

House Research Act Summary

CHAPTER: 386

SESSION: 2002 Regular Session

TOPIC: Omnibus Charitable Gambling Bill

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Overview

This act makes various changes in gambling law, mostly relating to charitable (lawful) gambling. It repeals expired language and eliminates duplicate reporting requirements. Licenses for gambling equipment distributors and manufacturers and bingo halls are put on a new two-year renewal cycle with no change in license fees. Maximum prizes for pull-tabs and progressive bingo games are increased.

The act also expands the purposes for which veterans organizations are allowed to spend their net gambling profits.

Article 1: Technical Amendments

- 1 **Information on gambling equipment records.** Deletes specific information that must be included on the records of gambling equipment sales made by distributors to organizations, and substitutes a cross-reference to the same information required on reports to the revenue department.
Deletes the requirement that distributors make a separate record of such sales for the gambling control board, and substitutes a requirement that distributors send the board copies of the report on sales that they send to the revenue department.
- 2 **Repeal of exemption.** Removes, from the law prohibiting a gambling equipment manufacturer from also being licensed as a distributor, an exemption for paddlewheel manufacturers who were licensed as both manufacturer and distributor on May 1, 1990.
- 3 **Technical.** Repeals a reference to a gambling equipment manufacturer also being licensed as a distributor.
- 4 **Information on pull-tab flares.** Deletes specific information that must be included on the flare of each pull-tab and tipboard. Deletes the requirement that flares must have gambling stamps attached.

- 5 **Premises permit application.** Deletes the requirement than an application for a gambling premises permit must include the name and address of the gambling manager.
- 6 **Gambling manager examination.** Deletes expired language in the law requiring gambling managers to pass an examination before being licensed.
- 7 **Photo on employee registration application.** Requires applications for registration as a gambling employee to have a current photograph of the applicant.
- 8 **Compensation records.** Deletes the requirement that an organization's records of compensation paid to gambling employees must be kept for at least two years.
- 9 **Monthly reports.** Amends the law requiring organizations to report monthly on its gross receipts, expenses, profits, and profit expenditures, by requiring reports to the revenue department rather than the board.
Deletes the requirement that organizations report monthly to the board on its purchases of gambling equipment.
- 10-11 **Delinquent accounts.** Amends the law that requires gambling equipment distributors to notify the board when an organization is delinquent in its accounts for more than 35 days, by making the 35-day period begin on the day following the date of the invoice, rather than the date of delivery of the equipment.
Makes the same change with respect to distributors who are delinquent in their accounts to manufacturers.
- 12 **Repealer.** Repeals expired provisions.
Repeals a provision that allows a lessor of bingo premises to furnish bingo equipment without being a licensed distributor.

Article 2: Bingo; Pull-Tabs

- 1 **Net profits for disaster relief.** Deletes the requirement that a disaster must be natural in order for gambling net profits to be spent for relief. Incorporates a definition of disaster from emergency management law.
- 2 **Pull-tab dispensing devices.** Repeals the prohibition against placement of pull-tab dispensing devices in leased permitted premises where pull-tabs are also sold by employees of the lessor (bar-ops).
- 3 **Distributor license fees.** Changes the license fee schedule for gambling equipment distributors without changing the amount. Goes from an annual \$3,500 fee to an initial \$3,500 fee followed by renewals every two years for \$7,000.
- 4 **Manufacturer license fees.** Changes the license fee schedule for gambling equipment manufacturers without changing the amount. From an annual \$5,000 fee the bill changes to an initial \$5,000 fee followed by renewal every two years for \$10,000.
- 5 **Bingo hall license fees. Fees; term of license.** Changes schedule for paying bingo hall license fees. Makes initial fee \$2,500 with renewal every two years for \$5,000. Current law is an annual \$2,500 fee.
- 6 **Progressive bingo game prizes.** Increase the maximum starting prize of a progressive bingo game (a game where a prize may be carried over from one occasion to another) from \$300 to \$500. Increase the total annual limit on progressive bingo prizes per organization from \$36,000 to \$48,000.
- 7 **Pull-tab prize limits.** Increases from \$500 to \$599 the maximum prize for a single pull-tab.
- 8 **Model rules for linked bingo and electronic bingo devices.** Directs the board to draft model rules for linked bingo games and electronic bingo devices, and report to the legislature by

February 1, 2003.

Article 3: Lawful Purpose; Veterans Organizations

- 1 **Lawful purpose.** Allows net profits from lawful gambling to be spent by a veterans organization to pay property taxes on wholly leased premises.

Allows net profits from lawful gambling to be spent by a veterans organization to:

(1) pay heat, water, sanitation, telephone, and other utility bills for a building owned or leased by a veterans organization and used as its primary headquarters;

(2) pay up to \$5,000 per year in net costs for meals and other membership events, limited to members and spouses, held in recognition of military service.

Article 4: Miscellaneous

- 1 **Sales of gambling devices by Indian tribes.** Allows Indian tribes to sell gambling devices without being licensed as a gambling device distributor by the department of public safety, if the device was operated by the tribe, the sale is to a licensed distributor of such devices, and the sale is reported to the department. Effective immediately.