

By: Representative Moak

To: Gaming; Ways and Means

HOUSE BILL NO. 1096

1 AN ACT TO BRING FORWARD SECTIONS 97-33-50 THROUGH 97-33-81,
2 97-33-101 THROUGH 97-33-109, 97-33-201 AND 97-33-203, MISSISSIPPI
3 CODE OF 1972, WHICH PROVIDE FOR THE CHARITABLE BINGO LAW, FOR THE
4 PURPOSES OF AMENDMENT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 97-33-50, Mississippi Code of 1972, is
7 brought forward as follows:

8 97-33-50. The provisions of Sections 97-33-51 through
9 97-33-81, 97-33-101 through 97-33-109, 97-33-201 and 97-33-203,
10 Mississippi Code of 1972, may be cited as the "Charitable Bingo
11 Law."

12 **SECTION 2.** Section 97-33-51, Mississippi Code of 1972, is
13 brought forward as follows:

14 97-33-51. (1) The provisions of Sections 97-33-1 through
15 97-33-49 shall not apply to any raffle wherein a ticket is sold
16 and a prize is offered when such raffle is being held by and for
17 the benefit of any nonprofit civic, educational, wildlife
18 conservation or religious organization with all proceeds going to
19 said organization.

20 (2) The provisions of Sections 97-33-1 through 97-33-49
21 shall not apply to any bingo game wherein a prize is offered when
22 such bingo game is being held in accordance with the provisions of
23 the Charitable Bingo Law.

24 (3) A bingo game or a raffle held pursuant to the provisions
25 of the Charitable Bingo Law shall not be considered a game or
26 gambling game for the purposes of Section 75-76-1 et seq.

27 **SECTION 3.** Section 97-33-52, Mississippi Code of 1972, is
28 brought forward as follows:

29 97-33-52. (1) A bingo game may be conducted only:

30 (a) When held for the benefit of a charitable
31 organization that (i) is licensed pursuant to Section 97-33-55 or
32 Section 97-33-59; (ii) is domiciled in the State of Mississippi;
33 and

34 (b) When the game is held by active members of such
35 organization.

36 (2) Except as may be otherwise provided in Sections 97-33-51
37 through 97-33-203, all net proceeds derived from a bingo game
38 authorized by this section shall be expended only for the purposes
39 for which the organization is created, and no net proceeds derived
40 from a bingo game authorized by this section shall be distributed
41 to a charity outside of the State of Mississippi without the
42 approval of the Mississippi Gaming Commission. Nothing in the
43 Charitable Bingo Law shall prohibit a charitable organization from
44 using gross receipts derived from a bingo game conducted under the
45 Charitable Bingo Law to pay administrative penalties imposed by
46 any state agency against the charitable organization.

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

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

57 **SECTION 4.** Section 97-33-53, Mississippi Code of 1972, is
58 brought forward as follows:

59 97-33-53. As used in Sections 97-33-51 through 97-33-203,
60 the following words and phrases shall have the meanings ascribed
61 herein unless the context clearly indicates otherwise:

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

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

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

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

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

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

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

94 (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 either a tax exemption letter issued by the United States Internal Revenue Service, or a certified copy of its application for such tax exempt status if the commission determines that the organization is likely to be granted the tax 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

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 United States 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 sole function of which is to provide amusement and diversion for its members.

(c) "Commission" means the Mississippi Gaming 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.

(e) "Manufacturer" means any person or other entity who manufactures for sale, offers for sale, or otherwise furnishes, any gaming supplies or equipment for use in the conducting of a 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.

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

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

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

(l) "Net proceeds" means the gross amount collected from participants less the actual prizes or winnings paid, the actual cost or expenses of conducting the bingo game, any administrative penalties imposed by any state agency against the charitable organization, and any other expense authorized under the Charitable Bingo Law or any regulation promulgated thereunder.

(m) "Gross receipts" means all revenue received from bingo operations.

161 **SECTION 5.** Section 97-33-55, Mississippi Code of 1972, is
162 brought forward as follows:

163 97-33-55. (1) Any charitable organization desiring to
164 conduct bingo games must obtain a license to do so from the
165 Mississippi Gaming Commission.

