

AMENDED IN ASSEMBLY AUGUST 18, 2008

AMENDED IN SENATE APRIL 10, 2008

AMENDED IN SENATE MARCH 27, 2008

SENATE BILL

No. 1369

Introduced by Senator ~~Cedillo~~ Senators *Cedillo and Battin*

(Principal coauthor: Assembly Member Torrico)

*(Coauthors: Senators **Cogdill, Denham, Ducheny, Florez, Harman, Maldonado, Padilla, Runner, and Wyland**)*

(Coauthor: Assembly Member Lieu)

February 21, 2008

~~An act to amend Section 49557.2 of the Education Code, relating to pupil nutrition.~~ *An act to add Section 19850.5 to the Business and Professions Code, and to amend Section 326.5 of, and to add Section 326.3 to, the Penal Code, relating to bingo.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1369, as amended, Cedillo. ~~Pupil nutrition: free and reduced price meals: application.~~ *Remote caller bingo.*

Existing law permits cities, counties, and cities and counties to allow bingo games to be conducted by specified organizations for charitable purposes, subject to provisions of law which, if violated, constitute a crime. Existing law defines bingo for the purposes of these provisions as a game of chance in which prizes are awarded on the basis of designated numbers or symbols on a card that conform to numbers or symbols that are selected at random. Existing law prohibits the total value of prizes awarded for any bingo game from exceeding \$250 in cash or kind, or both, for each separate game that is held. Existing law prohibits any person from receiving or paying a profit, wage, or salary

from any bingo game, except that security personnel employed by the organization conducting the bingo game may be paid from bingo game revenues. A violation of this provision is a misdemeanor.

This bill would also permit cities, counties, and cities and counties to allow bingo games to be conducted by school districts for charitable purposes. The bill would modify the definition of bingo to mean a game of chance in which prizes are awarded on the basis of designated numbers or symbols that are marked or covered by the player on a tangible card in the player's possession and that conform to numbers or symbols, selected at random and announced by a live caller. The bill would prohibit the use of electronics or video displays in connection with a bingo game, except as specified, and would also increase the allowable value of prizes for a bingo game to \$500. By changing the definition of a crime, this bill would impose a state-mandated local program.

This bill would also permit cities, counties, and cities and counties to allow remote caller bingo games, defined as bingo games in which the organization conducting the game uses audio or video technology to link electronically any of its in-state facilities for the purpose of the remote calling of a game from a single location to multiple locations owned, leased, or rented by that organization or by an affiliated entity. The bill would limit the operation of remote caller bingo games to organizations that have been incorporated or in existence for 3 years or more, and would allow the organization conducting the game to pay administrative, managerial, technical, financial, and security personnel reasonable fees for services rendered from bingo game revenues, with certain limitations. The bill would prohibit the value of prizes awarded during the conduct of any remote caller bingo game from exceeding 37% of the gross receipts for that game, and would require that all prize money exceeding state and federal exemption limits on prize money be subject to income tax reporting and withholding requirements under applicable state and federal laws and regulations. The bill would require remote caller bingo games to be played using traditional paper or other tangible bingo cards and daubers and would prohibit certain locations from participating in the games. The bill would provide for the regulation of remote caller bingo by the California Gambling Control Commission, as specified. The bill would make related changes.

By changing the definition of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law requires the governing board of a school district and the county superintendent of schools to make applications for free or reduced price meals available to pupils at all times during each regular schoolday. A school district and county superintendent of schools may incorporate information about the Medi-Cal and Healthy Families programs in the application. Parents may consent to allow the school district or county superintendent of schools to share information from the school lunch program application with the county agency administering the Medi-Cal program for use in making an accelerated Medi-Cal eligibility determination.~~

~~This bill would prohibit a school district from sharing the information on the school lunch program application if the school district possesses data that indicates that the child already has an active Medi-Cal or Healthy Families case. The school would be required to notify the parent or guardian of the finding of the district that the child already has Medi-Cal and further, to notify him or her that if the child has not received a Medi-Cal Beneficiary Identification Card or does not know how to use their Medi-Cal services, he or she should call the county for assistance. If it is verified that the child does not have an active Medi-Cal or Healthy Families case, the school district would have the option of not processing the application for an accelerated Medi-Cal determination and forwarding it to the entity designated by the State Department of Health Care Services to make an accelerated determination and to the local agency that determines eligibility under the Medi-Cal program. The request for the consent of the parent or guardian to share the information on the school lunch program application would be required to include a notification that if the school district determines the child already has an active Medi-Cal or Healthy Families case, the information on the application will not be shared and the applicant will be told that they already have Medi-Cal or Healthy Families and what to do if they do not have a Medi-Cal or Healthy Families card or do not know how to get care.~~

~~Vote: majority. Appropriation: no. Fiscal committee: no-yes.
State-mandated local program: no-yes.~~

The people of the State of California do enact as follows:

