of which must be in the presence of  
2 the players; and (6) which does not utilize any dice, normal playing cards,  
3 instant ticket with a removable latex covering or slot machines.

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

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

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

18 (n) "Licensee" means any nonprofit organization holding a license to  
19 manage, operate or conduct games of bingo or charitable raffles pursuant  
20 to sections 1 through 17, and amendments thereto.

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

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

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

43 (r) "Nonprofit charitable organization" means any organization which

1 is organized and operated for:

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

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

6 (3) for conferring direct benefits on the community at large; and of  
7 which no part of the net earnings inures to the benefit of any private  
8 shareholder or individual member of such organization and has been  
9 determined by the administrator to be organized and operated as a bona  
10 fide charitable organization and which has been exempted from the  
11 payment of federal income taxes as provided by sections 501(c)(3), 501(c)  
12 (4), 501(c)(5), 501(c)(6) and 501(c)(7) of the federal internal revenue code  
13 of 1986, as amended, or determined to be organized and operated as a  
14 bona fide nonprofit charitable organization by the administrator.

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

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

34 (u) "Nonprofit veterans' organization" means any organization within  
35 this state or any branch, lodge, or chapter of a national or state  
36 organization within this state, the membership of which consists  
37 exclusively of individuals who qualify for membership because they were  
38 or are members of the armed services or forces of the United States, or an  
39 auxiliary unit or society of such a nonprofit veterans' organization the  
40 membership of which consists exclusively of individuals who were or are  
41 members of the armed services or forces of the United States, or are  
42 cadets, or are spouses, widows or widowers of individuals who were or are  
43 members of the armed services or forces of the United States, and of

1 which no part of the net earnings inures to the benefit of any private  
2 shareholder or individual member of such organization, and has been  
3 determined by the administrator to be organized and operated as a bona  
4 fide veterans' organization and which has been exempted from the  
5 payment of federal income taxes as provided by section 501(c)(4) or  
6 501(c)(19) of the federal internal revenue code of 1986, as amended, or  
7 determined to be organized and operated as a bona fide nonprofit veterans'  
8 organization by the administrator.

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

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

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

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

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

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

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

34 New Sec. 4. (a) The power to regulate, license and tax the  
35 management, operation and conduct of and participation in games of bingo  
36 and raffles is hereby vested exclusively in the state.

37 (b) The winner of any raffle shall be verified by a person who is not a  
38 member of or employed by the nonprofit religious, charitable, fraternal,  
39 educational or veterans' organization.

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

43 New Sec. 5. (a) Any bona fide nonprofit religious, charitable,

1 fraternal, educational or veterans' organization desiring to manage, operate  
2 or conduct games of bingo or raffles within the state of Kansas may make  
3 application for a license therefor in the manner provided under this  
4 section. Application for licenses required under the provisions of this act  
5 shall be made to the administrator upon forms prescribed by the  
6 administrator. The application shall contain:

7 (1) The name and address of the organization;

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

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

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

15 (b) An application for a license required under the provisions of this  
16 act shall be accompanied by a fee of \$25. Any raffle licensee shall be  
17 exempt from such fee if the gross receipts from all raffles conducted by  
18 such licensee in any calendar year do not exceed \$2,500.

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

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

25 (e) No bingo license or raffle license shall be issued to any bona fide  
26 nonprofit religious, charitable, fraternal, educational or veterans'  
27 organization if any of its officers, directors or officials or persons  
28 employed on the premises:

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

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

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

40 (g) A bingo licensee may hold only one license. Any licensee may  
41 operate or conduct games of bingo at locations that are specified in the  
42 license. However, any licensee may operate or conduct games of bingo at  
43 locations other than that specified in the license upon approval of the