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

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

173 (b) The names and addresses of its officers;

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

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

181 (e) The specific purposes to which the entire net
182 proceeds of the bingo games are to be devoted and in what manner;

183 (f) That, except as otherwise provided in Section
184 97-33-69, no commission, salary, compensation, reward or
185 recompense will be paid to any person for holding, operating or
186 conducting bingo games;

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

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

192 (3) In each application there shall be designated an active
193 member or members of the organization under whom the bingo games

are to be held, operated and conducted. The application shall include a statement executed by the applicant and by the member or members so designated, that he or they will be responsible for the holding, operation and conduct of the bingo games in accordance with the terms of the license and the provisions of the commission's rules and regulations governing bingo games and of Sections 97-33-51 through 97-33-203, if such license is granted.

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

SECTION 6. Section 97-33-57, Mississippi Code of 1972, is 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.

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

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

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

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

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

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

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

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

248 (e) The commission may deny an application for
249 licensure, refuse to renew a license, or suspend or revoke a
250 license for any reason consistent with the purposes of Sections
251 97-33-51 through 97-33-203 which it deems to be in the interest of
252 the public. However, policies regarding such denial, suspension,
253 revocation or refusal to renew shall be established by rule and
254 regulation. If the commission fails to act upon the license
255 application within sixty (60) days of the date of filing of the
256 application by the charitable organization, such application shall
257 be deemed accepted.

258 (5) Any significant change in the information submitted on
259 its application for licensure shall be filed by a licensee with

260 the commission within ten (10) days of the change. A significant
261 change shall include but not be limited to any change in the
262 officers, directors, managers, proprietors or persons having a
263 direct or indirect financial interest in any licensed organization
264 or entity.

265 **SECTION 7.** Section 97-33-59, Mississippi Code of 1972, is
266 brought forward as follows:

267 97-33-59. (1) The commission may issue a special license
268 for the conducting of limited fund-raising bingo games for the
269 benefit of a person, family or group of persons who, because of
270 circumstances which cause a financial crisis of an emergency
271 nature, are in need of immediate fund-raising relief. Bingo games
272 conducted under this section shall consist of no more than two (2)
273 bingo sessions annually by the same person, family or group of
274 persons, at which the total amount of prizes which may be awarded
275 on any calendar day under such a license shall not exceed Fifteen
276 Thousand Dollars (\$15,000.00) in cash or other thing or things of
277 value. Except as otherwise provided in this section or as may be
278 otherwise provided by Section 97-33-69(10) or 97-33-107(k), all
279 other provisions of Sections 97-33-51 through 97-33-203 shall
280 apply to the issuance of such special licenses.

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

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

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

291 **SECTION 8.** Section 97-33-61, Mississippi Code of 1972, is
292 brought forward as follows:

293 97-33-61. No license shall be revoked by the commission
294 until after a hearing is held on due notice. The commission may
295 designate a hearing examiner to hear the case and render a
296 decision. A licensee aggrieved by the decision of the hearing
297 examiner may apply within fifteen (15) days after announcement of
298 the decision in writing to the commission for review of the
299 decision. Review is limited to the record of proceedings before
300 the hearing examiner. The commission may sustain or reverse the
301 hearing examiner's decision.

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

307 **SECTION 9.** Section 97-33-65, Mississippi Code of 1972, is
308 brought forward as follows:

309 97-33-65. The commission shall control all bingo games held,
310 operated or conducted by a licensee to assure that they are fairly
311 held, operated and conducted in accordance with the provisions of
312 the license, the commission's rules and regulations, and the
313 provisions of Sections 97-33-51 through 97-33-203. The commission
314 may suspend or revoke any license for violation of any such rule
315 and regulation or provision. Its officers and agents may enter
316 and inspect any premises where any bingo game is being held,
317 operated and conducted or is intended to be held, operated and
318 conducted, or where any equipment is being used or intended to be
319 used in the conduct thereof.

320 **SECTION 10.** Section 97-33-67, Mississippi Code of 1972, is
321 brought forward as follows:

322 97-33-67. (1) (a) No licensee shall hold, operate or
323 conduct any bingo game more often than for two (2) sessions within
324 one (1) day and more often than eight (8) sessions in any one (1)
325 week. Any licensee who holds no more than one (1) session per

326 week shall be entitled to conduct one (1) six-hour session per
327 week. Notwithstanding the provisions of this paragraph,
328 pull-tabs, video pull-tabs or video bingo games may be played for
329 up to eighty (80) hours per week.

