

# **REPORT OF THE General Government, Personnel and Benefits SUBCOMMITTEE**

(Herbkersman, White, Neal, Pitts and Umphlett - Staff Contact: Katie Owen)

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## **HOUSE BILL 3079**

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H. 3079 -- Rep. Herbkersman: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12-21-4310 SO AS TO CREATE THE CHARITABLE BINGO ADVISORY COMMITTEE, PROVIDE FOR ITS MEMBERSHIP AND PURPOSES, AND REQUIRE A DEPARTMENT OF REVENUE DESIGNEE AS LIAISON; BY ADDING SECTION 12-21-4320 SO AS TO PROVIDE FOR ESTABLISHMENT OF AN INFORMATIONAL CHARITABLE BINGO WEBSITE BY THE DEPARTMENT AND REQUIRING THE DEPARTMENT'S RESPONSE TO INQUIRIES AS PERMANENTLY ACCESSIBLE ADVISORY OPINIONS; BY ADDING SECTION 12-21-4330 SO AS TO PROVIDE FOR ALLOWABLE PROMOTIONAL EXPENSES; TO AMEND SECTION 12-21-3920, AS AMENDED, RELATING TO DEFINITIONS FOR PURPOSES OF THE BINGO TAX ACT, SO AS TO INCLUDE SPECIFIC NAMED GAMES IN THE DEFINITION "BINGO", AND TO PROVIDE THAT THE DEFINITION OF A "CARD" INCLUDES AN INSTANT BINGO TICKET; TO AMEND SECTIONS 12-21-3940 AND 12-21-3950, BOTH AS AMENDED, RELATING TO APPLICATIONS FOR LICENSING BY NONPROFIT ORGANIZATIONS AND PROMOTERS, RESPECTIVELY, SO AS TO PROVIDE FOR AN INFORMAL APPEAL OF A REJECTION AS A FIRST STEP IN AN APPEAL; TO AMEND SECTION 12-21-3990, AS AMENDED, RELATING TO THE MANNER OF PLAYING BINGO, SO AS TO SPECIFY THE MANNER OF PLAYING BINGO WITH INSTANT BINGO TICKETS; TO AMEND SECTION 12-21-4000, AS AMENDED, RELATING TO PROCEDURES FOR OPERATING A BINGO GAME, SO AS TO FURTHER PROVIDE FOR THE APPLICABILITY OF BINGO PROCEDURES FOR BINGO PLAYED WITH INSTANT BINGO TICKETS, TO INCREASE THE ALLOWABLE EXPENSE FOR PROMOTIONS FROM ONE HUNDRED DOLLARS TO TWO HUNDRED FIFTY DOLLARS FOR EACH SESSION, AND TO SPECIFY THE INTENT OF THIS SECTION; TO AMEND SECTION 12-21-4020, AS AMENDED, RELATING TO CLASSES OF BINGO LICENSEES, SO AS TO PROVIDE FOR OPERATIONAL HOURS; TO AMEND SECTION 12-21-4120, AS AMENDED, RELATING TO A CLARIFICATION FROM THE DEPARTMENT AS TO PLAY OR OPERATION OF A GAME, SO AS TO FURTHER PROVIDE FOR A BINGO ADVISORY OPINION; AND TO AMEND SECTION 12-21-4240, RELATING TO LICENSES TO MANUFACTURE, DISTRIBUTE, OR USE BINGO CARDS, SO AS TO INCLUDE ITEMS OTHER THAN BINGO CARDS TO WHICH THIS SECTION APPLIES.

### ***Summary of Bill:***

This bill creates the Charitable Bingo Advisory Committee and provides for its membership and purposes. The legislation requires a Department of Revenue designee as liaison. The legislation provides for the establishment of an informational charitable bingo website by the Department of Revenue and requires the department's response to inquiries as permanently accessible advisory opinions. The legislation provides for various revisions to bingo provisions.

***Introduced:*** 3/2/2009

***Received by Ways and Means:*** 3/2/2009

***Estimated Fiscal Impact:***

This bill, as amended, is expected to raise Departmental Revenue within the state's General Fund by a total of \$443,216 in Fy 12-13. Additionally, it would raise funds earmarked to the Division on Aging (DOA) within the Office of the Lieutenant Governor by \$40,823; the Department of Parks, Recreation and Tourism (PRT) by \$120,442; and local charities by a total of \$203,450 in Fy 12-13.