1 *SECTION 1. This act shall be known, and may be cited, as the*
2 *California Remote Caller Bingo Act.*

3 *SEC. 2. The Legislature finds and declares all of the following:*

4 *(a) Nonprofit organizations provide important and essential*
5 *educational, philanthropic, and social services to the people of*
6 *the State of California.*

7 *(b) One of the great strengths of California is a vibrant nonprofit*
8 *sector.*

9 *(c) Nonprofit and philanthropic organizations touch the lives*
10 *of every Californian through service and employment.*

11 *(d) Many of these services would not be available if nonprofit*
12 *organizations did not provide them.*

13 *(e) There is a need to provide methods of fundraising to*
14 *nonprofit organizations to enable them to provide these essential*
15 *services.*

16 *(f) Historically, many nonprofit organizations have used*
17 *charitable bingo as one of their key fundraising strategies to*
18 *promote the mission of the charity.*

19 *(g) Legislation is needed to provide greater revenues for*
20 *nonprofit organizations to enable them to fulfill their charitable*
21 *purposes, and especially to meet their increasing social service*
22 *obligations.*

23 *(h) Legislation is also needed to clarify that existing law requires*
24 *that all charitable bingo must be played using a tangible card and*
25 *that the only permissible electronic devices to be used by charitable*
26 *bingo players are card-minding devices, except that no*
27 *card-minding devices may be used in connection with a remote*
28 *caller bingo game.*

29 *SEC. 3. Section 19850.5 is added to the Business and*
30 *Professions Code, to read:*

31 *19850.5. Notwithstanding Section 19850 or any other provision*
32 *of law, this chapter shall apply to the operation of remote caller*
33 *bingo, as defined in paragraph (1) of subdivision (u) of Section*
34 *326.3 of the Penal Code, to the extent expressly made applicable*
35 *by Section 326.3 of the Penal Code. No requirement contained in*
36 *this chapter shall apply to remote caller bingo unless expressly*
37 *made applicable by Section 326.3 of the Penal Code.*

38 *SEC. 4. Section 326.3 is added to the Penal Code, to read:*

1 326.3. (a) *Neither the prohibition on gambling in this chapter*
2 *nor in Chapter 10 (commencing with Section 330) applies to any*
3 *remote caller bingo game that is played or conducted in a city,*
4 *county, or city and county pursuant to an ordinance enacted under*
5 *Section 19 of Article IV of the California Constitution, if the*
6 *ordinance allows a remote caller bingo game to be played or*
7 *conducted only in accordance with the requirements of this section,*
8 *including the following requirements:*

9 (1) *The game may be conducted only by one of the following*
10 *organizations:*

11 (A) *An organization that is exempted from the payment of the*
12 *bank and corporation tax by Section 23701a, 23701b, 23701d,*
13 *23701e, 23701f, 23701g, 23701k, 23701w, or 23701l of the*
14 *Revenue and Taxation Code.*

15 (B) *A mobilehome park association.*

16 (C) *A senior citizens organization.*

17 (D) *A school district.*

18 (2) *The organization conducting the game shall have been*
19 *incorporated or in existence for three years or more.*

20 (3) *The organization conducting the game shall be licensed*
21 *pursuant to subdivision (l) of Section 326.5.*

22 (4) *The receipts of the game shall be used only for charitable*
23 *purposes. The organization conducting the game shall determine*
24 *the disbursement of the net receipts of the game.*

25 (b) *It is a misdemeanor for any person to receive or pay a profit,*
26 *wage, or salary from any remote caller bingo game, provided that*
27 *administrative, managerial, technical, financial, and security*
28 *personnel employed by the organization conducting the bingo*
29 *game may be paid reasonable fees for services rendered from the*
30 *revenues of bingo games, as provided in subdivision (j).*

31 (c) *A violation of subdivision (b) shall be punishable by a fine*
32 *not to exceed ten thousand dollars (\$10,000), which fine shall be*
33 *deposited in the general fund of the city, county, or city and county*
34 *that enacted the ordinance authorizing the remote caller bingo*
35 *game. A violation of any provision of this section, other than*
36 *subdivision (b), is a misdemeanor.*

37 (d) *The city, county, or city and county that enacted the*
38 *ordinance authorizing the remote caller bingo game, or the*
39 *Attorney General, may bring an action to enjoin a violation of this*
40 *section.*

1 (e) No minors shall be allowed to participate in any remote
2 caller bingo game.

3 (f) An organization authorized to conduct a remote caller bingo
4 game pursuant to subdivision (a) shall conduct the game only on
5 property that is owned or leased by the organization, or the use
6 of which is donated to the organization, provided that the operation
7 of bingo games may not be a primary purpose for which the
8 organization is organized. Nothing in this subdivision shall be
9 construed to require that the property that is owned or leased by,
10 or the use of which is donated to, the organization be used or
11 leased exclusively by, or donated exclusively to, that organization.

12 (g) (1) All remote caller bingo games shall be open to the
13 public, not just to the members of the authorized organization.