1 administrator. If any licensee does operate or conduct games of bingo  
2 under this provision at a location other than that specified in the license,  
3 such licensee shall submit a written notification to the administrator, three  
4 days prior to operating or conducting bingo at such other location. No  
5 organization shall be issued a license to operate or conduct games of bingo  
6 at any location outside the county or an adjoining county within which  
7 such organization is located as reported in its application for licensure  
8 pursuant to subsection (a). Licenses issued under the provisions of this act  
9 shall not be transferred or assignable. If any organization licensed to play  
10 bingo changes any of its officers, directors or officials during the term of  
11 its bingo license, such organization shall report the names and addresses of  
12 such individuals to the administrator immediately with the sworn  
13 statement of each such individual as required by this section on forms  
14 prescribed by the administrator. No organization which denies its  
15 membership to persons for the reason of their race, color or physical  
16 handicap, shall be granted or allowed to retain a license issued under the  
17 authority of this act. Except for nonprofit adult care homes licensed under  
18 the laws of the state of Kansas, no license shall be issued to any  
19 organization under the provisions of this act which has not been in  
20 existence continuously within the state of Kansas for a period of 18  
21 months immediately preceding the date of making application for a  
22 license. The licensee shall display the license in a prominent place in the  
23 vicinity of the area where it is to conduct bingo.

24 (h) No lessor of premises used for the management, operation or  
25 conduct of any games of bingo shall permit the management, operation or  
26 conduct of bingo games on such premises unless such lessor has been  
27 issued a registration certificate by the administrator. Application for  
28 registration shall be accompanied by a fee of \$100. Such application shall  
29 be made upon forms prescribed by the administrator and shall be  
30 submitted to the administrator. The application shall contain:

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

36 (2) the address of such premises;

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

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

41 (i) Each registration certificate, or renewal thereof, issued under the  
42 provisions of subsection (f) shall expire at midnight on June 30 following  
43 its date of issuance. The certificate of registration shall be valid for only

1 one premises and shall be displayed in a prominent place in the registered  
2 premises.

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

9 New Sec. 6. For the purpose of providing revenue which may be used  
10 by the state and for the privilege of operating or conducting games of  
11 bingo under the authority of this act:

12 (a) There is hereby levied and there shall be collected and paid by  
13 each licensee a tax at the rate of 3% upon the gross receipts received by  
14 the licensee from charges for participation in call bingo games using  
15 reusable bingo cards and any admission fees or charges. The tax imposed  
16 by this section shall be in addition to the license fee imposed under K.S.A.  
17 79-4703, and amendments thereto.

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

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

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

38 (e) There is hereby levied and there shall be collected and paid by  
39 each licensee an enforcement tax at the rate of 1% upon the gross receipts  
40 exceeding \$2,500 in any calendar year received by the licensee for raffles.

41 (f) Whenever, in the judgment of the administrator, it is necessary, in  
42 order to secure the collection of the tax due under subsection (b), the  
43 administrator shall require any distributor subject to such tax to file a bond



1 with the director under conditions established by and in such form and  
2 amount as prescribed by rules and regulations adopted by the secretary.

3 New Sec. 7. (a) On dates prescribed by the administrator, every  
4 licensee conducting bingo shall make a return to the administrator upon  
5 forms prescribed by the administrator. Such form shall contain:

6 (1) The name and address of the licensee;

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

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

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

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

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

19 (b) On dates prescribed by the administrator, every licensee  
20 conducting raffles shall return to the administrator upon forms prescribed  
21 by the administrator. Such form shall contain:

22 (1) The name and address of the licensee;

23 (2) the amount of gross receipts received from raffles conducted by  
24 the licensee; and

25 (3) any other information deemed necessary by the administrator.

26 (c) At the time of making such return, licensees conducting raffles  
27 shall remit to the administrator the amount of the tax due under section 6,  
28 and amendments thereto. The administrator may extend the time for the  
29 payment of such taxes for a period of not exceeding 60 days under rules  
30 and regulations adopted pursuant to this act.

