

By: Representative Ryan

To: Ways and Means

HOUSE BILL NO. 893

1 AN ACT TO AMEND SECTION 97-33-52, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT IN ORDER FOR A CHARITABLE ORGANIZATION TO CONDUCT
3 BINGO GAMES UNDER THE STATE CHARITABLE BINGO LAW, THE ORGANIZATION
4 MUST BE REGISTERED WITH THE SECRETARY OF STATE, MUST HAVE BEEN IN
5 OPERATION IN THE STATE OF MISSISSIPPI FOR AT LEAST THREE YEARS AND
6 MUST BE ABLE TO DEMONSTRATE TO THE SATISFACTION OF THE MISSISSIPPI
7 GAMING COMMISSION THAT IT IS MAKING REASONABLE PROGRESS IN
8 ACCOMPLISHING ITS CHARITABLE PURPOSES; TO AMEND SECTION 97-33-53,
9 MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF CERTAIN
10 TERMS AND TO DEFINE THE TERM "ADJUSTED GROSS RECEIPTS" FOR
11 PURPOSES OF THE STATE CHARITABLE BINGO LAW; TO AMEND SECTION
12 97-33-55, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF THE
13 APPLICATION FEE FOR A CHARITABLE BINGO LICENSE; TO AMEND SECTION
14 97-33-57, MISSISSIPPI CODE OF 1972, TO LENGTHEN THE MAXIMUM TERM
15 OF A BINGO LICENSE AND DELETE THE PROVISION THAT IF THE GAMING
16 COMMISSION DOES NOT ACT ON A LICENSE APPLICATION WITHIN SIXTY DAYS
17 OF THE DATE A CHARITABLE ORGANIZATION FILES THE APPLICATION, THE
18 APPLICATION IS DEEMED TO BE ACCEPTED; TO AMEND SECTION 97-33-61,
19 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN CASES WHERE AN
20 APPLICANT WHO IS DENIED A BINGO LICENSE SEEKS REVIEW OF SUCH
21 DENIAL BY THE GAMING COMMISSION, THE APPLICANT SEEKING REVIEW MUST
22 PREPAY THE COSTS FOR PREPARATION OF THE RECORD, INCLUDING THE
23 TRANSCRIPT, AND FAILURE TO PREPAY THE COSTS WITHIN SEVEN DAYS OF
24 FILING THE APPLICATION FOR REVIEW MAY BE DEEMED AS AN ABANDONMENT
25 OF THE APPLICATION FOR REVIEW; TO PROVIDE THAT AN APPEAL OF A
26 FINAL DECISION OF THE GAMING COMMISSION DENYING A BINGO LICENSE
27 MUST BE FILED IN THE CIRCUIT COURT OF THE FIRST JUDICIAL DISTRICT
28 OF HINDS COUNTY, MISSISSIPPI; TO PROVIDE THE TIME WITHIN WHICH
29 SUCH AN APPEAL MUST BE FILED AND TO PROVIDE THAT THE FILING OF A
30 PETITION DOES NOT STAY ENFORCEMENT OF A DECISION OR ORDER OF THE
31 GAMING COMMISSION; TO AMEND SECTION 97-33-69, MISSISSIPPI CODE OF
32 1972, TO PROVIDE THAT NO ADDITIONAL COMPENSATION MAY BE PAID TO
33 PERSONS INVOLVED IN HOLDING, OPERATING OR CONDUCTING EXTENDED
34 PERIODS OF PLAY FOR PULL-TABS, VIDEO PULL-TABS OR VIDEO BINGO
35 GAMES; TO PROVIDE THAT LEASES FOR RENTAL OF PREMISES OR EQUIPMENT
36 FOR BINGO GAMES MUST BE ENTERED INTO AS AN ARMS LENGTH
37 TRANSACTION; TO PROVIDE THAT THE TOTAL EXPENSES INCURRED BY A
38 LICENSEE'S BINGO OPERATION DURING ANY SIX-MONTH PERIOD MAY NOT
39 EXCEED SIXTY PERCENT OF THE ADJUSTED GROSS RECEIPTS OF SUCH BINGO
40 OPERATION FOR SUCH PERIOD AND THAT FAILURE OF A CHARITABLE BINGO
41 LICENSEE TO COMPLY WITH THIS REQUIREMENT WILL BE GROUNDS FOR
42 REVOCATION OF A CHARITABLE BINGO LICENSE; TO AMEND SECTION
43 97-33-81, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CERTAIN
44 PERSONS MAY NOT LEASE, RENT OR OTHERWISE FURNISH PREMISES TO A
45 LICENSED BINGO ORGANIZATION FOR THE CONDUCTING OR PLAYING OF BINGO
46 GAMES; TO AMEND SECTION 97-33-107, MISSISSIPPI CODE OF 1972, TO
47 REVISE THE GAMING COMMISSION'S POWERS AND DUTIES; TO AMEND SECTION
48 97-33-109, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE GAMING
49 COMMISSION TO SEIZE, WITHOUT WARRANT, ANY SUPPLIES AND EQUIPMENT
50 USED FOR THE HOLDING OR CONDUCTING OF BINGO GAMES WHICH THE