14 (2) No more than 750 players may participate in a remote caller
15 bingo game in a single venue.

16 (3) If the Governor of California or the President of the United
17 States declares a state of emergency in response to a natural
18 disaster or other public catastrophe occurring in California, an
19 organization authorized to conduct remote caller bingo games
20 may, while that declaration is in effect, conduct those games
21 pursuant to this section with more than 750 participants in a single
22 venue if the net proceeds of the games, after deduction of prizes
23 and overhead expenses, are donated to or expended exclusively
24 for the relief of the victims of the disaster or catastrophe, and the
25 organization gives the California Gambling Control Commission
26 at least 10 days' written notice of the intent to conduct those games.

27 (h) (1) A remote caller bingo game shall be operated and staffed
28 only by members of the authorized organization that organized it.
29 Those members shall not receive a profit, wage, or salary from
30 any bingo game. Only the organization authorized to conduct a
31 remote caller bingo game shall operate that game, or participate
32 in the promotion, supervision, or any other phase of a remote
33 caller bingo game. Subject to the provisions of subdivision (j), this
34 subdivision shall not preclude the employment of administrative,
35 managerial, technical, financial, or security personnel who are
36 not members of the authorized organization at a location
37 participating in the remote caller bingo game by the organization
38 conducting the game. Notwithstanding any other provisions of
39 law, exclusive or other agreements between the authorized
40 organization and other entities or persons to provide services in

1 *the administration, management, or conduct of the game shall not*
2 *be considered a violation of the prohibition against holding a*
3 *legally cognizable financial interest in the conduct of the remote*
4 *caller bingo game by persons or entities other than the charitable*
5 *organization, or other entity authorized to conduct the remote*
6 *caller bingo games, provided that those persons or entities obtain*
7 *the gambling licenses, the key employee licenses, or the work*
8 *permits required by, and otherwise comply with, Chapter 5*
9 *(commencing with Section 19800) of Division 8 of the Business*
10 *and Professions Code.*

11 (2) *An organization that conducts a remote caller bingo game*
12 *shall designate a person as having fiduciary responsibility for the*
13 *game. That person shall obtain a key employee license in the same*
14 *manner as provided pursuant to Section 19854 of the Business*
15 *and Professions Code, shall meet the requirements of Section*
16 *19857 of the Business and Professions Code, and shall pay the*
17 *fees required by Section 19867 of the Business and Professions*
18 *Code.*

19 (i) *No individual, corporation, partnership, or other legal entity,*
20 *except the organization authorized to conduct or participate in a*
21 *remote caller bingo game, shall hold a legally cognizable financial*
22 *interest in the conduct of such a game.*

23 (j) *An organization authorized to conduct a remote caller bingo*
24 *game pursuant to this section shall not have overhead costs*
25 *exceeding 20 percent of gross sales, except that the limitations of*
26 *this section shall not apply to one-time, nonrecurring capital*
27 *acquisitions. For purposes of this subdivision, “overhead costs”*
28 *includes, but is not limited to, amounts paid for rent and equipment*
29 *leasing and the reasonable fees authorized to be paid to*
30 *administrative, managerial, technical, financial, and security*
31 *personnel employed by the organization pursuant to subdivision*
32 *(b).*

33 (k) *No person shall be allowed to participate in a remote caller*
34 *bingo game unless the person is physically present at the time and*
35 *place where the remote caller bingo game is being conducted. A*
36 *person shall be deemed to be physically present at the place where*
37 *the remote caller bingo game is being conducted if he or she is*
38 *present at any of the locations participating in the remote caller*
39 *bingo game in accordance with this section.*

1 *(l) An organization shall not cosponsor a remote caller bingo*
2 *game with one or more other organizations unless all of the*
3 *cosponsors are affiliated under the master charter or articles and*
4 *bylaws of a single organization.*

5 *(m) The value of prizes awarded during the conduct of any*
6 *remote caller bingo game shall not exceed 37 percent of the gross*
7 *receipts for that game. Every remote caller bingo game shall be*
8 *played until a winner is declared. Progressive prizes are*
9 *prohibited. The declared winner of a remote caller bingo game*
10 *shall provide his or her identifying information and a mailing*
11 *address to the onsite manager of the remote caller bingo game.*
12 *Prizes shall be paid only by check; no cash prizes shall be paid.*
13 *The organization conducting the remote caller bingo game may*
14 *issue a check to the winner at the time of the game, or may send*
15 *a check to the declared winner by United States Postal Service*
16 *certified mail, return receipt requested. All prize money exceeding*
17 *state and federal exemption limits on prize money shall be subject*
18 *to income tax reporting and withholding requirements under*
19 *applicable state and federal laws and regulations and those reports*
20 *and withholding shall be forwarded, within 10 business days, to*
21 *the appropriate state or federal agency on behalf of the winner.*
22 *A report shall accompany the amount withheld identifying the*
23 *person on whose behalf the money is being sent.*