***Subcommittee Recommendation:***

Favorable with amendment

***Full Committee Recommendation:***

Pending

***Other Notes/Comments:***

[CLICK HERE to Edit Notes/Comments](#)

# Statement of Estimated State Revenue Impact

Date: April 13, 2012

Bill Number: H. B. 3079

Author: Herbkersman

Committee Requesting Impact: House Ways and Means

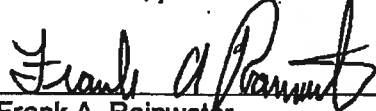
**Bill Summary:** A bill to amend the Code of Laws of South Carolina, 1976, by adding Section (§) 12-21-4310 so as to create the Charitable Bingo Advisory Committee, provide for its membership and purposes, and require a department of revenue designee as liaison; by adding §12-21-4320 so as to provide for establishment of an informational charitable bingo website by the department and requiring the department's response to inquiries as permanently accessible advisory opinions; by adding §12-21-4330 so as to provide for allowable promotional expenses; to amend §12-21-3920, as amended, relating to definitions for purposes of the Bingo Tax Act, so as to include specific named games in the definition "bingo", and to provide that the definition of a "card" includes an instant bingo ticket; to amend §12-21-3940 and §12-21-3950, both as amended, relating to applications for licensing by nonprofit organizations and promoters, respectively, so as to provide for an informal appeal of a rejection as a first step in an appeal; to amend §12-21-3990, as amended, relating to the manner of playing bingo, so as to specify the manner of playing bingo with instant bingo tickets; to amend §12-21-4000, as amended, relating to procedures for operating a bingo game, so as to further provide for the applicability of bingo procedures for bingo played with instant bingo tickets, to increase the allowable expense for promotions from one hundred dollars to two hundred fifty dollars for each session, and to specify the intent of this section; to amend §12-21-4020, as amended, relating to classes of bingo licensees, so as to provide for operational hours; to amend §12-21-4120, as amended, relating to a clarification from the department as to play or operation of a game, so as to further provide for a bingo advisory opinion; and to amend §12-21-4240, relating to licenses to manufacture, distribute, or use bingo cards, so as to include items other than bingo cards to which this section applies. ...*as further amended*

## REVENUE IMPACT <sup>1/</sup>

This bill, as amended, is expected to raise Departmental Revenue within the state's General Fund by a total of \$443,216 in FY 2012-13. Additionally, it would raise funds earmarked to the Division on Aging (DOA) within the Office of the Lieutenant Governor by \$40,823; the Department of Parks, Recreation and Tourism (PRT) by \$120,442; and local charities by a total of \$203,450 in FY 2012-13.

**Explanation:** This bill, as amended in subcommittee, broadens provisions for a bingo gaming session to include a deal of instant bingo tickets, face value not to exceed \$1 each, and authorizes several types of instant bingo games. In addition to existing charges by class of bingo license that range from a rate of 4 cents to 10 cents per dollar of bingo card/instant bingo ticket sales, promoters must return a fee to the Department of Revenue (DOR) equivalent to 5% of prize winnings from games played with instant bingo tickets, for 24-number bingo and lightning bingo. As not otherwise allocated in permanent law, such prize fees must be directed to the state's General Fund under temporary law (Proviso 89.1 in current State Budget).

We expect gross receipts from bingo card sales of approximately \$7,825,000 in FY 2012-13, of which \$782,500, or 10%, would stem from sale of instant bingo tickets. Of this increase, local charities would receive \$203,450 (26%), and balance of \$579,050 (74%) would be allotted to state programs/funds as follows: General Fund, \$417,785; PRT, \$120,442; and DOA, \$40,823. As an incentive to promote instant bingo games, we expect promoters to return a minimum payout of 65% of card sales in winnings. Multiplying \$782,500 times .65 factor yields \$508,625 in winnings; then multiplying \$508,625 times .05 factor yields \$25,431, as that amount directed to the state's General Fund in FY 2012-13 from the additional 5% prize fee. The amended bill is therefore expected to raise state and local revenues by a combined total of \$807,931 in FY 2012-13, prorated at a total of \$604,481 to state sources and \$203,450 to local charities.

  
Frank A. Rainwater  
Chief Economist

Analyst: Di Biase

<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).