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

337 (2) The total amount of prizes which may be awarded in any
338 one (1) session by a licensee shall not exceed Seven Thousand Five
339 Hundred Dollars (\$7,500.00) in cash or other thing or things of
340 value, except as otherwise provided in Section 97-33-59 and except
341 that the total amount of prizes which may be awarded in any one
342 (1) session shall not exceed Eight Thousand Dollars (\$8,000.00) if
343 only one (1) session is held in any one (1) week. The Seven
344 Thousand Five Hundred Dollars (\$7,500.00) and the Eight Thousand
345 Dollars (\$8,000.00) limits do not include payback of pull-tabs or
346 electronic representations. The commission shall establish by
347 rule the method of calculating the value of anything offered as a
348 prize.

349 (3) Each licensee shall designate a supervisor and a
350 sufficient number of alternate supervisors to be in charge of and
351 primarily responsible for each session of a bingo game. Such
352 individual shall be familiar with the provisions of Sections
353 97-33-51 through 97-33-203 and the rules and regulations of the
354 commission. Such individual, or alternate who shall be designated
355 as the bingo supervisor, shall supervise all activities of such
356 session and be responsible for the conduct of all games of such
357 session. The supervisor shall be present at all times on the
358 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 11. Section 97-33-69, Mississippi Code of 1972, is brought forward 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 (10) 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 (10) of this section, any licensee may pay as

392 compensation for all persons involved in the holding, operating or
393 conducting of any licensed game or games of chance, an amount not
394 to exceed Four Hundred Dollars (\$400.00) per session. Persons who
395 may be compensated from the Four Hundred Dollars (\$400.00) per
396 session amount may include the bingo supervisor or alternate
397 supervisor, callers, runners and cashiers. Neither the bingo
398 supervisor nor any alternate supervisor, or any person related to
399 such supervisor by blood, marriage or business relationship, while
400 being compensated as the bingo supervisor, shall receive any other
401 compensation, directly or indirectly, from the licensee. No
402 employee receiving compensation for the holding, operating or
403 conducting or assisting in the holding, operating or conducting of
404 a bingo game shall receive compensation for more than one (1) job
405 function.

406 (4) (a) Any corporation, person or entity operating bingo
407 games, under contract, for the benefit of organizations as
408 prescribed in subsection (3) of this section shall be restricted
409 to operating such games for a limit of one (1) such organization
410 authorized to pay employees up to a maximum of Four Hundred
411 Dollars (\$400.00) per session. Such corporation, person or entity
412 shall only be authorized to conduct such sessions at one (1)
413 physical location or building.

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

420 (5) Except as may be otherwise provided pursuant to
421 subsection (10) of this section, no manufacturer, operator,
422 distributor, commercial lessor, or his agents or employees, who
423 directly or indirectly leases premises, sells, leases, otherwise
424 distributes gaming supplies or equipment, or furnishes any

425 commodities or services, in relation to the conducting of any
426 bingo game pursuant to Sections 97-33-51 through 97-33-203 shall
427 take part in the holding, operation or conducting of a bingo game.
428 However, nothing in this section shall prohibit the owner of a
429 premises from having a representative present to protect his
430 interests in the premises.

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

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

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

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

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

457 (9) Except as may be otherwise provided pursuant to
458 subsection (10) of this section, no lease providing for a rental
459 arrangement for premises or equipment shall provide for payment in
460 excess of the reasonable market rental rate for such premises or
461 equipment, and in no case shall any payment be based on a
462 percentage of gross receipts or profits derived from a bingo game.
463 Whether a market rental rate is reasonable shall be determined by
464 the commission.

465 (10) Administrative exceptions to the provisions of this
466 section with regard to organizations which have demonstrated to
467 the Mississippi Gaming Commission a practice of legitimate
468 operation of such games, may be made by the Mississippi Gaming
469 Commission pursuant to its rules and regulations, as duly adopted
470 and promulgated by the commission; provided that such an
471 administrative exception shall be no more restrictive than the
472 provision of law to which it is an exception.