24 *(n) Any organization that conducts a remote caller bingo game*
25 *shall register with the Bureau of Gambling Control. The*
26 *department may require an eligible organization to pay an annual*
27 *registration fee of up to one hundred dollars (\$100). The annual*
28 *registration fees shall be deposited by the department into the*
29 *Gambling Control Fund.*

30 *(o) The caller for the remote caller bingo game shall have a*
31 *finding of suitability, as defined in Section 19805 of the Business*
32 *and Professions Code.*

33 *(p) (1) The Bureau of Gambling Control, by regulation or order,*
34 *may require any person or entity set forth in subdivision (b), to*
35 *apply for a finding of suitability, as defined in Section 19805 of*
36 *the Business and Professions Code.*

37 *(2) "Person or entity" means one who, directly or indirectly,*
38 *manufactures, distributes, supplies, vends, leases, or otherwise*
39 *provides, supplies, devices, or other equipment designed for use*

1 *in the playing of bingo games by any nonprofit organization*
2 *registered to conduct bingo games.*

3 *(q) The site manager at individual remote caller bingo game*
4 *locations shall apply for, obtain, and thereafter maintain a valid*
5 *work permit, as defined in Section 19805 of the Business and*
6 *Professions Code.*

7 *(r) The administrative, managerial, technical, financial, and*
8 *security personnel employed by an organization that conducts*
9 *remote caller bingo games shall apply for, obtain, and thereafter*
10 *maintain valid work permits, as defined in Section 19805 of the*
11 *Business and Professions Code.*

12 *(s) An organization that conducts remote caller bingo games*
13 *shall retain records in connection with the remote caller bingo*
14 *game for five years.*

15 *(t) (1) All equipment used for remote caller bingo shall be*
16 *approved in advance by the California Gambling Control*
17 *Commission pursuant to subdivision (r) of Section 19841 of the*
18 *Business and Professions Code.*

19 *(2) The California Gambling Control Commission shall monitor*
20 *operation of the transmission and other equipment used for remote*
21 *caller bingo.*

22 *(u) (1) As used in this section, "remote caller bingo game"*
23 *means a game of bingo, as defined in subdivision (o) of Section*
24 *326.5, in which the numbers or symbols on randomly drawn plastic*
25 *balls are announced by a natural person present at the site at*
26 *which the live game is conducted, and the organization conducting*
27 *the bingo game uses audio and video technology to link any of its*
28 *in-state facilities for the purpose of transmitting the remote calling*
29 *of a live bingo game from a single location to multiple locations*
30 *owned, leased, or rented by that organization, or by an affiliated*
31 *entity under the organization's master charter or articles and*
32 *bylaws. The audio or video technology used to link the facilities*
33 *may include cable, Internet, satellite, broadband, or telephone*
34 *technology, or any other means of electronic transmission that*
35 *ensures the secure, accurate, and simultaneous transmission of*
36 *the announcement of numbers or symbols in the game from the*
37 *location at which the game is called by a natural person to the*
38 *remote location or locations at which players may participate in*
39 *the game. The drawing of each ball bearing a number or symbol*
40 *by the natural person calling the game shall be visible to all players*

1 *as the ball is drawn, including through a simultaneous live video*
2 *feed at remote locations at which players may participate in the*
3 *game.*

4 *(2) The caller in the live game must be licensed by the California*
5 *Gambling Control Commission. A game may be called by a*
6 *nonlicensed caller if the drawing of balls and calling of numbers*
7 *or symbols by that person is observed and personally supervised*
8 *by a licensed caller.*

9 *(3) Remote caller bingo games shall be played using traditional*
10 *paper or other tangible bingo cards and daubers, and shall not*
11 *be played by using electronic devices.*

12 *(v) A location shall not be eligible to participate in a remote*
13 *caller bingo game if bingo games are conducted at that location*
14 *in violation of Section 326.5, including, but not limited to, a*
15 *location at which unlawful electronic devices are used.*

16 *(w) (1) A vendor of, and any person or entity maintaining, the*
17 *equipment used to operate and transmit a remote caller bingo*
18 *game shall obtain a license from the California Gambling Control*
19 *Commission. The vendor of the equipment shall have its books and*
20 *records audited at least annually by an independent California*
21 *certified public accountant and shall submit the results of that*
22 *audit to the California Gambling Control Commission within 120*
23 *days after the close of the vendor's fiscal year. In addition, the*
24 *California Gambling Control Commission may audit the books*
25 *and records of the vendor at any time.*

26 *(2) An organization that conducts remote caller bingo games*
27 *shall provide copies of the records pertaining to those games to*
28 *the California Gambling Control Commission within 30 days after*
29 *the end of each calendar quarter. In addition, those records shall*
30 *be audited by an independent California certified public accountant*
31 *at least annually and copies of the audit reports shall be provided*
32 *to the California Gambling Control Commission within 150 days*
33 *after the close of the organization's fiscal year.*