51 COMMISSION HAS PROBABLE CAUSE TO BELIEVE ARE USED, OR INTENDED FOR
52 USE, IN VIOLATION OF LAW OR REGULATION; TO REPEAL SECTION
53 97-33-203, MISSISSIPPI CODE OF 1972, WHICH REQUIRES PERSONS
54 LEASING PREMISES FOR THE CONDUCTING OF CHARITABLE BINGO TO OBTAIN
55 A COMMERCIAL LESSOR'S LICENSE FOR EACH PREMISES LEASED, AND
56 PROVIDES RENTAL RATES AND OTHER CHARGES THAT COMMERCIAL LESSORS
57 MAY CHARGE AND THE LENGTH AND FREQUENCY OF SUCH RENTALS; TO AMEND
58 SECTIONS 97-33-50, 97-33-59, 97-33-65, 97-33-67, 97-33-71,
59 97-33-73, 97-33-75, 97-33-79, 97-33-101 AND 97-33-201, MISSISSIPPI
60 CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

61 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

62 SECTION 1. Section 97-33-52, Mississippi Code of 1972, is
63 amended as follows:

64 97-33-52. (1) A bingo game may be conducted only: * * *
65 when held for the benefit of a charitable organization that (i) is
66 licensed pursuant to Section 97-33-55 or Section 97-33-59; (ii) is
67 domiciled in the State of Mississippi; * * * (iii) is registered
68 with the Secretary of State as required by law; (iv) has been in
69 operation in the State of Mississippi for at least three (3)
70 years, however, any organization holding a valid charitable bingo
71 license on the effective date of House Bill No. _____, 1999 Regular
72 Session, shall not be subject to the three (3) year requirement;
73 and (v) is able to demonstrate to the satisfaction of the
74 commission that it is making reasonable progress in accomplishing
75 its charitable purposes.

76 * * *

77 (2) Except as may be otherwise provided in Sections 97-33-51
78 through 97-33-201, all net proceeds derived from a bingo game
79 authorized by this section shall be expended only for the purposes
80 for which the organization is created, and no net proceeds derived
81 from a bingo game authorized by this section shall be distributed
82 to a charity outside of the State of Mississippi without the
83 approval of the Mississippi Gaming Commission.

84 (3) None of the proceeds of a bingo game authorized to be
85 held under this section shall be used to purchase, construct or
86 improve a building, hall or other facility solely for the purpose
87 of conducting or operating a bingo game.

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

SECTION 2. Section 97-33-53, Mississippi Code of 1972, is amended as follows:

97-33-53. As used in Sections 97-33-51 through 97-33-201, 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;

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

transmission or receiving device.

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

(b) "Charitable organization" means:

(i) Any nonprofit organization domiciled in this state that is tax exempt under Section 501(c) or (d) of the United States Internal Revenue Code and which has on file with the Mississippi Gaming Commission a current tax exemption letter issued by the United States Internal Revenue Service, 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

2. Any nonprofit civic, educational, wildlife conservation organization or religious organization domiciled in 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.

(ii) Any senior citizen recreation club, which is defined as an organization sanctioned by the local council on aging and composed of members aged sixty (60) years or older, the

154 sole function of which is to provide amusement and diversion for
155 its members.

