MISSISSIPPI LEGISLATURE

By: Dedeaux

To: Ways and Means

HOUSE BILL NO. 607

AN ACT TO AMEND SECTIONS 97-33-52, 97-33-55, 97-33-65, 1 2 97-33-67, 97-33-69, 97-33-71, 97-33-73, 97-33-75, 97-33-77, 3 97-33-79, 97-33-81, 97-33-107, 97-33-109 AND 97-33-201, 4 MISSISSIPPI CODE OF 1972, TO EXEMPT VETERANS CHARITABLE 5 ORGANIZATIONS FROM THE STATE CHARITABLE BINGO LAW IF SUCH ORGANIZATIONS HAVE INTERNAL RULES, REGULATIONS OR GUIDELINES FOR 6 CONDUCTING BINGO GAMES; TO AMEND SECTION 97-33-51, MISSISSIPPI 7 8 CODE OF 1972, IN CONFORMITY THERETO; TO BRING FORWARD FOR PURPOSES 9 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, 10 11 MISSISSIPPI CODE OF 1972, WHICH ARE PORTIONS OF THE STATE CHARITABLE BINGO LAW; AND FOR RELATED PURPOSES. 12 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: SECTION 1. Section 97-33-52, Mississippi Code of 1972, is 14 amended as follows: 15 16 97-33-52. (1) A bingo game may be conducted only: (a) When held for the benefit of a charitable 17 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

(b) When the game is held by active members of suchorganization.

(2) Except as may be otherwise provided in Sections 97-33-51
through 97-33-203, all net proceeds derived from a bingo game
authorized by this section shall be expended only for the purposes
for which the organization is created, and no net proceeds derived

27 from a bingo game authorized by this section shall be distributed 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 31 held under this section shall be used to purchase, construct or 32 improve a building, hall or other facility solely for the purpose 33 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.

40 (5) This section shall not apply to a charitable

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;

57

(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 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 are to be held, operated and conducted. The application shall 78 79 include a statement executed by the applicant and by the member or 80 members so designated, that he or they will be responsible for the 81 holding, operation and conduct of the bingo games in accordance 82 with the terms of the license and the provisions of the 83 commission's rules and regulations governing bingo games and of Sections 97-33-51 through 97-33-203, if such license is granted. 84 85 (4) An original application shall be accompanied by a fee of

86 Fifty Dollars (\$50.00). Such application fee shall be refunded by 87 the commission to an organization deemed to be an exempt

88 organization pursuant to Section 97-33-107.

89 (5) This section shall not apply to a charitable

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

91 internal rules, regulations or guidelines for conducting bingo

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 held, operated and conducted in accordance with the provisions of 98 99 the license, the commission's rules and regulations, and the 100 provisions of Sections 97-33-51 through 97-33-203. The commission may suspend or revoke any license for violation of any such rule 101 and regulation or provision. Its officers and agents may enter 102 103 and inspect any premises where any bingo game is being held, operated and conducted or is intended to be held, operated and 104 105 conducted, or where any equipment is being used or intended to be 106 used in the conduct thereof. This section shall not apply to a 107 charitable organization described in Section 97-33-53(b)(i)1. that 108 has internal rules, regulations or guidelines for conducting bingo 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 115 one (1) day and more often than eight (8) sessions in any one (1) 116 week. Any licensee who holds no more than one (1) session per 117 week shall be entitled to conduct one (1) six-hour session per 118 week. Notwithstanding the provisions of this paragraph, 119 pull-tabs, video pull-tabs or video bingo games may be played for 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.

128 The total amount of prizes which may be awarded in any (2) one (1) session by a licensee shall not exceed Seven Thousand Five 129 130 Hundred Dollars (\$7,500.00) in cash or other thing or things of 131 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 132 133 (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 134 135 Thousand Five Hundred Dollars (\$7,500.00) and the Eight Thousand 136 Dollars (\$8,000.00) limits do not include payback of pull-tabs or 137 electronic representations. The commission shall establish by 138 rule the method of calculating the value of anything offered as a 139 prize.

140 (3) Each licensee shall designate a supervisor and a141 sufficient number of alternate supervisors to be in charge of and

primarily responsible for each session of a bingo game. 142 Such 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 145 commission. Such individual, or alternate who shall be designated 146 as the bingo supervisor, shall supervise all activities of such 147 session and be responsible for the conduct of all games of such 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) 156 years of age to assist in the holding, operation or conduct of any bingo game. No licensee shall allow any person under eighteen 157 158 (18) years of age to play a bingo game unless accompanied by his 159 or her parent or legal guardian, except that a licensee may 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.