HOUSE  
AMENDMENT

THIS AMENDMENT  
ADOPTED

CONE/MELTON  
MAY 16, 2011

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CLERK OF THE HOUSE

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THE GENERAL GOVERNMENT, PERSONNEL AND BENEFITS  
SUBCOMMITTEE PROPOSES THE FOLLOWING AMENDMENT  
No. TO H. 3079 (COUNCIL\BBM\10247HTC11):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, PAGE 10,  
BY STRIKING SECTION 10 AND INSERTING:**

**/ SECTION 10. SECTION 12-21-4007(A)(H)  
OF THE 1976 CODE, AS ADDED BY ACT 172 OF  
2004, IS AMENDED TO READ:**

**“(H) MUST BE USED ONLY FOR ~~ONE UNIT~~ TWO  
UNITS FOR EACH PLAYER, AT ANY TIME DURING  
THE BINGO SESSION. A PLAYER MAY PURCHASE  
ADDITIONAL CARDS TO BE MARKED MANUALLY,**

**BUT NOT FOR USE WITH ~~AN~~ ELECTRONIC ~~DABBER~~  
DABBERS;**

**SECTION 11. SECTION 12-21-4190(A) OF THE  
1976 CODE, AS LAST AMENDED BY ACT 359 OF  
2006, IS FURTHER AMENDED TO READ:**

**“(A)(1) THE DEPARTMENT SHALL CHARGE  
AND RETAIN TEN CENTS FOR EACH DOLLAR OF  
FACE VALUE FOR EACH BINGO CARD SOLD FOR  
AA, B, D, AND E LICENSES. THE DEPARTMENT  
SHALL CHARGE AND RETAIN FIVE CENTS FOR  
EACH DOLLAR OF FACE VALUE FOR EACH BINGO  
CARD SOLD FOR AN F LICENSE. THE  
DEPARTMENT SHALL CHARGE AND RETAIN FOUR  
CENTS FOR EACH DOLLAR OF FACE VALUE FOR  
EACH BINGO CARD SOLD FOR A C LICENSE. THE  
PROMOTER SHALL COLLECT A FIVE PERCENT  
PRIZE FEE FOR EACH DOLLAR OF PRIZES PAID TO  
EACH WINNER FOR INSTANT BINGO TICKETS,  
24-NUMBER BINGO, AND LIGHTNING BINGO.  
PRIZE FEES MUST BE REMITTED TO THE**

**DEPARTMENT MONTHLY NO LATER THAN THE  
TENTH DAY OF THE FOLLOWING MONTH.**

**(2)THE PRIZES AWARDED AND FEES  
IMPOSED ON INSTANT BINGO PURSUANT TO ITEM  
(1) OF THIS SUBSECTION ARE NOT REQUIRED TO  
BE REMITTED AS TAXES AND ARE NOT INCLUDED  
IN GROSS PROCEEDS FOR PURPOSES OF THE PRIZE  
LIMITATIONS PROVIDED IN SECTION  
12-21-4000(12).”**

**SECTION 12. THIS ACT TAKES EFFECT UPON  
APPROVAL BY THE GOVERNOR. /**

**RENUMBER SECTIONS TO CONFORM.  
AMEND TITLE TO CONFORM.**

**South Carolina General Assembly**  
119th Session, 2011-2012

**H. 3079**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Herbkersman

Document Path: I:\council\bill\bbm\9877htc11.docx

Introduced in the House on January 11, 2011

Currently residing in the House Committee on **Ways and Means**

Summary: Charitable Bingo Advisory Committee

**HISTORY OF LEGISLATIVE ACTIONS**

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
12/7/2010	House	Prefiled
12/7/2010	House	Referred to Committee on <b>Ways and Means</b>
1/11/2011	House	Introduced and read first time ( <u>House Journal-page 36</u> )
1/11/2011	House	Referred to Committee on <b>Ways and Means</b> ( <u>House Journal-page 36</u> )