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

34 (1) The number of instant bingo tickets sold or distributed to each  
35 licensee;

36 (2) the amount of the retail sales price of such tickets;

37 (3) the number of bingo cards sold or distributed to each licensee;

38 (4) the number of bingo faces sold or distributed to each licensee; and

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

40 At the time of making such return, the distributor shall remit to the  
41 administrator an amount equal to 98% of the tax due under section 6(b),  
42 and amendments thereto.

43 (e) If any licensee or distributor fails to make a return or remit any

1 tax, when required to do so by the provisions of this act, except in the case  
2 of an extension of time granted by the administrator, there shall be added  
3 to the tax determined to be due a penalty of 25% of the amount of such  
4 tax, together with interest at the rate per month prescribed by K.S.A. 79-  
5 2968(a), and amendments thereto, from the date the tax was due until paid.

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

11 (g) Whenever, in the judgment of the administrator, the failure of any  
12 licensee or distributor to comply with the provisions of subsection (a), (b),  
13 (c), (d) or (e) was due to reasonable cause, the administrator, in the  
14 administrator's discretion, may waive or reduce any of the penalties or  
15 interest imposed by this section, upon making a record of the reason  
16 therefor.

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

19 New Sec. 8. (a) For the purpose of ascertaining the correctness of any  
20 return or for the purpose of determining the receipts and remittances of  
21 any licensee or distributor, the administrator may examine any books,  
22 papers, records or memoranda, bearing upon the matters required to be  
23 included in the records of the licensee or distributor. The administrator  
24 may require the attendance of the licensee or distributor in the county  
25 where the licensee or distributor resides, or where the location of the  
26 registered premises for bingo games or raffles are located, or of any person  
27 having knowledge relating to such records, and may take testimony and  
28 require proof of such person or persons.

29 (b) The administrator may issue subpoenas to compel access to or for  
30 the production of such books, papers, records or memoranda in the custody  
31 of or to which the licensee or distributor has access, or to compel the  
32 appearance of such persons. The administrator may issue interrogatories to  
33 any such person to the same extent and subject to the same limitations as  
34 would apply if the subpoena or interrogatories were issued or served in aid  
35 of a civil action in the district court. The administrator may administer  
36 oaths and take depositions to the same extent and subject to the same  
37 limitations as would apply if the deposition was in aid of a civil action in  
38 the district court. In case of the refusal of any person to comply with any  
39 subpoena or interrogatory or to testify to any matter regarding which such  
40 person lawfully may be questioned, the district court of any county, upon  
41 application of the administrator, may order such person to comply with  
42 such subpoena or interrogatory or to testify. Failure to obey the court's  
43 order may be punished by the court as contempt. Subpoenas or

1 interrogatories issued under the provisions of this section may be served  
2 upon individuals and corporations in the manner provided in K.S.A. 60-  
3 304, and amendments thereto, for the service of process by any officer  
4 authorized to serve subpoenas in civil actions or by the administrator.

5 New Sec. 9. Games of bingo shall be managed, operated and  
6 conducted in accordance with the Kansas charitable gaming act and rules  
7 and regulations adopted pursuant thereto and the following restrictions:

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

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

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

25 (d) No person may receive any remuneration or profit for  
26 participating in the management, conduct or operation of any game of  
27 bingo or any raffle managed, conducted or operated by a licensee. Any  
28 employee of the licensee, however, may assist in the conduct of any  
29 charitable gaming event.

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

43 (2) Charitable raffle licensees shall report to the department the name

1 and address of all raffle winners of any prize the value of which is \$1,199  
2 or more.

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

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

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

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

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

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

38 (k) No licensee shall purchase or obtain bingo faces or instant bingo  
39 tickets from any person or entity other than a distributor registered  
40 pursuant to section 14, and amendments thereto.

