

The Senate Veterans, Military and Homeland Security Committee offered the following substitute to HB 674:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
2 relating to gambling and other offenses, so as to transfer the responsibility for regulation of
3 bingo games and issuance of bingo licenses from the Georgia Bureau of Investigation to the
4 Department of Revenue; to amend Article 2 of Chapter 4 of Title 38 of the Official Code of
5 Georgia Annotated, relating to veteran's benefits, so as to provide for certain bingo for
6 veterans; to provide for definitions; to provide for licensing required to operate bingo games;
7 to provide for the procedure for licensing, fees, and renewals; to provide for revocation of
8 licenses; to provide for certification of tax-exempt status of veteran's organizations; to
9 provide for restrictions as to ownership of premises used for bingo and age restrictions; to
10 provide for an annual report to be filed with the commissioner of revenue; to provide for
11 rules and regulations; to provide for penalties; to provide for related matters; to provide an
12 effective date; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

14 Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to
15 gambling and other offenses, is amended by replacing "Director" with "Commissioner" and
16 "director" with "commissioner" wherever the former word occurs in:
17

- 18 (1) Code Section 16-12-51, relating to definitions pertaining to bingo;
19 (2) Code Section 16-12-52, relating to license required to operate bingo game and
20 recreational bingo exception;
21 (3) Code Section 16-12-53, relating to bingo licensing procedures, fees, and renewals;
22 (4) Code Section 16-12-54, relating to revocation of licenses and access to premises by
23 law enforcement agencies;
24 (5) Code Section 16-12-55, relating to certification of tax-exempt status of organization,
25 issuance of certificate of licensure, and evidentiary nature of certificate;

- 26 (6) Code Section 16-12-56, relating to issuance of annual one-day license to nonprofit,
 27 tax-exempt school and application;
- 28 (7) Code Section 16-12-59, relating to annual report to be filed with the director;
- 29 (8) Code Section 16-12-61, relating to promulgation of necessary rules and regulations
 30 by director authorized; and
- 31 (9) Code Section 16-12-62, relating to penalties.

32 SECTION 2.

33 Said article is further amended by replacing "Georgia Bureau of Investigation" with
 34 "Department of Revenue" wherever the former words occur in:

- 35 (1) Code Section 16-12-51, relating to definitions pertaining to bingo; and
- 36 (2) Code Section 16-12-53, relating to bingo licensing procedures, fees, and renewals.

37 SECTION 3.

38 Article 2 of Chapter 4 of Title 38 of the Official Code of Georgia Annotated, relating to
 39 veteran's benefits, is amended by adding a new Part 1A to read as follows:

40 "Part 1A

41 38-4-40.

42 As used in this part, the term:

43 (1) 'Bingo game' means:

44 (A) A game of chance played on cards with numbered squares in which counters or
 45 indicators are placed on numbers chosen by lot and won by covering a previously
 46 specified number or order of numbered squares; and

47 (B) A game of chance played on cards with numbered sections listing winning
 48 combinations of letters and number symbols and containing hidden letter and number
 49 symbols where each participant receives one or more cards which afford a participant
 50 an opportunity to win something of value by opening, detaching, or otherwise removing
 51 one or more covers from the card to reveal a set of number and letter symbols.

52 A bingo game may be played manually or with an electronic or computer device that
 53 stores the numbers from a player's card or cards, tracks the numbers chosen by lot when
 54 such numbers are entered by the player, and notifies the player of a winning combination.

55 (2) 'Bingo session' means a time period during which bingo games are played.

56 (3) 'Commissioner' means the commissioner of revenue.

57 (4) 'Operate,' 'operated,' or 'operating' means the direction, supervision, management,
 58 operation, control, or guidance of activity.

59 (5) 'Veterans organization' means any organization or association chartered by the
60 Congress of the United States which is exempt from federal income taxes and exempt
61 from state income tax laws under Code Section 48-7-25 but only if such organization is
62 a post or organization of past or present members of the armed forces of the United States
63 organized in the State of Georgia of which at least 75 percent of the members are past or
64 present members of the armed forces of the United States and of which no part of its net
65 earnings inures to the benefit of any private shareholder or individual.

66 38-4-41.

67 Any other law to the contrary notwithstanding, no veterans organization shall be permitted
68 to operate a bingo game until the commissioner issues a license to such organization
69 authorizing it to do so. In the event of any controversy concerning whether or not a certain
70 activity constitutes a bingo game for which a license may be issued, the decision of the
71 commissioner shall control. The license described in this Code section shall be in addition
72 to and not in lieu of any other licenses which may be required by this state or any political
73 subdivision thereof, and no bingo game shall be operated until such time as all requisite
74 licenses have been obtained.

75 38-4-42.

