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Reps. Husted, Faber, Setzer, Collier, Latta, Williams, Webster, Britton, Lendrum, Niehaus, Evans, Flannery, Latell, Coates, Schaffer, Carano, Otterman, Sferra, Raga, Jolivette, G. Smith, Core, Wolpert, Peterson, Seitz, Kearns, Young, Cirelli, Willamowski

Sen. Jacobson

Effective date: *

ACT SUMMARY

- Defines "bingo" to include regular bingo, instant bingo, punch boards, and raffles.
- Creates a separate license for a charitable organization to conduct bingo, a separate license to conduct instant bingo at a bingo session, and a separate license to conduct instant bingo other than at a bingo session and establishes annual fees for the latter two licenses based on the charitable organization's gross annual revenues from instant bingo.
- Authorizes the use of electronic bingo aids to assist participants in playing regular bingo.
- Requires the licensing of manufacturers and distributors of bingo supplies.
- Regulates the conduct of instant bingo and raffles.
- Enacts provisions that govern the distribution of the net profit of instant bingo conducted by veteran's organizations and fraternal organizations

** The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared. Additionally, the analysis may not reflect action taken by the Governor.*

and of the net profit of instant bingo conducted by other charitable organizations.

- Makes other changes in the Charitable Gambling Law.

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CONTENT AND OPERATION

The conduct of bingo: in general

Scheme of chance prohibition and exemption

Prior law prohibited any person from establishing, promoting, operating, or knowingly engaging in conduct that facilitates *any scheme or game of chance* conducted for profit (sec. 2915.02(A)(2)).¹ This prohibition, however, did not apply to a scheme of chance conducted for profit by a *charitable organization*, as this term is defined in the Charitable Gambling Law (see **COMMENT**), if the organization was, and had received from the Internal Revenue Service a determination letter that was currently in effect stating that the organization was, exempt from federal income taxation under subsection 501(a) and described in subsection 501(c)(3) of the Internal Revenue Code (see **COMMENT**) and if all of the money or assets received from the scheme of chance after the deduction only of prizes paid out during the conduct of the scheme of chance were used by, or were given, donated, or otherwise transferred to, any organization that is described in subsection 509(a)(1), (a)(2), or (a)(3) of the Internal Revenue Code and is either a governmental unit or an organization that is tax-exempt under subsection 501(a) and described in subsection 501(c)(3) of the Internal Revenue Code. Also, the scheme of chance could not be conducted during, or within ten hours of, a bingo game conducted for amusement purposes only. (Sec. 2915.02(D)(1).) Although certain charitable organizations, such as veteran's organizations and fraternal organizations, qualified as charitable organizations under the Charitable Gambling Law and could receive a bingo license, they could not conduct schemes of chance

¹ A violation of this prohibition constitutes the offense of gambling, which is either a misdemeanor of the first degree or a felony of the fifth degree (sec. 2915.02(F)).

under the exemption described above since they are not described in subsection 501(c)(3) of the Internal Revenue Code.

The act modifies the above prohibition to prohibit any person from establishing, promoting, operating, or knowingly engaging in conduct that facilitates *any game of chance conducted for profit or any scheme of chance* (under the act, the scheme of chance does not have to be conducted for profit) (Sec. 2915.02(A)(2)).

The act removes the above-described exemption for schemes of chance to the offense of gambling but authorizes the Attorney General to issue a license that allows *any charitable organization* to conduct bingo, a license to conduct instant bingo at a bingo session, and a license to conduct instant bingo other than at a bingo session. In addition, the act specifies that the conduct of bingo by a charitable organization so licensed does not constitute the offense of gambling. (Secs. 2915.01(R) and (S)(1) and (2), 2915.02(D)(1) and (3), and 2915.08.)

The act expands the definition of "scheme of chance" by including slot machines and deletes slot machines and punch boards from the definition of game of chance. It also specifies that neither term includes bingo. (Sec. 2915.01(C) and (D).)

New meaning of bingo; other related new definitions; electronic bingo aids; and the expanded offense of cheating

Bingo-related definitions and cheating. The act defines "bingo" as the conduct of regular bingo, instant bingo, punch boards, and raffles (see definitions below), specifies that bingo is not a scheme or game of chance, and specifically includes bingo within the scope of the criminal offense of cheating (secs. 2915.01(C), (D), (E), and (S) and 2915.05(A)(4)).² It alters the current definition of "regular bingo" to specify that it includes the use of bingo sheets as well as bingo cards (specified in prior law), and includes both paper formats and electronic representation or image formats of bingo cards or sheets (sec. 2915.01(S)(1)).

"Instant bingo" is defined by the act as a form of bingo that uses folded or banded tickets or paper cards with perforated break-open tabs, a face of which is covered or otherwise hidden from view to conceal a number, letter, or symbol, or set of numbers, letters, or symbols, some of which have been designated in

² *In this regard, cheating would be committed if a person, with purpose to defraud or knowing that the person is facilitating a fraud, engages in conduct designed to corrupt the outcome of bingo. Cheating is either a misdemeanor of the first degree or a felony of the fifth degree.*

advance as prize winners; "instant bingo" includes "seal cards" (see below) but does not include any device that is activated by the insertion of a coin, currency, token, or an equivalent and that contains as a component a video display monitor that is capable of displaying numbers, letters, symbols, or characters in winning or losing combinations (sec. 2915.01(FF)). The act defines a "seal card" as a form of instant bingo that uses instant bingo tickets in conjunction with a board or placard that contains one or more seals that, when removed or opened, reveal predesignated winning numbers, letters, or symbols (sec. 2915.01(GG)). "Punch board" is defined by the act as a board containing a number of holes or receptacles of uniform size in which are placed, mechanically and randomly, serially numbered slips of paper that may be punched or drawn from the hole or receptacle when used in conjunction with instant bingo. A player may punch or draw the numbered slips of paper from the holes or receptacles and obtain the prize established for the game if the number drawn corresponds to a winning number or, if the punch board includes the use of a seal card, a potential winning number. (Sec. 2915.01(II).)

A "raffle" is a form of bingo in which the one or more prizes are won by one or more persons who have purchased a raffle ticket. The one or more winners of the raffles are determined by drawing a ticket stub or other detachable section from a receptacle containing ticket stubs or detachable sections corresponding to all tickets sold for the raffle. (Sec. 2915.01(HH).)

Electronic bingo aids. The act includes electronic bingo aids as a type of "bingo supplies" (see definition under **"Meaning of 'net profit'; related terms"** below). It defines an "electronic bingo aid" as an electronic device used by a participant to monitor bingo cards or sheets purchased at the time and place of a bingo session and that does all of the following: (1) provides a means for the participant to input numbers and letters announced by a bingo caller, (2) compares the numbers and letters that the participant enters to the bingo faces previously stored in the device's memory, and (3) identifies a winning bingo pattern. "Electronic bingo aid" does not include any device into which a coin, currency, token, or an equivalent is inserted to activate play. (Sec. 2915.01(EE) and (TT).)