163 (6) This section shall not apply to a charitable

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

165 internal rules, regulations or guidelines for conducting bingo

166 games, and such an organization shall not be subject to regulation

167 by the commission.

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

170 97-33-69. (1) Except as otherwise provided in subsection 171 (3) of this section, no person shall hold, operate, conduct or 172 assist in holding, operating or conducting, any bingo game under 173 any license issued pursuant to Sections 97-33-51 through 97-33-81, 174 except designated supervisors or alternate supervisors designated 175 as provided for in Section 97-33-67(3).

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

186 (3) Except as may be otherwise provided pursuant to 187 subsection (10) of this section, any licensee may pay as 188 compensation for all persons involved in the holding, operating or 189 conducting of any licensed game or games of chance, an amount not 190 to exceed Four Hundred Dollars (\$400.00) per session. Persons who 191 may be compensated from the Four Hundred Dollars (\$400.00) per 192 session amount may include the bingo supervisor or alternate 193 supervisor, callers, runners and cashiers. Neither the bingo 194 supervisor nor any alternate supervisor, or any person related to 195 such supervisor by blood, marriage or business relationship, while 196 being compensated as the bingo supervisor, shall receive any other 197 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.

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

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

226 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.

253 (9) Except as may be otherwise provided pursuant to

subsection (10) of this section, no lease providing for a rental arrangement for premises or equipment shall provide for payment in excess of the reasonable 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. Whether a market rental rate is reasonable shall be determined by the commission.

261 (10) Administrative exceptions to the provisions of this 262 section with regard to organizations which have demonstrated to 263 the Mississippi Gaming Commission a practice of legitimate 264 operation of such games, may be made by the Mississippi Gaming 265 Commission pursuant to its rules and regulations, as duly adopted 266 and promulgated by the commission; provided that such an 267 administrative exception shall be no more restrictive than the 268 provision of law to which it is an exception.

269 (11) This section shall not apply to a charitable
270 organization described in Section 97-33-53(b)(i)1. that has
271 internal rules, regulations or guidelines for conducting bingo
272 games, and such an organization shall not be subject to regulation
273 by the commission.

274 SECTION 6. Section 97-33-71, Mississippi Code of 1972, is 275 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:

281 (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;

(e) A list of prizes offered or given, with therespective values thereof;

296 (f) The number of participants in each game.

297 (2) Each licensee shall maintain and keep such books and 298 records as may be necessary to substantiate the particulars of 299 each such report.

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

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

309 by the commission.

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

312 97-33-73. (1) The Mississippi Gaming Commission shall have 313 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 314 315 may relate to any transactions connected with the holding and 316 conducting of bingo and to examine any manager, officer, director, 317 agent, member or employee thereof under oath in relation to the 318 conduct of any such game, but any information so received shall not be disclosed except so far as may be necessary for the purpose 319 320 of carrying out the provisions of Sections 97-33-51 through 97-33-203. 321

(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.

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

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

334 97-33-75. (1) Any person, association or corporation 335 violating any provision of Sections 97-33-51 through 97-33-203 or 336 any rule or regulation of the commission shall be subject to a 337 fine imposed by the commission and to suspension or revocation of

338 its license.

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

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

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

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

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

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

(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 97-33-203 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.

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

366 person is affiliated.

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

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

374 97-33-77. (1) No organization, distributor, manufacturer, 375 or any representative thereof, either with knowledge or in 376 circumstances whereunder he reasonably should have known, shall 377 possess, display, put out for play, sell or otherwise furnish to 378 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;

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

388 (c) Which does not conform in any respect to these389 requirements as to manufacturer, assembly or packaging.

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

393 (a) The manufacturer's label or trademark has been

394 registered with the Mississippi Gaming Commission.

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

398 (c) The pull-tab is of a type approved by the399 commission for use in Mississippi.

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

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

407 97-33-79. (1) No person or other entity shall fabricate, 408 concoct or manufacture any supplies or equipment for use in the 409 conducting of any bingo game authorized under Sections 97-33-51 410 through 97-33-203, including but not limited to bingo equipment, 411 pull-tabs, or electronic representations, within this state or for 412 use within this state without having obtained a manufacturer's 413 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.

