By: Representative Dedeaux

To: Ways and Means

HOUSE BILL NO. 891

AN ACT TO AMEND SECTIONS 97-33-52, 97-33-55, 97-33-65, 97-33-67, 97-33-69, 97-33-71, 97-33-73, 97-33-75, 97-33-77, 97-33-79, 97-33-81, 97-33-107, 97-33-109 AND 97-33-201, 1 2 3 MISSISSIPPI CODE OF 1972, TO EXEMPT VETERANS CHARITABLE 4 5 ORGANIZATIONS FROM THE STATE CHARITABLE BINGO LAW IF SUCH б ORGANIZATIONS HAVE INTERNAL RULES, REGULATIONS OR GUIDELINES FOR 7 CONDUCTING BINGO GAMES; TO AMEND SECTION 97-33-51, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO BRING FORWARD FOR PURPOSES 8 OF AMENDMENT SECTIONS 97-33-50, 97-33-53, 97-33-57, 97-33-59, 97-33-61, 97-33-101, 97-33-103, 97-33-105 AND 97-33-203, MISSISSIPPI CODE OF 1972, WHICH ARE PORTIONS OF THE STATE CHARITABLE BINGO LAW; AND FOR RELATED PURPOSES. 9 10 11 12 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 14 SECTION 1. Section 97-33-52, Mississippi Code of 1972, is amended as follows: 15 16 97-33-52. (1) A bingo game may be conducted only: 17 (a) When held for the benefit of a charitable organization that (i) is licensed pursuant to Section 97-33-55 or 18 19 Section 97-33-59; (ii) is domiciled in the State of Mississippi; 20 and 21 (b) When the game is held by active members of such 22 organization. 23 (2) Except as may be otherwise provided in Sections 97-33-51 24 through 97-33-203, all net proceeds derived from a bingo game authorized by this section shall be expended only for the purposes 25 for which the organization is created, and no net proceeds derived 26 from a bingo game authorized by this section shall be distributed 27 28 to a charity outside of the State of Mississippi without the 29 approval of the Mississippi Gaming Commission. 30 (3) None of the proceeds of a bingo game authorized to be held under this section shall be used to purchase, construct or 31

32 improve a building, hall or other facility solely for the purpose 33 of conducting or operating a bingo game.

34 (4) Every organization which conducts bingo games shall 35 report to the Mississippi Gaming Commission at such time, in such 36 manner and on such forms as the commission prescribes. All 37 records and reports so filed shall be public records and shall be 38 available for inspection in accordance with the Mississippi Public 39 Records Act of 1983.

40 <u>(5) This section shall not apply to any charitable</u>

41 organization described in Section 97-33-53(b)(i)1 that has

42 internal rules, regulations or guidelines for conducting bingo

43 games; and such an organization shall not be subject to regulation

44 by the commission.

45 SECTION 2. Section 97-33-55, Mississippi Code of 1972, is 46 amended as follows:

97-33-55. (1) Any charitable organization desiring to
conduct bingo games must obtain a license to do so from the
Mississippi Gaming Commission.

50 (2) Each applicant for such a license shall file with the 51 commission a written application therefor in a form prescribed by 52 the commission on which shall be stated:

(a) The name and address of the applicant, together
with sufficient facts relating to its incorporation and
organization to enable the commission to determine whether or not
the applicant is a bona fide organization;

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(b) The names and addresses of its officers;

(c) The place or places where, and the date or dates
and the time or times when, bingo games are intended to be
conducted by the applicant, under the license applied for;

(d) The items of expense intended to be incurred or
paid in connection with the holding, operating and conducting of
bingo games and the names and addresses of the persons to whom,
and the purposes for which, they are to be paid;

(e) The specific purposes to which the entire net
proceeds of the bingo games are to be devoted and in what manner;
(f) That, except as otherwise provided in Section
97-33-69, no commission, salary, compensation, reward or

69 recompense will be paid to any person for holding, operating or 70 conducting bingo games;

(g) A description of all prizes to be offered and given in all bingo games to be held, operated and conducted under such license; and

(h) Such other information as shall be prescribed bythe commission by its rules and regulations.

In each application there shall be designated an active 76 (3) 77 member or members of the organization under whom the bingo games 78 are to be held, operated and conducted. The application shall include a statement executed by the applicant and by the member or 79 80 members so designated, that he or they will be responsible for the 81 holding, operation and conduct of the bingo games in accordance with the terms of the license and the provisions of the 82 commission's rules and regulations governing bingo games and of 83 Sections 97-33-51 through 97-33-203, if such license is granted. 84

(4) An original application shall be accompanied by a fee of
Fifty Dollars (\$50.00). Such application fee shall be refunded by
the commission to an organization deemed to be an exempt
organization pursuant to Section 97-33-107.

89 (5) This section shall not apply to any charitable
 90 organization described in Section 97-33-53(b)(i)1 that has

91 <u>internal rules, regulations or guidelines for conducting bingo</u>

92 games; and such an organization shall not be subject to regulation

93 by the commission.

94 SECTION 3. Section 97-33-65, Mississippi Code of 1972, is 95 amended as follows:

96 97-33-65. The commission shall control all bingo games held, 97 operated or conducted by a licensee to assure that they are fairly 98 held, operated and conducted in accordance with the provisions of 99 the license, the commission's rules and regulations, and the 100 provisions of Sections 97-33-51 through 97-33-203. The commission 101 may suspend or revoke any license for violation of any such rule

102 and regulation or provision. Its officers and agents may enter 103 and inspect any premises where any bingo game is being held, 104 operated and conducted or is intended to be held, operated and conducted, or where any equipment is being used or intended to be 105 106 used in the conduct thereof. This section shall not apply to any 107 charitable organization described in Section 97-33-53(b)(i)1 that has internal rules, regulations or guidelines for conducting bingo 108 games; and such an organization shall not be subject to regulation 109 110 by the commission.

SECTION 4. Section 97-33-67, Mississippi Code of 1972, is amended as follows:

113 97-33-67. (1) (a) No licensee shall hold, operate or 114 conduct any bingo game more often than for two (2) sessions within one (1) day and more often than eight (8) sessions in any one (1) 115 week. Any licensee who holds no more than one (1) session per 116 117 week shall be entitled to conduct one (1) six-hour session per 118 week. Notwithstanding the provisions of this paragraph, pull-tabs, video pull-tabs or video bingo games may be played for 119 120 up to eighty (80) hours per week.