156 (c) "Commission" means the Mississippi Gaming
157 Commission.

158 (d) "Distributor" means any person or other entity who
159 sells, offers for sale or otherwise furnishes to any person,
160 gaming supplies or equipment for use in the conducting of a bingo
161 game authorized by Sections 97-33-51 through 97-33-201.

162 (e) "Manufacturer" means any person or other entity who
163 manufactures for sale, offers for sale, or otherwise furnishes,
164 any gaming supplies or equipment for use in the conducting of a
165 bingo game authorized by Sections 97-33-51 through 97-33-201.

166 * * *

167 (f) "Operator" means a person or other entity who
168 supplies the charity an electronic facsimile pull-tab device or
169 labor saving device as described in Section 97-33-53. This person
170 or entity may not be engaged in any other form of bingo operations
171 such as a distributor, manufacturer or charity * * *.

172 (g) "Pull-tabs" means single or banded tickets or cards
173 each with its face covered to conceal one or more numbers or
174 symbols, where one or more cards or tickets in each set have been
175 designed in advance as winners. "Pull-tabs" shall also mean any
176 device for dispensing pull-tabs.

177 (h) "Session" means any four-hour time period within
178 one (1) day or five-hour time period within one (1) week.

179 (i) "Day" means the whole or any part of the time
180 period of twenty-four (24) hours from midnight to midnight.

181 (j) "Week" means the seven-day period from 12:01 a.m.
182 on Monday until midnight the following Sunday.

183 (k) "Adjusted gross receipts" means all receipts
184 derived from bingo operations from any source, including but not
185 limited to, bingo, pull-tabs or electronic devices, after payment
186 of prizes and fees required by the commission.

SECTION 3. Section 97-33-55, Mississippi Code of 1972, is 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.

(2) Each applicant for such a license shall file with the commission a written application therefor in a form prescribed by the commission on which shall be stated certain information, including but not limited to:

(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;

(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 recompense will be paid to any person for holding, operating or 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 by the commission by its rules and regulations.

(3) In each application there shall be designated a

220 supervisor or alternate supervisors of the organization under whom
221 the bingo games are to be held, operated and conducted. The
222 application shall include a statement executed by the applicant
223 and by the supervisor or alternate supervisors so designated, that
224 he or they will be responsible for the holding, operation and
225 conduct of the bingo games in accordance with the terms of the
226 license and the provisions of the commission's rules and
227 regulations governing bingo games and of Sections 97-33-51 through
228 97-33-201, if such license is granted.

229 (4) An original application shall be accompanied by a fee of
230 One Hundred Dollars (\$100.00). Such application fee shall be
231 refunded by the commission to an organization deemed to be an
232 exempt organization pursuant to Section 97-33-107.

233 SECTION 4. Section 97-33-57, Mississippi Code of 1972, is
234 amended as follows:

235 97-33-57. (1) The commission shall investigate the
236 qualifications of each applicant and the merits of the
237 application, with due expedition after the filing of the
238 application, and shall make the following determinations:

239 (a) That the applicant is duly qualified to hold,
240 operate and conduct bingo games under the provisions of Sections
241 97-33-51 through 97-33-201 and the rules and regulations of the
242 commission governing same.

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

249 (c) That bingo games are to be held, operated and
250 conducted in accordance with the provisions of Sections 97-33-51
251 through 97-33-201 and in accordance with the rules and regulations
252 of the commission governing same, and that the proceeds thereof

are to be disposed of as provided by Sections 97-33-51 through
97-33-201.

(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.

(3) No license for holding, operating or conducting bingo games that is issued under Sections 97-33-51 through 97-33-201 shall be effective for more than two (2) calendar years.

(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;

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

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

(e) 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 97-33-51 through 97-33-201 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. * * *

(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.