34 *(3) The costs of the licensing and audits required by this section*
35 *shall be borne by the person or entity required to be licensed or*
36 *audited.*

37 *(x) (1) The provisions of this section are severable. If any*
38 *provision of this section or its application is held invalid, that*
39 *invalidity shall not affect other provisions or applications that can*
40 *be given effect without the invalid provision or application.*

1 (2) *Notwithstanding paragraph (1), if paragraph (1) or (3) of*
2 *subdivision (u), or the application of either of those provisions, is*
3 *held invalid, this entire section shall be invalid.*

4 SEC. 5. *Section 326.5 of the Penal Code is amended to read:*

5 326.5. (a) *Neither the prohibition on gambling in this chapter*
6 *nor in Chapter 10 (commencing with Section 330) applies to any*
7 *bingo game that is conducted in a city, county, or city and county*
8 *pursuant to an ordinance enacted under Section 19 of Article IV*
9 *of the State Constitution, if the ordinance allows games to be*
10 *conducted only in accordance with this section and only by*
11 *organizations exempted from the payment of the bank and*
12 *corporation tax by Sections 23701a, 23701b, 23701d, 23701e,*
13 *23701f, 23701g, 23701k, 23701w, and 23701l of the Revenue and*
14 *Taxation Code and by mobilehome park associations and, senior*
15 *citizens organizations, and school districts; and if the receipts of*
16 *those games are used only for charitable purposes.*

17 (b) *It is a misdemeanor for any person to receive or pay a profit,*
18 *wage, or salary from any bingo game authorized by Section 19 of*
19 *Article IV of the State Constitution. Security personnel employed*
20 *by the organization conducting the bingo game may be paid from*
21 *the revenues of bingo games, as provided in subdivisions (j) and*
22 *(k).*

23 (c) *A violation of subdivision (b) shall be punishable by a fine*
24 *not to exceed ten thousand dollars (\$10,000), which fine is*
25 *deposited in the general fund of the city, county, or city and county*
26 *that enacted the ordinance authorizing the bingo game. A violation*
27 *of any provision of this section, other than subdivision (b), is a*
28 *misdemeanor.*

29 (d) *The city, county, or city and county that enacted the*
30 *ordinance authorizing the bingo game may bring an action to enjoin*
31 *a violation of this section.*

32 (e) *No minors shall be allowed to participate in any bingo game.*

33 (f) *An organization authorized to conduct bingo games pursuant*
34 *to subdivision (a) shall conduct a bingo game only on property*
35 *owned or leased by it, or property whose use is donated to the*
36 *organization, and which property is used by that organization for*
37 *an office or for performance of the purposes for which the*
38 *organization is organized. Nothing in this subdivision shall be*
39 *construed to require that the property owned or leased by, or whose*

1 use is donated to, the organization be used or leased exclusively
2 by, or donated exclusively to, that organization.

3 (g) All bingo games shall be open to the public, not just to the
4 members of the authorized organization.

5 (h) A bingo game shall be operated and staffed only by members
6 of the authorized organization that organized it. Those members
7 shall not receive a profit, wage, or salary from any bingo game.
8 Only the organization authorized to conduct a bingo game shall
9 operate such a game, or participate in the promotion, supervision,
10 or any other phase of a bingo game. This subdivision does not
11 preclude the employment of security personnel who are not
12 members of the authorized organization at a bingo game by the
13 organization conducting the game.

14 (i) No individual, corporation, partnership, or other legal entity,
15 except the organization authorized to conduct a bingo game, shall
16 hold a financial interest in the conduct of a bingo game.

17 (j) With respect to organizations exempt from payment of the
18 bank and corporation tax by Section 23701d of the Revenue and
19 Taxation Code, all profits derived from a bingo game shall be kept
20 in a special fund or account and shall not be commingled with any
21 other fund or account. Those profits shall be used only for
22 charitable purposes.

23 (k) With respect to other organizations authorized to conduct
24 bingo games pursuant to this section, all proceeds derived from a
25 bingo game shall be kept in a special fund or account and shall not
26 be commingled with any other fund or account. Proceeds are the
27 receipts of bingo games conducted by organizations not within
28 subdivision (j). Those proceeds shall be used only for charitable
29 purposes, except as follows:

30 (1) The proceeds may be used for prizes.

31 (2) A portion of the proceeds, not to exceed 20 percent of the
32 proceeds before the deduction for prizes, or two thousand dollars
33 (\$2,000) per month, whichever is less, may be used for the rental
34 of property and for overhead, including the purchase of bingo
35 equipment, administrative expenses, security equipment, and
36 security personnel.

37 (3) The proceeds may be used to pay license fees.