(b) No licensee shall hold, operate or conduct any bingo game in more than one (1) physical location. Any bingo operation for which a license has been issued by the Gaming Commission on or after April 1, 1995, and which is located within one thousand five hundred (1,500) feet of a school or public library, shall not conduct bingo sessions during the hours of the school day or during library hours.

(2) The total amount of prizes which may be awarded in any one (1) session by a licensee shall not exceed Seven Thousand Five Hundred Dollars (\$7,500.00) in cash or other thing or things of value, except as otherwise provided in Section 97-33-59 and except that the total amount of prizes which may be awarded in any one (1) session shall not exceed Eight Thousand Dollars (\$8,000.00) if only one (1) session is held in any one (1) week. The Seven

Thousand Five Hundred Dollars (\$7,500.00) and the Eight Thousand Dollars (\$8,000.00) limits do not include payback of pull-tabs or electronic representations. The commission shall establish by rule the method of calculating the value of anything offered as a prize.

Each licensee shall designate a supervisor and a 140 (3) sufficient number of alternate supervisors to be in charge of and 141 primarily responsible for each session of a bingo game. Such 142 143 individual shall be familiar with the provisions of Sections 144 97-33-51 through 97-33-203 and the rules and regulations of the commission. Such individual, or alternate who shall be designated 145 146 as the bingo supervisor, shall supervise all activities of such session and be responsible for the conduct of all games of such 147 148 session. The supervisor shall be present at all times on the 149 premises during the session.

150 (4) No licensee shall purchase or otherwise obtain any 151 gaming supplies or equipment from any distributor, operator or 152 manufacturer until it has first determined that the individual 153 selling or otherwise offering such supplies or equipment has a 154 valid license issued by the commission.

155 (5) No licensee shall allow any person under eighteen (18) years of age to assist in the holding, operation or conduct of any 156 157 bingo game. No licensee shall allow any person under eighteen 158 (18) years of age to play a bingo game unless accompanied by his or her parent or legal guardian, except that a licensee may 159 160 prohibit all persons under eighteen (18) years from entering the 161 licensed premises by posting a written notice to that effect on 162 the premises.

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164 (6) This section shall not apply to any charitable
 165 organization described in Section 97-33-53(b)(i)1 that has
 166 internal rules, regulations or guidelines for conducting bingo

167 games; and such an organization shall not be subject to regulation

168 by the commission.

169 SECTION 5. Section 97-33-69, Mississippi Code of 1972, is 170 amended as follows:

171 97-33-69. (1) Except as otherwise provided in subsection 172 (3) of this section, no person shall hold, operate, conduct or 173 assist in holding, operating or conducting, any bingo game under 174 any license issued pursuant to Sections 97-33-51 through 97-33-81, 175 except designated supervisors or alternate supervisors designated 176 as provided for in Section 97-33-67(3).

177 (2) Except as otherwise provided in subsection (3) of this section and as may be otherwise provided pursuant to subsection 178 179 (10) of this section, no commission, salary, compensation, reward 180 or recompense, including but not limited to granting or use of 181 bingo cards without charge or at a reduced charge, shall be paid 182 or given directly or indirectly to the bingo supervisor or 183 alternate supervisor or any person related to such supervisor or 184 alternate supervisor by blood, marriage or business relationship, 185 for the holding, operating or conducting any licensed game or 186 games of chance.

187 (3) Except as may be otherwise provided pursuant to 188 subsection (10) of this section, any licensee may pay as 189 compensation for all persons involved in the holding, operating or 190 conducting of any licensed game or games of chance, an amount not 191 to exceed Four Hundred Dollars (\$400.00) per session. Persons who may be compensated from the Four Hundred Dollars (\$400.00) per 192 193 session amount may include the bingo supervisor or alternate 194 supervisor, callers, runners and cashiers. Neither the bingo 195 supervisor nor any alternate supervisor, or any person related to 196 such supervisor by blood, marriage or business relationship, while 197 being compensated as the bingo supervisor, shall receive any other 198 compensation, directly or indirectly, from the licensee. No 199 employee receiving compensation for the holding, operating or 200 conducting or assisting in the holding, operating or conducting of

201 a bingo game shall receive compensation for more than one (1) job 202 function.

203 (4) (a) Any corporation, person or entity operating 204 bingo games, under contract, for the benefit of organizations as 205 prescribed in subsection (3) of this section shall be restricted to operating such games for a limit of one (1) such organization 206 207 authorized to pay employees up to a maximum of Four Hundred 208 Dollars (\$400.00) per session. Such corporation, person or entity 209 shall only be authorized to conduct such sessions at one (1) 210 physical location or building.

(b) Any corporation, person or entity operating bingo games, under contract, for the benefit of organizations as prescribed in subsection (3) of this section shall have a written contract with the organization and shall be subject to any rules and regulations promulgated by the commission for the purpose of investigating or regulating contracting agents.

217 (5) Except as may be otherwise provided pursuant to 218 subsection (10) of this section, no manufacturer, operator, 219 distributor, commercial lessor, or his agents or employees, who 220 directly or indirectly leases premises, sells, leases, otherwise 221 distributes gaming supplies or equipment, or furnishes any 222 commodities or services, in relation to the conducting of any 223 bingo game pursuant to Sections 97-33-51 through 97-33-203 shall 224 take part in the holding, operation or conducting of a bingo game. 225 However, nothing in this section shall prohibit the owner of a 226 premises from having a representative present to protect his 227 interests in the premises.

(6) Except as may be otherwise provided pursuant to subsection (10) of this section, no bingo game shall be conducted with any supplies or equipment except such as shall be owned by the licensee, provided without payment of any compensation by the licensee or purchased from a licensed manufacturer or distributor of such supplies or equipment.