41 (l) All instant bingo tickets sold or distributed to licensees shall bear  
42 on the face thereof a unique serial number which shall not be repeated on  
43 the same manufacturer's form number less than every three years. All

1 instant bingo tickets shall be sold or distributed in boxes. Each box shall  
2 be sealed by the manufacturer with a seal which includes a warning to the  
3 purchaser that the box may have been tampered with if the box was  
4 received by the purchaser with the seal broken. Each box of instant bingo  
5 tickets shall contain tickets printed in such a manner as to insure that at  
6 least 60% of the gross revenues generated by the ultimate sale of all tickets  
7 from such box shall be returned to the final purchasers of such tickets. No  
8 box of instant bingo tickets may be opened by a licensee unless all tickets  
9 contained in a previously opened box with the same form number have  
10 been sold.

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

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

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

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

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

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

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

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

1 awarded. Any consolation prize shall be less than the value of the  
2 progressive bingo game prize amount.

3 New Sec. 10. (a) The administrator, after a hearing in accordance  
4 with the provisions of the Kansas administrative procedure act, may  
5 revoke or suspend any license or registration certificate issued under the  
6 provisions of this act for any of the following reasons:

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

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

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

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

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

35 New Sec. 11. (a) The administration and enforcement of the Kansas  
36 charitable gaming act and any rules and regulations adopted pursuant  
37 thereto shall be vested in the administrator.

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

41 New Sec. 12. (a) All amounts received by or for the administrator  
42 from license and registration fees pursuant to this act shall be remitted to  
43 the state treasurer in accordance with the provisions of K.S.A. 75-4215,

1 and amendments thereto. Upon receipt of each such remittance, the state  
2 treasurer shall deposit the entire amount in the state treasury to the credit  
3 of the state charitable gaming regulation fund, except as provided by  
4 section 13, and amendments thereto.

5 (b) All amounts received by or for the administrator from the tax  
6 levied pursuant to section 6, and amendments thereto, shall be remitted to  
7 the state treasurer in accordance with the provisions of K.S.A. 75-4215,  
8 and amendments thereto. Upon receipt of each such remittance, the state  
9 treasurer shall deposit the entire amount in the state treasury.

10 (c) There is hereby created, in the state treasury, the state charitable  
11 gaming regulation fund. Except as provided by section 13, and  
12 amendments thereto, each deposit remitted to the state treasurer pursuant  
13 to subsection (b) shall be credited to the state charitable gaming regulation  
14 fund. Except as provided by subsections (d) and (e), all moneys in the state  
15 charitable gaming regulation fund shall be expended for the administration  
16 and enforcement of the Kansas charitable gaming act, and rules and  
17 regulations adopted pursuant thereto. Such expenditures shall be made  
18 upon vouchers approved by the administrator.

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

28 New Sec. 13. There is hereby created the charitable gaming refund  
29 fund in the state treasury. The Kansas charitable gaming refund fund shall  
30 be a refund clearing fund and refunds of the fees imposed under section 5,  
31 and amendments thereto, and of the tax levied under section 6, and  
32 amendments thereto, shall be made from such fund. The charitable gaming  
33 refund fund shall be maintained by the administrator from the license and  
34 registration fees received and taxes collected under the Kansas charitable  
35 gaming act in an amount sufficient for such refunds not to exceed \$10,000.

36 New Sec. 14. (a) No person or entity shall sell or distribute any bingo  
37 faces, bingo cards or instant bingo tickets to any licensee unless such  
38 person or entity has been issued a distributor registration certificate by the  
39 administrator. Application for registration shall be submitted to the  
40 administrator and shall be accompanied by a fee of \$500 and shall be made  
41 upon forms prescribed by the administrator.

42 (b) Each distributor registration certificate shall expire at midnight on  
43 June 30 following its date of issuance. Application for renewal of a

1 registration certificate shall be submitted to the administrator and shall be  
2 accompanied by a fee of \$500 and shall be made upon forms prescribed by  
3 the administrator.

