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COMMITTEE REPORT

April 20, 2016

**H. 5034**

Introduced by Rep. White

S. Printed 4/20/16--H.

Read the first time March 3, 2016.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 5034) to amend the Code of Laws of South Carolina, 1976, by adding Section 12-21-4320 so as to require the Department of Revenue to establish an informational charitable bingo webpage, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

W. BRIAN WHITE for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑21‑4320 SO AS TO REQUIRE THE DEPARTMENT OF REVENUE TO ESTABLISH AN INFORMATIONAL CHARITABLE BINGO WEBPAGE ON ITS WEBSITE; TO AMEND SECTION 12‑21‑3920, RELATING TO DEFINITIONS FOR PURPOSES OF THE BINGO TAX ACT, SO AS TO REDEFINE “BUILDING”; TO AMEND SECTION 12‑21‑3940, RELATING TO APPLICATIONS FOR A BINGO LICENSE BY NONPROFIT ORGANIZATIONS AND PROMOTERS, SO AS TO EXTEND THE TIME BY WHICH THE DEPARTMENT MUST RESPOND; TO AMEND SECTION 12‑21‑3990, RELATING TO THE MANNER OF PLAYING BINGO, SO AS TO PROVIDE THE MANNER IN WHICH CERTAIN DEVICES MUST BE OPERATED; TO AMEND SECTION 12‑21‑4000, RELATING TO PROCEDURES APPLICABLE TO THE CONDUCT OF BINGO, SO AS TO INCREASE THE ALLOWANCE FOR PROMOTIONS; TO AMEND SECTION 12‑21‑4005, RELATING TO THE OPERATION OF BINGO GAMES, SO AS TO EXCLUDE CERTAIN RAFFLES; TO AMEND SECTION 12‑21‑4090, RELATING TO BINGO CHECKING AND SAVINGS ACCOUNTS, SO AS TO ALLOW THE PROMOTER TO MAKE CERTAIN CONTRIBUTIONS AND TO ALLOW FOR ELECTRONIC PAYMENTS; AND TO AMEND SECTION 12‑21‑4190 RELATING TO THE DISTRIBUTION OF BINGO REVENUES, SO TO INCREASE THE PERCENTAGE THAT IS DISTRIBUTED TO CHARITY.

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

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

“Section 12‑21‑4320. (A) The department shall establish a bingo webpage on its own website, for the purpose of serving as a clearinghouse for information and access to the Bingo Tax Act and its implementation and regulation. The link also must contain access to information pertaining to licenses, the manner in which to file complaints, and clarifying issues the department finds in connection with violations of the Bingo Tax Act.

(B) In addition to the purposes set forth in subsection (A), the webpage also must include a process for submitting questions to the bingo division of the department. The department shall post official minutes of meetings, including committee responses to each bingo inquiry.”

SECTION 2. Section 12‑21‑3920(17) of the 1976 Code, is amended to read:

“(17) ‘Building’ means ~~a structure surrounded by exterior walls or permanent firewalls~~ any structure used or intended for supporting or sheltering any use or occupancy designated by a separate address, provided the structure does not include any interior access to another area where bingo is played.”

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

“(B) Upon application for a license, the department has ~~thirty~~ forty‑five days to approve or reject the application based on the requirements of this article.”

SECTION 4. Section 12‑21‑3990(A)(6) of the 1976 Code is amended to read:

“(6) All devices, including the master‑board, used to show what numbers have been called during a game must not be intentionally changed, obstructed, or turned off by the promoter until the winners are verified.”

SECTION 5. Section 12‑21‑4000(15) of the 1976 Code is amended to read:

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

SECTION 6. Section 12‑21‑4005 of the 1976 Code is amended to read:

“Section 12‑21‑4005. The operation of the bingo games excludes machines and lottery games, including video poker lottery games, prohibited by Sections 12‑21‑2710, 16‑19‑40, and 16‑19‑50. The operation of the bingo games also excludes raffles as defined in Section 33‑57‑110.”

SECTION 7. Section 12‑21‑4090(C) and (D) of the 1976 Code are amended to read:

“(C) An organization receiving an annual license to conduct bingo shall establish and maintain one regular checking account designated the ‘bingo account’ and also may maintain an interest‑bearing savings account designated the ‘bingo savings account’. All funds derived from the conduct of bingo, less the amount awarded as cash prizes, must be deposited in the bingo account. Other funds may not be deposited in the bingo account, unless there is a deficit, and then both the organization and promoter shall deposit a loan equal to fifty percent of the deficit. If the organization is unable to make the fifty percent contribution, the promoter may deposit one hundred percent of the deficit which the balance must be, at the election of the promoter and with the consent of the nonprofit organization, carried as either a loan or a charitable donation to the organization from the promoter. Each loan to an organization from the promoter must be authorized in writing by a duly authorized officer of the licensed nonprofit organization. The promoter only may have recourse to these loans from the funds in the charitable bingo account. Each loan deposited into the bingo checking account must be accounted for on the quarterly financial reports filed with the department. Detailed information substantiating these loans must be maintained by the organization. Deposits must be made no later than the next business day following the day of the bingo occasion on which the receipts were obtained. All accounts must be maintained in a financial institution in this State.

(D) Funds from the bingo account must be withdrawn by preprinted, consecutively‑numbered checks or withdrawal slips, jointly signed by a properly authorized representative of the licensed nonprofit organization and promoter and made payable to a person or organization or by electronic methods or recurring online payments. Electronic payments must be authorized by a duly authorized representative of the licensed nonprofit organization and promoter in writing. Checks must be imprinted with the words ‘Bingo Account’ and must contain the organization’s bingo license number on the face of the check. There also must be noted on the face of the check or withdrawal slip the nature of the payment made. No check or slip may be made payable to ‘cash’, ‘bearer’, or a fictitious payee. All checks, including voided checks and slips, must be kept and accounted for.”

SECTION 8. Section 12‑21‑4190(B) of the 1976 Code is amended to read:

“(B) The revenue retained must be distributed as follows:

(1) ~~twenty‑six~~ twenty‑eight percent of the revenue must be distributed to the sponsoring charity for which the bingo cards were purchased. The department shall make the distribution to the sponsoring charity by the last day of the next month following the month the revenue was collected. Distributions ~~under~~ pursuant to this subsection must be reduced by any delinquent debts as defined in the Setoff Debt Collection Act;

(2) ~~seventy‑four~~ seventy‑two percent pursuant to Section 12‑21‑4200.”

SECTION 9. This act takes effect upon approval by the Governor.

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