(7) Except as may be otherwise provided pursuant to subsection (10) of this section, no item of expense shall be incurred or paid in connection with the holding, operating or conducting of any bingo game by a licensee, except:

(a) The actual and reasonable costs of purchasing or
leasing necessary supplies, equipment and materials to be used
exclusively in the holding, operating or conducting of the bingo
game; and

(b) The actual and reasonable costs incurred in obtaining and performing necessary bookkeeping, security and janitorial services for the holding, operating or conducting of the bingo game. The reasonableness of the amounts of, and the necessity for, an expense authorized by this subsection shall be determined by the commission.

(8) Except as may be otherwise provided pursuant to subsection (10) of this section, no licensee shall pay any consulting fees to any person for any service performed in relation to the conducting of any charitable game of chance or concession fees to any person who provides refreshments to the participants in any such games.

254 (9) Except as may be otherwise provided pursuant to 255 subsection (10) of this section, no lease providing for a rental 256 arrangement for premises or equipment shall provide for payment in 257 excess of the reasonable market rental rate for such premises or 258 equipment, and in no case shall any payment be based on a 259 percentage of gross receipts or profits derived from a bingo game. 260 Whether a market rental rate is reasonable shall be determined by 261 the commission.

(10) Administrative exceptions to the provisions of this section with regard to organizations which have demonstrated to the Mississippi Gaming Commission a practice of legitimate operation of such games, may be made by the Mississippi Gaming Commission pursuant to its rules and regulations, as duly adopted

and promulgated by the commission; provided that such an administrative exception shall be no more restrictive than the provision of law to which it is an exception.

270 (11) This section shall not apply to any charitable
271 organization described in Section 97-33-53(b)(i)1 that has
272 internal rules, regulations or guidelines for conducting bingo

273 games; and such an organization shall not be subject to regulation 274 by the commission.

275 SECTION 6. Section 97-33-71, Mississippi Code of 1972, is 276 amended as follows:

97-33-71. (1) Except as may be otherwise provided pursuant to Section 97-33-107(k), the organization which held, operated or conducted the bingo game, and its bingo supervisor or supervisors who were in charge thereof, shall furnish to the commission the following information not less than quarterly:

(a) A verified statement showing the amount of the
gross receipts derived from each bingo game, which shall include
receipts from the sale of shares, tickets or rights in any manner
connected with participation in said game;

(b) Each item of expense incurred or paid, and eachitem of expenditure made or to be made;

(c) The name and address of each person to whom each such item has been paid or is to be paid, with a detailed description of the merchandise purchased or the service rendered therefor;

(d) The net profit derived from each such bingo game and the uses to which such net profit has been or is to be applied;

295 (e) A list of prizes offered or given, with the296 respective values thereof;

(f) The number of participants in each game.
(2) Each licensee shall maintain and keep such books and
records as may be necessary to substantiate the particulars of

300 each such report.

301 (3) All licensees shall maintain records and submit reports 302 as provided by rules of the commission. Such rules may require 303 that all income of a licensee derived from charitable bingo games 304 be recorded to the extent necessary to disclose gross and net 305 income.

306 (4) This section shall not apply to any charitable
307 organization described in Section 97-33-53(b)(i)1 that has
308 internal rules, regulations or guidelines for conducting bingo
309 games; and such an organization shall not be subject to regulation
310 by the commission.

311 SECTION 7. Section 97-33-73, Mississippi Code of 1972, is 312 amended as follows:

313 97-33-73. (1) The Mississippi Gaming Commission shall have power to examine or to cause to be examined the books and records 314 315 of any organization to which such license is issued so far as they 316 may relate to any transactions connected with the holding and conducting of bingo and to examine any manager, officer, director, 317 318 agent, member or employee thereof under oath in relation to the 319 conduct of any such game, but any information so received shall 320 not be disclosed except so far as may be necessary for the purpose of carrying out the provisions of Sections 97-33-51 through 321 97-33-203. 322

323 (2) The State Tax Commission shall have the power to examine 324 or to cause to be examined the books and records of any 325 organization to which a license is issued for the purpose of 326 determining compliance with the Charitable Bingo Law and any other 327 laws and regulations and to conduct in-depth audits and 328 investigation of the licensee.

329 (3) This section shall not apply to any charitable 330 organization described in Section 97-33-53(b)(i)1 that has 331 internal rules, regulations or guidelines for conducting bingo 332 games.

333 SECTION 8. Section 97-33-75, Mississippi Code of 1972, is 334 amended as follows:

97-33-75. (1) Any person, association or corporation violating any provision of Sections 97-33-51 through 97-33-203 or any rule or regulation of the commission shall be subject to a fine imposed by the commission and to suspension or revocation of its license.

340 (2) Any person who commits any of the following acts, upon
341 conviction, shall be fined not more than Five Thousand Dollars
342 (\$5,000.00) or imprisoned for one (1) year, or both:

343 (a) Making any false statement in any application for a
344 license under Sections 97-33-51 through 97-33-203, or in any
345 official report to the commission;

346 (b) Holding, operating or conducting any bingo game347 without a license;

348 (c) Knowingly falsifying or making any false entry in
349 any books or records, with respect to any transaction connected
350 with the holding, operating or conducting of any bingo game;

351 (d) Refusing to allow the commission access to any 352 premises where a game of chance is being conducted or to any book, 353 record or document relating to such conduct;

(e) Intentionally causing, aiding, abetting or
conspiring with another to cause any person to violate any
provision of Sections 97-33-51 through 97-33-203;

357 (f) Possessing, displaying, selling or otherwise
358 furnishing to any person any pull-tabs, except as provided for in
359 Section 97-33-77.

360 (3) Any person who violates any other provision of Sections
361 97-33-51 through 97-33-203 that is not listed in this section may
362 be imprisoned for not more than six (6) months or fined not more
363 than Five Hundred Dollars (\$500.00), or both.

364 (4) Any conviction of any person pursuant to subsections (2)
365 and (3) of this section shall constitute cause for revocation of

366 the license of such person or the organization with which such 367 person is affiliated.

368 (5) This section shall not apply to any charitable
 369 organization described in Section 97-33-53(b)(i)1 that has
 370 internal rules, regulations or guidelines for conducting bingo
 371 games; and such an organization shall not be subject to regulation
 372 by the commission.