A charitable organization may use or permit the use of electronic bingo aids, but only under the following circumstances: for any single participant, not more than 90 bingo faces can be played using an electronic bingo aid or aids; the charitable organization must provide a participant using an aid with corresponding paper bingo cards or sheets; the total price of bingo faces played with an aid must equal the total price of the same number of bingo faces played with a paper bingo card or sheet sold at the same bingo session but without an aid; and the aid (1) cannot be part of an electronic network other than a network that includes only bingo aids and devices that are located on the premises at which the bingo is being

conducted or be interactive with any device not located on the premises at which the bingo is being conducted, (2) be used to participate in bingo that is conducted at a location other than the location at which the bingo session is being conducted and at which the aid is being used, and (3) be used to provide for the input of numbers and letters announced by a bingo caller other than the bingo caller who physically calls the numbers and letters at the location at which the bingo session is being conducted and at which the aid is being used (sec. 2915.09(C)(11)(a)).

The act authorizes the Attorney General to adopt rules in accordance with the Administrative Procedure Act that govern the use of electronic bingo aids. These rules may include a requirement that the aids be capable of being audited by the Attorney General to verify the number of bingo cards or sheets played during each bingo session. (Sec. 2915.09(C)(11)(b).)

Meaning of "net profit"; related terms

The act defines "net profit" as gross profit minus expenses. "Gross profit" is defined as gross receipts minus the amount actually expended for the payment of prize awards. And, "expenses" means the reasonable amount of gross profit actually expended for all of the following: (1) the purchase or lease of bingo supplies (see below), (2) the annual license fee required to be paid under the act (see below), (3) bank fees and service charges for a bingo session or game account, (4) audits and accounting services, (5) safes, (6) cash registers, (7) hiring security personnel, (8) advertising bingo, (9) renting premises in which to conduct bingo, (10) tables and chairs, and (11) any other product or service directly related to the conduct of bingo that is authorized in rules adopted by the Attorney General. "Bingo supplies" is defined by the act to mean (1) bingo cards or sheets, (2) instant bingo tickets or cards, (3) electronic bingo aids, (4) raffle tickets, (5) punch boards, (6) seal cards, (7) instant bingo ticket dispensers, and (8) devices for selecting or displaying the combination of bingo letters and numbers or raffle tickets. These items are not "gambling devices" as defined in the Charitable Gambling Law if sold or otherwise provided, and used, in accordance with that law. Bingo supplies are not considered equipment used to conduct a bingo game. (Sec. 2915.01(F)(5), (EE), (JJ), (KK), and (LL).)

Bingo license fees

The act authorizes a charitable organization to apply for and the Attorney General to issue a license that would allow any charitable organization to conduct bingo; a license that would allow a charitable organization to conduct instant bingo at a bingo session; and a license that would allow a charitable organization to conduct instant bingo other than at a bingo session. The annual application fee for a license to conduct bingo is \$200 if the involved charitable organization previously has been licensed to conduct any type of bingo or instant bingo. For

any organization not previously licensed, the license fee is to be set by the Attorney General in rules.

For a charitable organization that previously has not been licensed under R.C. Chapter 2915. to conduct instant bingo at a bingo session or instant bingo other than at a bingo session, the license fee is \$500, and the license fee for any other charitable organization is based upon the total of all money or assets received by any person or the charitable organization from the operation of instant bingo at a bingo session or instant bingo other than at a bingo session, during the one-year period ending on October 31 of the year immediately preceding the year for which the license is sought. The fee is determined as follows: if the total is less than \$50,000, a fee of \$500; if the total is more than \$50,000 but less than \$300,001, a fee of \$1,250; if the total is more than \$300,000 but less than \$600,001, a fee of \$2,250; if the total is more than \$600,000 but less than \$1,000,001, a fee of \$3,500; and if the total is more than \$1,000,001, a fee of \$5,000.

The act continues to provide that if the organization operates bingo or instant bingo for less than 26 weeks, the license fee is a reduced fee established as under existing law by the Attorney General. The annual fee for a charitable bingo license under prior law was \$100. (Sec. 2915.08(A) and (G).)

The act's new fees will not be charged until one year after the act's effective date. During that one-year period after the effective date of the act, the Attorney General may, by rule adopted in accordance with sec. 111.15, establish the license fees for the conduct of bingo, instant bingo at a bingo session, or instant bingo other than at a bingo session. (Section 3 of the act.)

A charitable organization that prior to the effective date of the act has not been licensed under the Charitable Gambling Law to conduct bingo, instant bingo at a bingo session, or instant bingo other than at a bingo session, must submit to the Attorney General a license fee established by rule by the Attorney General to conduct bingo (sec. 2915.08(A)(1)(d)). The act requires the Attorney General, by rule adopted in accordance with sec. 111.15, must establish license fees for the conduct of bingo, instant bingo at a bingo session, or instant bingo other than at a bingo session for charitable organizations that prior to the effective date of the act have not been licensed to conduct bingo, instant bingo at a bingo session, or instant bingo at other than a bingo session under the Charitable Gaming Law (sec. 2915.08(H)).

The act allows the Attorney General to enter into a written contract with any other state agency to delegate to that state agency the powers prescribed to the Attorney General under the Charitable Gaming Law (sec. 2915.08(I)).



The act also allows the Attorney General, by rule adopted pursuant to R.C. 111.15, to adopt rules to determine the requirements for a charitable organization that is exempt from federal income taxation under subsection 501(a) and described in subsection 501(c)(3) of the Internal Revenue Code to be in good standing in the state (sec. 2915.08(J)).

"Gross annual revenues" means the annual gross receipts derived from the conduct of regular bingo plus the annual net profit derived from the conduct of instant bingo, punch boards, and raffles (sec. 2915.01(RR)).

Changes in definitions of various other terms used in the Charitable Gambling Law

"Charitable purpose". Prior law defined various charitable purposes for which a charitable organization could use the *proceeds* of (1) a regular bingo game or (2) schemes of chance, such as instant bingo and raffles (secs. 2915.01(Z) and 2915.02(D)(1)). Previously, organizations described in subsection 501(c)(4), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code (civic, fraternal, and veteran's organizations) generally cannot conduct schemes of chance or use directly for themselves the net profit derived from the proceeds of regular bingo games.