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

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

16 New Sec. 15. (a) In addition to or in lieu of any other civil or criminal  
17 penalty provided by law, the administrator, upon a finding that a licensee,  
18 lessor or distributor has violated any provision of the Kansas charitable  
19 gaming act or any rule and regulation adopted pursuant thereto, shall  
20 impose on such licensee, lessor or distributor a civil fine not exceeding  
21 \$500 for each violation.

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

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

33 New Sec. 16. (a) The secretary of revenue shall designate an  
34 administrator of charitable gaming. The administrator of charitable gaming  
35 shall be in the unclassified service and shall receive an annual salary fixed  
36 by the secretary of revenue and approved by the governor.

37 (b) Under the supervision of the secretary, the administrator of  
38 charitable gaming shall administer and enforce the provisions of the  
39 Kansas charitable gaming act and any rules and regulations adopted  
40 pursuant thereto. The administrator's exclusive duties shall be the  
41 administration and enforcement of the Kansas charitable gaming act and  
42 any rules and regulations adopted pursuant thereto. The administrator shall  
43 be solely accountable to and report to the secretary of revenue.



1 New Sec. 17. If any provision of the Kansas charitable gaming act or  
2 the application thereof to any person or circumstances is held  
3 unconstitutional or otherwise invalid, such unconstitutionality or invalidity  
4 shall not affect other provisions or applications of the act which can be  
5 given effect without the unconstitutional or invalid provision or  
6 application, and, to this end, the provisions of this act are severable.

7 New Sec. 18. The department of revenue shall adopt rules and  
8 regulations governing the conduct of raffles by nonprofit religious,  
9 charitable, fraternal, educational and veterans' organizations. The rules and  
10 regulations may include, but not be limited to, standards for the  
11 preparation, sale and accountability of tickets, the conduct of drawings and  
12 the awarding of prizes.

13 Sec. 19. K.S.A. 2014 Supp. 79-3603 is hereby amended to read as  
14 follows: 79-3603. For the privilege of engaging in the business of selling  
15 tangible personal property at retail in this state or rendering or furnishing  
16 any of the services taxable under this act, there is hereby levied and there  
17 shall be collected and paid a tax at the rate of 6.15%. Within a  
18 redevelopment district established pursuant to K.S.A. 74-8921, and  
19 amendments thereto, there is hereby levied and there shall be collected and  
20 paid an additional tax at the rate of 2% until the earlier of the date the  
21 bonds issued to finance or refinance the redevelopment project have been  
22 paid in full or the final scheduled maturity of the first series of bonds  
23 issued to finance any part of the project upon:

24 (a) The gross receipts received from the sale of tangible personal  
25 property at retail within this state;

26 (b) the gross receipts from intrastate, interstate or international  
27 telecommunications services and any ancillary services sourced to this  
28 state in accordance with K.S.A. 2014 Supp. 79-3673, and amendments  
29 thereto, except that telecommunications service does not include: (1) Any  
30 interstate or international 800 or 900 service; (2) any interstate or  
31 international private communications service as defined in K.S.A. 2014  
32 Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice  
33 data service; (4) any telecommunication service to a provider of  
34 telecommunication services which will be used to render  
35 telecommunications services, including carrier access services; or (5) any  
36 service or transaction defined in this section among entities classified as  
37 members of an affiliated group as provided by section 1504 of the federal  
38 internal revenue code of 1986, as in effect on January 1, 2001;

39 (c) the gross receipts from the sale or furnishing of gas, water,  
40 electricity and heat, which sale is not otherwise exempt from taxation  
41 under the provisions of this act, and whether furnished by municipally or  
42 privately owned utilities, except that, on and after January 1, 2006, for  
43 sales of gas, electricity and heat delivered through mains, lines or pipes to