373 SECTION 9. Section 97-33-77, Mississippi Code of 1972, is 374 amended as follows:

375 97-33-77. (1) No organization, distributor, manufacturer, 376 or any representative thereof, either with knowledge or in 377 circumstances whereunder he reasonably should have known, shall 378 possess, display, put out for play, sell or otherwise furnish to 379 any person any pull-tabs:

(a) In which the winning pull-tabs have not been
completely and randomly distributed and mixed among all other
pull-tabs in the deal;

383 (b) In which the location or approximate location of 384 any of the winning pull-tabs can be determined in advance of 385 opening the pull-tabs in any manner or by any device, including 386 but not limited to any pattern in the manufacture, assembly, or 387 packaging of pull-tabs by the manufacturer, by any markings on the 388 pull-tabs or container, or by the hue of a light; or

389 (c) Which does not conform in any respect to these390 requirements as to manufacturer, assembly or packaging.

391 (2) A distributor shall not purchase or be furnished any 392 pull-tabs from a manufacturer of pull-tabs unless all of the 393 following conditions are met:

394 (a) The manufacturer's label or trademark has been395 registered with the Mississippi Gaming Commission.

396 (b) Each individual pull-tab manufactured has
397 conspicuously set forth on it the name of the manufacturer or a
398 label or trademark which identifies its manufacturer.

399 (c) The pull-tab is of a type approved by the400 commission for use in Mississippi.

401 (3) This section shall not apply to any charitable
402 organization described in Section 97-33-53(b)(i)1 that has
403 internal rules, regulations or guidelines for conducting bingo
404 games; and such an organization shall not be subject to regulation
405 by the commission.

406 SECTION 10. Section 97-33-79, Mississippi Code of 1972, is 407 amended as follows:

408 97-33-79. (1) No person or other entity shall fabricate, 409 concoct or manufacture any supplies or equipment for use in the 410 conducting of any bingo game authorized under Sections 97-33-51 411 through 97-33-203, including but not limited to bingo equipment, 412 pull-tabs, or electronic representations, within this state or for 413 use within this state without having obtained a manufacturer's 414 license from the commission.

(2) No person or other entity shall sell, offer for sale, or otherwise furnish any other person any supplies or equipment of use in the conduct of any bingo game authorized under Sections 97-33-51 through 97-33-203, including but not limited to bingo equipment and pull-tabs without having obtained a distributor's or operator's license from the commission.

(3) No person licensed as a manufacturer, distributor or operator shall sell or otherwise make available any such gaming supplies or equipment to any individual unless he has first determined that the individual is a licensed distributor or is acting as an agent of an organization which has a valid license issued by the commission.

427 (4) No manufacturer, distributor or operator of gaming
428 supplies or equipment shall directly or indirectly give gifts,
429 trips, prizes, premiums or other such gratuities to any charitable
430 gaming organization, its employees, or commercial lessors.

431 (5) Each manufacturer, distributor or operator of gaming

required by rules of the commission. The rules may require 433 434 maintenance of purchase and sale invoices of all gaming supplies and equipment manufactured or distributed, whether by sale, lease, 435 436 rental, loan or donation, to any charitable gaming organization. 437 (6) This section shall not apply to any charitable organization described in Section 97-33-53(b)(i)1 that has 438 439 internal rules, regulations or guidelines for conducting bingo games; and such an organization shall not be subject to regulation 440 441 by the commission. 442 SECTION 11. Section 97-33-81, Mississippi Code of 1972, is 443 amended as follows:

supplies or equipment shall maintain records and submit reports as

97-33-81. (1) No organization which conducts charitable
bingo games shall be a manufacturer, distributor or operator of
supplies or equipment for such games.

447 (2) No officer, director or manager of an organization which448 conducts charitable bingo games shall:

(a) Have a direct or indirect financial interest in any entity which manufactures or distributes supplies or equipment for charitable bingo games;

452 (b) Serve as an officer, director, shareholder,
453 proprietor or employee of an entity which manufactures or
454 distributes supplies or equipment for charitable bingo games; or

455 (c) Serve as an officer, director, shareholder,
456 proprietor or employee of a commercial lessor who leases
457 buildings, structures or premises to organizations licensed under
458 the provisions of Sections 97-33-51 through 97-33-203.

(3) No entity which manufactures or distributes supplies or equipment for charitable bingo games of chance; no officer, director, shareholder, proprietor or employee of such entity; and no person having a direct or indirect financial interest in such an entity shall lease premises, directly or indirectly, to an organization for purposes of conducting charitable bingo games of

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465 chance.

466 (4) No entity or person described in subsections (1), (2) or
467 (3) of this section shall serve as a commercial lessor.
468 (5) This section shall not apply to any charitable

469 <u>organization described in Section 97-33-53(b)(i)1 that has</u>

470 <u>internal rules, regulations or guidelines for conducting bingo</u> 471 <u>games.</u>

472 SECTION 12. Section 97-33-107, Mississippi Code of 1972, is 473 amended as follows:

474 97-33-107. In connection with its regulation of charitable 475 bingo games, the commission shall have the following functions, 476 duties and responsibilities:

477 (a) To issue and renew annual state licenses required
478 by law for organizations conducting bingo games and for
479 manufacturers, distributors or operators of supplies or equipment
480 for such games, and for commercial lessors of premises on which
481 such games are conducted;

(b) To assess and collect fees not to exceed five percent (5%) of the net proceeds of pull-tabs, which fees shall be limited to the amounts necessary to administer the Charitable Bingo Law;

486 To assess and collect fees equal to one percent (C) 487 (1%) of the gross proceeds of each bingo session conducted by a 488 Class "A" charitable organization and equal to one-half (1/2) of one percent (1%) of the gross proceeds of each bingo session 489 490 conducted by a Class "B" or a Class "C" charitable organization; 491 provided, however, that the fees assessed and collected under this 492 subsection (c) shall not apply to pull-tabs as described in 493 subsection (b) above, or to electronic bingo machines, or to electronic pull-tab machines; and provided, that the fees shall 494 495 not be collected in any bingo session held by a religious organization which has been in existence for ten (10) years or 496 497 longer, held on the premises owned by the religious organization,

498 and held without any person being compensated for operating the 499 game, and until the gross proceeds of bingo games conducted by 500 such organization exceed Fifty Thousand Dollars (\$50,000.00) 501 during the calendar year;