The act redefines "charitable purpose" to mean that the *net profit* of bingo other than instant bingo (see below) generally is used, or is given, donated, or otherwise transferred, in a manner as specified in prior law (but see change in the next paragraph). It thus requires a charitable organization that conducts a *raffle* or *punch board game* to use, give, donate, or otherwise transfer the net profit of the raffle or game in one of the same manners in which the net profit of regular bingo games must be used, given, donated, or otherwise transferred generally as specified in current law. The act also modifies this definition to permit net profit to be given, donated, or otherwise transferred to a veteran's organization that is a post, chapter, or organization of veterans (removes references to "war"). (Secs. 2915.01(Z), 2915.08(A)(2)(f), and 2915.09(A)(3).)

Educational organization. Continuing law defines one type of charitable organization--an "educational organization"--as any organization within Ohio that is not organized for profit, that has as its *primary* purpose to educate and develop the capabilities of individuals through instruction, and that operates or contributes to the support of a school, academy, college, or university. The act modifies this definition by replacing "primary" with "exclusive." (Sec. 2915.01(J).)

Veteran's organization. Under continuing law, still another type of charitable organization--a "veteran's organization"--must be an individual post, or an auxiliary unit of an individual post, of a national veteran's association, and a

"national veteran's association" must have been in continuous existence as such for a period of *at least ten years*. The act reduces this time period to *at least five years*. (Sec. 2915.01(K).)

Bingo game operator and conduct. The act adds the following acts to the examples of acts that, under continuing law, a bingo game operator may perform at the site of a regular bingo game: (1) selling or redeeming instant bingo tickets or cards, (2) supervising the operation of a punch board, (3) selling raffle tickets, and (4) selecting raffle tickets from a receptacle and announcing the winning numbers in a raffle (sec. 2915.01(U)). These additional acts reflect the act's expanded meaning of "bingo."

Under prior law, the term "conduct" meant to back, promote, organize, manage, carry on, or prepare for the operation of a scheme or game of chance, but did not include any act performed by a bingo game operator. The act redefines this term to mean to back, promote, organize, manage, carry on, *sponsor*, or prepare for the operation of bingo (reflecting its expanded meaning under the act) or a game of chance. (Sec. 2915.01(T).)

Gross receipts. Prior law specified that "gross receipts" from a bingo session did not include any money directly taken in from the sale of food or beverages by a charitable organization conducting a bingo session, or by a bona fide auxiliary unit or society of a charitable organization, if all of the following apply: (1) the auxiliary unit or society had been in existence as a bona fide auxiliary unit or society of the charitable organization for at least two years prior to the session, (2) the person who purchased the food or beverage received nothing of value except the food or beverage and items customarily received with the purchase of that food or beverage, (3) the food and beverages were sold at customary and reasonable prices, and (4) no person preparing, selling, or serving the food or beverages at the site of the bingo game received directly or indirectly any form of compensation for the preparation, sale, or service of the food or beverages (sec. 2915.01(X)). The act repeals the restriction described in item (4) above, but the restrictions described in items (1) to (3) above still apply (sec. 2915.01(X)(4)).

Charitable organization. Continuing law provides that to qualify as a charitable organization, an organization, except a volunteer rescue service or volunteer fire fighter's organization, a charitable organization must have been in continuous existence as such in Ohio for a period of two years immediately preceding either the making of an application for a bingo license or the conducting of any scheme of chance or game of chance. The act maintains this requirement but provides that this requirement does not apply to a charitable organization that is exempt from federal income taxation under subsection 501(a) and described in subsection 501(c)(3) of the Internal Revenue Code and that is created by a



veteran's organization or a fraternal organization. It also specifies that the definition applies except as otherwise provided in the R.C. chapter that regulates gambling. (Sec. 2915.01(H).)

Volunteer fire fighter's organization. The act provides that to qualify as a "volunteer fire fighter's organization" an organization must be organized and operated to provide financial support for a volunteer fire department or volunteer fire company and must be recognized or ratified by a county, municipal corporation, or township (sec. 2915.01(L)).

Game of chance. The act modifies the definition of "game of chance" to not include bingo and removes "slot machine and punch board" from the definition (sec. 2915.01(D)).

Bingo session. The act redefines "bingo session" to mean a period that includes both of the following (sec. 2915.01(W)):

(1) Not to exceed five continuous hours *for the conduct of one or more games described in the primary definition of bingo, instant bingo, and seal cards* ;

(2) *A period for the conduct of instant bingo and seal cards for not more than two hours before and not more than two hours after the period described in the prior paragraph.*

Net profit from the proceeds of the sale of instant bingo. The act defines "net profit from the proceeds of the sale of instant bingo" to mean gross profit minus the ordinary, necessary, and reasonable expense expended for the purchase of instant bingo supplies (Sec. 2915.01(WW)).

Deal of instant bingo tickets. The act defines "deal of instant bingo tickets" as a single game of instant bingo tickets all with the same serial number (R.C. 2915.01(UU)).

Slot machines. The act defines "slot machine" as either of the following (Sec. 2915.01(VV)):

(1) Any mechanical, electronic, video, or digital device that is capable of accepting anything of value, directly or indirectly, from or on behalf of a player who gives the thing of value in the hope of gain, the outcome of which is determined largely or wholly by chance;

(2) Any mechanical, electronic, video, or digital device that is capable of accepting anything of value, directly or indirectly, from or on behalf of a player to conduct or dispense bingo or a scheme or game of chance.

Charitable instant bingo organization

The act defines "charitable instant bingo organization" as an organization that is exempt from federal income taxation under subsection 501(a), and described in subsection 501(c)(3), of the Internal Revenue Code and is a charitable organization as defined in the act. A "charitable instant bingo organization" does not include a charitable organization that is exempt from federal income taxation under subsection 501(c)(3) of the Internal Revenue Code that is created by a veteran's organization or a fraternal organization in regards to bingo conducted or assisted by a veteran's or fraternal organization pursuant to R.C. 2915.13. (Sec. 2915.01(XX).)

Distribution of the net proceeds from the sale of instant bingo

The act provides that, except as otherwise provided by law, a charitable organization that conducts instant bingo must distribute the net profit from the proceeds of the sale of instant bingo as follows: if a veteran's organization or a fraternal organization conducted the instant bingo, the organization must distribute the net profit as follows: (a) a minimum of 50% must be distributed to a charitable organization that is described in subsection 501(c)(3) of the Internal Revenue Code or to a department or agency of the federal government, the state, or a political subdivision, (b) 15% may be distributed for the organization's own charitable purposes, and (c) 35% may be deducted and retained by the organization for its expenses in conducting the game. If a veteran's organization or a fraternal organization does not distribute the full percentages specified in (b) and (c) above for the purpose specified, the balance of the net profit not distributed or retained for that purpose must be distributed to the organizations referenced in (a) above. The act also provides that a veteran's organization or a fraternal organization is not required to itemize the organization's expenses. (Sec. 2915.101(A).)

