



## *Synopsis of Senate Committee Amendments\**

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### **Sub. H.B. 325**

125th General Assembly  
(S. Agriculture)

Removes from the House-passed version of the bill provisions that do all of the following:

(1) Create a short-term bingo license to be issued to certain charitable organizations to conduct bingo at a specific event, and authorize holders of a short-term bingo license to sell instant bingo tickets to persons under age 18;

(2) Revise the definitions of "charitable organization," "charitable instant bingo organization," "fraternal organization," "sporting organization," "veteran's organization," and "net profit from the proceeds from the sale of instant bingo";

(3) Expand the definition of "charitable purpose" for which net regular bingo profits may be used;

(4) Include in the definition of "expenses" for maintaining charitable organizations' facilities any other expenses for those facilities;

(5) Include in the definition of "charitable organization" a specified type of social club, and define "social club";

(6) Authorize charitable organizations to purchase, lease, and use instant bingo ticket dispensers;

(7) Authorize more charitable organizations to conduct games of chance and instant bingo at festivals that they conduct;

(8) Authorize a social club or veteran's, fraternal, or sporting organization to sell instant bingo in the area to which its liquor permit applies;

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\* This synopsis does not address amendments that may have been adopted on the Senate floor.

(9) Provide that a bartender who commits certain gambling offenses while working at a liquor permit premises for which the permit is issued to a charitable organization is guilty of no more than a misdemeanor of the first degree;

(10) Limit the Attorney General's power to delegate duties under the Charitable Gambling Law to another state agency to administrative and ministerial duties; and

(11) With respect to charitable organizations that have a bingo license and are applying for a new license, provide that, if an applicant was or is issued a bingo license on or after July 1, 2003, the applicant must be rebuttably presumed to qualify for the issuance of a new license.

Adds to the existing definition of "service organization" a nonprofit organization that is organized and operated exclusively to provide, or to contribute to the support of organizations or institutions organized and operated exclusively to provide, immediate shelter to victims of domestic violence.

Expands the existing definition of "nonprofit medical organization" to include any 501(c)(3) organization that has been incorporated as a nonprofit corporation for at least five years and that has been operated and will be operated primarily to provide, or to contribute to the support of organizations or institutions organized and operated exclusively to provide, hospital, medical, research, or therapeutic services for the public.

Provides that if a bingo session commences at 10 a.m., instant bingo tickets may be sold beginning at 9 a.m.

Authorizes a chamber of commerce to conduct not more than one raffle per year to raise money for the chamber of commerce, and defines "chamber of commerce."

Provides that if a charitable organization that is authorized to conduct a raffle, but that is not also described in subsection 501(c)(3) of the Internal Revenue Code, conducts a raffle, the organization must distribute at least 50% of the net profit from the raffle to a charitable purpose or a department or agency of the federal government, the state, or any political subdivision.

Provides that if a veteran's, fraternal, or sporting organization conducts instant bingo, for the first \$75,000, or a greater amount prescribed by the Attorney General to adjust for changes in prices as measured by the Consumer Price Index, of net profit generated during a calendar year: (1) at least 25% must be distributed to a governmental unit, 501(c)(3) organization, or department or agency of the federal government, the state, or any political subdivision, and (2) not more than 75% may be deducted and retained for reimbursement of or for the organization's expenses in conducting the instant bingo game.



States that the Charitable Bingo Law does not prohibit a veteran's, fraternal, or sporting organization from distributing net profit from instant bingo to a 501(c)(3) organization when the 501(c)(3) organization makes donations to other organizations and permits donors to advise or direct such donations so long as the donations comply with requirements established in or pursuant to subsection 501(c)(3) of the Internal Revenue Code.

Eliminates a requirement in current law that a veteran's, fraternal, or sporting organization must pay expenses that are directly for the conduct of instant bingo by check from a checking account devoted exclusively to a bingo session or instant bingo game.

Requires the owner or lessor of a location that has entered into a contract with a charitable instant bingo organization to assist in the conduct of instant bingo at that location to pay the full gross profit to the organization in return for each deal of instant bingo tickets sold and to pay to the organization the value of any unredeemed instant bingo prizes remaining in the deal of instant bingo tickets, and defines "full gross profit" to mean the amount by which the total receipts of all instant bingo tickets, if the deal had been sold in full, exceeds the amount that would be paid out if all prizes were redeemed.

Defines "retail income from all commercial activity," for purposes of the prohibition against conducting instant bingo at a location where the primary source of retail income from all commercial activity at that location is the sale of instant bingo tickets, to mean the income received from the provision of goods, services, or activities that are provided at the location, including the sale of instant bingo tickets, and, for certain religious organizations, to include donations from its members and guests.

Limits a veteran's, fraternal, or sporting organization that conducts instant bingo at other than a bingo session to the sale of instant bingo for 12 hours during any day and not earlier than 10 a.m. or later than 2 a.m. rather than ten consecutive hours per day for up to six days per week as under current law.

Provides that a charitable organization's use of bingo proceeds in certain situations to pay for expenses includes reimbursement of expenses.

Regulates the use of the net profit of bingo and instant bingo by a charitable organization in the twelve-month period ending October 31, 2004, that equals the amount of funds that the charitable organization paid to the Attorney General as a condition for obtaining a bingo license under a charitable settlement that was entered into with the Attorney General on or after July 1, 2003, and before September 1, 2003, and that was based on illegal gambling citations involving the charitable organization within the five years prior to June 30, 2003.