



Ohio Legislative Service Commission

Bill Analysis

Amber Hardesty

H.B. 390

128th General Assembly
(As Introduced)

Reps. Huffman, Domenick, Blessing, Chandler, McGregor, Stebelton

BILL SUMMARY

- Eliminates the maximum rental rate that applies when a charitable organization rents premises to conduct a bingo session from a person other than a charitable organization and instead requires that the rental rate be customary, competitive, and reasonable for premises in the same geographic area.

CONTENT AND OPERATION

Rental of premises to conduct bingo

(R.C. 2915.09(B)(1))

Under current law, only a charitable organization (see **COMMENT**) is authorized to conduct a bingo game. A charitable organization that conducts a bingo game must conduct the bingo game on premises that are owned by the charitable organization, on premises that are owned by another charitable organization and leased from that charitable organization for a rental rate not in excess of the lesser of \$600 per bingo session or 45% of the gross receipts of the bingo session, on premises that are leased from a person other than a charitable organization for a rental rate that is not more than is customary and reasonable for premises that are similar in location, size, and quality but not in excess of \$450 per bingo session, or on premises that are owned by a person other than a charitable organization, that are leased from that person by another charitable organization, and that are subleased from that other charitable organization by the charitable organization for a rental rate not in excess of \$450 per bingo session.

The bill eliminates the maximum rate of \$450 that applies when a charitable organization rents premises to conduct a bingo session from a person other than a charitable organization and instead requires that the rental rate for this purpose be

customary, competitive, and reasonable for premises that are similar in location, size, and quality in the same geographic area.

COMMENT

Under the Charitable Gambling Law, a "charitable organization" is 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), not in the bill.)

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's organizations and their auxiliaries.

HISTORY

ACTION	DATE
Introduced	12-07-09

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