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**VERSIONS OF THIS BILL**

12/7/2010

1  
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10

**A BILL**

11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,  
12 1976, BY ADDING SECTION 12-21-4310 SO AS TO CREATE  
13 THE CHARITABLE BINGO ADVISORY COMMITTEE,  
14 PROVIDE FOR ITS MEMBERSHIP AND PURPOSES, AND  
15 REQUIRE A DEPARTMENT OF REVENUE DESIGNEE AS  
16 LIAISON; BY ADDING SECTION 12-21-4320 SO AS TO  
17 PROVIDE FOR ESTABLISHMENT OF AN INFORMATIONAL  
18 CHARITABLE BINGO WEBSITE BY THE DEPARTMENT  
19 AND REQUIRING THE DEPARTMENT’S RESPONSE TO  
20 INQUIRIES AS PERMANENTLY ACCESSIBLE ADVISORY  
21 OPINIONS; BY ADDING SECTION 12-21-4330 SO AS TO  
22 PROVIDE FOR ALLOWABLE PROMOTIONAL EXPENSES;  
23 TO AMEND SECTION 12-21-3920, AS AMENDED,  
24 RELATING TO DEFINITIONS FOR PURPOSES OF THE  
25 BINGO TAX ACT, SO AS TO INCLUDE SPECIFIC NAMED  
26 GAMES IN THE DEFINITION “BINGO”, AND TO PROVIDE  
27 THAT THE DEFINITION OF A “CARD” INCLUDES AN  
28 INSTANT BINGO TICKET; TO AMEND SECTIONS  
29 12-21-3940 AND 12-21-3950, BOTH AS AMENDED,  
30 RELATING TO APPLICATIONS FOR LICENSING BY  
31 NONPROFIT ORGANIZATIONS AND PROMOTERS,  
32 RESPECTIVELY, SO AS TO PROVIDE FOR AN INFORMAL  
33 APPEAL OF A REJECTION AS A FIRST STEP IN AN  
34 APPEAL; TO AMEND SECTION 12-21-3990, AS AMENDED,  
35 RELATING TO THE MANNER OF PLAYING BINGO, SO AS  
36 TO SPECIFY THE MANNER OF PLAYING BINGO WITH  
37 INSTANT BINGO TICKETS; TO AMEND SECTION  
38 12-21-4000, AS AMENDED, RELATING TO PROCEDURES  
39 FOR OPERATING A BINGO GAME, SO AS TO FURTHER  
40 PROVIDE FOR THE APPLICABILITY OF BINGO  
41 PROCEDURES FOR BINGO PLAYED WITH INSTANT  
42 BINGO TICKETS, TO INCREASE THE ALLOWABLE



1 EXPENSE FOR PROMOTIONS FROM ONE HUNDRED  
2 DOLLARS TO TWO HUNDRED FIFTY DOLLARS FOR EACH  
3 SESSION, AND TO SPECIFY THE INTENT OF THIS  
4 SECTION; TO AMEND SECTION 12-21-4020, AS AMENDED,  
5 RELATING TO CLASSES OF BINGO LICENSEES, SO AS TO  
6 PROVIDE FOR OPERATIONAL HOURS; TO AMEND  
7 SECTION 12-21-4120, AS AMENDED, RELATING TO A  
8 CLARIFICATION FROM THE DEPARTMENT AS TO PLAY  
9 OR OPERATION OF A GAME, SO AS TO FURTHER  
10 PROVIDE FOR A BINGO ADVISORY OPINION; AND TO  
11 AMEND SECTION 12-21-4240, RELATING TO LICENSES TO  
12 MANUFACTURE, DISTRIBUTE, OR USE BINGO CARDS, SO  
13 AS TO INCLUDE ITEMS OTHER THAN BINGO CARDS TO  
14 WHICH THIS SECTION APPLIES.

15

16 Be it enacted by the General Assembly of the State of South  
17 Carolina:

18

19 SECTION 1. Article 24, Chapter 21, Title 12 of the 1976 Code is  
20 amended by adding:

21

22 "Section 12-21-4310. (A) There is created the Charitable Bingo  
23 Advisory Committee with advisory power only, but with the  
24 purpose of addressing issues arising in the charitable bingo  
25 industry including, but not limited to, modernization of the  
26 industry, expansion of products, streamlining the regulatory  
27 process, and improvement of communication toward the ends of  
28 conformance and compliance with the Bingo Tax Act.

29 (B) The committee must be made up of three representatives  
30 from nonprofit organizations licensed pursuant to this article, three  
31 representatives of promoters licensed pursuant to this article, one  
32 distributor licensed pursuant to this article, one manufacturer  
33 licensed pursuant to this article, and two retail consumers of  
34 charitable bingo (players).