473 **SECTION 12.** Section 97-33-71, Mississippi Code of 1972, is
474 brought forward as follows:

475 97-33-71. (1) Except as may be otherwise provided pursuant
476 to Section 97-33-107(k), the organization which held, operated or
477 conducted the bingo game, and its bingo supervisor or supervisors
478 who were in charge thereof, shall furnish to the commission the
479 following information not less than quarterly:

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

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

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

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

493 (e) A list of prizes offered or given, with the
494 respective values thereof;

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

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

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

504 **SECTION 13.** Section 97-33-73, Mississippi Code of 1972, is
505 brought forward as follows:

506 97-33-73. (1) The Mississippi Gaming Commission shall have
507 power to examine or to cause to be examined the books and records
508 of any organization to which such license is issued so far as they
509 may relate to any transactions connected with the holding and
510 conducting of bingo and to examine any manager, officer, director,
511 agent, member or employee thereof under oath in relation to the
512 conduct of any such game, but any information so received shall
513 not be disclosed except so far as may be necessary for the purpose
514 of carrying out the provisions of Sections 97-33-51 through
515 97-33-203.

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

522 **SECTION 14.** Section 97-33-75, Mississippi Code of 1972, is
523 brought forward as follows:

524 97-33-75. (1) Any person, association or corporation
525 violating any provision of Sections 97-33-51 through 97-33-203 or
526 any rule or regulation of the commission shall be subject to a
527 fine imposed by the commission and to suspension or revocation of
528 its license.

529 (2) Any person who commits any of the following acts, upon
530 conviction, shall be fined not more than Five Thousand Dollars
531 (\$5,000.00) or imprisoned for one (1) year, or both:

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

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

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

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

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

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

549 (3) Any person who violates any other provision of Sections
550 97-33-51 through 97-33-203 that is not listed in this section may
551 be imprisoned for not more than six (6) months or fined not more
552 than Five Hundred Dollars (\$500.00), or both.

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

555 the license of such person or the organization with which such
556 person is affiliated.

557 **SECTION 15.** Section 97-33-77, Mississippi Code of 1972, is
558 brought forward as follows:

559 97-33-77. (1) No organization, distributor, manufacturer,
560 or any representative thereof, either with knowledge or in
561 circumstances whereunder he reasonably should have known, shall
562 possess, display, put out for play, sell or otherwise furnish to
563 any person any pull-tabs:

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

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

573 (c) Which does not conform in any respect to these
574 requirements as to manufacturer, assembly or packaging.

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

578 (a) The manufacturer's label or trademark has been
579 registered with the Mississippi Gaming Commission.

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

583 (c) The pull-tab is of a type approved by the
584 commission for use in Mississippi.

585 **SECTION 16.** Section 97-33-79, Mississippi Code of 1972, is
586 brought forward as follows:

587 97-33-79. (1) No person or other entity shall fabricate,
588 concoct or manufacture any supplies or equipment for use in the
589 conducting of any bingo game authorized under Sections 97-33-51
590 through 97-33-203, including but not limited to bingo equipment,
591 pull-tabs, or electronic representations, within this state or for
592 use within this state without having obtained a manufacturer's
593 license from the commission.

594 (2) No person or other entity shall sell, offer for sale, or
595 otherwise furnish any other person any supplies or equipment of
596 use in the conduct of any bingo game authorized under Sections
597 97-33-51 through 97-33-203, including but not limited to bingo
598 equipment and pull-tabs without having obtained a distributor's or
599 operator's license from the commission.

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

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

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

616 **SECTION 17.** Section 97-33-81, Mississippi Code of 1972, is
617 brought forward as follows:

618 97-33-81. (1) No organization which conducts charitable
619 bingo games shall be a manufacturer, distributor or operator of
620 supplies or equipment for such games.

621 (2) No officer, director or manager of an organization which
622 conducts charitable bingo games shall:

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

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

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

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

640 (4) No entity or person described in subsections (1), (2) or
641 (3) of this section shall serve as a commercial lessor.

642 **SECTION 18.** Section 97-33-101, Mississippi Code of 1972, is
643 brought forward as follows:

644 97-33-101. All fees and fines collected by the commission
645 pursuant to Sections 97-33-51 through 97-33-203 shall be deposited
646 into a special fund to be known as the "Charitable Bingo Fund,"
647 which is hereby created in the State Treasury. The monies in such
648 fund shall be used exclusively to support the activities of the
649 commission related to the regulation of the Charitable Bingo Law,
650 upon appropriation by the Legislature. Unexpended amounts

651 remaining in the fund at the end of a fiscal year shall not lapse
652 into the State General Fund, and any interest earned on amounts in
653 such special fund shall be deposited to the credit of the special
654 fund.

