

By: Representatives Reeves, Guice, Bourdeaux To: Ways and Means

## HOUSE BILL NO. 997

1 AN ACT TO AMEND SECTION 97-33-107, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE MISSISSIPPI GAMING COMMISSION TO ASSESS FEES ON  
3 THE NET PROCEEDS OF ELECTRONIC BINGO MACHINES AND ELECTRONIC  
4 PULL-TAB MACHINES; TO AMEND SECTIONS 97-33-201 AND 97-33-203,  
5 MISSISSIPPI CODE OF 1972, TO REMOVE THE REQUIREMENT THAT A  
6 COMMERCIAL LESSOR OBTAIN A LICENSE FROM THE GAMING COMMISSION; TO  
7 AUTHORIZE THE GAMING COMMISSION TO DETERMINE WHAT IS A REASONABLE  
8 MARKET RENTAL RATE FOR PURPOSES OF DETERMINING WHETHER THE PAYMENT  
9 REQUIRED IN A LEASE OF PREMISES BY A COMMERCIAL LESSOR TO A  
10 CHARITABLE ORGANIZATION IS EXCESSIVE; AND FOR RELATED PURPOSES.

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

12 SECTION 1. Section 97-33-107, Mississippi Code of 1972, is  
13 amended as follows:

14 97-33-107. In connection with its regulation of charitable  
15 bingo games, the commission shall have the following functions,  
16 duties and responsibilities:

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

21 (b) To assess and collect fees not to exceed five  
22 percent (5%) of the net proceeds of pull-tabs, electronic bingo  
23 machines and electronic pull-tab machines, which fees shall be  
24 limited to the amounts necessary to administer the Charitable  
25 Bingo Law;

26 (c) To assess and collect fees equal to one percent  
27 (1%) of the gross proceeds of each bingo session conducted by a  
28 Class "A" charitable organization and equal to one-half (1/2) of  
29 one percent (1%) of the gross proceeds of each bingo session  
30 conducted by a Class "B" or a Class "C" charitable organization;

31 provided, however, that the fees assessed and collected under this  
32 subsection (c) shall not apply to pull-tabs, \* \* \* electronic  
33 bingo machines or \* \* \* electronic pull-tab machines as described  
34 in subsection (b) above; and provided, that the fees shall not be  
35 collected in any bingo session held by a religious organization  
36 which has been in existence for ten (10) years or longer, held on  
37 the premises owned by the religious organization, and held without  
38 any person being compensated for operating the game, and until the  
39 gross proceeds of bingo games conducted by such organization  
40 exceed Fifty Thousand Dollars (\$50,000.00) during the calendar  
41 year;

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

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

49 (f) To enforce all provisions of law and regulations  
50 relative to charitable bingo games and to assist local law  
51 enforcement agencies in these enforcement responsibilities and  
52 bingo enforcement agents shall have the powers of a peace officer;

53 (g) To establish and assess penalties for violations of  
54 regulations relative to charitable bingo games;

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

58 (i) To adopt rules and regulations to provide for the  
59 sale or transfer of surplus supplies or equipment from one  
60 licensed organization to another and such other rules and  
61 regulations as are necessary to carry out the purposes and  
62 functions of Sections 97-33-51 through 97-33-203, including the  
63 adoption of rules and regulations pursuant to Section 97-33-69(10)  
64 which may provide for differing requirements, with regard to the  
65 number of participants, sessions, amount of prizes offered,  
66 proceeds received or other factors which affect the regulatory and  
67 administrative burdens on organizations operating charitable bingo

68 games, for a certain class of organizations, provided that such  
69 rules and regulations shall be no more restrictive than the  
70 provisions of law that govern such factors;

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

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

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

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

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

97 SECTION 2. Section 97-33-201, Mississippi Code of 1972, is  
98 amended as follows:

99 97-33-201. (1) (a) Any organization or person seeking  
100 licensure as a manufacturer, distributor or operator of bingo

101 gaming supplies or equipment, \* \* \* shall submit an application to  
102 the commission on forms provided for such purposes. Such  
103 application shall contain such information as may be reasonably  
104 required by rules of the commission. The application shall be  
105 accompanied by a fee as established by the commission. \* \* \*

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

110 (2) The commission shall not issue a license under this  
111 section to:

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

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

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

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

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

127 (3) The commission may deny an application for licensure,  
128 refuse to renew a license, or suspend or revoke a license for any  
129 reason consistent with the purposes of Sections 97-33-201 and  
130 97-33-203 which it deems to be in the interest of the public.  
131 However, policies regarding such denial, suspension, revocation or  
132 refusal to renew shall be established by rule and regulation.

133 (4) Any significant change in the information submitted on

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

140 SECTION 3. Section 97-33-203, Mississippi Code of 1972, is  
141 amended as follows:

142 97-33-203. \* \* \* (1) No lease of any premises by a  
143 commercial lessor to any charitable organization for a charitable  
144 bingo game shall provide for payment in excess of the reasonable  
145 market rental rate for such premises \* \* \*. The commission shall  
146 determine whether a market rental rate for such premises is  
147 reasonable. No lease shall provide for rental for less than a  
148 five-hour session. No more than two (2) sessions shall be  
149 conducted within one (1) day and more often than eight (8)  
150 sessions in any one (1) week on the premises of a commercial  
151 lessor. Any licensee who holds no more than one (1) session per  
152 week shall be entitled to conduct one (1) six-hour session per  
153 week.

154 (2) No commercial lessor shall require the payment of any  
155 other cost or fee from an organization licensed to hold, operate  
156 or conduct bingo games other than the rental amount provided for  
157 by the rental agreement or contract or charge admission fees to  
158 persons entering the premises to participate in the games.

159 (3) No commercial lessor leasing premises for authorized  
160 charitable bingo game activities shall enter into any agreement

161 with a distributor of gaming supplies for the use, purchase,  
162 promotion or sale of supplies to be used in such bingo games.

163 SECTION 4. This act shall take effect and be in force from  
164 and after July 1, 1999.