If a charitable organization other than a veteran's organization or a fraternal organization conducted the instant bingo, the organization must distribute the net profit from the proceeds of the sale of instant bingo as follows: (a) a minimum of 70% of the net profit to a charitable organization that is described in subsection 501(c)(3) of the Internal Revenue Code or to a department or agency of the federal government, the state, or a political subdivision and (b) 30% of the net profit may be deducted and retained by the organization for its expenses in conducting the game. If a charitable organization does not retain the full percentage specified in (b) for the purposes specified, the balance of the net profit not retained for that purpose must be distributed to the organization described in (a). The act also provides that the organization is not required to itemize the organization expenses. (Sec. 2915.101(B).)

Consideration for use of a premises that a charitable organization owns and uses for its own bingo games

Prior law required that a charitable organization that conducted bingo use all of the gross receipts from regular bingo games for specified purposes. One of these purposes was for renting premises in which to conduct bingo games, except that, if the building in which the games were conducted was owned by the charitable organization conducting the games, the charitable organization could deduct from the total amount of the gross receipts from each bingo session *a sum equal to the lesser of \$600 or 45% of the gross receipts* from the session as consideration for use of the premises. The act maintains the latter provision if a charitable organization conducts bingo that includes regular bingo games. (Sec. 2915.09(A)(2).)

Maximum rate allowed for rental of a premises

Prior law allowed a charitable organization to conduct regular bingo games on various types of premises, including premises owned by another charitable organization and leased from that organization for a rental rate not in excess of \$450 per bingo session. The act increases this maximum rental rate to the lesser of \$600 per bingo session *or 45% of the gross receipts* of the bingo session. (Sec. 2915.09(B)(1).)

Compensation of bingo game operators

Continuing law prohibits a bingo game operator from receiving or accepting any commission, wage, salary, reward, tip, donation, gratuity, or other form of compensation, directly or indirectly, regardless of source, for operating a regular bingo game or providing other work or labor at the site of a regular bingo game. The act forbids a *charitable organization* from providing to a bingo game operator, and forbids a bingo game operator from receiving or accepting, the types of compensation described in the immediately preceding sentence for conducting bingo as redefined by the act or providing other work or labor at the site of bingo as redefined by the act. The act also provides that these prohibitions do not prevent an employee of a fraternal or veteran's organization from selling instant bingo tickets or cards to the organization's members, as long as no portion of the employee's compensation is paid from any bingo receipts. (Sec. 2915.09(D).)

Time deadline for issuing initial bingo licenses; temporary license option

Within 30 days after receiving an initial application from a charitable organization for a license to conduct bingo, instant bingo at a bingo session, or instant bingo other than at a bingo session, the Attorney General is required by the act to conduct a preliminary review of the application and notify the applicant

regarding any deficiencies. Once an application is deemed complete, or beginning on the 30th day after the application is filed, if the Attorney General failed to notify the applicant of any deficiencies, the Attorney General has an additional 60 days to conduct an investigation and either grant or deny the application based on the findings that are required to be established and communicated under existing law when the Attorney General considers bingo license applications. As an option to granting or denying an initial application, the Attorney General may grant a temporary license and request additional time to conduct the investigation if the Attorney General has cause to believe that additional time is necessary to complete the investigation and has notified the applicant in writing with the specific concerns raised during the investigation. (Sec. 2915.08(A)(4).)

These provisions will not be applied until one year after the act's effective date (Section 7 of the act).

Frequency of issuance of amended bingo licenses

Prior law allowed a charitable organization to apply for an amended bingo license if it could not conduct *regular bingo sessions* at the location, or on the day of the week or at the time, specified on its license due to "circumstances beyond its control" making it "impossible" to so conduct the sessions. Prior law apparently also allowed a charitable organization that wanted to conduct bingo sessions on a day or at a time other than that specified on its license to apply for an amended license. However, prior law specified that a charitable organization could apply *only once in each calendar year* for an amended license to conduct bingo sessions on a day of the week or at a time other than the day or time specified on its bingo license. No fee could be charged for an amended license. (Secs. 2915.08(F) and 2915.09(C)(6).)

The act modifies one ground upon which an amended license may be sought--"the circumstances make it impracticable" for a charitable organization to conduct *bingo or instant bingo as redefined by the act* at the location, or on the day of the week or at the time, specified on its license. It requires that any application for an amended bingo license be accompanied by an application fee of \$250 and be made at least 30 days prior to the requested change in location, day, or time. Finally, the act allows a charitable organization to apply *twice in each calendar year* for an amended license to conduct *regular bingo sessions* on another day or at another time than that specified in its license. (Secs. 2915.08(F) and 2915.09(C)(6).)

Restrictions applicable to regular bingo game operators in the purchase, sale, or use of bingo supplies

In addition to prohibitions set forth in continuing law, the act prohibits a charitable organization that conducts regular bingo games from purchasing or leasing bingo supplies from any person except a distributor licensed under the act (see below) (sec. 2915.09(C)(10)).

Licensing of bingo supply distributors

The act prohibits any distributor from selling, offering to sell, or otherwise providing or offering to provide bingo supplies for use in Ohio without having obtained a distributor license from the Attorney General (sec. 2915.081(A)). A violator of this prohibition is guilty of the offense of "illegally operating as a distributor," a misdemeanor of the first degree on a first offense and a felony of the fifth degree on each subsequent offense (sec. 2915.081(G)). The act relatedly defines a "distributor" as any person who purchases or obtains bingo supplies and who sells, offers for sale, or otherwise provides or offers to provide the bingo supplies to another for use in Ohio and "bingo supplies" as bingo cards or sheets, instant bingo tickets or cards, electronic bingo aids, raffle tickets, punch boards, seal cards, instant bingo ticket dispensers, and devices for selecting or displaying the combination of bingo letters and numbers or raffle tickets (sec. 2915.01(EE) and (PP)).

The act authorizes the Attorney General to issue a distributor license to any person who meets the act's requirements for being issued that license. The application for the license must be on a form that the Attorney General prescribes, the license is valid for a period of one year, and the annual fee for the license is \$2,500. (Sec. 2915.081(B).)