35 (C) The committee shall designate a single department  
36 employee, who is knowledgeable about the provisions of the Bingo  
37 Tax Act, to serve as liaison with the committee.

38

39 Section 12-21-4320. (A) The department shall cause the  
40 establishment of a charitable bingo website, with a link from its  
41 own website, for the purpose of serving as a clearinghouse for  
42 information and access to the Bingo Tax Act and its  
43 implementation and regulation, and the Charitable Bingo Advisory

1 Committee. The website also must contain access to information  
2 pertaining to licenses, complaints, and violations in connection  
3 with the Bingo Tax Act, and other routine notices and information  
4 in that connection.

5 (B) In addition to the purposes set forth in subsection (A) the  
6 website also must include a process for the formal query of the  
7 department by any charitable bingo industry stakeholder  
8 concerning the implementation or enforcement of the Bingo Tax  
9 Act. The department shall issue, within thirty days of receiving the  
10 query, a bingo advisory opinion in response to each inquiry,  
11 publish the opinion on the website, and make each opinion easily  
12 and permanently accessible.

13  
14 Section 12-21-4330. (A) A nonprofit organization or promoter  
15 licensed pursuant to this article may expend its promotional  
16 expenses allowance provided in this article, for the following  
17 activities:

- 18 (1) develop customer data bases;
- 19 (2) conduct of focus groups;
- 20 (3) promulgate customer satisfaction surveys, customer  
21 comment cards, and suggestion programs;
- 22 (4) engage in direct mail marketing;
- 23 (5) provide promotional pricing through the mail and by  
24 individual website;
- 25 (6) issue promotional Bingo Bucks for use to purchase bingo  
26 paper and electronic bingo card numbering equipment or electronic  
27 dabbers; and
- 28 (7) use other reasonable efforts customary in the course of  
29 ordinary business in the charitable marketing industry to attract  
30 participation.

31 (B) Bingo Bucks, as provided in subsection (A)(6) must be  
32 accounted for in the same manner as cash, except that they are  
33 excluded from total revenue and from taxation as gross receipts.”

34  
35 SECTION 2. Section 12-21-3920(1) and (3) of the 1976 Code, as  
36 last amended by Act 172 of 2004, is further amended to read:

37  
38 (1) ‘Bingo’ or ‘game’ means a specific game of chance,  
39 commonly known as bingo, in which prizes are awarded on the  
40 basis of designated numbers or symbols on a card conforming to  
41 numbers and symbols selected at random. The term also includes,  
42 but is not limited to, ‘buddy bingo’, ‘table winners’, ‘mirror  
43 image’, ‘clothesline’, ‘u pic em’, ‘double action’, ‘instant bingo’.

1 '24-numbering', and 'lightning bingo' games, as well as 'event'  
2 and 'instant event' games.

3  
4 (3) 'Card' means a printed or nonprinted design or instant  
5 bingo ticket on which there are arranged five horizontal rows and  
6 five vertical columns forming twenty-five squares. Numbers are  
7 printed in twenty-four of the squares, and the term 'free', 'free  
8 square', or 'free space' is printed in the square or space located in  
9 the center of the card. The five columns are denominated from left  
10 to right by the respective letters of the word 'B-I-N-G-O'. Each  
11 square in the 'B' column contains a number from one through  
12 fifteen inclusive; each square in the 'I' column contains a number  
13 from sixteen through thirty inclusive; except for the center space  
14 which is marked as free, each square in the 'N' column contains a  
15 number from thirty-one through forty-five inclusive; each square  
16 in the 'G' column contains a number from forty-six through sixty  
17 inclusive; and each square in the 'O' column contains a number  
18 from sixty-one through seventy-five inclusive. A number may not  
19 appear twice on the same card. A nonprinted design is a bingo  
20 ticket for use only with an electronic dabber. The bingo ticket is a  
21 perforated two-part ticket and must bear a sequential serial ticket  
22 number, the South Carolina state seal, denomination, number of  
23 faces authorized for download or activation, the Department of  
24 Revenue issued organization license number, and other  
25 information that may be required by the department. The ticket  
26 must have designated blanks for entry of the date sold and  
27 electronic dabber unit number supplied. Bingo tickets must be  
28 printed by a bingo ticket manufacturer licensed by the department  
29 and must be sold only by a distributor licensed by the department.  
30 Bingo tickets must meet the design and requirements of the  
31 department. Bingo tickets may be used only by a promoter or  
32 nonprofit organization if the ticket has been approved by the  
33 department. A license for a bingo ticket manufacturer costs one  
34 thousand dollars. A manufacturer of bingo cards or electronic  
35 dabbers or site systems, a distributor, a promoter, or a nonprofit  
36 organization may not have an interest, direct or indirect, in a bingo  
37 ticket manufacturer. The bingo ticket manufacturer must maintain  
38 records as required by the department.