1 residential premises for noncommercial use by the occupant of such  
2 premises, and for agricultural use and also, for such use, all sales of  
3 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
4 gas, coal, wood and other fuel sources for the production of heat or  
5 lighting for noncommercial use of an occupant of residential premises, the  
6 state rate shall be 0%, but such tax shall not be levied and collected upon  
7 the gross receipts from: (1) The sale of a rural water district benefit unit;  
8 (2) a water system impact fee, system enhancement fee or similar fee  
9 collected by a water supplier as a condition for establishing service; or (3)  
10 connection or reconnection fees collected by a water supplier;

11 (d) the gross receipts from the sale of meals or drinks furnished at any  
12 private club, drinking establishment, catered event, restaurant, eating  
13 house, dining car, hotel, drugstore or other place where meals or drinks are  
14 regularly sold to the public;

15 (e) the gross receipts from the sale of admissions to any place  
16 providing amusement, entertainment or recreation services including  
17 admissions to state, county, district and local fairs, but such tax shall not  
18 be levied and collected upon the gross receipts received from sales of  
19 admissions to any cultural and historical event which occurs triennially;

20 (f) the gross receipts from the operation of any coin-operated device  
21 dispensing or providing tangible personal property, amusement or other  
22 services except laundry services, whether automatic or manually operated;

23 (g) the gross receipts from the service of renting of rooms by hotels,  
24 as defined by K.S.A. 36-501, and amendments thereto, or by  
25 accommodation brokers, as defined by K.S.A. 12-1692, and amendments  
26 thereto, but such tax shall not be levied and collected upon the gross  
27 receipts received from sales of such service to the federal government and  
28 any agency, officer or employee thereof in association with the  
29 performance of official government duties;

30 (h) the gross receipts from the service of renting or leasing of tangible  
31 personal property except such tax shall not apply to the renting or leasing  
32 of machinery, equipment or other personal property owned by a city and  
33 purchased from the proceeds of industrial revenue bonds issued prior to  
34 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
35 12-1749, and amendments thereto, and any city or lessee renting or leasing  
36 such machinery, equipment or other personal property purchased with the  
37 proceeds of such bonds who shall have paid a tax under the provisions of  
38 this section upon sales made prior to July 1, 1973, shall be entitled to a  
39 refund from the sales tax refund fund of all taxes paid thereon;

40 (i) the gross receipts from the rendering of dry cleaning, pressing,  
41 dyeing and laundry services except laundry services rendered through a  
42 coin-operated device whether automatic or manually operated;

43 (j) the gross receipts from the rendering of the services of washing

1 and washing and waxing of vehicles;

2 (k) the gross receipts from cable, community antennae and other  
3 subscriber radio and television services;

4 (l) (1) except as otherwise provided by paragraph (2), the gross  
5 receipts received from the sales of tangible personal property to all  
6 contractors, subcontractors or repairmen for use by them in erecting  
7 structures, or building on, or otherwise improving, altering, or repairing  
8 real or personal property.

9 (2) Any such contractor, subcontractor or repairman who maintains  
10 an inventory of such property both for sale at retail and for use by them for  
11 the purposes described by paragraph (1) shall be deemed a retailer with  
12 respect to purchases for and sales from such inventory, except that the  
13 gross receipts received from any such sale, other than a sale at retail, shall  
14 be equal to the total purchase price paid for such property and the tax  
15 imposed thereon shall be paid by the deemed retailer;

16 (m) the gross receipts received from fees and charges by public and  
17 private clubs, drinking establishments, organizations and businesses for  
18 participation in sports, games and other recreational activities, but such tax  
19 shall not be levied and collected upon the gross receipts received from: (1)  
20 Fees and charges by any political subdivision, by any organization exempt  
21 from property taxation pursuant to ~~paragraph Ninth~~ of K.S.A. 79-201  
22 *Ninth*, and amendments thereto, or by any youth recreation organization  
23 exclusively providing services to persons 18 years of age or younger  
24 which is exempt from federal income taxation pursuant to section 501(c)  
25 (3) of the federal internal revenue code of 1986, for participation in sports,  
26 games and other recreational activities; and (2) entry fees and charges for  
27 participation in a special event or tournament sanctioned by a national  
28 sporting association to which spectators are charged an admission which is  
29 taxable pursuant to subsection (e);