The act authorizes the Attorney General to *refuse to issue* a distributor license to any person to which any of the following applies, or to any person that has an officer, partner, or other person with an ownership interest of 10% or more and to whom any of the following applies: (1) the person, officer, or partner has been convicted of a felony under the laws of Ohio, another state, or the United States, (2) the person, officer, or partner has been convicted of any gambling offense, (3) the person, officer, or partner has made a material incorrect or false statement to the Attorney General in a license application submitted for a distributor license or to a gambling licensing authority in another jurisdiction in a similar application if the statement resulted in license revocation through administrative action in that jurisdiction, (4) the person, officer, or partner has submitted any incorrect or false information relating to the application if the information is material to the Attorney General's granting of the distributor license, (5) the person, officer, or partner has failed to correct any incorrect or

false information material to the Attorney General's granting of the distributor license in the records the act requires a distributor to maintain, or (6) the person, officer, or partner has had a license related to gambling revoked or suspended under the laws of Ohio, another state, or the United States (sec. 2915.081(C)). The Attorney General *must not issue* a distributor license to any person that is involved in the conduct of bingo on behalf of a charitable organization or that is a lessor of premises used for the conduct of bingo, but this provision (1) does not prohibit a distributor from advising charitable organizations on the use and benefit of specific bingo supplies or from advising a customer on operational methods to improve bingo profitability and (2) does not apply during the one-year period after a distributor is first issued a license if the distributor possesses an interest in any premises used for the conduct of bingo on the act's effective date (sec. 2915.081(D) and (E)(4) and Section 6 of the act). And, the Attorney General may *suspend or revoke* a distributor license for any of the reasons for which the Attorney General may refuse to issue the license or if the distributor holding the license violates any provision of the Charitable Gambling Law or any rule adopted under it (sec. 2915.081(F)).

The act prohibits a distributor from doing the following: (1) selling, offering to sell, or otherwise providing or offering to provide bingo supplies to any person for use in Ohio except to a charitable organization licensed to conduct bingo or to another licensed distributor, (2) purchasing bingo supplies for use in Ohio except from a manufacturer licensed to sell bingo supplies or from another licensed distributor, (3) donating, giving, loaning, leasing, or otherwise providing any bingo supplies or equipment to a charitable organization for use in a bingo session conditioned on or in consideration for an exclusive right to provide bingo supplies to the charitable organization, (4) participating in the conduct of bingo on behalf of a charitable organization or having any direct or indirect ownership in a premises used for the conduct of bingo (this provision does not apply during the one-year period after a distributor is first issued a license if the distributor possesses an interest in any such premises on the act's effective date), or (5) knowingly soliciting, offering, paying, or receiving any kickback, bribe, or undocumented rebate, directly or indirectly, overtly or covertly, in cash or in kind, in return for providing bingo supplies to any person in Ohio (sec. 2915.081(E) and Section 6 of the act).

The act permits a distributor to provide a licensed charitable organization with free samples of the distributor's products to be used as prizes or to be used for the purpose of sampling (sec. 2915.081(E)(2)).

The act also requires a distributor to *accept only checks* as payment for the sale or other provision of bingo supplies, and generally requires that payment by a

distributor for purchases of bingo supplies be made only by check (sec. 2915.081(E)(1) and (3)).

A violator of any of the prohibitions or requirements mentioned in the preceding two paragraphs also is guilty of "illegally operating as a distributor," as described above (sec. 2915.081(G)). "Illegally operating as a distributor" is a gambling offense (sec. 2915.01(G)(1)).

Licensing of bingo supply manufacturers

The act prohibits any manufacturer from selling, offering to sell, or otherwise providing or offering to provide bingo supplies for use in Ohio without having obtained a manufacturer license from the Attorney General (sec. 2915.082(A)). A violator of this prohibition is guilty of the offense of "illegally operating as a manufacturer," a misdemeanor of the first degree on a first offense and a felony of the fifth degree on each subsequent offense (sec. 2915.082(F)). The act relatedly defines a "manufacturer" as any person who assembles completed bingo supplies from raw materials, other items, or subparts or who modifies, converts, adds to, or removes parts from bingo supplies to further their promotion or sale (sec. 2915.01(QQ)).

The act authorizes the Attorney General to issue a manufacturer license to any person who meets the act's requirements for being issued that license. The application for the license must be on a form that the Attorney General prescribes, the license is valid for a period of one year, and the annual fee for the license is \$2,500. (Sec. 2915.082(B).)

The act authorizes the Attorney General to *refuse to issue* a manufacturer license to any person to which any of the following applies, or to any person that has an officer, partner, or other person with an ownership interest of 10% or more and to whom any of the following applies: (1) the person, officer, or partner has been convicted of a felony under the laws of Ohio, another state, or the United States, (2) the person, officer, or partner has been convicted of any gambling offense, (3) the person, officer, or partner has made a material incorrect or false statement to the Attorney General in a license application submitted for a manufacturer license or to a gambling licensing authority in another jurisdiction in a similar application if the statement resulted in license revocation through administrative action in the other jurisdiction, (4) the person, officer, or partner has submitted any incorrect or false information relating to the application if the information is material to the Attorney General's granting of the manufacturer license, (5) the person, officer, or partner has failed to correct any incorrect or false information material to the Attorney General's granting of the manufacturer license in the records the act requires a manufacturer to maintain, or (6) the person, officer, or partner has had a license related to gambling revoked or

suspended under the laws of Ohio, another state, or the United States (sec. 2915.082(C)). The Attorney General may *suspend or revoke* a manufacturer license for any of the reasons for which the Attorney General may refuse to issue the license or if the manufacturer holding the license violates any provision of the Charitable Gambling Law or any rule adopted under it (sec. 2915.082(E)).

The act prohibits a manufacturer from selling, offering to sell, or otherwise providing or offering to provide bingo supplies to any person in Ohio except to a licensed distributor. And, it requires that a manufacturer *accept only checks* as payment for the sale of bingo supplies. (Sec. 2915.082(D)(1).)

The act also prohibits a manufacturer from knowingly soliciting, offering, paying, or receiving any kickback, bribe, or undocumented rebate, directly or indirectly, overtly or covertly, in cash or in kind, in return for providing bingo supplies to any person in Ohio (sec. 2915.082(D)(2)).

A violator of the prohibitions or requirements mentioned in the preceding two paragraphs also is guilty of the offense of "illegally operating as a manufacturer," as described above (sec. 2915.082(F)). "Illegally operating as a manufacturer" is a gambling offense (sec. 2915.01(G)(1)).

Licensing caveat relative to bingo supply distributors and manufacturers

The act provides that distributors and manufacturers that apply for an initial license within 60 days after the act's effective date may sell bingo supplies without a license only until a determination is made by the Attorney General either granting or denying the application for a license. (Sections 4 and 5.)

Regulation of the conduct of instant bingo and of raffles

Instant bingo

An "instant bingo dispenser" is defined as a mechanical device that dispenses an instant bingo ticket or card as the sole item of value dispensed and that has the following additional characteristics: it is activated upon the insertion of United States currency; it performs no gaming functions; it does not contain a video display monitor or generate noise; it is not capable of displaying any numbers, letters, symbols, or characters in winning or losing combinations; it does not simulate or display rolling or spinning reels; it is incapable of determining whether a dispensed bingo ticket or card is a winning or nonwinning ticket or card and requires a winning ticket or card to be paid by a bingo game operator; it may provide accounting and security features to aid in accounting for the instant bingo tickets or cards it dispenses; and it is not part of an electronic network and is not interactive (sec. 2915.01(SS)).

