

By: Representative Bowles (By Request)

To: Ways and Means

## HOUSE BILL NO. 1194

1 AN ACT TO AMEND SECTION 97-33-53, MISSISSIPPI CODE OF 1972,  
2 TO REQUIRE THAT A BINGO LICENSEE BE TAX EXEMPT UNDER SECTION  
3 501(C) OR (D) OF THE INTERNAL REVENUE CODE FOR AT LEAST THREE  
4 YEARS BEFORE RECEIVING A LICENSE TO OPERATE BINGO GAMES IN  
5 MISSISSIPPI; TO AMEND SECTION 97-33-57, MISSISSIPPI CODE OF 1972,  
6 TO AUTHORIZE THE MISSISSIPPI GAMING COMMISSION TO REQUIRE AN  
7 APPLICANT FOR A BINGO LICENSE TO SUBMIT PLANS FOR THE OPERATION OF  
8 BINGO HALLS SHOWING THE SUPPORT THE APPLICANT INTENDS TO PROVIDE  
9 TO CHARITIES; TO AUTHORIZE THE GAMING COMMISSION TO AUDIT THE  
10 TRANSFER OF GROSS OR NET PROCEEDS FROM A BINGO LICENSEE TO ANY  
11 OTHER ENTITY THAT HAS ONE OR MORE OFFICERS COMMON TO THE BINGO  
12 LICENSEE; TO AUTHORIZE THE GAMING COMMISSION TO AUDIT THE  
13 DISPOSITION OF ANY FUNDS EXPENDED BY A BINGO LICENSEE IN SUPPORT  
14 OF CHARITY AND TO DETERMINE HOW THE RECIPIENT OF SUCH FUNDS USED  
15 THEM; TO AUTHORIZE THE GAMING COMMISSION TO PROMULGATE RULES AND  
16 REGULATIONS REGARDING THE LEVEL OF SUPPORT A BINGO LICENSEE MUST  
17 PROVIDE TO CHARITY, AND TO DENY, SUSPEND OR REVOKE THE LICENSE OF  
18 ANY LICENSEE OR THE APPLICATION OF ANY APPLICANT FOR FAILURE TO  
19 COMPLY WITH SUCH RULES AND REGULATIONS; TO AMEND SECTION  
20 97-33-203, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE GAMING  
21 COMMISSION TO PROMULGATE RULES REGARDING APPRAISAL PRACTICES THAT  
22 APPRAISERS MAY NOT USE IN CONDUCTING APPRAISALS OF PROPERTY THAT A  
23 COMMERCIAL LESSOR INTENDS TO LEASE TO A BINGO LICENSEE; TO  
24 AUTHORIZE THE GAMING COMMISSION TO REJECT AN APPRAISAL MADE BY AN  
25 APPRAISER USING IMPERMISSIBLE APPRAISAL PRACTICES AND TO SELECT A  
26 SUBSTITUTE APPRAISER FOR SUCH APPRAISAL AND TO CHARGE THE COST OF  
27 THE SUBSTITUTE APPRAISAL TO THE COMMERCIAL LESSOR; TO AUTHORIZE  
28 THE COMMISSION TO REMOVE AN APPRAISER USING IMPERMISSIBLE  
29 APPRAISAL PRACTICES FROM ITS LIST OF STATE-CERTIFIED APPRAISERS;  
30 AND FOR RELATED PURPOSES.

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

32 SECTION 1. Section 97-33-53, Mississippi Code of 1972, is  
33 amended as follows:

34 97-33-53. As used in Sections 97-33-51 through 97-33-203,  
35 the following words and phrases shall have the meanings ascribed  
36 herein unless the context clearly indicates otherwise:

37 (a) "Bingo" means a game of chance in which a right to  
38 participate is sold to a player and prizes are awarded, that is:

39 (i) Played with a card, sheet, or an electronic  
40 representation thereof, bearing numbers or symbols;

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

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

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

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

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

69                   (b) "Charitable organization" means:

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

74 by the United States Internal Revenue Service, and which has held  
75 such tax exempt status for three (3) years, and is:

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

81 2. Any nonprofit civic, educational, wildlife  
82 conservation organization or religious organization domiciled in  
83 this state.

84 \* \* \*

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

90 (c) "Commission" means the Mississippi Gaming  
91 Commission.

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

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

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

105 (g) "Operator" means a person or other entity who  
106 supplies the charity an electronic facsimile pull-tab device or

107 labor saving device as described in Section 97-33-53. This person  
108 or entity may not be engaged in any other form of bingo operations  
109 such as a distributor, manufacturer, charity or commercial lessor.

110 (h) "Pull-tabs" means single or banded tickets or cards  
111 each with its face covered to conceal one or more numbers or  
112 symbols, where one or more cards or tickets in each set have been  
113 designed in advance as winners. "Pull-tabs" shall also mean any  
114 device for dispensing pull-tabs.

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

117 (j) "Day" means the whole or any part of the time  
118 period of twenty-four (24) hours from midnight to midnight.

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

121 SECTION 2. Section 97-33-57, Mississippi Code of 1972, is  
122 amended as follows:

123 97-33-57. (1) The commission shall investigate the  
124 qualifications of each applicant and the merits of the  
125 application, with due expedition after the filing of the  
126 application, and shall make the following determinations:

127 (a) That the applicant is duly qualified to hold,  
128 operate and conduct bingo games under the provisions of Sections  
129 97-33-51 through 97-33-203 and the rules and regulations of the  
130 commission governing same.

