

By: Representative Moak

To: Gaming; Ways and Means

HOUSE BILL NO. 1096  
(As Passed the House)

1 AN ACT TO AMEND SECTIONS 97-33-52, 97-33-53, 97-33-55,  
2 97-33-71 AND 97-33-73, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A  
3 CHARITABLE ORGANIZATION LICENSED UNDER THE CHARITABLE BINGO LAW  
4 MAY NOT EXPEND NET PROCEEDS FOR BINGO RELATED EXPENSES; TO PROVIDE  
5 THAT FOR CLASS "A" CHARITABLE ORGANIZATIONS LICENSED TO CONDUCT  
6 BINGO, THE OFFICES OF SUCH AN ORGANIZATION AND ANY BUILDING, HALL  
7 OR OTHER FACILITY USED BY THE ORGANIZATION FOR THE PURPOSES OF  
8 CONDUCTING OR OPERATING A BINGO GAME MUST BE LOCATED IN PHYSICALLY  
9 SEPARATE BUILDINGS OR FACILITIES; TO PROVIDE THAT A CLASS "A"  
10 CHARITABLE ORGANIZATION MUST HAVE A BOARD OF DIRECTORS CONSISTING  
11 OF AT LEAST FIVE VOTING MEMBERS WHO ARE INDEPENDENT AND NOT  
12 RELATED TO ONE ANOTHER BY BLOOD, MARRIAGE OR BUSINESS  
13 RELATIONSHIP; TO PROVIDE THAT NOT MORE THAN ONE PERSON SERVING AS  
14 A VOTING MEMBER OF A BOARD OF DIRECTORS MAY BE COMPENSATED BY THE  
15 CHARITABLE ORGANIZATION; TO PROVIDE THAT THE MEMBER OF A BOARD OF  
16 DIRECTORS WHO IS COMPENSATED BY THE ORGANIZATION SHALL NOT SERVE  
17 AS THE CHAIRMAN OR TREASURER OF THE BOARD; TO PROVIDE THAT NO  
18 MEMBER OF A BOARD OF DIRECTORS SHALL RECEIVE ANY FORM OF  
19 COMPENSATION FROM A BINGO GAME; TO PROVIDE THAT BINGO BOOKS AND  
20 RECORDS SHALL BE MAINTAINED SEPARATE FROM BOOKS AND RECORDS OF A  
21 CHARITABLE ORGANIZATION; TO AUTHORIZE THE MISSISSIPPI GAMING  
22 COMMISSION TO ASSESS AND COLLECT FEES TO DEFRAY THE ACTUAL COSTS  
23 INCURRED BY THE COMMISSION IN EXAMINING THE BOOKS AND RECORDS OF  
24 ORGANIZATIONS LICENSED TO CONDUCT BINGO; TO AUTHORIZE THE  
25 SECRETARY OF STATE TO EXAMINE OR TO CAUSE TO BE EXAMINED THE BOOKS  
26 AND RECORDS OF ORGANIZATIONS LICENSED TO HOLD OR CONDUCT BINGO AND  
27 TO ASSESS AND COLLECT FEES TO DEFRAY THE ACTUAL COSTS INCURRED IN  
28 CONDUCTING SUCH EXAMINATIONS; AND FOR RELATED PURPOSES.

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

30 **SECTION 1.** Section 97-33-52, Mississippi Code of 1972, is  
31 amended as follows:

32 97-33-52. (1) A bingo game may be conducted only:

33 (a) When held for the benefit of a charitable  
34 organization that (i) is licensed pursuant to Section 97-33-55 or  
35 Section 97-33-59; (ii) is domiciled in the State of Mississippi;  
36 (iii) is in compliance with Sections 79-11-501 through 79-11-529;  
37 and

38 (b) When the game is held by active members of such  
39 organization.

40           (2) Except as may be otherwise provided in Sections 97-33-51  
41 through 97-33-203, all net proceeds derived from a bingo game  
42 authorized by this section shall be expended only for the purposes  
43 for which the charitable organization is created, and no net  
44 proceeds derived from a bingo game authorized by this section  
45 shall be distributed to a charity outside of the State of  
46 Mississippi without the approval of the Mississippi Gaming  
47 Commission. A charitable organization shall not expend net  
48 proceeds for bingo related expenses including, but not limited to,  
49 salaries or other compensation of bingo employees or fund raising  
50 activities. Nothing in the Charitable Bingo Law shall prohibit a  
51 charitable organization from using gross receipts derived from a  
52 bingo game conducted under the Charitable Bingo Law to pay  
53 administrative penalties imposed by any state agency against the  
54 charitable organization.

55           (3) None of the net proceeds of a bingo game authorized to  
56 be held under this section shall be used to purchase, construct or  
57 improve a building, hall or other facility solely for the purpose  
58 of conducting or operating a bingo game.

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

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

67           97-33-53. As used in Sections 97-33-51 through 97-33-203,  
68 the following words and phrases shall have the meanings ascribed  
69 herein unless the context clearly indicates otherwise:

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

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

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

82 (iii) Won by the player who first covers, marks or  
83 reveals a previously designated arrangement of numbers or symbols;  
84 and

85 (iv) Played on the premises of a licensed  
86 organization and during the organization's regular hours of  
87 conducting bingo games.