502 (d) To deny applications for licensure or license
503 renewal and to issue orders for suspension or revocation of
504 licenses issued pursuant to Sections 97-33-51 through 97-33-203;

505 (e) To monitor licensees to ensure compliance with all 506 provisions of law and regulations relative to charitable bingo 507 games through routine scheduled and unscheduled inspections, 508 investigations and audits;

(f) To enforce all provisions of law and regulations relative to charitable bingo games and to assist local law enforcement agencies in these enforcement responsibilities and bingo enforcement agents shall have the powers of a peace officer; (g) To establish and assess penalties for violations of regulations relative to charitable bingo games;

515 (h) To familiarize the members of organizations which 516 conduct charitable bingo games of chance, with provisions of the 517 Charitable Bingo Law and other applicable laws and regulations;

518 (i) To adopt rules and regulations to provide for the sale or transfer of surplus supplies or equipment from one 519 520 licensed organization to another and such other rules and 521 regulations as are necessary to carry out the purposes and functions of Sections 97-33-51 through 97-33-203, including the 522 523 adoption of rules and regulations pursuant to Section 97-33-69(10) 524 which may provide for differing requirements, with regard to the number of participants, sessions, amount of prizes offered, 525 526 proceeds received or other factors which affect the regulatory and 527 administrative burdens on organizations operating charitable bingo 528 games, for a certain class of organizations, provided that such 529 rules and regulations shall be no more restrictive than the 530 provisions of law that govern such factors;

(j) To prescribe rules and regulations creating a class of organizations that are exempt from the purchase of reprinted tickets as provided for in paragraph (c) of this section based on the number of participants or the amount of prizes offered or other factors which affect the regulatory and administrative burdens on the organizations imposed by the commission; and

(k) To establish the classes described in this paragraph of charitable organizations that are licensed to conduct bingo games and to prescribe rules and regulations to provide for differing reporting requirements imposed upon each different class; provided that such rules and regulations shall be no more restrictive than the provisions of law that relate to reporting requirements. Such classes of organizations are as follows:

(i) Class "A" shall be composed of licensed
charitable organizations which conduct bingo games in which the
prizes awarded total an aggregate amount in excess of Five
Thousand Dollars (\$5,000.00) per session;

(ii) Class "B" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded total an aggregate amount of not less than Two Thousand Five Hundred Dollars (\$2,500.00) and not more than Five Thousand Dollars (\$5,000.00);

(iii) Class "C" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded total an aggregate amount of less than Two Thousand Five Hundred Dollars (\$2,500.00).

557This section shall not apply to any charitable organization558described in Section 97-33-53(b)(i)1 that has internal rules,

559 regulations or guidelines for conducting bingo games.

560 SECTION 13. Section 97-33-109, Mississippi Code of 1972, is 561 amended as follows:

562 97-33-109. (1) The commission shall monitor the conduct or 563 business of licensees, both on a routine scheduled and an

unscheduled basis, to the extent necessary to ensure compliance with the provisions of charitable bingo game laws and regulations of the state.

567 (2) In carrying out its enforcement responsibilities, the 568 commission may:

(a) Inspect and examine all premises in which
charitable bingo games are conducted or supplies or equipment for
such games are manufactured and distributed;

572 (b) Inspect all such supplies and equipment in, upon or 573 about such premises;

(c) Seize and remove from such premises and impound such supplies and equipment for the purpose of examination and inspection pursuant to an appropriate court order;

577 (d) Demand access to and audit and inspect books and 578 records of licensees for the purpose of determining compliance 579 with laws and regulations relative to charitable bingo games;

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(e) Conduct in-depth audits and investigations; and

581 (f) Mandate that internal controls be executed in 582 accordance with the provisions of the Charitable Bingo Law and 583 other applicable laws and regulations.

584 (3) The commission shall require licensees to maintain585 records and submit reports.

(4) In addition to license revocation or suspension or any criminal penalty imposed, the commission may assess a fine against any person who violates any law or regulation relative to charitable bingo games. Such a fine shall only be assessed after notice and an opportunity for a hearing to be held.

591 (5) All departments, commissions, boards, agencies, officers 592 and institutions of the state, and all subdivisions thereof, shall 593 cooperate with the commission in carrying out its enforcement 594 responsibilities.

595 (6) The Attorney General shall be the attorney for the 596 commission in regard to its duties to regulate the Charitable

597 Bingo Law and he shall represent it in all legal proceedings and 598 shall prosecute any civil action for a violation of the provisions 599 of Sections 97-33-51 through 97-33-203 or the rules and 600 regulations of the commission.

601 (7) It is the duty of the sheriffs, deputy sheriffs and police officers of this state to assist the commission in the 602 603 enforcement of the provisions of Sections 97-33-51 through 604 97-33-203 and to arrest and complain against any person violating the provisions of Sections 97-33-51 through 97-33-203. It is the 605 606 duty of the district attorneys of this state to prosecute all 607 violations of the provisions of Sections 97-33-51 through 608 97-33-203 if requested to do so by the commission.

609 (8) (a) Whenever any person who is a resident of the State 610 of Mississippi has reason to believe that a person or organization 611 is or has violated the provisions of Sections 97-33-51 through 612 97-33-203 and that proceedings would be in the public interest, he 613 may bring an action in the name of the state against such person to restrain by temporary or permanent injunction such violation, 614 615 upon at least five (5) days' summons before the hearing of the The action shall be brought in the chancery or county 616 action. 617 court of the county in which such violation has occurred or, with consent of the parties, may be brought in the chancery or county 618 619 court of the county in which the State Capitol is located. The 620 said courts are authorized to issue temporary or permanent injunctions to restrain and prevent violations of Sections 621 622 97-33-51 through 97-33-203, and such injunctions shall be issued 623 without bond.

(b) Any person who violates the terms of an injunction
issued under this subsection shall forfeit and pay to the state a
civil penalty of not more than Five Thousand Dollars (\$5,000.00)
per violation which shall be payable to the General Fund of the
State of Mississippi. For the purposes of this subsection, the
chancery or county court issuing an injunction shall retain

jurisdiction, and the cause shall be continued, and in such cases the person bringing the action may petition for recovery of civil penalties.