SECTION 5. Section 97-33-61, Mississippi Code of 1972, is amended as follows:

97-33-61. No license shall be revoked, suspended or denied renewal by the commission until after a hearing is held on due notice. The commission may designate a hearing examiner to hear the case and render a decision. A licensee aggrieved by the decision of the hearing examiner may apply within fifteen (15) days after announcement of the decision in writing to the commission for review of the decision. Review is limited to the record of proceedings before the hearing examiner. The party seeking review shall prepay the costs for preparation of the record, including the transcript, and failure to prepay such costs within seven (7) days after the date of filing the application for review may be deemed as an abandonment of the application for review. The commission may sustain or reverse the 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 First Judicial District of Hinds County, Mississippi. The judicial review must be instituted by filing a petition within thirty (30) days after the decision is rendered in accordance with the Uniform Rules of Circuit and County Court Practice for appeals from a lower authority. The filing of a petition does not stay enforcement of the decision or order of the commission.

SECTION 6. Section 97-33-69, Mississippi Code of 1972, is amended as follows:

97-33-69. (1) Except as otherwise provided in subsection (3) of this section, no person shall hold, operate, conduct or assist in holding, operating or conducting, any bingo game under

any license issued pursuant to Sections 97-33-51 through 97-33-81, except designated supervisors or alternate supervisors designated as provided for in Section 97-33-67(3).

(2) Except as otherwise provided in subsection (3) of this section and as may be otherwise provided pursuant to subsection (11) of this section, no commission, salary, compensation, reward or recompense, including but not limited to granting or use of bingo cards without charge or at a reduced charge, shall be paid or given directly or indirectly to the bingo supervisor or alternate supervisor or any person related to such supervisor or alternate supervisor by blood, marriage or business relationship, for the holding, operating or conducting any licensed game or games of chance.

(3) Except as may be otherwise provided pursuant to subsection (11) of this section, any licensee may pay as compensation for all persons involved in the holding, operating or conducting of any licensed game or games of chance, an amount not to exceed Four Hundred Dollars (\$400.00) per session. No additional compensation may be paid for extended periods of play for pull-tabs, video pull-tabs or video bingo games allowed under Section 97-33-67(1)(a). Persons who may be compensated from the Four Hundred Dollars (\$400.00) per session amount may include the bingo supervisor or alternate supervisor, callers, runners and cashiers. Neither the bingo supervisor nor any alternate supervisor, or any person related to such supervisor by blood, marriage or business relationship, while being compensated as the bingo supervisor, shall receive any other compensation, directly or indirectly, from the licensee. No employee receiving compensation for the holding, operating or conducting or assisting in the holding, operating or conducting of a bingo game shall receive compensation for more than one (1) job function.

(4) (a) Any corporation, person or entity operating bingo games, under contract, for the benefit of organizations as

prescribed in subsection (3) of this section shall be restricted to operating such games for a limit of one (1) such organization authorized to pay employees up to a maximum of Four Hundred Dollars (\$400.00) per session. Such corporation, person or entity shall only be authorized to conduct such sessions at one (1) 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.

(5) Except as may be otherwise provided pursuant to subsection (11) of this section, no manufacturer, operator, distributor, * * * or his agents or employees, who directly or indirectly leases premises, sells, leases, otherwise distributes gaming supplies or equipment, or furnishes any commodities or services, in relation to the conducting of any bingo game pursuant to Sections 97-33-51 through 97-33-201 shall take part in the holding, operation or conducting of a bingo game. However, nothing in this section shall prohibit the owner of a premises from having a representative present to protect his interests in the premises.

(6) Except as may be otherwise provided pursuant to subsection (11) 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 (11) 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; * * *

(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; and

(c) Any other expense the commission determines by regulation to be a legitimate expense.

(8) The total expenses incurred by a licensee's bingo operation during any six-month period shall not exceed sixty percent (60%) of the adjusted gross receipts of such bingo operation for that period. The failure of a charitable bingo licensee to comply with the provisions of this subsection (8) shall be grounds for revocation of a charitable bingo license.

(9) Except as may be otherwise provided pursuant to subsection (11) 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.

(10) Except as may be otherwise provided pursuant to subsection (11) of this section, no lease providing for a rental arrangement for premises or equipment shall provide for payment in excess of the reasonable local market rental rate for such premises or equipment, and in no case shall any payment be based on a percentage of gross receipts or profits derived from a bingo game. Every lease providing for a rental agreement for premises or equipment shall be entered into as an arms length transaction. Whether a local market rental rate is reasonable shall be

determined by the commission.