420 (3) No person licensed as a manufacturer, distributor or421 operator shall sell or otherwise make available any such gaming

422 supplies or equipment to any individual unless he has first 423 determined that the individual is a licensed distributor or is 424 acting as an agent of an organization which has a valid license 425 issued by the commission.

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

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

436 (6) This section shall not apply to a charitable

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

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

439 games, and such an organization shall not be subject to regulation 440 by the commission.

441 SECTION 11. Section 97-33-81, Mississippi Code of 1972, is 442 amended as follows:

443 97-33-81. (1) No organization which conducts charitable 444 bingo games shall be a manufacturer, distributor or operator of 445 supplies or equipment for such games.

446 (2) No officer, director or manager of an organization which447 conducts charitable bingo games shall:

448 (a) Have a direct or indirect financial interest in any449 entity which manufactures or distributes supplies or equipment for

450 charitable bingo games;

451 (b) Serve as an officer, director, shareholder, 452 proprietor or employee of an entity which manufactures or 453 distributes supplies or equipment for charitable bingo games; or 454 (c) Serve as an officer, director, shareholder, 455 proprietor or employee of a commercial lessor who leases 456 buildings, structures or premises to organizations licensed under 457 the provisions of Sections 97-33-51 through 97-33-203. 458 (3) No entity which manufactures or distributes supplies or 459 equipment for charitable bingo games of chance; no officer, 460 director, shareholder, proprietor or employee of such entity; and 461 no person having a direct or indirect financial interest in such 462 an entity shall lease premises, directly or indirectly, to an 463 organization for purposes of conducting charitable bingo games of 464 chance. 465 (4) No entity or person described in subsections (1), (2) or 466 (3) of this section shall serve as a commercial lessor. (5) This section shall not apply to a charitable 467 468 organization described in Section 97-33-53(b)(i)1. that has 469 internal rules, regulations or guidelines for conducting bingo 470 games. 471 SECTION 12. Section 97-33-107, Mississippi Code of 1972, is 472 amended as follows: 473 97-33-107. In connection with its regulation of charitable 474 bingo games, the commission shall have the following functions, duties and responsibilities: 475 476 (a) To issue and renew annual state licenses required 477 by law for organizations conducting bingo games and for

478 manufacturers, distributors or operators of supplies or equipment 479 for such games;

(b) To assess and collect fees not to exceed two and
one-half percent (2-1/2%) of the net proceeds of pull-tabs,
electronic bingo machines and electronic pull-tab machines, which
fees shall be limited to the amounts necessary to administer the
Charitable Bingo Law;

485 (c) To assess and collect fees equal to one percent 486 (1%) of the gross proceeds of each bingo session conducted by a 487 Class "A" charitable organization and equal to one-half (1/2) of 488 one percent (1%) of the gross proceeds of each bingo session 489 conducted by a Class "B" or a Class "C" charitable organization; 490 provided, however, that the fees assessed and collected under this 491 subsection (c) shall not apply to pull-tabs, electronic bingo 492 machines or electronic pull-tab machines as described in subsection (b) above; and provided, that the fees shall not be 493 494 collected in any bingo session held by a religious organization 495 which has been in existence for ten (10) years or longer, held on 496 the premises owned by the religious organization, and held without 497 any person being compensated for operating the game, and until the 498 gross proceeds of bingo games conducted by such organization 499 exceed Fifty Thousand Dollars (\$50,000.00) during the calendar 500 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 97-33-203;
(e) To monitor licensees to ensure compliance with all
provisions of law and regulations relative to charitable bingo

506 games through routine scheduled and unscheduled inspections, 507 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;

512 (g) To establish and assess penalties for violations of513 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;

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

534 other factors which affect the regulatory and administrative 535 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;

547 (ii) Class "B" shall be composed of licensed 548 charitable organizations which conduct bingo games in which the 549 prizes awarded total an aggregate amount of not less than Two 550 Thousand Five Hundred Dollars (\$2,500.00) and not more than Five 551 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).

556 This section shall not apply to a charitable organization 557 described in Section 97-33-53(b)(i)1. that has internal rules, 558 regulations or guidelines for conducting bingo games.

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

561 97-33-109. (1) The commission shall monitor the conduct or

562 business of licensees, both on a routine scheduled and an 563 unscheduled basis, to the extent necessary to ensure compliance 564 with the provisions of charitable bingo game laws and regulations 565 of the state.