(c) In any action brought under this subsection, if the court finds that a person is willfully violating the provisions of Sections 97-33-51 through 97-33-203, the person bringing the action, upon petition to the court, may recover on behalf of the state a civil penalty of not exceeding Five Hundred Dollars (\$500.00) per violation which shall be payable to the General Fund of the State of Mississippi.

(d) No penalty authorized by this subsection shall be
deemed to limit the court's powers to insure compliance with its
orders, decrees and judgments, or punish for the violations
thereof.

(e) For purposes of this subsection, a willful
violation occurs when the party committing the violation knew or
should have known that his conduct was a violation of the
provisions of Sections 97-33-51 through 97-33-203.

648 (9) This section shall not apply to any charitable
649 organization described in Section 97-33-53(b)(i)1 that has
650 internal rules, regulations or guidelines for conducting bingo

651 games; and such an organization shall not be subject to regulation
652 by the commission.

653 SECTION 14. Section 97-33-201, Mississippi Code of 1972, is 654 amended as follows:

655 97-33-201. (1) (a) Any organization or person seeking 656 licensure as a manufacturer, distributor or operator of bingo 657 gaming supplies or equipment, or as a commercial lessor, shall 658 submit an application to the commission on forms provided for such 659 purposes. Such application shall contain such information as may 660 be reasonably required by rules of the commission. The 661 application shall be accompanied by a fee as established by the 662 commission. For a commercial lessor's license or the renewal

663 thereof, the commission shall establish fees according to the 664 amount of annual gross revenue derived from the lease(s) of 665 premises by a licensee.

(b) The commission shall investigate all applications
for licensure and, in addition to the information required on the
application, may require the applicant to furnish such additional
information as it deems necessary.

670 (2) The commission shall not issue a license under this671 section to:

(a) Any person who has been convicted of certain
related offenses as established by the commission or who presently
has such a charge pending in any state or federal court;

(b) Any person who has ever been convicted of a676 gambling-related offense in any state or federal court;

677 (c) Any person who is or has ever been a professional678 gambler;

(d) Any firm, organization or corporation in which any person as described in paragraphs (a) through (c) of this subsection is an officer or director, whether compensated or not, or in which such person has a direct or indirect financial interest;

(e) Any person, firm, organization, entity or
corporation which has a direct or indirect financial interest in a
licensed charity.

(3) The commission may deny an application for licensure,
refuse to renew a license, or suspend or revoke a license for any
reason consistent with the purposes of Sections 97-33-201 and
97-33-203 which it deems to be in the interest of the public.
However, policies regarding such denial, suspension, revocation or
refusal to renew shall be established by rule and regulation.

(4) Any significant change in the information submitted on
its application for licensure shall be filed by a licensee with
the commission within ten (10) days of the change. A significant

696 change shall include but not be limited to any change in the officers, directors, managers, proprietors or persons having a 697 698 direct or indirect financial interest in any licensed organization 699 or entity.

700 (5) This section shall not apply to any charitable organization described in Section 97-33-53(b)(i)1 that has 701

702 internal rules, regulations or guidelines for conducting bingo

703 games; and such an organization shall not be subject to regulation

704 by the commission.

705 SECTION 15. Section 97-33-51, Mississippi Code of 1972, is 706 amended as follows:

97-33-51. (1) The provisions of Sections 97-33-1 through 707 708 97-33-49 shall not apply to any raffle wherein a ticket is sold 709 and a prize is offered when such raffle is being held by and for the benefit of any nonprofit civic, educational, wildlife 710 711 conservation or religious organization with all proceeds going to 712 said organization.

The provisions of Sections 97-33-1 through 97-33-49 713 (2) 714 shall not apply to any bingo game wherein a prize is offered when such bingo game is being held in accordance with the provisions of 715 716 the Charitable Bingo Law. Additionally, Sections 97-33-1 through 717 97-33-49 shall not apply to any bingo game wherein a prize is offered when such bingo game is being held by a charitable 718 719 organization that is exempt from the Charitable Bingo Law pursuant

to House Bill No. , 1999 Regular Session. 720

721 (3) A bingo game or a raffle held pursuant to the provisions 722 of the Charitable Bingo Law shall not be considered a game or gambling game for the purposes of Section 75-76-1 et seq. 723 724 Additionally, a bingo game or raffle held by a charitable organization that is exempt from the Charitable Bingo Law under 725 726 House Bill No. , 1999 Regular Session, shall not be considered a game or gambling game for the purposes of Section 75-76-1 et

728 seq.

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729 SECTION 16. Section 97-33-50, Mississippi Code of 1972, is
730 brought forward as follows:

97-33-50. The provisions of Sections 97-33-51 through
97-33-81, 97-33-101 through 97-33-109, 97-33-201 and 97-33-203,
Mississippi Code of 1972, may be cited as the "Charitable Bingo
Law."

735 SECTION 17. Section 97-33-53, Mississippi Code of 1972, is
736 brought forward as follows:

97-33-53. As used in Sections 97-33-51 through 97-33-203,
the following words and phrases shall have the meanings ascribed
herein unless the context clearly indicates otherwise:

(a) "Bingo" means a game of chance in which a right to
participate is sold to a player and prizes are awarded, that is:
(i) Played with a card, sheet, or an electronic
representation thereof, bearing numbers or symbols;

744 (ii) Played with the participant covering, marking 745 or revealing the numbers or symbols, as objects similarly numbered or designated are drawn from a receptacle and orally called; in 746 747 the case of electronic representations, the requisite covering, marking or revealing may be accomplished electronically to match 748 749 objects similarly numbered or designated and stored in memory in 750 advance as winners, or which are generated randomly by an 751 electronic process;

(iii) Won by the player who first covers, marks or reveals a previously designated arrangement of numbers or symbols; and

(iv) Played on the premises of a licensed
organization and during the organization's regular hours of
conducting bingo games.

The term "bingo" includes pull-tabs made available as a companion game to bingo and played on the premises. The term "bingo" does not include any game which is played via television, telephone, satellite dish or any other telecommunications

762 transmission or receiving device.