39 An instant bingo ticket, for purposes of this definition, is a ticket  
40 by which a player may win a prize by opening a cover from the  
41 ticket to reveal a set of numbers, letters, symbols, or patterns, some  
42 of which have been designated in advance as prize winners.  
43 Instant bingo tickets must be printed by a bingo ticket

1 manufacturer licensed by the department and must be sold only by  
2 a distributor licensed by the department.”

3  
4 SECTION 3. Section 12-21-3940(B) of the 1976 Code is  
5 amended to read:

6  
7 “(B) Upon application for a license, the department has thirty  
8 days to approve or reject the application based on the requirements  
9 of this article. A rejected applicant may meet with the  
10 department’s designee within ten days of his rejection for an  
11 informal appeal before the formal appeals process begins.”

12  
13 SECTION 4. Section 12-21-3950(B) of the 1976 Code, as last  
14 amended by Act 334 of 2002, is further amended to read:

15  
16 “(B) Upon application for a license, the department has  
17 forty-five days to approve or reject the application based on the  
18 requirements of this article. A rejected applicant may meet with  
19 the department’s designee within ten days of his rejection for an  
20 informal appeal before the formal appeals process begins.”

21  
22 SECTION 5. Section 12-21-3990 of the 1976 Code, as last  
23 amended by Act 172 of 2004, is further amended to read:

24  
25 “Section 12-21-3990. (A) The Except for games involving the  
26 use of instant bingo tickets, the game of bingo must be played in  
27 the following manner:

28 (1) Bingo is played by more than one player and a caller  
29 who is associated with the house. Each player must pay face value  
30 for each card to be played during the course of a game and may  
31 purchase the card for a specified number of games. All cards sold  
32 for a game must sell for face value and cards may not be given to  
33 players as prizes or for free. After the player has purchased a card  
34 or cards for a specified number of games, the house cannot require  
35 or accept an additional payment or consideration by the player in  
36 order to complete the specified number of games.

37 (2) Before each game begins, the caller shall announce to the  
38 players the configuration or configurations that will win the game.  
39 A configuration consists of a number of grids covered in the  
40 manner announced by the caller. Any method of playing the  
41 games is allowed if the method is announced before each game’s  
42 beginning including, but not limited to, wild card games. In  
43 addition, anytime before the conclusion of the game, the prize,

1 specifically stating the dollar amount or value of merchandise  
2 awarded to the winner or winners for the game, must be  
3 announced.

4 (3) The prize must be awarded to the winner of that game  
5 without delay. For multiple winners, the prize must be divided  
6 equally among the winners. In the case of a merchandise prize, the  
7 cash value of the merchandise may be divided among the winners.  
8 Purchase receipts of merchandise awarded as prizes must be made  
9 available to players and the department for confirmation of value.

10 (4) The caller shall draw and announce numbers from the  
11 cage one at a time. If a player has a card with the called number  
12 on it, he may use a marker to cover the square which contains the  
13 number. After the number is announced, it must be indicated on  
14 the master-board by the caller.

15 (5) When a player covers sufficient squares on a card to  
16 achieve the winning configuration, he may indicate to the caller.  
17 The caller shall require that the player's card be checked against  
18 the master-board in the presence of the other players to determine  
19 if the squares were covered accurately. If it is determined by the  
20 caller that the player accurately has covered the squares and  
21 achieved the preannounced configuration, the player is declared  
22 the winner. If it is determined that the player has not covered the  
23 squares accurately and achieved the preannounced configuration,  
24 play continues in that game.

25 (6) All devices, including the master-board, used to show  
26 what numbers have been called during a game must not be  
27 changed or turned off until the winners are verified.