566 (2) In carrying out its enforcement responsibilities, the 567 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;

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

573 (c) Seize and remove from such premises and impound 574 such supplies and equipment for the purpose of examination and 575 inspection pursuant to an appropriate court order;

(d) 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;

(e) Conduct in-depth audits and investigations; and
(f) Mandate that internal controls be executed in
accordance with the provisions of the Charitable Bingo Law and
other applicable laws and regulations.

583 (3) The commission shall require licensees to maintain584 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.

590 (5) All departments, commissions, boards, agencies, officers 591 and institutions of the state, and all subdivisions thereof, shall 592 cooperate with the commission in carrying out its enforcement 593 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 97-33-203 or the rules and regulations of the commission.

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

608 (8) (a) Whenever any person who is a resident of the State 609 of Mississippi has reason to believe that a person or organization 610 is or has violated the provisions of Sections 97-33-51 through 611 97-33-203 and that proceedings would be in the public interest, he 612 may bring an action in the name of the state against such person 613 to restrain by temporary or permanent injunction such violation, 614 upon at least five (5) days' summons before the hearing of the 615 action. The action shall be brought in the chancery or county 616 court of the county in which such violation has occurred or, with 617 consent of the parties, may be brought in the chancery or county

618 court of the county in which the State Capitol is located. The 619 said courts are authorized to issue temporary or permanent 620 injunctions to restrain and prevent violations of Sections 621 97-33-51 through 97-33-203, and such injunctions shall be issued 622 without bond.

(b) Any person who violates the terms of an injunction 623 624 issued under this subsection shall forfeit and pay to the state a 625 civil penalty of not more than Five Thousand Dollars (\$5,000.00) 626 per violation which shall be payable to the General Fund of the 627 State of Mississippi. For the purposes of this subsection, the 628 chancery or county court issuing an injunction shall retain 629 jurisdiction, and the cause shall be continued, and in such cases 630 the person bringing the action may petition for recovery of civil 631 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

646 provisions of Sections 97-33-51 through 97-33-203.

647 (9) This section shall not apply to a charitable
648 organization described in Section 97-33-53(b)(i)1. that has
649 internal rules, regulations or guidelines for conducting bingo
650 games, and such an organization shall not be subject to regulation
651 by the commission.

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

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

(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.

665 (2) The commission shall not issue a license under this 666 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;

670 (b) Any person who has ever been convicted of a671 gambling-related offense in any state or federal court;

672 (c) Any person who is or has ever been a professional673 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 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.

695 (5) This section shall not apply to a charitable

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

697 internal rules, regulations or guidelines for conducting bingo

698 games, and such an organization shall not be subject to regulation

699 by the commission.

700 SECTION 15. Section 97-33-51, Mississippi Code of 1972, is 701 amended as follows:

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

(2) The provisions of Sections 97-33-1 through 97-33-49 708 709 shall not apply to any bingo game wherein a prize is offered when 710 such bingo game is being held in accordance with the provisions of 711 the Charitable Bingo Law. <u>Sections 97-33-1 through 97-33-49 shall</u> 712 not apply to any bingo game wherein a prize is offered when such 713 bingo game is being held by a charitable organization described in 714 Section 97-33-53(b)(i)1. that has internal rules, regulations or 715 guidelines for conducting bingo games.

716 (3) A bingo game or a raffle held pursuant to the provisions of the Charitable Bingo Law shall not be considered a game or 717 718 gambling game for the purposes of Section 75-76-1 et seq. A bingo 719 game or raffle held by a charitable organization described in Section 97-33-53(b)(i)1. that has internal rules, regulations or 720 721 guidelines for conducting bingo games shall not be considered a 722 game or gambling game for the purposes of Section 75-76-1 et seq. 723 SECTION 16. Section 97-33-50, Mississippi Code of 1972, is 724 brought forward as follows: 725 97-33-50. The provisions of Sections 97-33-51 through

726 97-33-81, 97-33-101 through 97-33-109, 97-33-201 and 97-33-203, 727 Mississippi Code of 1972, may be cited as the "Charitable Bingo 728 Law."