76 (a) Any veterans organization desiring to obtain a license to operate bingo games shall
77 make application to the commissioner on forms prescribed by the Department of Revenue
78 and shall pay an annual fee of \$100.00. No license shall be issued to any veterans
79 organization unless the organization has been in existence for 12 months immediately prior
80 to the issuance of the license. The license shall expire at 12:00 Midnight on December 31
81 following the granting of the license. Renewal applications for each calendar year shall be
82 filed with the commissioner prior to January 1 of each year and shall be on a form
83 prescribed by the Department of Revenue.

84 (b) Each application for a license and each application for renewal of a license shall
85 contain the following information:

86 (1) The name and home address of the applicant and, if the applicant is an organization
87 or association or other similar legal entity, the names and home addresses of each of the
88 officers of the organization as well as the names and addresses of the directors, or other
89 persons similarly situated, of the organization;

90 (2) The names and home addresses of each of the persons who will be operating,
91 advertising, or promoting the bingo game;

92 (3) The names and home addresses of any persons, organizations, or other legal entities
93 that will act as surety for the applicant or to which the applicant is financially indebted
94 or to which any financial obligation is owed by the applicant;

95 (4) A determination letter from the Internal Revenue Service certifying that the applicant
96 is an organization exempt under federal tax law;

97 (5) A statement affirming that the applicant is exempt under the income tax laws of this
98 state under Code Section 48-7-25;

99 (6) The location at which the applicant will conduct the bingo games and, if the premises
100 on which the bingo games are to be conducted is to be leased, a copy of the lease or rental
101 agreement;

102 (7) A statement showing the convictions, if any, for criminal offenses other than minor
103 traffic offenses of each of the persons listed in paragraphs (1), (2), and (3) of this
104 subsection; and

105 (8) Any other necessary and reasonable information which the commissioner may
106 require.

107 (c) The commissioner shall refuse to grant a bingo license to any applicant who fails to
108 provide fully the information required by this Code section.

109 (d) When a veterans organization which operates or intends to operate bingo games for
110 residents and patients of a retirement home, nursing home, or hospital operated by that
111 veterans organization at which gross receipts are or will be limited to \$100.00 or less
112 during each bingo session and pays or will pay prizes having a value of \$100.00 or less
113 during each bingo session, then, notwithstanding any other provision of this part or any rule
114 or regulation promulgated by the commissioner pursuant to the provisions of subsection
115 (j) of Code Section 38-4-48, neither the applicant nor any of the persons whose names and
116 addresses are required under paragraphs (1) and (2) of subsection (b) of this Code section
117 shall be required to submit or provide fingerprints or photographs as a condition of being
118 granted a license.

119 (e) If the commissioner determines that a veterans organization has one or more
120 auxiliaries, the members of any such auxiliary may assist in such veterans organization's
121 bingo operations, even if such auxiliary holds a license under this part, and the members
122 of the main veterans organization may assist in the bingo operations of any such licensed
123 auxiliary.

124 38-4-43.

125 (a) The commissioner shall have the specific authority to suspend or revoke any license
126 for any violation of this part or for any violation of any rule or regulation promulgated
127 under this part. Any licensee accused of violating any provision of this part or of any rule

128 or regulation promulgated hereunder shall be entitled, unless waived, to a hearing on the
129 matter of the alleged violation conducted in accordance with Chapter 13 of Title 50, the
130 'Georgia Administrative Procedure Act.'

131 (b) By making application for a license under this part, every applicant consents that the
132 commissioner, as well as any of his or her agents, together with any prosecuting attorney,
133 as well as any of his or her agents, may come upon the premises of any licensee or upon
134 any premises on which any licensee is conducting a bingo game for the purpose of
135 examining the accounts and records of the licensee to determine if a violation of this part
136 has occurred.

137 38-4-44.

138 The commissioner shall upon the request of any prosecuting attorney or his or her designee
139 certify the status of any veterans organization as to that veterans organization's exemption
140 from payment of state income taxes as a nonprofit veterans organization. The
141 commissioner shall also upon request issue a certificate indicating whether any particular
142 veterans organization holds a currently valid license to operate a bingo game. Such
143 certificates properly executed shall be admissible in evidence in any prosecution and shall
144 be subject to disclosure notwithstanding Code Section 48-7-60, relative to the disclosure
145 of income tax information, and shall not apply to the furnishing of such certificate.

146 38-4-45.

147 Bingo games shall be operated only on premises owned by the veterans organization
148 operating the bingo game, on property leased by the veterans organization and used
149 regularly by that veterans organization for purposes other than the operation of a bingo
150 game, or on property leased by the veterans organization operating the bingo game from
151 another veterans organization.

152 38-4-46.

153 No person under the age of 18 years shall be permitted to play any bingo game conducted
154 pursuant to any license issued under this part unless accompanied by an adult. No person
155 under the age of 18 years shall be permitted to conduct or assist in the conducting of any
156 bingo game conducted pursuant to any license issued under this part.

