

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 1064
PROPOSED COMMITTEE SUBSTITUTE H1064-CSSA-67 [v.2]
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Short Title: GSC Clarifying Bingo License Statute.

(Public)

Sponsors:

Referred to:

May 8, 2020

A BILL TO BE ENTITLED
AN ACT TO CLARIFY THE BINGO LICENSE STATUTE, AS RECOMMENDED BY THE
GENERAL STATUTES COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL
CORRECTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-309.7 reads as rewritten:

"§ 14-309.7. Licensing procedure.

(a) An exempt organization ~~may~~shall not operate a bingo game at a location without a license. Application for a bingo license shall be made to the ~~State Bureau of Investigation~~Alcohol Law Enforcement Division of the Department of Public Safety on a form prescribed by the ~~Bureau Division~~. The ~~Bureau Division~~ shall charge an annual application fee of two hundred dollars (\$200.00) to defray the cost of issuing bingo licenses and handling bingo audit reports. The fees collected shall be deposited in the General Fund of the State. ~~This~~The license shall expire one year after ~~the granting of the license~~. ~~This license issuance and~~ may be renewed ~~yearly,~~annually if the applicant pays the application fee and files an audit with the ~~Bureau Division~~ pursuant to G.S. 14-309.11. A copy of the application and license shall be furnished to the local law-enforcement agency in the county or municipality in which the licensee intends to operate before bingo is conducted by the licensee.

(b) Each application and renewal application shall contain the following information:

- (1) The name and address of the applicant and if the applicant is a corporation, ~~association~~association, or other similar legal entity, the name and home address of each of the officers of the organization as well as the name and address of the directors, or other persons similarly situated, of the organization.
- (2) The name and home address of each of ~~the members~~member of the special ~~committee~~committee described in G.S. 14-309.10.
- (3) A copy of the application for recognition of exemptions and a determination letter from the Internal Revenue Service and the Department of Revenue that indicates ~~that the organization applicant~~ is an exempt organization and stating the section under which that exemption is ~~granted; except that if granted~~. If the organization applicant is a State or local branch, lodge, post, or chapter of a national organization, a copy of the determination letter of the national organization satisfies this requirement.
- (4) The location at which the applicant will conduct the bingo games. If the premises are leased, a copy of the lease or rental agreement.



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(c) In order for an exempt organization to have a member familiar with the operation of bingo present on the premises at all times when bingo is being played and for this member to be responsible for the receiving, ~~reporting-reporting~~, and depositing of all revenues received, the exempt organization may pay one member for conducting a bingo game. ~~Such~~ The pay shall be on an hourly basis only for the time bingo is actually being played and shall not exceed one and one-half times the existing minimum wage in North Carolina. The member paid under this ~~provision-subsection~~ shall be a member in good standing of the exempt organization for at least one year and shall not be the lessor or an employee or agent of the lessor. No other person ~~may~~ shall be compensated for conducting a bingo game from funds derived from any activities occurring in, or simultaneously with, the playing of bingo, including funds derived from concessions. An exempt organization shall not contract with any person for the purpose of conducting a bingo game.

~~(c1)~~ Except as provided in subsection (e) of this section, an exempt organization may hold a bingo game only in or on property ~~owned (either legally or equitably and the buildings must be of a permanent nature with approved plumbing for bathrooms and not movable or of a temporary nature such as a tent or lean-to) owned, either legally or equitably, or leased-leased, but not subleased, by the organization from the owner or bona fide property management agent (no subleasing is permitted) at a total monthly rental in an amount not to agent. The buildings shall be permanent with approved plumbing for bathrooms and shall not be movable or temporary such as a tent or lean-to. The total monthly payment for leased premises shall not exceed one and one-quarter percent (1 1/4%) of the total assessed ad valorem tax value of the portion of the building actually used for the bingo games and the land value-on which the building is located (not to exceed two acres)-located; the land shall not exceed two acres. The lease shall be for all activities conducted therein-on the leased premises, including the playing of bingo for a period of not less than one year-year, and the leased premises shall be actually occupied and used by that organization on a regular basis for purposes other than bingo for at least six months before the game; and all first game. All equipment used by the exempt organization in conducting the bingo game must-shall be owned by the organization. Unless the exempt organization leases the property in accordance with this subsection, an exempt organization may conduct a bingo game only in or on property that is exempt from property taxes levied under Subchapter II of Chapter 105 of the General Statutes, or that is classified and not subject to any property taxes levied under Subchapter II of Chapter 105 of the General Statutes. It shall be-is unlawful for any person to operate beach bingo games at a location which-that is being used by any licensed exempt organization for the purpose of conducting bingo games.~~

(d) Conduct of a bingo game or raffle ~~under-in accordance with this Part on such property shall does~~ not operate to defeat an exemption or classification under Subchapter II of Chapter 105 of the General Statutes.