28 (B) For a bingo game played with instant bingo tickets, the  
29 game begins when the promoter or nonprofit organization makes  
30 the tickets available to participants for purchase for the face value  
31 printed on the ticket, not to exceed one dollar. Tickets may not be  
32 used as prizes or given away free of charge. Instant bingo tickets  
33 may be sold only during a bingo session.

34 (1) An instant bingo ticket game consists of one deal of  
35 instant bingo tickets. A deal of instant bingo tickets is a separate  
36 set or package of not more than four thousand tickets where each  
37 ticket in the deal bears the same serial number.

38 (2) Prizes in bingo games played with instant bingo tickets  
39 may be awarded to a player who opens a ticket to reveal a  
40 predesignated winning letter, number, symbol or pattern, or to a  
41 player who opens a ticket to reveal a letter or number that matches  
42 the letter or number selected by the caller from a set of bingo balls.  
43 Prizes must be awarded to the winner without delay."

1  
2 SECTION 6. Section 12-21-4000 of the 1976 Code, as last  
3 amended by Act 172 of 2004, is further amended to read:

4  
5 “Section 12-21-4000. In addition to the manner of play  
6 prescribed in Section 12-21-3990, and except for bingo played  
7 with instant bingo tickets, except as otherwise specified herein, the  
8 following procedures apply to the conduct of the game:

9 (1) Before the beginning of the first game, all seventy-five  
10 balls must be displayed openly on the master-board for the  
11 inspection of the players.

12 (2) Only one set of seventy-five balls and only one  
13 master-board is allowed in the room or area during the play of the  
14 game.

15 (3) Only one bet or payment is to be paid for each card.

16 (4) No bets or payments may be made while a game is in  
17 progress, except the sale of cards for subsequent games.

18 (5) Reserved.

19 (6) The house is required to identify the games for which a  
20 card may be used before the card is purchased.

21 (7) Before the start of play, the caller shall announce to all  
22 players the winning configuration of covered squares for that  
23 particular game.

24 (8) The prize must be awarded to the first person who  
25 successfully achieves the winning configuration of covered  
26 squares. All winning configurations must be verified using an  
27 electronic verifying system and must be displayed on the monitor  
28 for all players to see.

29 (9) Balls must be selected randomly by an indiscriminate  
30 process.

31 (10) Only one number may be called at a time.

32 (11) All balls drawn remain on the master-board until the  
33 conclusion of the game.

34 (12)(a) At least fifty percent of the gross proceeds of the sale of  
35 bingo cards taken in by the house during a single session must be  
36 returned to the players in the form of prizes. However, with  
37 respect to fair licenses, this requirement must be met during the  
38 course of the fair.

39 (b) A bingo operation may take in only two times more in  
40 gross proceeds than the prize for that session averaged on a  
41 quarterly basis. Amounts in excess of this limit are subject to a  
42 tax, in addition to any other bingo license taxes and fees equal to  
43 the amount of the excess. Each session that the gross proceeds are

1 greater than twice the prize amounts paid constitutes a separate  
2 offense if the tax is unpaid. This excess proceeds tax must be  
3 remitted to the department on the organization's quarterly bingo  
4 report and distributed as provided in Section 12-21-4190. Failure  
5 to remit this excess proceeds tax to the department shall result in  
6 immediate suspension of both the promoter's license and the  
7 organization's license. The department, after a conference with the  
8 promoter and organization, may permanently revoke the license of  
9 the promoter or the nonprofit organization, or both. If permanently  
10 revoked, the promoter, nonprofit organization, or any partner or  
11 member of the organization may no longer manage, conduct, or  
12 assist in any manner with a bingo operation in this State.

13 (13) The playing of bingo, including bingo played with instant  
14 bingo tickets, is restricted to the premises designated with the  
15 department by the sponsor organization.

16 (14) Bingo, including bingo played with instant bingo tickets,  
17 only may be played at the place designated by the bingo licensee  
18 on its original or amended application.

19 (15) The house may hold promotions of special events during a  
20 session offering players prizes other than from the play of bingo  
21 not to exceed ~~one~~ two hundred fifty dollars in cash or merchandise  
22 for each session. This amount is not to be paid out of the bingo  
23 account and is not included in total payouts for a session. There is  
24 no additional charge to players to participate in a special  
25 promotion. The promotion must not be a form of gambling or a  
26 game of chance.