763 Any electronic device used to produce an electronic 764 representation must maintain an inventory recorded in computed memory, not on cartridge memory, of the number of winners and 765 766 losers. It must also be equipped with tamper-proof electric 767 meters as a backup to the computer memory. It may not dispense 768 cash or coins. Paybacks will be dispensed by printed ticket only. 769 The printer shall maintain duplicate records of all transactions. 770 All such electronic devices shall be approved by the Mississippi 771 Gaming Commission.

772

(b) "Charitable organization" means:

773 (i) Any nonprofit organization domiciled in this state that is tax exempt under Section 501(c) or (d) of the United 774 775 States Internal Revenue Code and which has on file with the 776 Mississippi Gaming Commission either a tax exemption letter issued 777 by the United States Internal Revenue Service, or a certified copy 778 of its application for such tax exempt status if the commission determines that the organization is likely to be granted the tax 779 780 exempt status, and is:

1. Any chapter or post domiciled in this state of a nationally chartered organization whose membership is composed of former members of the military forces of the United States of America or whose membership is composed of members of the Merchant Marine Veterans Association; or

786 2. Any nonprofit civic, educational, wildlife
787 conservation organization or religious organization domiciled in
788 this state.

If an organization which has on file with the commission a certified copy of its application for a tax exemption under Section 501(c) or (d) of the U. S. Internal Revenue Code is not granted the exemption within twelve (12) months from the date of such application, the organization's license shall be subject to revocation pursuant to Section 97-33-61.

795 (ii) Any senior citizen recreation club, which is defined as an organization sanctioned by the local council on 796 797 aging and composed of members aged sixty (60) years or older, the sole function of which is to provide amusement and diversion for 798 799 its members.

800 "Commission" means the Mississippi Gaming (C) 801 Commission.

802 (d) "Distributor" means any person or other entity who 803 sells, offers for sale or otherwise furnishes to any person, 804 gaming supplies or equipment for use in the conducting of a bingo 805 game authorized by Sections 97-33-51 through 97-33-203.

806 (e) "Manufacturer" means any person or other entity who 807 manufactures for sale, offers for sale, or otherwise furnishes, 808 any gaming supplies or equipment for use in the conducting of a 809 bingo game authorized by Sections 97-33-51 through 97-33-203.

810 (f) "Commercial lessor" means any person or other 811 entity, other than a bona fide nonprofit organization licensed to conduct charitable bingo games, who leases any building, structure 812 813 or premises to organizations licensed under the provisions of 814 Sections 97-33-51 through 97-33-203.

815 (g) "Operator" means a person or other entity who supplies the charity an electronic facsimile pull-tab device or 816 labor saving device as described in Section 97-33-53. This person 817 818 or entity may not be engaged in any other form of bingo operations 819 such as a distributor, manufacturer, charity or commercial lessor.

820 "Pull-tabs" means single or banded tickets or cards each with its face covered to conceal one or more numbers or 821 822 symbols, where one or more cards or tickets in each set have been 823 designed in advance as winners. "Pull-tabs" shall also mean any device for dispensing pull-tabs. 824

825 (i) "Session" means any five-hour time period within one (1) day or six-hour time period within one (1) week. 826

827 (j) "Day" means the whole or any part of the time

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(h)

828 period of twenty-four (24) hours from midnight to midnight.

829 (k) "Week" means the seven-day period from 12:01 a.m.830 on Monday until midnight the following Sunday.

831 SECTION 18. Section 97-33-57, Mississippi Code of 1972, is 832 brought forward as follows:

833 97-33-57. (1) The commission shall investigate the 834 qualifications of each applicant and the merits of the 835 application, with due expedition after the filing of the 836 application, and shall make the following determinations:

837 (a) That the applicant is duly qualified to hold,
838 operate and conduct bingo games under the provisions of Sections
839 97-33-51 through 97-33-203 and the rules and regulations of the
840 commission governing same.

(b) That the member or members of the organization designated in the application to hold, operate, conduct, or assist in holding, operating, or conducting, the bingo games are bona fide active members of the organization and of good moral character, who have never been convicted of certain offenses as designated by the commission.

(c) That bingo games are to be held, operated and
conducted in accordance with the provisions of Sections 97-33-51
through 97-33-203 and in accordance with the rules and regulations
of the commission governing same, and that the proceeds thereof
are to be disposed of as provided by Sections 97-33-51 through
97-33-203.

(2) If the commission is satisfied that no commission, salary, compensation, reward or recompense whatever, except as otherwise provided in Section 97-33-69, will be paid or given to any person holding, operating or conducting any bingo game, it may issue a license to the applicant for the holding, operating and conducting of bingo games.

859 (3) No license for holding, operating or conducting bingo
860 games that is issued under Sections 97-33-51 through 97-33-203

shall be effective for more than one (1) calendar year.

862 (4) The commission shall not issue a license to:

(a) Any person who has been convicted of certain
related offenses as established by the commission or who presently
has such a charge pending in any state or federal court;

866 (b) Any person who has ever been convicted of a867 gambling-related offense in any state or federal court;

868 (c) Any person who is or has ever been a professional 869 gambler;

(d) Any firm, organization or corporation in which any
person as described in paragraphs (a) through (c) is an officer or
director, whether compensated or not, or in which such person has
a direct or indirect financial interest;

874 (e) The commission may deny an application for 875 licensure, refuse to renew a license, or suspend or revoke a 876 license for any reason consistent with the purposes of Sections 877 97-33-51 through 97-33-203 which it deems to be in the interest of the public. However, policies regarding such denial, suspension, 878 879 revocation or refusal to renew shall be established by rule and 880 regulation. If the commission fails to act upon the license 881 application within sixty (60) days of the date of filing of the 882 application by the charitable organization, such application shall 883 be deemed accepted.

(5) Any significant change in the information submitted on its application for licensure shall be filed by a licensee with the commission within ten (10) days of the change. A significant change shall include but not be limited to any change in the officers, directors, managers, proprietors or persons having a direct or indirect financial interest in any licensed organization or entity.