729 SECTION 17. Section 97-33-53, Mississippi Code of 1972, is

730 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:

736 (i) Played with a card, sheet, or an electronic737 representation thereof, bearing numbers or symbols;

738 (ii) Played with the participant covering, marking 739 or revealing the numbers or symbols, as objects similarly numbered 740 or designated are drawn from a receptacle and orally called; in 741 the case of electronic representations, the requisite covering, 742 marking or revealing may be accomplished electronically to match 743 objects similarly numbered or designated and stored in memory in 744 advance as winners, or which are generated randomly by an electronic process; 745

(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.

757 Any electronic device used to produce an electronic

758 representation must maintain an inventory recorded in computed 759 memory, not on cartridge memory, of the number of winners and 760 losers. It must also be equipped with tamper-proof electric 761 meters as a backup to the computer memory. It may not dispense 762 cash or coins. Paybacks will be dispensed by printed ticket only. 763 The printer shall maintain duplicate records of all transactions. 764 All such electronic devices shall be approved by the Mississippi 765 Gaming Commission.

766

(b) "Charitable organization" means:

767 (i) Any nonprofit organization domiciled in this 768 state that is tax exempt under Section 501(c) or (d) of the United 769 States Internal Revenue Code and which has on file with the 770 Mississippi Gaming Commission either a tax exemption letter issued 771 by the United States Internal Revenue Service, or a certified copy 772 of its application for such tax exempt status if the commission 773 determines that the organization is likely to be granted the tax 774 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

780 2. Any nonprofit civic, educational, wildlife
781 conservation organization or religious organization domiciled in
782 this state.

783 If an organization which has on file with the commission a 784 certified copy of its application for a tax exemption under 785 Section 501(c) or (d) of the U. S. Internal Revenue Code is not

786 granted the exemption within twelve (12) months from the date of 787 such application, the organization's license shall be subject to 788 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 sole function of which is to provide amusement and diversion for its members.

794 (c) "Commission" means the Mississippi Gaming795 Commission.

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

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

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

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

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

819 (i) "Session" means any five-hour time period within820 one (1) day or six-hour time period within one (1) week.

821 (j) "Day" means the whole or any part of the time822 period of twenty-four (24) hours from midnight to midnight.

823 (k) "Week" means the seven-day period from 12:01 a.m.824 on Monday until midnight the following Sunday.

825 SECTION 18. Section 97-33-57, Mississippi Code of 1972, is 826 brought forward as follows:

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

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

841

(c) That bingo games are to be held, operated and

842 conducted in accordance with the provisions of Sections 97-33-51 843 through 97-33-203 and in accordance with the rules and regulations 844 of the commission governing same, and that the proceeds thereof 845 are to be disposed of as provided by Sections 97-33-51 through 846 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.

853 (3) No license for holding, operating or conducting bingo
854 games that is issued under Sections 97-33-51 through 97-33-203
855 shall be effective for more than one (1) calendar year.

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

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

860 (b) Any person who has ever been convicted of a861 gambling-related offense in any state or federal court;

862 (c) Any person who is or has ever been a professional 863 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;

868 (e) The commission may deny an application for869 licensure, refuse to renew a license, or suspend or revoke a

870 license for any reason consistent with the purposes of Sections 871 97-33-51 through 97-33-203 which it deems to be in the interest of 872 the public. However, policies regarding such denial, suspension, 873 revocation or refusal to renew shall be established by rule and 874 regulation. If the commission fails to act upon the license application within sixty (60) days of the date of filing of the 875 876 application by the charitable organization, such application shall 877 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.

885 SECTION 19. Section 97-33-59, Mississippi Code of 1972, is 886 brought forward as follows:

887 97-33-59. (1) The commission may issue a special license for the conducting of limited fund-raising bingo games for the 888 889 benefit of a person, family or group of persons who, because of 890 circumstances which cause a financial crisis of an emergency 891 nature, are in need of immediate fund-raising relief. Bingo games 892 conducted under this section shall consist of no more than two (2) 893 bingo sessions annually by the same person, family or group of 894 persons, at which the total amount of prizes which may be awarded 895 on any calendar day under such a license shall not exceed Fifteen 896 Thousand Dollars (\$15,000.00) in cash or other thing or things of 897 value. Except as otherwise provided in this section or as may be

898 otherwise provided by Section 97-33-69(10) or 97-33-107(k), all 899 other provisions of Sections 97-33-51 through 97-33-203 shall 900 apply to the issuance of such special licenses.