38 (4) A city, county, or city and county that enacts an ordinance
39 permitting bingo games may specify in the ordinance that if the
40 monthly gross receipts from bingo games of an organization within

1 this subdivision exceed five thousand dollars (\$5,000), a minimum
2 percentage of the proceeds shall be used only for charitable
3 purposes not relating to the conducting of bingo games and that
4 the balance shall be used for prizes, rental of property, overhead,
5 administrative expenses, and payment of license fees. The amount
6 of proceeds used for rental of property, overhead, and
7 administrative expenses is subject to the limitations specified in
8 paragraph (2).

9 (l) (1) A city, county, or city and county may impose a license
10 fee on each organization that it authorizes to conduct bingo games.
11 The fee, whether for the initial license or renewal, shall not exceed
12 fifty dollars (\$50) annually, except as provided in paragraph (2).
13 If an application for a license is denied, one-half of any license
14 fee paid shall be refunded to the organization.

15 (2) In lieu of the license fee permitted under paragraph (1), a
16 city, county, or city and county may impose a license fee of fifty
17 dollars (\$50) paid upon application. If an application for a license
18 is denied, one-half of the application fee shall be refunded to the
19 organization. An additional fee for law enforcement and public
20 safety costs incurred by the city, county, or city and county that
21 are directly related to bingo activities may be imposed and shall
22 be collected monthly by the city, county, or city and county issuing
23 the license; however, the fee shall not exceed the actual costs
24 incurred in providing the service.

25 (m) No person shall be allowed to participate in a bingo game,
26 unless the person is physically present at the time and place where
27 the bingo game is being conducted.

28 (n) The total value of prizes *available to be* awarded during the
29 conduct of any bingo games shall not exceed ~~two hundred fifty~~
30 ~~dollars (\$250)~~ *five hundred dollars (\$500)* in cash or kind, or both,
31 for each separate game which is held.

32 (o) As used in this section, “bingo” means a game of chance in
33 which prizes are awarded on the basis of designated numbers or
34 symbols *that are marked or covered by the player on a tangible*
35 *card in the player’s possession and that conform to numbers or*
36 *symbols, selected at random and announced by a live caller.*
37 Notwithstanding Section 330c, as used in this section, the game
38 of bingo includes *tangible* cards having numbers or symbols that
39 are concealed and preprinted in a manner providing for distribution
40 of prizes. *Electronics or video displays shall not be used in*

1 connection with the game of bingo, except as provided in
2 subdivision (p). The winning cards shall not be known prior to the
3 game by any person participating in the playing or operation of
4 the bingo game. All preprinted cards shall bear the legend, “for
5 sale or use only in a bingo game authorized under California law
6 and pursuant to local ordinance.” *Only a covered or marked*
7 *tangible card possessed by a player and presented to an attendant*
8 *may be used to claim a prize.* It is the intention of the Legislature
9 that bingo as defined in this subdivision applies exclusively to this
10 section and shall not be applied in the construction or enforcement
11 of any other provision of law.

12 (p) (1) *Players who are physically present at a bingo game,*
13 *other than a remote caller bingo game, as defined in Section 326.3,*
14 *may use card-minding devices, as described in this subdivision,*
15 *to assist in monitoring the numbers or symbols announced by a*
16 *live caller as those numbers or symbols are called in a live game.*
17 *Card-minding devices may not be used in connection with any*
18 *game where a bingo card may be sold or distributed after the start*
19 *of the ball draw for that game. A card-minding device shall do all*
20 *of the following:*

21 (A) *Be capable of storing in the memory of the device bingo*
22 *faces of tangible cards purchased by a player.*

23 (B) *Provide a means for bingo players to input manually each*
24 *individual number or symbol announced by a live caller.*

25 (C) *Compare the numbers or symbols entered by the player to*
26 *the bingo faces previously stored in the memory of the device.*

27 (D) *Identify winning bingo patterns that exist on the stored*
28 *bingo faces.*

29 (2) *A card-minding device shall perform no functions involving*
30 *the play of the game other than those described in paragraph (1).*
31 *Card-minding devices shall not do any of the following:*

32 (A) *Be capable of accepting or dispensing any coins, currency,*
33 *or other representative of value or on which value has been*
34 *encoded.*

35 (B) *Be capable of monitoring any bingo card face other than*
36 *the faces of the tangible bingo card or cards purchased by the*
37 *player for that game.*

38 (C) *Display or represent the game result through any means,*
39 *including, but not limited to, video or mechanical reels or other*
40 *slot machine or casino game themes, other than highlighting the*

1 winning numbers or symbols or giving an audio alert that the
2 player's card has a prize-winning pattern.

3 (D) Determine the outcome of any game or be physically or
4 electronically connected to any component that determines the
5 outcome of a game or to any other bingo equipment, including,
6 but not limited to, the ball call station, or to any other card-minding
7 device. No other player-operated or player-activated electronic
8 or electromechanical device or equipment is permitted to be used
9 in connection with a bingo game.

10 (3) (A) Before being used in any bingo game, any card-minding
11 device shall have been tested and certified as meeting the
12 requirements of this subdivision by the California Gambling
13 Control Commission or an independent testing laboratory
14 approved by the California Gambling Control Commission. Any
15 material change to the device, including any change to the software
16 used by the device, shall require a new certification.