891 SECTION 19. Section 97-33-59, Mississippi Code of 1972, is 892 brought forward as follows:

893 97-33-59. (1) The commission may issue a special license

894 for the conducting of limited fund-raising bingo games for the benefit of a person, family or group of persons who, because of 895 896 circumstances which cause a financial crisis of an emergency nature, are in need of immediate fund-raising relief. Bingo games 897 898 conducted under this section shall consist of no more than two (2) 899 bingo sessions annually by the same person, family or group of persons, at which the total amount of prizes which may be awarded 900 901 on any calendar day under such a license shall not exceed Fifteen Thousand Dollars (\$15,000.00) in cash or other thing or things of 902 903 value. Except as otherwise provided in this section or as may be 904 otherwise provided by Section 97-33-69(10) or 97-33-107(k), all 905 other provisions of Sections 97-33-51 through 97-33-203 shall 906 apply to the issuance of such special licenses.

907 (2) The commission shall not authorize any organization to 908 conduct limited bingo games as described in subsection (1) as 909 provided herein unless that organization has first obtained a 910 special charitable limited license from the commission.

911 (3) All proceeds derived from bingo games conducted under a 912 special charitable limited license shall go to the specific need 913 for which the games are conducted, as outlined in the application 914 for such license.

915 (4) The fee for a special charitable limited license shall 916 be limited to the actual administrative costs of issuing it.

917 SECTION 20. Section 97-33-61, Mississippi Code of 1972, is 918 brought forward as follows:

919 97-33-61. No license shall be revoked by the commission 920 until after a hearing is held on due notice. The commission may 921 designate a hearing examiner to hear the case and render a 922 decision. A licensee aggrieved by the decision of the hearing examiner may apply within fifteen (15) days after announcement of 923 924 the decision in writing to the commission for review of the decision. Review is limited to the record of proceedings before 925 926 the hearing examiner. The commission may sustain or reverse the

927 hearing examiner's decision.

Any person aggrieved by the final decision of the commission may obtain a judicial review thereof in the circuit court of the county in which the bingo games are conducted. The judicial review must be instituted by filing a petition within ten (10) days after the decision is rendered.

933 SECTION 21. Section 97-33-101, Mississippi Code of 1972, is 934 brought forward as follows:

97-33-101. All fees and fines collected by the commission 935 936 pursuant to Sections 97-33-51 through 97-33-203 shall be deposited 937 into a special fund to be known as the "Charitable Bingo Fund," 938 which is hereby created in the State Treasury. The monies in such 939 fund shall be used exclusively to support the activities of the 940 commission related to the regulation of the Charitable Bingo Law, 941 upon appropriation by the Legislature. Unexpended amounts 942 remaining in the fund at the end of a fiscal year shall not lapse 943 into the State General Fund, and any interest earned on amounts in 944 such special fund shall be deposited to the credit of the special 945 fund.

946 SECTION 22. Section 97-33-103, Mississippi Code of 1972, is 947 brought forward as follows:

948 97-33-103. (1) The commission shall annually prepare and 949 submit a comprehensive report on the scope and nature of 950 charitable bingo game activities in this state and impact of the 951 commission on such activities. The report shall be submitted to 952 the Lieutenant Governor, the Speaker of the House of Representatives, the Chairmen of the House and Senate Judiciary 953 954 Committees, the Chairman of the House Ways and Means Committee and 955 the Chairman of the Senate Finance Committee.

956 (2) The commission shall furnish a copy of its rules and 957 regulations, including any amendments thereto as they are adopted, 958 pursuant to the Charitable Bingo Law, to the Chairman and Counsel 959 of the House Ways and Means Committee and the Chairman and Counsel

960 of the Senate Finance Committee. Further, upon a written request 961 from any member of the Legislature, the commission shall furnish 962 such rules and regulations to the member, by return United States 963 mail.

964 SECTION 23. Section 97-33-105, Mississippi Code of 1972, is 965 brought forward as follows:

966 97-33-105. Neither the director nor any employee of the 967 commission shall be an officer, director or manager of any 968 organization licensed by the state to conduct charitable bingo 969 games or have a direct or indirect financial interest in any 970 entity manufacturing or distributing supplies or equipment used in 971 such games.

972 SECTION 24. Section 97-33-203, Mississippi Code of 1972, is 973 brought forward as follows:

974 97-33-203. (1) Any person leasing any premises for the 975 conducting of charitable gaming activities shall obtain a 976 commercial lessor's license for each premises to be licensed. А 977 commercial lessor's license shall authorize a person to lease 978 specific premises to licensees for the conducting of charitable 979 gaming activities. The commission, upon application and 980 compliance with other provisions for licensure contained in 981 Section 97-33-201 shall issue a commercial lessor's license to 982 qualified persons.

983 (2) No lease of any premises by a commercial lessor to any 984 charitable organization for a charitable bingo game shall provide 985 for payment in excess of the reasonable market rental rate for such premises as determined by the average of two (2) independent 986 987 appraisals for the premises. Such appraisals shall be conducted 988 by appraisers selected by the applicant for a commercial lessor's 989 license from a list of state-certified appraisers compiled and 990 maintained by the commission. The appraisals shall be submitted 991 by the commercial lessor as a part of the application for a 992 commercial lessor's license. The commission may require that a

993 third independent appraisal be conducted by a state-certified 994 appraiser, selected by the applicant from the list, regarding any 995 such property, which shall be used in arriving at the average reasonable market rate. The commercial lessor shall pay the cost 996 997 of such third appraisal. No lease shall provide for rental for less than a five-hour session. No more than two (2) sessions 998 999 shall be conducted within one (1) day and more often than eight 1000 (8) sessions in any one (1) week on the premises of a commercial 1001 lessor. Any licensee who holds no more than one (1) session per 1002 week shall be entitled to conduct one (1) six-hour session per 1003 week.

1004 (3) No commercial lessor shall require the payment of any 1005 other cost or fee from an organization licensed to hold, operate 1006 or conduct bingo games other than the rental amount provided for 1007 by the rental agreement or contract or charge admission fees to 1008 persons entering the premises to participate in the games.

1009 (4) No commercial lessor leasing premises for authorized
1010 charitable bingo game activities shall enter into any agreement
1011 with a distributor of gaming supplies for the use, purchase,
1012 promotion or sale of supplies to be used in such bingo games.
1013 SECTION 25. This act shall take effect and be in force from
1014 and after July 1, 1999.