(11) 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.

SECTION 7. Section 97-33-81, Mississippi Code of 1972, is amended as follows:

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.

(2) No officer, director or manager of an organization which 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;

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

(c) Serve as an officer, director, shareholder, proprietor or employee of a commercial lessor who leases buildings, structures or premises to organizations licensed under the provisions of Sections 97-33-51 through 97-33-201.

(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 chance.

(4) No entity or person described in subsections (1), (2) or (3) of this section shall lease, rent or otherwise furnish any premises to a licensed bingo organization for the conducting or playing of bingo games.

SECTION 8. Section 97-33-107, Mississippi Code of 1972, is amended as follows:

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

(a) To issue and renew annual state licenses required by law for organizations conducting bingo games and for manufacturers, distributors or operators of supplies or equipment for such games * * *;

(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;

(c) To assess and collect fees equal to one percent (1%) of the gross proceeds of each bingo session conducted by a Class "A" charitable organization and equal to one-half (1/2) of one percent (1%) of the gross proceeds of each bingo session conducted by a Class "B" or a Class "C" charitable organization; provided, however, that the fees assessed and collected under this subsection (c) shall not apply to pull-tabs as described in subsection (b) above * * *; and provided, that the fees shall not be collected in any bingo session held by a religious organization which has been in existence for ten (10) years or longer, held on the premises owned by the religious organization, and held without any person being compensated for operating the game, and until the gross proceeds of bingo games conducted by such organization exceed Fifty Thousand Dollars (\$50,000.00) during the calendar year;

(d) To deny applications for licensure or license

renewal and to issue orders for suspension or revocation of
licenses issued pursuant to Sections 97-33-51 through 97-33-201;

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

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

(i) To adopt rules and regulations to provide for the
sale or transfer of surplus supplies or equipment from one
licensed organization to another and such other rules and
regulations as are necessary to carry out the purposes and
functions of Sections 97-33-51 through 97-33-201; and

* * *

(j) 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 and record-keeping 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).

SECTION 9. Section 97-33-109, Mississippi Code of 1972, is amended as follows:

97-33-109. (1) The commission shall monitor the conduct or 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.

(2) In carrying out its enforcement responsibilities, the 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;

(b) Inspect all such supplies and equipment in, upon or 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;

(d) Seize, without warrant, any supplies and equipment used for the holding or conducting of bingo games which the commission has probable cause to believe are used, or intended for use, in violation of law or regulation.

(e) Demand access to and audit and inspect books and records of licensees for the purpose of determining compliance

with laws and regulations relative to charitable bingo games;

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

(g) Mandate that internal controls be executed in

accordance with the provisions of the Charitable Bingo Law and other applicable laws and regulations.

(3) The commission shall require licensees to maintain 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.

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

(6) The Attorney General shall be the attorney for the commission in regard to its duties to regulate the Charitable Bingo Law and he shall represent it in all legal proceedings and shall prosecute any civil action for a violation of the provisions of Sections 97-33-51 through 97-33-201 or the rules and regulations of the commission.

(7) It is the duty of the sheriffs, deputy sheriffs and police officers of this state to assist the commission in the enforcement of the provisions of Sections 97-33-51 through 97-33-201 and to arrest and complain against any person violating the provisions of Sections 97-33-51 through 97-33-201. It is the duty of the district attorneys of this state to prosecute all violations of the provisions of Sections 97-33-51 through 97-33-201 if requested to do so by the commission.

(8) (a) Whenever any person who is a resident of the State of Mississippi has reason to believe that a person or organization is or has violated the provisions of Sections 97-33-51 through

583 97-33-201 and that proceedings would be in the public interest, he
584 may bring an action in the name of the state against such person
585 to restrain by temporary or permanent injunction such violation,
586 upon at least five (5) days' summons before the hearing of the
587 action. The action shall be brought in the chancery or county
588 court of the county in which such violation has occurred or, with
589 consent of the parties, may be brought in the chancery or county
590 court of the county in which the State Capitol is located. The
591 said courts are authorized to issue temporary or permanent
592 injunctions to restrain and prevent violations of Sections
593 97-33-51 through 97-33-201, and such injunctions shall be issued
594 without bond.