The act prohibits a charitable organization that conducts instant bingo from doing any of the following (sec. 2915.091(A)): (1) failing to comply with certain requirements of existing law governing the conduct of regular bingo games, (2) permitting any person whom the charitable organization knows or should have known has been convicted of a felony or gambling offense in any jurisdiction to be a bingo game operator in the conduct of instant bingo, (3) purchasing or leasing supplies used to conduct instant bingo or punch board games, or raffles from any person except a licensed distributor, (4) conducting instant bingo unless the organization is, and has received from the Internal Revenue Service a determination letter that is currently in effect stating that the organization is, exempt from federal income taxation and described in subsection 501(c)(3) of the Internal Revenue Code, is in good standing in the state pursuant to R.C. 2915.08, and is in compliance with the Charitable Organizations Law, or the organization is, and has received from the Internal Revenue Service a determination letter that is currently in effect stating that the organization is exempt from federal income taxation under subsection 501(a), is described in subsection 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code, and conducts instant bingo under R.C. 2915.13, (5) conducting instant bingo on any day, at any time, or at any premises not specified on the organization's bingo license, (6) selling or providing any instant bingo ticket or card for a price different from that printed on it by the manufacturer, (7) selling an instant bingo ticket or card to a person under 18 years of age, (8) failing to keep unsold instant bingo tickets or cards for less than three years, (9) paying any compensation to a bingo game operator for conducting instant bingo for the organization or for preparing, selling, or serving food or beverages at the site of the instant bingo game, (10) permitting any auxiliary unit or society of the organization to pay compensation to any bingo game operator who prepares, sells, or serves food or beverages at any instant bingo game conducted by the organization, (11) permitting any auxiliary unit or society of the organization to prepare, sell, or serve food or beverages at an instant bingo game conducted by the organization, if the auxiliary unit or society pays any compensation to the bingo game operators who prepare, sell, or serve the food or beverages, (12) paying fees to any person for any services performed in relation to an instant bingo game, (13) paying fees to any person who provides refreshments to the participants in an instant bingo game, (14) allowing instant bingo tickets or cards to be sold to bingo game operators who are performing work or labor at a premises at which the organization sells instant bingo tickets or cards or to employees of a D permit holder who are working at a premises where instant bingo tickets or cards are sold on behalf of the organization as authorized by the act, (15) failing to display its bingo license, and the serial numbers of the deals of instant bingo tickets or cards to be sold, conspicuously at each premises at which it sells instant bingo tickets or cards, (16) possessing a deal of instant bingo tickets or cards that was not purchased from a distributor licensed under the act's provisions as reflected on an invoice issued by the distributor that contains all of



the information required by the act's record-keeping provisions, (17) failing, once it opens a deal of instant bingo tickets or cards, to continue to sell the tickets or cards in that deal until the tickets or cards with the two highest tiers of prizes in that deal are sold, or (18) purchasing, leasing, or using instant bingo ticket dispensers to sell instant bingo tickets or cards, or (19) possessing bingo supplies that were not obtained in accordance with R.C. Chapter 2915.

A person who violates any of the latter prohibitions is guilty of the offense of "illegal instant bingo conduct," a misdemeanor of the first degree on a first offense and a felony of the fifth degree on subsequent offenses (sec. 2915.091(D)).

The act provides that a charitable organization may conduct instant bingo other than at a bingo session at not more than five separate locations. A charitable organization that is exempt from federal taxation under subsection 501(a) and described in subsection 501(c)(3) of the Internal Revenue Code and that is created by a veteran's organization or fraternal organization is not limited in the number of separate locations the charitable organization may conduct instant bingo other than at a bingo session. (Sec. 2915.091(B).)

In addition, the act authorizes the Attorney General to adopt rules in accordance with the Administrative Procedure Act governing the conduct of instant bingo by charitable organizations. Before those rules are adopted, the Attorney General must reference the recommended standards for opacity, randomization, minimum information, winner protection, color, and cutting for instant bingo tickets or cards, seal cards, and punch boards established by the North American Gaming Regulators Association. A violation of any rule so adopted by the Attorney General also constitutes the offense of "illegal instant bingo conduct," as described above. (Sec. 2915.091(C) and (D).) "Illegal instant bingo conduct" is a gambling offense (sec. 2915.01(G)(1)).

Raffles

The act authorizes a charitable organization to conduct a raffle without a license to conduct bingo and permits the charitable organization to conduct a raffle to raise money for the charitable organization. However, charitable organizations may not conduct a raffle unless that organization is, and has received from the Internal Revenue Service a determination letter that is currently in effect stating that the organization is, exempt from federal income taxation under subsection 501(a) and is described in subsection 501(c)(3) of the Internal Revenue Code. No charitable organization may conduct more than 36 raffles during a calendar year. No person may be compensated directly or indirectly for assisting in the conduct or operation of a raffle. A raffle drawing may not be conducted on premises other than premises that a charitable organization uses for its charitable programs. (Secs. 2915.092(A), (B), and (C) and 2915.07(A).) The act also prohibits a person

from failing to use, or give, donate, or otherwise transfer, the net profit from a raffle for a charitable purpose (sec. 2915.092(D)).

Whoever violates any of the above prohibitions is guilty of illegal conduct of a raffle. Illegal conduct of a raffle is a misdemeanor of the first degree. If the offender has previously been convicted of a violation, illegal conduct of a raffle is a felony of the fifth degree. A violation of the above prohibitions is a gambling offense. (Secs. 2915.092(E) and 2915.01(G)(1).)

Regulation of "charitable instant bingo organization"

The act permits a charitable instant bingo organization to conduct instant bingo other than at a bingo session at not more than five separate locations and requires a charitable instant bingo organization that conducts instant bingo other than at a bingo session to enter into a written contract with the owner or lessor of the location at which the instant bingo is conducted to allow the owner or lessor to assist in the conduct of the instant bingo. The act prohibits a charitable instant bingo organization from conducting instant bingo other than at a bingo session at a location where the primary source of retail income from all commercial activity at that location is the sale of instant bingo tickets. The act requires the owner or lessor of a location to pay up front for the cost of the deal of instant bingo tickets and the gross profits that would be earned by the owner or lessor if all of the instant bingo tickets are sold. The act also requires the charitable instant bingo organization to provide certain specified information to the Attorney General. (Sec. 2915.093.)

