



Phil Mullin

## *Bill Analysis*

*Legislative Service Commission*

### **H.B. 559**

126th General Assembly  
(As Introduced)

**Reps. Gibbs, Cassell, J. McGregor, R. McGregor, Seitz, Yuko, Distel, Bubb, Faber, Willamowski, Collier, Chandler, D. Evans, Hartnett, Koziura, Garrison, Fende**

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### **BILL SUMMARY**

- Authorizes a charitable organization to obtain a short-term bingo license to conduct, at a specific event, regular bingo, instant bingo at a bingo session, or instant bingo at other than a bingo session.

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### **CONTENT AND OPERATION**

#### **Application**

Under the bill, a charitable organization (see **COMMENT**) that does not have a license issued under the Charitable Bingo Law, but that desires to conduct, at a specific event, regular bingo, instant bingo at a bingo session, or instant bingo at other than a bingo session must make out, at least 30 business days before the event, an application for a short-term license to conduct bingo, instant bingo at a bingo session, or instant bingo at other than a bingo session (hereafter, short-term license). The application must be on a form to be furnished by the Attorney General for that purpose and be delivered to the Attorney General with a license fee of \$50. The short-term license, if granted, will be in effect for 72 hours from the time when the event begins. A charitable organization may apply for no more than two short-term licenses during a calendar year. (R.C. 2915.083(A).)

The bill requires the application to be in the form prescribed by the Attorney General, be signed and sworn to by the applicant, and contain the information generally required of an applicant for a bingo license under current law. The applicant is not required to submit information on the application other than this information. (R.C. 2915.083(B).)

### **Granting or denying application**

Except as discussed below, the bill requires the Attorney General, within ten business days after receiving a timely submitted application from a charitable organization, to issue a short-term license to the charitable organization (R.C. 2915.083(C)). The Attorney General *may refuse* to grant a short-term license to, and may *revoke or suspend* a previously granted short-term license of, any charitable organization that does any of the following or to which any of the following applies: (1) it fails or has failed at any time to meet any requirement of the Charitable Bingo Law, the laws dealing with the registration of and filing of reports by charitable trusts and with the registration of charitable organizations that intend to solicit contributions in Ohio, or any rule adopted by the Attorney General under the bill, (2) it makes or has made an incorrect or false statement that is material to the granting of the short-term license in the application for it, (3) it submits or has submitted any incorrect or false information relating to such an application that is material to the granting of the short-term license, or (4) the Attorney General has good cause to believe that the organization will not conduct regular bingo, instant bingo at a bingo session, or instant bingo at other than a bingo session in accordance with the Charitable Bingo Law (R.C. 2915.083(D)).

If the Attorney General refuses to grant or revokes or suspends a short-term license, the Attorney General must notify the applicant in writing and specifically identify the reason for the refusal, revocation, or suspension in narrative form and, if applicable, by identifying the section of the Revised Code that was violated. The Attorney General's failure to give this written notice or a mistake in it does not affect the validity of the Attorney General's refusal to grant, or revocation or suspension of, a short-term license. If the Attorney General fails to give, or if there is a mistake in, the written notice, the applicant may bring an action to compel the Attorney General to comply with the notice requirement or correct the mistake, but the Attorney General's order refusing to grant, or revoking or suspending, the short-term license cannot be enjoined during the pendency of the action. (R.C. 2915.083(E).)

### **License**

A short-term license must set forth the information contained on the charitable organization's application that the Attorney General determines is relevant, including, but not limited to, the location at which the organization will conduct regular bingo, instant bingo at a bingo session, or instant bingo other than at a bingo session and the dates and times on each of those dates when bingo will be conducted (R.C. 2915.083(E)).

## Conforming changes

The bill changes several provisions of the Charitable Bingo Law to reflect the creation of the short-term license (R.C. 2915.01(NN) and (OO) and 2915.02(D)(3)).

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## COMMENT

Under the Charitable Gambling Law, "charitable organization" means any tax-exempt religious, educational, veteran's, fraternal, sporting, service, nonprofit medical, volunteer rescue service, volunteer firefighter's, senior citizen's, historic railroad educational, amateur athletic, youth athletic, or youth athletic park organization. A charitable organization must be tax exempt under subsection 501(a) and be described in subsection 501(c)(3), 501(c)(4), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code. (R.C. 2915.01(H).)

The following are descriptions of relevant subsections of the Internal Revenue Code:

*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 to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in, any political campaign on behalf of or in opposition to any candidate for public office.

Subsection 501(c)(4) describes civic leagues or organizations not organized for profit, but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

*Subsection 501(c)(7)* describes clubs organized for pleasure, recreation, and other nonprofitable purposes, substantially all of the activities of which are for these purposes and no part of the net earnings of which inures to the benefit of any private shareholder.

Subsection 501(c)(8) describes fraternal organizations operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, that provide payment of life, sick, accident, or other benefits to their members and their members' dependents, and subsection

501(c)(10) describes domestic fraternal organizations operating under the lodge system that devote their net earnings exclusively to religious, charitable, scientific, literary, educational, and fraternal purposes and do not provide for the payment of life, sick, accident, or other benefits.

Subsection 501(c)(19) describes certain veteran organizations and their auxiliaries.

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## **HISTORY**

ACTION	DATE
Introduced	04-04-06

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