157 38-4-47.

158 On or before April 15 of each year, every veterans organization engaged in operating bingo
159 games shall file with the commissioner a report disclosing all receipts and expenditures
160 relating to the operation of bingo games in the previous year. The report shall be in

161 addition to all other reports required by law. The report shall be prepared and signed by
162 a certified public accountant competent to prepare such a report and shall be deemed a
163 public record subject to public inspection.

164 38-4-48.

165 (a) A licensee that conducts or operates a bingo session shall maintain the following
166 records for at least three years from the date on which such bingo session is conducted:

167 (1) An itemized list of the gross receipts for each bingo session;

168 (2) An itemized list of all expenses other than prizes that are incurred in the conducting
169 of the bingo session as well as the name of each person to whom the expenses are paid
170 and a receipt for all of the expenses;

171 (3) A list of all prizes awarded during the bingo session and the name and address of all
172 persons who are winners of prizes of \$50.00 or more in value;

173 (4) An itemized list of the recipients other than the licensee of the proceeds of the bingo
174 game, including the name and address of each recipient to whom such funds are
175 distributed; and

176 (5) A record of the number of persons who participate in any bingo session conducted
177 by the licensee.

178 (b) A licensee shall:

179 (1) Own all the equipment used to conduct a bingo game or lease such equipment;

180 (2) Display its bingo license conspicuously at the location where the bingo game is
181 conducted;

182 (3) Conduct bingo games only at the single location specified in the licensee's
183 application; and

184 (4) Not conduct more than one bingo session during any one calendar day, which bingo
185 session shall not exceed five hours.

186 (c) No veterans organization shall enter into any contract with any individual, firm,
187 association, or corporation to have such individual, firm, association, or corporation operate
188 bingo games or concessions on behalf of the veterans organization.

189 (d) A veterans organization shall not lend its name nor allow its identity to be used by any
190 individual, firm, association, or corporation in the operating or advertising of a bingo game
191 in which such veterans organization is not directly and solely operating the bingo game.

192 (e) It shall be unlawful for two or more veterans organizations which are properly licensed
193 pursuant to this part to operate bingo games jointly or to operate bingo games upon the
194 same premises during any 18 hour period.

195 (f) It shall be unlawful for any veterans organization to award prizes in excess of
196 \$2,500.00 in cash during any calendar day or \$5,000.00 in cash during any calendar week.

197 It shall be unlawful to exceed such cash limits at any combination of locations operated by
 198 a single licensee or such licensee's agents or employees. It shall be unlawful for two or
 199 more licensees to pyramid the valuation of cash prizes in such manner as to exceed the
 200 limits contained in this Code section. Noncash prizes shall be permitted in bingo games,
 201 as defined in subparagraphs (A) and (B) of paragraph (1) of Code Section 38-4-40, and
 202 shall be subject to all applicable state sales and other taxes as provided by law.

203 (g) No person or organization by whatever name or composition thereof shall take any
 204 salary, expense money, or fees for the operation of any bingo game, except that not more
 205 than \$30.00 per day may be paid to one or more individuals for assisting in the conduct of
 206 such games on such day.

207 (h) No person shall pay consulting fees to any person for any services performed in
 208 relation to the operation or conducting of a bingo game.

209 (i) A person who is a member of more than one veterans organization shall be permitted
 210 to participate in the bingo operations of only two veterans organizations of which such
 211 person is a member; provided, however, that such person shall not receive more than
 212 \$30.00 per day for assisting in the conduct of bingo games regardless of whether such
 213 person assists both veterans organizations in the same day.

214 (j) The commissioner is authorized to promulgate rules and regulations which he or she
 215 deems necessary for the proper administration and enforcement of this part.

216 38-4-49.

217 Any person who operates a bingo game for which a license is required without a valid
 218 license issued by the commissioner as provided in this part commits the offense of
 219 commercial gambling as defined in Code Section 16-12-22 and, upon conviction thereof,
 220 shall be punished accordingly. Any person who knowingly aids, abets, or otherwise assists
 221 in the operation of a bingo game for which a license is required and has not been obtained
 222 as provided in this part similarly commits the offense of commercial gambling. Any
 223 person who violates any other provision of this part shall be guilty of a misdemeanor of a
 224 high and aggravated nature. Any person who commits any such violation after having
 225 previously been convicted of any violation of this part shall be guilty of a felony and, upon
 226 conviction thereof, shall be punished by imprisonment for not less than one nor more than
 227 five years or by a fine not to exceed \$10,000.00, or both."

228 **SECTION 4.**

229 This Act shall become effective upon its approval by the Governor or its becoming law
 230 without such approval.

231 **SECTION 5.**
232 All laws and parts of laws in conflict with this Act are repealed.