30 (n) the gross receipts received from dues charged by public and  
31 private clubs, drinking establishments, organizations and businesses,  
32 payment of which entitles a member to the use of facilities for recreation  
33 or entertainment, but such tax shall not be levied and collected upon the  
34 gross receipts received from: (1) Dues charged by any organization exempt  
35 from property taxation pursuant to ~~paragraphs Eighth and Ninth~~ of K.S.A.  
36 79-201 *Eighth and Ninth*, and amendments thereto; and (2) sales of  
37 memberships in a nonprofit organization which is exempt from federal  
38 income taxation pursuant to section 501(c)(3) of the federal internal  
39 revenue code of 1986, and whose purpose is to support the operation of a  
40 nonprofit zoo;

41 (o) the gross receipts received from the isolated or occasional sale of  
42 motor vehicles or trailers but not including: (1) The transfer of motor  
43 vehicles or trailers by a person to a corporation or limited liability

1 company solely in exchange for stock securities or membership interest in  
2 such corporation or limited liability company; or (2) the transfer of motor  
3 vehicles or trailers by one corporation or limited liability company to  
4 another when all of the assets of such corporation or limited liability  
5 company are transferred to such other corporation or limited liability  
6 company; or (3) the sale of motor vehicles or trailers which are subject to  
7 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
8 amendments thereto, by an immediate family member to another  
9 immediate family member. For the purposes of clause (3), immediate  
10 family member means lineal ascendants or descendants, and their spouses.  
11 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
12 on the isolated or occasional sale of motor vehicles or trailers on and after  
13 July 1, 2004, which the base for computing the tax was the value pursuant  
14 to ~~subsections (a), (b)(1) and (b)(2)~~ of K.S.A. 79-5105(a), (b)(1) and (b)  
15 (2), and amendments thereto, when such amount was higher than the  
16 amount of sales tax which would have been paid under the law as it  
17 existed on June 30, 2004, shall be refunded to the taxpayer pursuant to the  
18 procedure prescribed by this section. Such refund shall be in an amount  
19 equal to the difference between the amount of sales tax paid by the  
20 taxpayer and the amount of sales tax which would have been paid by the  
21 taxpayer under the law as it existed on June 30, 2004. Each claim for a  
22 sales tax refund shall be verified and submitted not later than six months  
23 from the effective date of this act to the director of taxation upon forms  
24 furnished by the director and shall be accompanied by any additional  
25 documentation required by the director. The director shall review each  
26 claim and shall refund that amount of tax paid as provided by this act. All  
27 such refunds shall be paid from the sales tax refund fund, upon warrants of  
28 the director of accounts and reports pursuant to vouchers approved by the  
29 director of taxation or the director's designee. No refund for an amount  
30 less than \$10 shall be paid pursuant to this act. In determining the base for  
31 computing the tax on such isolated or occasional sale, the fair market value  
32 of any motor vehicle or trailer traded in by the purchaser to the seller may  
33 be deducted from the selling price;

34 (p) the gross receipts received for the service of installing or applying  
35 tangible personal property which when installed or applied is not being  
36 held for sale in the regular course of business, and whether or not such  
37 tangible personal property when installed or applied remains tangible  
38 personal property or becomes a part of real estate, except that no tax shall  
39 be imposed upon the service of installing or applying tangible personal  
40 property in connection with the original construction of a building or  
41 facility, the original construction, reconstruction, restoration, remodeling,  
42 renovation, repair or replacement of a residence or the construction,  
43 reconstruction, restoration, replacement or repair of a bridge or highway.