88 The term "bingo" includes pull-tabs made available as a  
89 companion game to bingo and played on the premises. The term  
90 "bingo" does not include any game which is played via television,  
91 telephone, satellite dish or any other telecommunications  
92 transmission or receiving device.

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

102 (b) "Charitable organization" means:

103 (i) Any nonprofit organization domiciled in this  
104 state that is tax exempt under Section 501(c) or (d) of the United

105 States Internal Revenue Code and which has on file with the  
106 Mississippi Gaming Commission either a tax exemption letter issued  
107 by the United States Internal Revenue Service, or a certified copy  
108 of its application for such tax exempt status if the commission  
109 determines that the organization is likely to be granted the tax  
110 exempt status, and is:

111           1. Any chapter or post domiciled in this  
112 state of a nationally chartered organization whose membership is  
113 composed of former members of the military forces of the United  
114 States of America or whose membership is composed of members of  
115 the Merchant Marine Veterans Association; or

116           2. Any nonprofit civic, educational, wildlife  
117 conservation organization or religious organization domiciled in  
118 this state.

119           If an organization which has on file with the commission a  
120 certified copy of its application for a tax exemption under  
121 Section 501(c) or (d) of the United States Internal Revenue Code  
122 is not granted the exemption within twelve (12) months from the  
123 date of such application, the organization's license shall be  
124 subject to revocation pursuant to Section 97-33-61.

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

130           (iii) An organization in compliance with Sections  
131 79-11-501 through 79-11-529.

132           In addition, an organization that is a Class "A" charitable  
133 organization must have a board of directors consisting of at least  
134 five (5) voting members who are independent and not related to one  
135 another by blood, or marriage within the third degree of kinship  
136 or business relationship. Not more than one (1) person serving as  
137 a voting member of a board of directors may be compensated by the

138 organization, and the member of a board of directors who is  
139 compensated by the organization shall not serve as the chairman or  
140 treasurer of the board. No member of a board of directors shall  
141 receive any form of compensation from a bingo game.

142 (c) "Commission" means the Mississippi Gaming  
143 Commission.

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

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

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

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

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

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

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

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

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

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

181 **SECTION 3.** Section 97-33-55, Mississippi Code of 1972, is  
182 amended as follows:

183 97-33-55. (1) Any charitable organization desiring to  
184 conduct bingo games must obtain a license to do so from the  
185 Mississippi Gaming Commission and must be in compliance with  
186 Sections 79-11-501 through 79-11-529.

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

190 (a) The name and address of the applicant, together  
191 with sufficient facts relating to its incorporation and  
192 organization to enable the commission to determine whether or not  
193 the applicant is a bona fide organization;

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

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

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

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

204 (f) That, except as otherwise provided in Section  
205 97-33-69, no commission, salary, compensation, reward or  
206 recompense will be paid to any person for holding, operating or  
207 conducting bingo games;

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

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

213 (3) In each application there shall be designated an active  
214 member or members of the organization under whom the bingo games  
215 are to be held, operated and conducted. The application shall  
216 include a statement executed by the applicant and by the member or  
217 members so designated, that he or they will be responsible for the  
218 holding, operation and conduct of the bingo games in accordance  
219 with the terms of the license and the provisions of the  
220 commission's rules and regulations governing bingo games and of  
221 Sections 97-33-51 through 97-33-203, if such license is granted.

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

226 **SECTION 4.** Section 97-33-71, Mississippi Code of 1972, is  
227 amended as follows:

228 97-33-71. (1) Except as may be otherwise provided pursuant  
229 to Section 97-33-107(k), the organization which held, operated or  
230 conducted the bingo game, and its bingo supervisor or supervisors  
231 who were in charge thereof, shall furnish to the commission the  
232 following information not less than quarterly:

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

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

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

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

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

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

249 (2) Each licensee shall maintain and keep such books and  
250 records as may be necessary to substantiate the particulars of  
251 each such report, and such books and records shall be maintained  
252 separate and apart from the books and records of the charitable  
253 organization.

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

259 **SECTION 5.** Section 97-33-73, Mississippi Code of 1972, is  
260 amended as follows:

261 97-33-73. (1) The Mississippi Gaming Commission shall have  
262 power to examine or to cause to be examined the books and records  
263 of any organization to which such license is issued so far as they  
264 may relate to any transactions connected with the holding and  
265 conducting of bingo and to examine any manager, officer, director,  
266 agent, member or employee thereof under oath in relation to the  
267 conduct of any such game, but any information so received shall  
268 not be disclosed except so far as may be necessary for the purpose  
269 of carrying out the provisions of Sections 97-33-51 through



270 97-33-203. The commission shall assess and collect from such an  
271 organization a fee in an amount equal to the actual costs incurred  
272 by the commission in conducting such an examination.

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

279 (3) The Secretary of State shall have the power to examine  
280 or to cause to be examined the books and records of any  
281 organization licensed by the commission to hold or conduct bingo  
282 and shall assess and collect from such an organization a fee in an  
283 amount equal to the actual costs incurred by the Secretary of  
284 State in conducting such an examination.

285 **SECTION 6.** This act shall take effect and be in force from  
286 and after July 1, 2005.