901 (2) The commission shall not authorize any organization to 902 conduct limited bingo games as described in subsection (1) as 903 provided herein unless that organization has first obtained a 904 special charitable limited license from the commission.

905 (3) All proceeds derived from bingo games conducted under a 906 special charitable limited license shall go to the specific need 907 for which the games are conducted, as outlined in the application 908 for such license.

909 (4) The fee for a special charitable limited license shall910 be limited to the actual administrative costs of issuing it.

911 SECTION 20. Section 97-33-61, Mississippi Code of 1972, is 912 brought forward as follows:

913 97-33-61. No license shall be revoked by the commission 914 until after a hearing is held on due notice. The commission may 915 designate a hearing examiner to hear the case and render a decision. A licensee aggrieved by the decision of the hearing 916 917 examiner may apply within fifteen (15) days after announcement of 918 the decision in writing to the commission for review of the 919 decision. Review is limited to the record of proceedings before 920 the hearing examiner. The commission may sustain or reverse the 921 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)

926 days after the decision is rendered.

927 SECTION 21. Section 97-33-101, Mississippi Code of 1972, is 928 brought forward as follows:

929 97-33-101. All fees and fines collected by the commission pursuant to Sections 97-33-51 through 97-33-203 shall be deposited 930 931 into a special fund to be known as the "Charitable Bingo Fund," which is hereby created in the State Treasury. The monies in such 932 933 fund shall be used exclusively to support the activities of the 934 commission related to the regulation of the Charitable Bingo Law, 935 upon appropriation by the Legislature. Unexpended amounts 936 remaining in the fund at the end of a fiscal year shall not lapse 937 into the State General Fund, and any interest earned on amounts in 938 such special fund shall be deposited to the credit of the special 939 fund.

940 SECTION 22. Section 97-33-103, Mississippi Code of 1972, is 941 brought forward as follows:

942 97-33-103. (1) The commission shall annually prepare and 943 submit a comprehensive report on the scope and nature of 944 charitable bingo game activities in this state and impact of the 945 commission on such activities. The report shall be submitted to 946 the Lieutenant Governor, the Speaker of the House of 947 Representatives, the Chairmen of the House and Senate Judiciary 948 Committees, the Chairman of the House Ways and Means Committee and 949 the Chairman of the Senate Finance Committee.

950 (2) The commission shall furnish a copy of its rules and 951 regulations, including any amendments thereto as they are adopted, 952 pursuant to the Charitable Bingo Law, to the Chairman and Counsel 953 of the House Ways and Means Committee and the Chairman and Counsel

954 of the Senate Finance Committee. Further, upon a written request 955 from any member of the Legislature, the commission shall furnish 956 such rules and regulations to the member, by return United States 957 mail.

958 SECTION 23. Section 97-33-105, Mississippi Code of 1972, is 959 brought forward as follows:

960 97-33-105. Neither the director nor any employee of the 961 commission shall be an officer, director or manager of any 962 organization licensed by the state to conduct charitable bingo 963 games or have a direct or indirect financial interest in any 964 entity manufacturing or distributing supplies or equipment used in 965 such games.

966 SECTION 24. Section 97-33-203, Mississippi Code of 1972, is 967 brought forward as follows:

968 97-33-203. (1) No lease of any premises by a commercial lessor to any charitable organization for a charitable bingo game 969 970 shall provide for payment in excess of the reasonable market 971 rental rate for such premises. The commission shall determine whether a market rental rate for such premises is reasonable. No 972 973 lease shall provide for rental for less than a five-hour session. 974 No more than two (2) sessions shall be conducted within one (1) 975 day and more often than eight (8) sessions in any one (1) week on 976 the premises of a commercial lessor. Any licensee who holds no 977 more than one (1) session per week shall be entitled to conduct 978 one (1) six-hour session per week.

979 (2) No commercial lessor shall require the payment of any 980 other cost or fee from an organization licensed to hold, operate 981 or conduct bingo games other than the rental amount provided for

982 by the rental agreement or contract or charge admission fees to 983 persons entering the premises to participate in the games.

984 (3) No commercial lessor leasing premises for authorized
985 charitable bingo game activities shall enter into any agreement
986 with a distributor of gaming supplies for the use, purchase,
987 promotion or sale of supplies to be used in such bingo games.
988 SECTION 25. This act shall take effect and be in force from
989 and after July 1, 2000.