655 **SECTION 19.** Section 97-33-103, Mississippi Code of 1972, is
656 brought forward as follows:

657 97-33-103. (1) The commission shall annually prepare and
658 submit a comprehensive report on the scope and nature of
659 charitable bingo game activities in this state and impact of the
660 commission on such activities. The report shall be submitted to
661 the Lieutenant Governor, the Speaker of the House of
662 Representatives, the Chairmen of the House and Senate Judiciary
663 Committees, the Chairman of the House Ways and Means Committee and
664 the Chairman of the Senate Finance Committee.

665 (2) The commission shall furnish a copy of its rules and
666 regulations, including any amendments thereto as they are adopted,
667 pursuant to the Charitable Bingo Law, to the Chairman and Counsel
668 of the House Ways and Means Committee and the Chairman and Counsel
669 of the Senate Finance Committee. Further, upon a written request
670 from any member of the Legislature, the commission shall furnish
671 such rules and regulations to the member, by return United States
672 mail.

673 **SECTION 20.** Section 97-33-105, Mississippi Code of 1972, is
674 brought forward as follows:

675 97-33-105. Neither the director nor any employee of the
676 commission shall be an officer, director or manager of any
677 organization licensed by the state to conduct charitable bingo
678 games or have a direct or indirect financial interest in any
679 entity manufacturing or distributing supplies or equipment used in
680 such games.

681 **SECTION 21.** Section 97-33-107, Mississippi Code of 1972, is
682 brought forward as follows:

683 97-33-107. In connection with its regulation of charitable
684 bingo games, the commission shall have the following functions,
685 duties and responsibilities:

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

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

695 (c) To assess and collect fees equal to one percent
696 (1%) of the gross proceeds of each bingo session conducted by a
697 Class "A" charitable organization and equal to one-half (1/2) of
698 one percent (1%) of the gross proceeds of each bingo session
699 conducted by a Class "B" or a Class "C" charitable organization;
700 provided, however, that the fees assessed and collected under this
701 subsection (c) shall not apply to pull-tabs, electronic bingo
702 machines or electronic pull-tab machines as described in
703 subsection (b) above; and provided, that the fees shall not be
704 collected in any bingo session held by a religious organization
705 which has been in existence for ten (10) years or longer, held on
706 the premises owned by the religious organization, and held without
707 any person being compensated for operating the game, and until the
708 gross proceeds of bingo games conducted by such organization
709 exceed Fifty Thousand Dollars (\$50,000.00) during the calendar
710 year;

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

714 (e) To monitor licensees to ensure compliance with all
715 provisions of law and regulations relative to charitable bingo

716 games through routine scheduled and unscheduled inspections,
717 investigations and audits;

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

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

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

727 (i) To adopt rules and regulations to provide for the
728 sale or transfer of surplus supplies or equipment from one
729 licensed organization to another and such other rules and
730 regulations as are necessary to carry out the purposes and
731 functions of Sections 97-33-51 through 97-33-203, including the
732 adoption of rules and regulations pursuant to Section 97-33-69(10)
733 which may provide for differing requirements, with regard to the
734 number of participants, sessions, amount of prizes offered,
735 proceeds received or other factors which affect the regulatory and
736 administrative burdens on organizations operating charitable bingo
737 games, for a certain class of organizations, provided that such
738 rules and regulations shall be no more restrictive than the
739 provisions of law that govern such factors;

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

746 (k) To establish the classes described in this
747 paragraph of charitable organizations that are licensed to conduct
748 bingo games and to prescribe rules and regulations to provide for

749 differing reporting requirements imposed upon each different
750 class; provided that such rules and regulations shall be no more
751 restrictive than the provisions of law that relate to reporting
752 requirements. Such classes of organizations are as follows:

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

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

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

766 **SECTION 22.** Section 97-33-109, Mississippi Code of 1972, is
767 brought forward as follows:

768 97-33-109. (1) The commission shall monitor the conduct or
769 business of licensees, both on a routine scheduled and an
770 unscheduled basis, to the extent necessary to ensure compliance
771 with the provisions of charitable bingo game laws and regulations
772 of the state.

773 (2) In carrying out its enforcement responsibilities, the
774 commission may:

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

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

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

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

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

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

790 (3) The commission shall require licensees to maintain
791 records and submit reports.