1 For the purposes of this subsection:

2 (1) "Original construction" shall mean the first or initial construction  
3 of a new building or facility. The term "original construction" shall include  
4 the addition of an entire room or floor to any existing building or facility,  
5 the completion of any unfinished portion of any existing building or  
6 facility and the restoration, reconstruction or replacement of a building,  
7 facility or utility structure damaged or destroyed by fire, flood, tornado,  
8 lightning, explosion, windstorm, ice loading and attendant winds,  
9 terrorism or earthquake, but such term, except with regard to a residence,  
10 shall not include replacement, remodeling, restoration, renovation or  
11 reconstruction under any other circumstances;

12 (2) "building" shall mean only those enclosures within which  
13 individuals customarily are employed, or which are customarily used to  
14 house machinery, equipment or other property, and including the land  
15 improvements immediately surrounding such building;

16 (3) "facility" shall mean a mill, plant, refinery, oil or gas well, water  
17 well, feedlot or any conveyance, transmission or distribution line of any  
18 cooperative, nonprofit, membership corporation organized under or subject  
19 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or  
20 municipal or quasi-municipal corporation, including the land  
21 improvements immediately surrounding such facility;

22 (4) "residence" shall mean only those enclosures within which  
23 individuals customarily live;

24 (5) "utility structure" shall mean transmission and distribution lines  
25 owned by an independent transmission company or cooperative, the  
26 Kansas electric transmission authority or natural gas or electric public  
27 utility; and

28 (6) "windstorm" shall mean straight line winds of at least 80 miles per  
29 hour as determined by a recognized meteorological reporting agency or  
30 organization;

31 (q) the gross receipts received for the service of repairing, servicing,  
32 altering or maintaining tangible personal property which when such  
33 services are rendered is not being held for sale in the regular course of  
34 business, and whether or not any tangible personal property is transferred  
35 in connection therewith. The tax imposed by this subsection shall be  
36 applicable to the services of repairing, servicing, altering or maintaining an  
37 item of tangible personal property which has been and is fastened to,  
38 connected with or built into real property;

39 (r) the gross receipts from fees or charges made under service or  
40 maintenance agreement contracts for services, charges for the providing of  
41 which are taxable under the provisions of subsection (p) or (q);

42 (s) on and after January 1, 2005, the gross receipts received from the  
43 sale of prewritten computer software and the sale of the services of

1 modifying, altering, updating or maintaining prewritten computer  
2 software, whether the prewritten computer software is installed or  
3 delivered electronically by tangible storage media physically transferred to  
4 the purchaser or by load and leave;

5 (t) the gross receipts received for telephone answering services;

6 (u) the gross receipts received from the sale of prepaid calling service  
7 and prepaid wireless calling service as defined in K.S.A. 2014 Supp. 79-  
8 3673, and amendments thereto; ~~and~~

9 (v) ~~the gross receipts received from the sales of bingo cards, bingo~~  
10 ~~faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,~~  
11 ~~and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,~~  
12 ~~2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before~~  
13 ~~July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo~~  
14 ~~faces and instant bingo tickets by licensees under K.S.A. 79-4701 section~~  
15 ~~1 et seq., and amendments thereto, shall be exempt from taxes imposed~~  
16 ~~pursuant to this section.; and~~

17 (w) *all sales of charitable raffle tickets by licensees under section 1 et*  
18 *seq., and amendments thereto, shall be exempt from taxes imposed*  
19 *pursuant to this section.*

20 Sec. 20. K.S.A. 79-4702 and 79-4715 and K.S.A. 2014 Supp. 79-  
21 3603, 79-4701, 79-4701a, 79-4703, 79-4704, 79-4705, 79-4705a, 79-4706,  
22 79-4707, 79-4708, 79-4710, 79-4711, 79-4712a, 79-4713, 79-4716, 79-  
23 4717, 79-4718 and 79-4719 are hereby repealed.

24 Sec. 21. This act shall take effect and be in force from and after its  
25 publication in the statute book.