HOUSE RESEARCH

 Bill Summary

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 **Subject:** Legalizes electronic linked bingo and electronic pull-tabs; lowers tax rates.

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#### Overview

This bill legalizes electronic linked bingo and electronic pull-tab games, and lowers lawful gambling tax rates.

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| Section  |  |
|  | Imposition. Lowers the current gross receipts tax from 8.5 percent to 5 percent. |
|  | Pull-tab and tipboard tax. Lowers this tax from 1.7 percent to 1 percent. Changes the refund amounts for unsold tickets. |
|  | Combined receipts tax. Changes the corridors for the combined receipts tax, and lowers the rates. Changes the base to single sites, rather than combined operations. |
|  | Bingo occasion. Allows linked bingo games played on electronic devices to be played during regular business hours of the permitted premises, an increase in hours of play. |
|  | Electronic bingo device. Amends the definition of such a device, to allow for the devices legalized under this proposed law. |
|  | Linked bingo game provider. Broadens this definition to fit the new game devices allowed under this proposed law. |
|  | Linked bingo game system. Allows for electronic linked bingo; allows for electronic monitoring by the board. |
|  | Linked bingo prize pool. Changes this statute to account for the new game play, allows carryover of prize pools, increasing prize amounts. |
|  | Paddle wheel. Allows electronic turning of a paddlewheel. |
|  | Pull-tab. Amends the definition of pull-tab to allow electronic facsimiles. |
|  | Pull-tab dispensing device. Amends this definition to allow the electronic version of this game to be legal. Prohibits use of money to purchase plays. |
|  | Lawful gambling. Limits the use of electronic devices allowed in this proposed law to lawful gambling uses, effectively preventing other uses of these devices. |
|  | Pull-tab sales from dispensing devices. Removes existing language; allows board rules to be operative for use of dispensing devices.  |
|  | Electronic bingo. Modifications to allow the proposed new devices. |
|  | Mandatory disqualifications. Removes language in statute that prevents licensing of organizations that have had licenses permanently revoked. |
|  | License revocation, suspension, denial; censure. Limits license revocation or suspensions to not more than 10 years. Creates exceptions to allow individuals to be permanently banned, and to require payment of taxes, fines, and fees. |
|  | Prohibited acts; licenses required. Prevents distributors or employees from being licensed as a linked bingo provider. |
|  | License required. Allows certain manufacturers to be linked bingo game providers. |
|  | Sales of gambling equipment. Requires manufacturers to submit software for review purposes. |
|  | License application. Allows a license to a manufacturer who will be a linked bingo game provider. |
|  | Linked bingo game services requirements. Requires linked bingo game providers to contract with licensed distributors for linked bingo game services. Prevents exclusive arrangements. |
|  | Contents of application. Removes a 30-day termination requirement, instead allowing the termination period to be set by agreement. |
|  | Conduct of bingo. Amends this section to account for the new machines allowed. |
|  | Bar bingo. Technical. |
|  | Linked bingo games. Establishes standards for linked bingo games played on an electronic device. These are limited to permitted premises; the number of machines is specified by seating size; requires board approval of formats. |
|  | Pull-tab dispensing devices restrictions and requirements. Limits the number of these devices to three, for paper devices. For electronic devices, the limit is no more than six devices for places with fewer than 200 seats, and 12 devices for places with more than 200 seats. The board shall determine the number for bingo parlors. Specifies how the board shall be enabled to control these machines. |
|  | Electronic facsimile of paper pull-tabs. Requires that electronic pull-tabs conform to board rules for all pull-tabs. Includes language intended to prevent these games from mimicking slot machines. |
|  | Multiple chance games. Allows games that permit turnover, of a winning ticket, for a change to win a greater prize. Allows for greater prizes. |
|  | Lease or ownership required; rent limitation. Establishes new limits on amounts that can go to rent or leases. Removes rent caps, allows premises to gain a percentage at gross profits as rent. As a result, rent payments will increase to bars and permitted premises. |
|  | Gross profit allocation; linked bingo on an electronic bingo device. Specifies where the money goes. The gross profit is divided between the licensed organization for lawful purposes; the linked bingo provider; the lessor; and for allowable expenses.  |
|  | Linked bingo prizes. Establishes standards for linked bingo prizes played with, and without, an electronic device. Requires prompt payment of prizes. Allows for carry over of prizes, and for stakes to increase. |