27 (16) Nothing in this section or in Section 12-21-3990 prohibits  
28 or limits, or is intended to prohibit or limit, the play of any bingo  
29 game as defined in Section 12-21-3920(1)."

30  
31 SECTION 7. Section 12-21-4020(2) and (3) of the 1976 Code, as  
32 last amended by Act 334 of 2002, is further amended to read:

33  
34 "(2) CLASS B: An organization operating a bingo game  
35 offering prizes, which do not exceed eight thousand dollars a  
36 session, shall obtain a Class B bingo license at a cost of one  
37 thousand dollars. The holder of a Class B license may not conduct  
38 more than five bingo sessions a week. These sessions may be  
39 packaged in connection with, or scheduled at the same time as, a  
40 session held by a Class C licensee. One of the five sessions may  
41 be a session scheduled from after midnight until 2:00 A.M.

42 (3) CLASS C: An organization operating a bingo game and  
43 offering prizes of twenty dollars or less a game during a single

1 session shall obtain a Class C bingo license at no cost. However,  
2 the organization may offer a prize in cash or merchandise of no  
3 more than one hundred fifty dollars for six jackpot games a  
4 session. The department, in its discretion, may allow certain Class  
5 C licenses to use hard bingo cards instead of the paper cards  
6 required by this article.

7 To qualify to play on hard cards, a bingo game conducted by a  
8 Class C license must meet the following criteria:

9 (a) be operated solely by volunteers and during the hours of  
10 9:00 A.M. to 2:00 A.M.;

11 (b) the person managing, conducting, or operating the bingo  
12 game must not be paid or otherwise be compensated and must be a  
13 designated member of the organization;

14 (c) remuneration, including wages or other compensation,  
15 must not be made to any individual or corporation;

16 (d) all equipment used to operate a game of bingo, including  
17 chairs, tables, and other equipment, must be owned by the charity;

18 (e) the organization may lease the building directly from the  
19 owner of the building or own the building in which the game of  
20 bingo is played. The organization may not lease or sublease the  
21 building from a person who is not the owner;

22 (f) the only expenses allowed to be paid from the proceeds  
23 of the game are utility bills, prizes, purchases of cards, payments  
24 for the lease of a building, purchases of equipment required to  
25 operate a game of bingo, allowable promotion expenses, and the  
26 charitable purposes of the organization;

27 (g) one hundred percent of the net proceeds from the  
28 operation of the game must be used for charitable purposes.”

29  
30 SECTION 8. Section 12-21-4120 of the 1976 Code, as last  
31 amended by Act 172 of 2004, is further amended to read:

32  
33 “Section 12-21-4120. (A) An organization or a promoter  
34 seeking clarification on the play of or operation of a bingo game  
35 shall submit to the department’s bingo regulatory section a written  
36 request or an inquiry pursuant to Section 12-21-4320 seeking a  
37 determination as to whether or not a certain or specific action  
38 constitutes a violation. A conference may be requested upon the  
39 receipt of the clarification request. The department shall respond,  
40 in writing, to the party requesting the clarification, or advisory  
41 opinion pursuant to Section 12-21-4320, citing specific statutes  
42 which disqualify an action and, when applicable, citing actions that  
43 are authorized pursuant to the laws of this State. A response or



1 any failure to respond is not grounds for estoppel nor does it grant  
2 any rights to the organization or promoter seeking a clarification.  
3 An organization or a promoter found in violation of the provisions  
4 of this article and assessed additional taxes, penalties, fines, or  
5 interest is entitled to a conference upon request.

6 (B) Responses issued to inquiries submitted pursuant to this  
7 section must be permanently accessible in the same manner as  
8 advisory opinions pursuant to Section 12-21-4320.”  
9

10 SECTION 9. Section 12-21-4240 of the 1976 Code is amended to  
11 read:

12  
13 “Section 12-21-4240. Each manufacturer, distributor,  
14 organization, or promoter must be licensed to manufacture or  
15 distribute, or use bingo cards, bingo tickets, electronic dabbers, or  
16 charity game tickets. The department shall charge an annual  
17 license fee of five thousand dollars for each manufacturer and two  
18 thousand dollars for each distributor. A license issued by the  
19 department under this section is renewable annually unless  
20 canceled or terminated. No license issued under this section is  
21 transferable or assignable.”  
22

23 SECTION 10. This act takes effect upon approval by the  
24 Governor.

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