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

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

801 (6) The Attorney General shall be the attorney for the
802 commission in regard to its duties to regulate the Charitable
803 Bingo Law and he shall represent it in all legal proceedings and
804 shall prosecute any civil action for a violation of the provisions
805 of Sections 97-33-51 through 97-33-203 or the rules and
806 regulations of the commission.

807 (7) It is the duty of the sheriffs, deputy sheriffs and
808 police officers of this state to assist the commission in the
809 enforcement of the provisions of Sections 97-33-51 through
810 97-33-203 and to arrest and complain against any person violating
811 the provisions of Sections 97-33-51 through 97-33-203. It is the
812 duty of the district attorneys of this state to prosecute all

813 violations of the provisions of Sections 97-33-51 through
814 97-33-203 if requested to do so by the commission.

815 (8) (a) Whenever any person who is a resident of the State
816 of Mississippi has reason to believe that a person or organization
817 is or has violated the provisions of Sections 97-33-51 through
818 97-33-203 and that proceedings would be in the public interest, he
819 may bring an action in the name of the state against such person
820 to restrain by temporary or permanent injunction such violation,
821 upon at least five (5) days' summons before the hearing of the
822 action. The action shall be brought in the chancery or county
823 court of the county in which such violation has occurred or, with
824 consent of the parties, may be brought in the chancery or county
825 court of the county in which the State Capitol is located. The
826 said courts are authorized to issue temporary or permanent
827 injunctions to restrain and prevent violations of Sections
828 97-33-51 through 97-33-203, and such injunctions shall be issued
829 without bond.

830 (b) Any person who violates the terms of an injunction
831 issued under this subsection shall forfeit and pay to the state a
832 civil penalty of not more than Five Thousand Dollars (\$5,000.00)
833 per violation which shall be payable to the General Fund of the
834 State of Mississippi. For the purposes of this subsection, the
835 chancery or county court issuing an injunction shall retain
836 jurisdiction, and the cause shall be continued, and in such cases
837 the person bringing the action may petition for recovery of civil
838 penalties.

839 (c) In any action brought under this subsection, if the
840 court finds that a person is willfully violating the provisions of
841 Sections 97-33-51 through 97-33-203, the person bringing the
842 action, upon petition to the court, may recover on behalf of the
843 state a civil penalty of not exceeding Five Hundred Dollars
844 (\$500.00) per violation which shall be payable to the General Fund
845 of the State of Mississippi.

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

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

854 **SECTION 23.** Section 97-33-201, Mississippi Code of 1972, is
855 brought forward as follows:

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

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

867 (2) The commission shall not issue a license under this
868 section to:

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

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

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

876 (d) Any firm, organization or corporation in which any
877 person as described in paragraphs (a) through (c) of this
878 subsection is an officer or director, whether compensated or not,

879 or in which such person has a direct or indirect financial
880 interest;

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

884 (3) The commission may deny an application for licensure,
885 refuse to renew a license, or suspend or revoke a license for any
886 reason consistent with the purposes of Sections 97-33-201 and
887 97-33-203 which it deems to be in the interest of the public.
888 However, policies regarding such denial, suspension, revocation or
889 refusal to renew shall be established by rule and regulation.

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

897 **SECTION 24.** Section 97-33-203, Mississippi Code of 1972, is
898 brought forward as follows:

899 97-33-203. (1) No lease of any premises by a commercial
900 lessor to any charitable organization for a charitable bingo game
901 shall provide for payment in excess of the reasonable market
902 rental rate for such premises. The commission shall determine
903 whether a market rental rate for such premises is reasonable. No
904 lease shall provide for rental for less than a five-hour session.
905 No more than two (2) sessions shall be conducted within one (1)
906 day and more often than eight (8) sessions in any one (1) week on
907 the premises of a commercial lessor. Any licensee who holds no
908 more than one (1) session per week shall be entitled to conduct
909 one (1) six-hour session per week.

910 (2) No commercial lessor shall require the payment of any
911 other cost or fee from an organization licensed to hold, operate

912 or conduct bingo games other than the rental amount provided for
913 by the rental agreement or contract or charge admission fees to
914 persons entering the premises to participate in the games.

915 (3) No commercial lessor leasing premises for authorized
916 charitable bingo game activities shall enter into any agreement
917 with a distributor of gaming supplies for the use, purchase,
918 promotion or sale of supplies to be used in such bingo games.

919 **SECTION 25.** This act shall take effect and be in force from
920 and after July 1, 2005.