Regulation of owners or lessors of locations at which instant bingo is conducted

The act prohibits an owner or lessor of a location from assisting a charitable instant bingo organization in the conduct of instant bingo other than at a bingo session at that location unless the owner or lessor has entered into a written contract with the charitable instant bingo organization to assist in the conduct of instant bingo other than at a bingo session. The act also prohibits an owner or lessor from violating any provision of R.C. Chapter 2915. or permitting, aiding, or abetting any other person in violating R.C. Chapter 2915., and prohibits the owner or lessor from violating the terms of the written contract.

The act provides that whoever violates the immediate above prohibitions is guilty of illegal instant bingo conduct, which is generally a misdemeanor of the first degree. If the offender previously has been convicted of a violation of the prohibitions, illegal instant bingo conduct is a felony of the fifth degree. The act also provides that if an owner or lessor of a location knowingly, intentionally, or recklessly violates those prohibitions, any license that the owner or lessor holds

for the retail sale of any goods on the owner's or lessor's premises that is issued by the state or a political subdivision is subject to suspension, revocation, or payment of a monetary penalty at the request of the Attorney General. (Sec. 2915.094.)

Rules for standard contract entered into by charitable instant bingo organization and owner or lessor of a location

The act requires the Attorney General, by rule, to establish a standard contract to be used by a charitable instant bingo organization, a veteran's organization, or a fraternal organization, for the conduct of instant bingo other than at a bingo session. The terms of the contract must be limited to the provisions of R.C. Chapter 2915. (Sec. 2915.095.)

Maintenance of records

Gross receipts, prize awards, inventories

Under continuing law, a charitable organization that conducts a bingo session (i.e., regular bingo games) or a scheme or game of chance is required to maintain for at least three years itemized lists of the gross receipts of, and all prizes awarded at, each bingo session or scheme or game of chance. Under the act, the *gross receipts* itemized list also must be maintained for each game of instant bingo *by serial number* and for each raffle and punch board game a charitable organization conducts. In addition, the *all prizes awarded* list must be maintained for each raffle and punch board game a charitable organization conducts. (Sec. 2915.10(A)(1) and (3).)

Prior law required a charitable organization to include in the *all prizes awarded* list the name and address of all winners of prizes of \$100 or more in value. The act increases this amount to \$600 or more in value and requires the listing, in addition to their names and addresses, of the Social Security numbers of the winners of prizes of that value. (Sec. 2915.10(A)(3).)

The act further requires that a list be maintained of the *total prizes awarded* from each game of instant bingo by serial number, and that each charitable organization conduct and record an *inventory* of all of its bingo supplies as of November 1 of each year (sec. 2915.10(A)(3) and (C)).

Expenses

Under continuing law, a charitable organization that conducts a bingo session is required to maintain for at least three years (1) an itemized list of all expenses, other than prizes, that are incurred in conducting the bingo session, the name of each person to whom the expenses are paid, and a receipt for all of the expenses and (2) an itemized list of all expenses incurred at the bingo session *in*

the sale of food and beverages by the charitable organization or by an auxiliary unit or society of the charitable organization, the name of each person to whom the expenses are paid, and a receipt for all of the expenses. The act apparently requires that these itemized lists include expenses incurred in conducting instant bingo games as well as each session of regular bingo, each raffle, and each punch board game. (Sec. 2915.10(A)(2) and (7).)

Net profit charitable recipients

Prior law required that charitable organizations maintain for three years an itemized list of the charitable recipients of the *proceeds* of a bingo session or scheme or game of chance, including the name and address of each recipient to whom the money is distributed, and, if the organization used the proceeds of a bingo session, or the money or assets received from a scheme or game of chance, for a charitable purpose, a list of each purpose and an itemized list of each expenditure for each purpose. The act instead requires charitable organizations to maintain an itemized list of the recipients of the *net profit* of bingo as redefined by the act or a game of chance, and, if the organization uses the net profit of bingo, or the money or assets received from a game of chance, for any charitable or other purpose, a list showing each purpose and an itemized list showing each expenditure for each purpose. (Sec. 2915.10(A)(4).)

Retention of records

The act requires a charitable organization to keep the records that it is required to maintain at its principal place of business in this state or at its headquarters in this state and must notify the Attorney General of the location at which those records are kept. (Sec. 2915.10(B).)

Checking accounts

Under the act, the gross profit from each instant bingo game, bingo session, or punch board game, and (presumably) each raffle, must be deposited into a checking account devoted exclusively to the bingo session, game, or raffle. Payments for allowable expenses incurred in conducting the bingo session, game, or raffle and payments to recipients of some or all of the net profit of the bingo session, game, or raffle must be made only by checks drawn on the applicable account. (Sec. 2915.10(C).)

Special distributor records

The act requires a distributor to maintain, for a period of three years after the date of sale or other provision, a record of each instance of its selling or otherwise providing bingo supplies for use in Ohio. The record must include all of

the following for each instance: (1) the name of the manufacturer from which the distributor purchased the bingo supplies and the date of the purchase, (2) the name and address of the charitable organization or other distributor to which the bingo supplies were sold or otherwise provided, (3) a description that clearly identifies the bingo supplies, and (4) invoices that include the nonrepeating serial numbers of all paper bingo cards and sheets and all instant bingo deals sold or otherwise provided to each licensed charitable organization. (Sec. 2915.10(F).)

Special manufacturer records

The act also requires a manufacturer to maintain, for a period of three years after the date of sale or other provision, a record of each instance of its selling or otherwise providing bingo supplies for use in Ohio. The record must include all of the following for each instance: (1) the name and address of the distributor to whom the bingo supplies were sold or otherwise provided, (2) a description that clearly identifies the bingo supplies, and (3) invoices that include the nonrepeating serial numbers of all paper bingo cards and sheets and all instant bingo deals sold or otherwise provided to each distributor. (Sec. 2915.10(G).)

Rules

The act authorizes the Attorney General, in accordance with the Administrative Procedure Act, to adopt rules establishing standards of accounting, record keeping, and reporting to ensure that gross receipts from bingo as redefined by the act or games of chance are properly accounted for (sec. 2915.10(E)).

Inspections and investigations

Prior law allowed the Attorney General or any local law enforcement agency to investigate any charitable organization or any officer, agent, trustee, member, or employee of the organization, to examine the accounts and records of the organization, to conduct inspections, audits, and observations of regular bingo games or schemes or games of chance while they are in session, and to conduct inspections of premises where they are conducted. The act permits these investigations and other activities to be carried out by the Attorney General or any local law enforcement agency with regard to any type of bingo or games of chance. (Sec. 2915.10(H).)