(e) An exempt organization that wants to conduct only an annual or semiannual bingo game may apply to the ~~State Bureau of Investigation-Alcohol Law Enforcement Division of the Department of Public Safety~~ for a limited occasion permit. ~~The State Bureau of Investigation Division may require such-any information as is reasonable and necessary to determine that the bingo game is conducted in accordance with the provisions of this Part but may Part. The Division shall not require more information than previously specified in this section for application of a regular license- for a limited occasion permit than it requires for a license under this section.~~ The application shall be made to the ~~Bureau-Division~~ on prescribed forms at least 30 days prior to the scheduled date of the bingo game. In lieu of the reporting requirements of ~~G.S. 14-309.11(b)-G.S. 14-309.11(b),~~ the exempt organization shall file with the ~~licensing agency-Division~~ and local law-enforcement a report on prescribed forms no later than 30 days following the ~~conduct~~ of the bingo game for which the permit was obtained. ~~Such report-The forms may require such-any information as is reasonable and necessary to determine that the bingo game was conducted in accordance with the provisions of this Part but may this Part. The~~

forms shall not require more information than specified in G.S. 14-309.11(b). Any licensed exempt organization may donate or loan its equipment or use of its premises to an exempt organization ~~which that~~ has secured a limited occasion permit ~~provided such as long as the~~ arrangement is disclosed in the limited occasion permit application and is approved by the ~~State Bureau of Investigation Division~~. Except as ~~stated above, provided in this subsection~~, all provisions of this Part shall apply to ~~any an~~ exempt organization operating a bingo game under this ~~provision subsection~~."

SECTION 2. G.S. 14-309.11 reads as rewritten:

"§ 14-309.11. Accounting and use of proceeds.

...

(b) An audit of the account required by subsection (a) of this section shall be prepared annually for the period of January 1 through December 31 or otherwise as directed by the ~~State Bureau of Investigation~~ Alcohol Law Enforcement Division of the Department of Public Safety and shall be filed with the ~~State Bureau of Investigation Division~~ and the local law-enforcement agency at a time directed by the ~~State Bureau of Investigation Division~~. The audit shall be prepared on a form approved by the ~~State Bureau of Investigation Division~~ and shall include the following information:

- (1) The number of bingo games conducted or sponsored by the exempt organization;
- (2) The location and date at which each bingo game was conducted and the prize awarded;
- (3) The gross receipts of each bingo game;
- (4) The cost or amount of any prize given at each bingo game;
- (5) The amount paid in prizes at each session;
- (6) The net return to the exempt organization; and
- (7) The disbursements from the separate account and the purpose of those disbursements, including the date of each transaction and the name and address of each payee.

...

(d) All books, papers, records and documents relevant to determining whether an organization has acted or is acting in compliance with this section shall be open to inspection by the law-enforcement agency or its designee, or the district attorney or his designee, or the ~~State Bureau of Investigation~~ Alcohol Law Enforcement Division of the Department of Public Safety at reasonable times and during reasonable hours."

SECTION 3. G.S. 14-309.14 reads as rewritten:

"§ 14-309.14. Beach bingo.

Nothing in this Article shall apply to "beach bingo" games except for the following subdivisions:

...

- (5) A person shall not operate a beach bingo game at any location without first obtaining a license as provided by this subdivision. Any person operating a beach bingo game without a license is guilty of a Class 2 misdemeanor. The procedure for obtaining an application for a beach bingo license shall be as follows:
 - a. The application for a beach bingo license shall be made to the ~~State Bureau of Investigation~~ Alcohol Law Enforcement Division of the Department of Public Safety on a form prescribed by the ~~Bureau Division~~. The ~~Bureau Division~~ shall charge an initial application fee of three hundred dollars (\$300.00) and an annual renewal fee of three hundred dollars (\$300.00) to defray the cost of issuing beach bingo licenses and handling enforcement. The fees collected shall be

deposited in the General Fund of the State. This license shall expire one year after the granting of the license but may be renewed yearly upon payment of the renewal fee.

b. Each application and renewal application shall contain all of the following information:

1. The name and address of the applicant and if the applicant is a corporation, association, or other similar legal entity, the name and home address of each of the officers of the organization as well as the name and address of the directors, or other persons similarly situated, of the organization.

2. The location at which the applicant will conduct the bingo games. If the premises are leased, a copy of the lease or rental agreement.

c. Any false information provided in an application for a beach bingo license is cause for suspension of that license and is also a Class 2 misdemeanor.

d. All books, papers, records, and documents relevant to determining whether an individual has acted or is acting in compliance with this section shall be open to inspection by the ~~State Bureau of Investigation~~ Alcohol Law Enforcement Division of the Department of Public Safety at reasonable times and during reasonable hours."

SECTION 4. This act becomes effective October 1, 2020, and applies to applications submitted on or after that date.