595 (b) Any person who violates the terms of an injunction
596 issued under this subsection shall forfeit and pay to the state a
597 civil penalty of not more than Five Thousand Dollars (\$5,000.00)
598 per violation which shall be payable to the General Fund of the
599 State of Mississippi. For the purposes of this subsection, the
600 chancery or county court issuing an injunction shall retain
601 jurisdiction, and the cause shall be continued, and in such cases
602 the person bringing the action may petition for recovery of civil
603 penalties.

604 (c) In any action brought under this subsection, if the
605 court finds that a person is willfully violating the provisions of
606 Sections 97-33-51 through 97-33-201, the person bringing the
607 action, upon petition to the court, may recover on behalf of the
608 state a civil penalty of not exceeding Five Hundred Dollars
609 (\$500.00) per violation which shall be payable to the General Fund
610 of the State of Mississippi.

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

615 (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 97-33-201.

SECTION 10. Section 97-33-203, Mississippi Code of 1972, which requires persons leasing premises for the conducting of charitable bingo to obtain a commercial lessor's license for each premises leased, and provides rental rates and other charges that commercial lessors may charge and the length and frequency of such rentals, is repealed.

SECTION 11. Section 97-33-50, Mississippi Code of 1972, is amended as follows:

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

SECTION 12. Section 97-33-59, Mississippi Code of 1972, is amended as follows:

97-33-59. (1) The commission may issue a special license for the conducting of limited fund-raising bingo games for the benefit of a person, family or group of persons who, because of circumstances which cause a financial crisis of an emergency nature, are in need of immediate fund-raising relief. Bingo games conducted under this section shall consist of no more than two (2) bingo sessions annually by the same person, family or group of persons, at which the total amount of prizes which may be awarded 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 value. Except as otherwise provided in this section or as may be otherwise provided by Section 97-33-69(11) or 97-33-107(j), all other provisions of Sections 97-33-51 through 97-33-201 shall apply to the issuance of such special licenses.

(2) The commission shall not authorize any organization to conduct limited bingo games as described in subsection (1) as

provided herein unless that organization has first obtained a special charitable limited license from the commission.

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

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

SECTION 13. Section 97-33-65, Mississippi Code of 1972, is amended as follows:

97-33-65. The commission shall control all bingo games held, operated or conducted by a licensee to assure that they are fairly held, operated and conducted in accordance with the provisions of the license, the commission's rules and regulations, and the provisions of Sections 97-33-51 through 97-33-201. The commission may suspend or revoke any license for violation of any such rule and regulation or provision. Its officers and agents may enter and inspect any premises where any bingo game is being held, operated and conducted or is intended to be held, operated and conducted, or where any equipment is being used or intended to be used in the conduct thereof.

SECTION 14. Section 97-33-67, Mississippi Code of 1972, is amended as follows:

97-33-67. (1) (a) No licensee shall hold, operate or 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) week. Any licensee who holds no more than one (1) session per week shall be entitled to conduct one (1) six-hour session per week. Notwithstanding the provisions of this paragraph, pull-tabs, video pull-tabs or video bingo games may be played for 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.

(3) Each licensee shall designate a supervisor and a sufficient number of alternate supervisors to be in charge of and primarily responsible for each session of a bingo game. Such individual shall be familiar with the provisions of Sections 97-33-51 through 97-33-201 and the rules and regulations of the commission. Such individual, or alternate who shall be designated as the bingo supervisor, shall supervise all activities of such session and be responsible for the conduct of all games of such session. The supervisor shall be present at all times on the premises during the session.

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

(5) No licensee shall allow any person under eighteen (18)

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

SECTION 15. Section 97-33-71, Mississippi Code of 1972, is amended as follows:

97-33-71. (1) Except as may be otherwise provided pursuant to Section 97-33-107(j), 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 each item 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;

(e) A list of prizes offered or given, with the 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 each such report.