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

137 (c) That bingo games are to be held, operated and  
138 conducted in accordance with the provisions of Sections 97-33-51  
139 through 97-33-203 and in accordance with the rules and regulations

140 of the commission governing same, and that the proceeds thereof  
141 are to be disposed of as provided by Sections 97-33-51 through  
142 97-33-203.

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

149 (3) No license for holding, operating or conducting bingo  
150 games that is issued under Sections 97-33-51 through 97-33-203  
151 shall be effective for more than two (2) calendar years, except as  
152 otherwise provided in subsection (7) of this section.

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

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

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

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

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

165 (e) The commission may deny an application for  
166 licensure, refuse to renew a license, or suspend or revoke a  
167 license for any reason consistent with the purposes of Sections  
168 97-33-51 through 97-33-203 which it deems to be in the interest of  
169 the public. However, policies regarding such denial, suspension,  
170 revocation or refusal to renew shall be established by rule and  
171 regulation. If the commission fails to act upon the license  
172 application within sixty (60) days of the date of filing of the

173 application by the charitable organization, such application shall  
174 be deemed accepted.

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

182 (6) In addition to any other powers and duties granted under  
183 Sections 97-33-51 through 97-33-203, the commission shall have the  
184 following powers regarding bingo licensees and license applicants:

185 (a) To require as a precondition to licensure that an  
186 applicant submit plans to the commission showing the support the  
187 applicant intends to provide to charities, and the other expenses  
188 it expects to incur with respect to the operation of bingo games  
189 and the operation of programs for charitable support.

190 (b) To audit the flow of funds, whether gross proceeds  
191 or net proceeds, from any bingo licensee to any other entity that  
192 has one or more officers common to the bingo licensee.

193 (c) To audit funds that are expended by a bingo  
194 licensee in support of charity in order to determine the identity  
195 of a recipient entity and the uses for which the recipient entity  
196 expends such funds.

197 (d) To promulgate rules and regulations regarding the  
198 level of support a bingo licensee must provide to charity.

199 (e) To deny, suspend or revoke the license of any  
200 licensee or the application of any applicant if such licensee or  
201 applicant fails to comply with the provisions of this subsection  
202 (6) or any rules promulgated under this subsection (6), or fails  
203 to make material progress annually in meeting the requirements of  
204 the bingo plans provided for in paragraph (a) of this subsection  
205 (6).

206           (f) The commission shall have the power to promulgate  
207 rules and regulations necessary to carry out the provisions of  
208 this subsection (6).

209           (7) In order to reduce the number of licenses that expire  
210 during the same month of a year, the commission may implement a  
211 plan to stagger the expiration dates of licenses whereby a  
212 licensee may receive not more than three (3) additional months on  
213 the duration of a license. If the commission implements such a  
214 plan, it shall develop a random method of determining which  
215 licensees will receive additional time on the duration of their  
216 licenses. No licensee may receive additional time on the duration  
217 of its license more than once during the time for which the  
218 licensee is licensed.

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

221           97-33-203. (1) Any person leasing any premises for the  
222 conducting of charitable gaming activities shall obtain a  
223 commercial lessor's license for each premises to be licensed. A  
224 commercial lessor's license shall authorize a person to lease  
225 specific premises to licensees for the conducting of charitable  
226 gaming activities. The commission, upon application and  
227 compliance with other provisions for licensure contained in  
228 Section 97-33-201 shall issue a commercial lessor's license to  
229 qualified persons.

230           (2) No lease of any premises by a commercial lessor to any  
231 charitable organization for a charitable bingo game shall provide  
232 for payment in excess of the reasonable market rental rate for  
233 such premises as determined by the average of two (2) independent  
234 appraisals for the premises. Such appraisals shall be conducted  
235 by appraisers selected by the applicant for a commercial lessor's  
236 license from a list of state-certified appraisers compiled and  
237 maintained by the commission. The appraisals shall be submitted  
238 by the commercial lessor as a part of the application for a

239 commercial lessor's license. The commission may require that a  
240 third independent appraisal be conducted by a state-certified  
241 appraiser, selected by the applicant from the list, regarding any  
242 such property, which, subject to the provisions of subsection (5)  
243 of this section, shall be used in arriving at the average  
244 reasonable market rate. The commercial lessor shall pay the cost  
245 of such third appraisal. No lease shall provide for rental for  
246 less than a five-hour session. No more than two (2) sessions  
247 shall be conducted within one (1) day and more often than eight  
248 (8) sessions in any one (1) week on the premises of a commercial  
249 lessor. Any licensee who holds no more than one (1) session per  
250 week shall be entitled to conduct one (1) six-hour session per  
251 week.

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

257 (4) No commercial lessor leasing premises for authorized  
258 charitable bingo game activities shall enter into any agreement  
259 with a distributor of gaming supplies for the use, purchase,  
260 promotion or sale of supplies to be used in such bingo games.

261 (5) The commission shall have the authority to promulgate  
262 rules defining appraisal practices that appraisers may not use in  
263 conducting appraisals of property that a commercial lessor intends  
264 to lease to a bingo licensee. If an appraiser fails to comply  
265 with such rules, the commission may remove the appraiser from its  
266 list of state-certified appraisers. If a commercial lessor uses  
267 an appraiser to appraise property that the commercial lessor  
268 intends to lease to a bingo licensee and the appraiser uses  
269 impermissible methods in performing the appraisal, the commission  
270 may reject the appraisal, and it may select the appraiser which  
271 the commercial lessor will use to provide a substitute appraisal



272 and the commercial lessor shall pay the cost of the substitute  
273 appraisal.

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