17 (B) No person or entity shall supply or service any card-minding
18 device unless that person or entity has applied for and received
19 from the California Gambling Control Commission a license or
20 other determination of suitability. That license or determination
21 shall be issued pursuant to the same license or suitability standards
22 as are applicable to a supplier of equipment for controlled games
23 under the Gambling Control Act and any regulations promulgated
24 thereunder.

25 (4) The costs of any testing, certification, license, or
26 determination required by this subdivision shall be borne by the
27 person or entity seeking it.

28 (5) The California Gambling Control Commission and the
29 Department of Justice shall have the right to inspect all
30 card-minding devices at any time without notice. The Department
31 of Justice and the California Gambling Control Commission may
32 immediately stop the use of or impound any device that has not
33 been certified or has been materially changed following
34 certification.

35 (6) The California Gambling Control Commission shall issue
36 regulations to implement the requirements of this subdivision and
37 may issue regulations regarding the means by which the operator
38 of a bingo game, as required by applicable law, may offer
39 assistance to a player with disabilities in order to enable that
40 player to participate in a bingo game, provided that the means of

1 *providing that assistance shall not be through any electronic,*
2 *electromechanical, or other device or equipment that accepts the*
3 *insertion of any coin, currency, token, credit card, or other means*
4 *of transmitting value, and does not constitute or resemble and is*
5 *not itself or a part of a system that constitutes or resembles a slot*
6 *machine, video lottery terminal, or any gambling device prohibited*
7 *in Chapter 10 (commencing with Section 330).*

8 *SEC. 6. No reimbursement is required by this act pursuant to*
9 *Section 6 of Article XIII B of the California Constitution because*
10 *the only costs that may be incurred by a local agency or school*
11 *district will be incurred because this act creates a new crime or*
12 *infraction, eliminates a crime or infraction, or changes the penalty*
13 *for a crime or infraction, within the meaning of Section 17556 of*
14 *the Government Code, or changes the definition of a crime within*
15 *the meaning of Section 6 of Article XIII B of the California*
16 *Constitution.*

17 ~~SECTION 1. Section 49557.2 of the Education Code is~~
18 ~~amended to read:~~

19 ~~49557.2. (a) (1) At the option of the school district or county~~
20 ~~superintendent of schools, and to the extent necessary to implement~~
21 ~~Section 14005.41 of the Welfare and Institutions Code, the~~
22 ~~following information may be incorporated into the School Lunch~~
23 ~~Program application packet or notification of eligibility for the~~
24 ~~School Lunch Program using simple and culturally appropriate~~
25 ~~language:~~

26 ~~(A) A notification that if a child qualifies for free school lunches,~~
27 ~~then the child may qualify for free or reduced-cost health coverage.~~

28 ~~(B) A request for the consent of the applicant for the child to~~
29 ~~participate in the Medi-Cal program, if eligible for free school~~
30 ~~lunches, and to have the information on the school lunch~~
31 ~~application shared with the entity designated by the State~~
32 ~~Department of Health Care Services to make an accelerated~~
33 ~~determination and the local agency that determines eligibility under~~
34 ~~the Medi-Cal program and notification that if the school district~~
35 ~~possesses data that indicates that the child already has an active~~
36 ~~Medi-Cal or Healthy Families case, the information on the school~~
37 ~~lunch application will not be shared and the applicant will be told~~
38 ~~that they already have Medi-Cal or Healthy Families. The notice~~
39 ~~will tell the family what to do if they do not have a Medi-Cal or~~
40 ~~Healthy Families card or do not know how to get care.~~

1 ~~(C) A notification that the school district will not forward the~~
2 ~~school lunch application to the entity designated by the State~~
3 ~~Department of Health Care Services to make an accelerated~~
4 ~~determination and the local agency that determines eligibility under~~
5 ~~the Medi-Cal program, without the consent of the parent or~~
6 ~~guardian of the child.~~

7 ~~(D) A notification that the school lunch application is~~
8 ~~confidential and, with the exception of forwarding the information~~
9 ~~for use in health program enrollment upon the consent of the parent~~
10 ~~or guardian of the child, the school district will not share the~~
11 ~~information with another governmental agency, including the~~
12 ~~federal Department of Homeland Security and the Social Security~~
13 ~~Administration.~~

14 ~~(E) A notification that the school lunch application information~~
15 ~~will be used only by the entity designated by the State Department~~
16 ~~of Health Care Services to make an accelerated determination and~~
17 ~~the state and local agencies that administer the Medi-Cal program~~
18 ~~for purposes directly related to the administration of the program~~
19 ~~and will not be shared with other government agencies, including~~
20 ~~the Department of Homeland Security and the Social Security~~
21 ~~Administration for any purpose other than the administration of~~
22 ~~the Medi-Cal program.~~