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

SECTION 16. Section 97-33-73, Mississippi Code of 1972, is amended as follows:

97-33-73. (1) The Mississippi Gaming Commission shall have power to examine or to cause to be examined the books and records of any organization to which such license is issued so far as they may relate to any transactions connected with the holding and conducting of bingo and to examine any manager, officer, director, agent, member or employee thereof under oath in relation to the conduct of any such game, but any information so received shall not be disclosed except so far as may be necessary for the purpose of carrying out the provisions of Sections 97-33-51 through 97-33-201.

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

SECTION 17. Section 97-33-75, Mississippi Code of 1972, is amended as follows:

97-33-75. (1) Any person, association or corporation violating any provision of Sections 97-33-51 through 97-33-201 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.

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

(a) Making any false statement in any application for a license under Sections 97-33-51 through 97-33-201, or in any official report to the commission;

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

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

(d) Refusing to allow the commission access to any premises where a game of chance is being conducted or to any book, 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 97-33-201;

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

(3) Any person who violates any other provision of Sections 97-33-51 through 97-33-201 that is not listed in this section may be imprisoned for not more than six (6) months or fined not more than Five Hundred Dollars (\$500.00), or both.

(4) Any conviction of any person pursuant to subsections (2) and (3) of this section shall constitute cause for revocation of the license of such person or the organization with which such person is affiliated.

SECTION 18. Section 97-33-79, Mississippi Code of 1972, is amended as follows:

97-33-79. (1) No person or other entity shall fabricate, concoct or manufacture any supplies or equipment for use in the conducting of any bingo game authorized under Sections 97-33-51 through 97-33-201, including but not limited to bingo equipment, pull-tabs, or electronic representations, within this state or for use within this state without having obtained a manufacturer's

814 license from the commission.

815 (2) No person or other entity shall sell, offer for sale, or
816 otherwise furnish any other person any supplies or equipment of
817 use in the conduct of any bingo game authorized under Sections
818 97-33-51 through 97-33-201, including but not limited to bingo
819 equipment and pull-tabs without having obtained a distributor's or
820 operator's license from the commission.

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

827 (4) No manufacturer, distributor or operator of gaming
828 supplies or equipment shall directly or indirectly give gifts,
829 trips, prizes, premiums or other such gratuities to any charitable
830 gaming organization, or its employees * * *.

831 (5) Each manufacturer, distributor or operator of gaming
832 supplies or equipment shall maintain records and submit reports as
833 required by rules of the commission. The rules may require
834 maintenance of purchase and sale invoices of all gaming supplies
835 and equipment manufactured or distributed, whether by sale, lease,
836 rental, loan or donation, to any charitable gaming organization.

837 SECTION 19. Section 97-33-101, Mississippi Code of 1972, is
838 amended as follows:

839 97-33-101. All fees and fines collected by the commission
840 pursuant to Sections 97-33-51 through 97-33-201 shall be deposited
841 into a special fund to be known as the "Charitable Bingo Fund,"
842 which is hereby created in the State Treasury. The monies in such
843 fund shall be used exclusively to support the activities of the
844 commission related to the regulation of the Charitable Bingo Law,
845 upon appropriation by the Legislature. Unexpended amounts
846 remaining in the fund at the end of a fiscal year shall not lapse

847 into the State General Fund, and any interest earned on amounts in
848 such special fund shall be deposited to the credit of the special
849 fund.

850 SECTION 20. Section 97-33-201, Mississippi Code of 1972, is
851 amended as follows:

852 97-33-201. (1) (a) Any organization or person seeking
853 licensure as a manufacturer, distributor or operator of bingo
854 gaming supplies or equipment, * * * shall submit an application to
855 the commission on forms provided for such purposes. Such
856 application shall contain such information as may be reasonably
857 required by rules of the commission. The application shall be
858 accompanied by a fee as established by the commission. * * *

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

863 (2) The commission shall not issue a license under this
864 section to:

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

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

870 (c) Any person who is or has ever been a professional
871 gambler;

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

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

880 (3) The commission may deny an application for licensure,
881 refuse to renew a license, or suspend or revoke a license for any
882 reason consistent with the purposes of this section which it deems
883 to be in the interest of the public. However, policies regarding
884 such denial, suspension, revocation or refusal to renew shall be
885 established by rule and regulation.

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

893 SECTION 21. This act shall take effect and be in force from
894 and after July 1, 1999.