Veteran's or fraternal organization conduct of instant bingo

The act provides that a veteran's organization or a fraternal organization authorized to conduct a bingo session pursuant to the Gaming Law may conduct instant bingo other than at bingo sessions if both of the following apply: (1) the veteran's organization or fraternal organization limits the sale of instant bingo to

ten consecutive hours per day for up to six days per week, (2) the veteran's organization or fraternal organization limits the sale of instant bingo to its own premises and to its own members and invited guests, and (3) the veteran's organization or fraternal organization is raising money for a charitable organization and executes a written contract with the charitable organization as required below. (Sec. 2915.13(A).)

The act also provides that if a veteran's organization or fraternal organization authorized to conduct instant bingo under the act is raising money for another charitable organization, the veteran's organization or fraternal organization must execute a written contract with that charitable organization in order to conduct instant bingo. That contract must include a statement of the percentage of the net proceeds that the veteran's or fraternal organization will be distributing to the charitable organization. (Sec. 2915.13(B).) If a veteran's organization or fraternal organization authorized to conduct instant bingo under the act has been issued a liquor permit under Chapter 4303. of the Revised Code, that permit may be subject to suspension, revocation, or cancellation if the veteran's organization or fraternal organization violates the bingo provisions of the Gaming Law (sec. 2915.13(C)(1)). The act prohibits a veteran's organization or a fraternal organization that enters into a written contract from violating any provision of R.C. Chapter 2915. or permitting, aiding, or abetting any other person in violating any provision of that chapter (sec. 2915.13(C)(2)).

The act requires the veteran's organization or fraternal organization to give all required proceeds earned from the conduct of instant bingo to the charitable organization with which the organization has entered into a written contract (sec. 2915.13(D).)

The act provides that whoever violates any of the above provisions related to instant bingo conducted by a veteran's or fraternal organization is guilty of illegal instant bingo conduct, generally a misdemeanor of the first degree. If the offender previously has been convicted of a violation of those provisions, illegal instant bingo conduct is a felony of the fifth degree. (Sec. 2915.13(E).)

Deposit of licensing fees

The act requires the Attorney General to pay all license fees received for the licensing of bingo operators, distributors of bingo supplies, and manufacturers of bingo supplies into the state treasury to the credit of the Charitable Law Fund. The act further requires the Attorney General, or any local law enforcement agency in cooperation with the Attorney General, to use annual license fees that are received from bingo game operators, distributors, or manufacturers and credited to the Fund for the following purposes: (1) investigating any charitable organization that conducts bingo as redefined by the act or games of chance or any

officer, agent, trustee, member, or employee of such a charitable organization, (2) examining the accounts and records of such a charitable organization, (3) conducting inspections, audits, and observations of bingo or games of chance, (4) conducting inspections of the premises where bingo or games of chance are conducted, (5) taking any other necessary and reasonable action to determine if a violation of the Charitable Gambling Law has occurred, and (6) administering and enforcing that Law. (Sec. 109.32.)

Public gaming--schemes of chance

Continuing law prohibits any person, while at a hotel, restaurant, tavern, store, arena, hall, or other place of public accommodation, business, amusement, or resort from making a bet or playing any game of chance. Whoever violates this prohibition is guilty of "public gaming," a minor misdemeanor or, if the person previously has been convicted of a gambling offense, a misdemeanor of the fourth degree. The act additionally prohibits any person, while at a hotel, restaurant, tavern, store, arena, hall, or other place of public accommodation, business, amusement, or resort from playing any *scheme of chance*. (Sec. 2915.04(A).)

Prohibition against person under 18 playing bingo or raffle

The act prohibits any charitable organization that conducts regular bingo from permitting any person the organization knows, or should have known, to be under 18 years of age to play regular bingo. A violation of this prohibition is "illegally conducting a bingo game," a misdemeanor of the first degree on a first offense and a felony of the fourth degree on a subsequent offense. (Sec. 2915.09(C)(12) and (F).)

Prohibition against amusement bingo during or within ten hours of instant bingo, raffles, and punch boards

Continuing law provides that the Charitable Gaming Law does not apply to amusement bingo and specifies the conditions that must be met in order for a bingo game to be amusement bingo. The act additionally requires that in order for a bingo game to be amusement bingo it must not be conducted during or within ten hours of instant bingo, a raffle, or a punch board. (Sec. 2915.12(A)(1)(d)(ii) and (2)(f)(ii).)

Attorney General recommendations

The act requires the Attorney General, on or before June 1, 2003, to make written recommendations to the House Committee on State Government and the Senate Judiciary Committee on Civil Justice regarding the conduct of charitable fundraising authorized by the act. (Section 8 of the act.)

Conforming changes

The act amends several Revised Code sections to make conforming changes that reflect substantive changes made in other parts of the act (secs. 173.121(B), 1531.01(TT), 1711.09, 2915.01(H), (R), (T), (U), (V), (W), (X), (Y), and (CC), 2915.02, 2915.07, 2915.08, 2915.09, 2915.12(A)(4)(b) and (B)(6)(b), 3763.01(B), and 4301.03).

COMMENT

Under the Charitable Gambling Law, "charitable organization" means any tax-exempt religious, educational, veteran's, fraternal, service, nonprofit medical, volunteer rescue service, volunteer firefighter's, senior citizen's, amateur athletic, youth athletic, or youth athletic park organization (sec. 2915.01(H)).

The following are descriptions of subsections of the Internal Revenue Code referred to by the act:

Subsection 501(c)(3) concerns corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes or for the prevention of cruelty to children or animals.

Subsection 501(c)(4) describes civic leagues composed of employees of a municipality that devote their net earnings exclusively to charitable, recreational, or educational purposes. Subsection 501(c)(8) describes fraternal organizations that provide payment of life, sick, accident, or other benefits to their members, and subsection 501(c)(10) describes domestic fraternal organizations that devote earnings exclusively to religious, charitable, scientific, educational, and fraternal purposes other than the payment of life, sick, accident, or other benefits to their members. Subsection 501(c)(19) describes certain war veteran organizations and their auxiliaries.

Subsections 509(a)(1), (a)(2), and (a)(3) generally refer to political subdivisions, subsection 501(c)(3) organizations that are not private foundations, and organizations to which a contribution is tax-deductible on an individual's federal income tax return.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-14-02	pp. 1407-1408
Reported, H. State Gov't	06-18-02	p. 1917
Passed House (94-0)	06-19-02	pp. 1927-1928
Reported, S. Judiciary on Civil Justice	11-21-02	pp. 2155-2156
Passed Senate (30-1)	11-21-02	pp. 2161-2162
House refused concurrence with Senate amendments (0-97)	12-03-02	pp. 2132-2133
House agreed to conference committee report (94-0)	12-06-02	pp. 2299-2305
Senate agreed to conference committee report (28-3)	12-10-02	pp. 2377-2382

02-hb512-124/kl