23 ~~(F) Information regarding the Medi-Cal program, including~~
24 ~~available services, program requirements, rights and~~
25 ~~responsibilities, and privacy and confidentiality requirements.~~

26 ~~(2) The State Department of Education, in consultation with~~
27 ~~school districts, county superintendents of schools, consumer~~
28 ~~advocates, counties, the State Department of Health Care Services,~~
29 ~~and other stakeholders, shall make recommendations regarding~~
30 ~~the School Lunch Program application, on or before February 1,~~
31 ~~2003. The recommendations shall include specific changes to the~~
32 ~~School Lunch Program application materials as necessary to~~
33 ~~implement Section 14005.41 of the Welfare and Institutions Code,~~
34 ~~information for staff as to how to implement the changes, and a~~
35 ~~description of the process by which information on the School~~
36 ~~Lunch Program application will be shared with the county, as the~~
37 ~~local agency that determines eligibility under the Medi-Cal~~
38 ~~program.~~

39 ~~(3) At the option of the school, the request for consent in~~
40 ~~subparagraph (B) of paragraph (1) may be modified so that the~~

1 parent or guardian also can consent to allowing Medi-Cal to inform
2 the school as provided in subdivision (n) of Section 14005.41 of
3 the Welfare and Institutions Code when followup is needed in
4 order to complete the Medi-Cal application process.

5 ~~(b) (1) School districts and county superintendents of schools
6 may implement a process to share information provided on the
7 School Lunch Program application with the entity designated by
8 the State Department of Health Care Services to make an
9 accelerated determination and with the local agency that determines
10 eligibility under the Medi-Cal program, and shall share this
11 information with those entities, if the applicant consents to that
12 sharing of information. Schools may designate, only as necessary
13 to implement this section, nonfood service staff to assist in the
14 administration of free, reduced price, or paid school lunch
15 applications that have applicant consent, but only if that designation
16 does not displace or have an adverse effect on food service staff.
17 This information may be shared electronically, physically, or
18 through whatever method is determined appropriate.~~

19 ~~(2) When a school district possesses data that indicates that a
20 child for whom a National School Lunch Program application has
21 been submitted, and for whom the parent or guardian has consented
22 to share the information provided on the application, already has
23 an active Medi-Cal or Healthy Families case, the school district
24 shall have the option of not processing the application for an
25 accelerated determination and forwarding it to the entity designated
26 by the State Department of Health Care Services to make an
27 accelerated determination or the local agency that determines
28 eligibility under the Medi-Cal program pursuant to Section
29 14005.41 of the Welfare and Institutions Code. The school shall
30 notify the parent or guardian that the district received notice of
31 their interest in applying for Medi-Cal and that the district has
32 found that the child already has Medi-Cal. The notice shall further
33 state that if the child has not received a Medi-Cal Beneficiary
34 Identification Card or they do not know how to use their Medi-Cal
35 services, the parent or guardian should call the county for
36 assistance. If it is verified that the child does not have an active
37 Medi-Cal or Healthy Families case, the application of the child
38 shall be processed for an accelerated Medi-Cal determination and
39 forwarded to the entity designated by the State Department of
40 Health Care Services to make an accelerated determination and~~

1 the local agency that determines eligibility under the Medi-Cal
2 program.

3 (3) Each school district or county superintendent that chooses
4 to share information pursuant to this subdivision shall enter into
5 a memorandum of understanding with the local agency that
6 determines eligibility under the Medi-Cal program, that sets forth
7 the roles and responsibilities of each agency and the process to be
8 used in sharing the information.

9 (4) The local agency that determines eligibility under the
10 Medi-Cal program shall only use information provided by
11 applicants on the school lunch application for purposes directly
12 related to the administration of the Medi-Cal program.

13 (5) After school districts share information regarding the school
14 lunch application with the entity designated by the State
15 Department of Health Care Services to make an accelerated
16 determination and the local agency that determines eligibility under
17 the Medi-Cal program, for the purpose of determining Medi-Cal
18 program eligibility, the local agency and the school district shall
19 not share information about school lunch participation or the
20 Medi-Cal program eligibility information with each other except
21 as specifically authorized under subdivision (n) of Section
22 14005.41 of the Welfare and Institutions Code and other provisions
23 of law.

24 (e) The notifications and consent refereneed in subdivision (a)
25 and the procedures set out in subdivision (b) shall include the
26 Healthy Families Program and the relevant county- and
27 local-sponsored health insurance programs as necessary to
28 implement Section 14005.41 of the Welfare and Institutions Code.

29 (d) If a school district finds that the child is eligible for reduced
30 price or paid meals under the National School Lunch Program and
31 consent was provided as described in subdivision (b), the entity
32 designated by the State Department of Health Care Services to
33 make an accelerated determination shall notify the parent or
34 guardian of the ineligibility of the child for an accelerated Medi-Cal
35 determination pursuant to Section 14005.41 of the Welfare and
36 Institutions Code. The notification shall include information on
37 other available health programs for which the child may be eligible.

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