

AMENDED IN SENATE APRIL 14, 2011

SENATE BILL

No. 340

Introduced by Senator Wolk
(~~Coauthor: Assembly Member Chesbro~~)

February 15, 2011

~~An act to amend Section 25608 of the Business and Professions Code, relating to alcoholic beverages. An act to amend Section 326.3 of the Penal Code, relating to bingo.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 340, as amended, Wolk. ~~Alcoholic beverages: places of consumption. Remote caller bingo.~~

The California Constitution allows the Legislature, by statute, to authorize cities and counties to provide for bingo games for charitable purposes. Existing law authorizes cities and counties to permit eligible nonprofit organizations to conduct bingo games and remote caller bingo games, as defined, for charitable purposes pursuant to an ordinance that allows those games to be conducted in accordance with specified requirements. Existing law sets forth a model ordinance for a city, county, or city and county to authorize remote caller bingo, and prohibits an organization from conducting remote caller bingo more than 2 days per week. Existing law prohibits more than 750 players from participating in a remote caller bingo game in a single location. Existing law requires an organization authorized to conduct remote caller bingo games to provide at least 30 days' advance written notice of its intent to conduct a remote caller bingo game.

This bill additionally would permit remote caller bingo games to be conducted in a city, county, or city and county pursuant to an ordinance that allows bingo games to be conducted, if the governing body of the

city, county, or city and county opts to permit remote caller bingo pursuant to that ordinance by resolution. The bill would prohibit an organization from conducting remote caller bingo more than 2 days per week, but would permit a licensed organization to hold one additional game, at its election, in each calendar quarter. The bill would delete the limit on the number of players that may participate in a remote caller bingo game in a single location, and would delete the requirement for advance written notice of intent to conduct a remote caller bingo game. The bill also would make a technical change to the model ordinance.

Existing law requires the California Gambling Control Commission to regulate remote caller bingo, including licensure and operation. Among other things, any person who conducts a remote caller bingo game and any person who manufactures or otherwise provides equipment for use in the playing of a remote caller bingo game are required to be licensed. Existing law also requires the commission to approve all equipment used for remote caller bingo in advance, to monitor operation of the transmission and other equipment used for remote caller bingo, and to monitor the game.

This bill, instead, would require an organization licensed by a city, county, or city and county to conduct remote caller bingo games to register with the Department of Justice by transmitting a copy of the bingo license to the department. The bill would authorize the department to charge an annual registration fee of up to \$100 per year, to be deposited into the Gambling Control Fund, to cover the actual costs of the department to administer and enforce these provisions. The bill would make other technical and conforming changes relating to the duties of the Department of Justice. The bill would delete the licensure requirement for a person who conducts a remote caller bingo game. The bill would continue to require the commission to approve all equipment used for remote caller bingo in advance, but would require the Department of Justice to monitor operation of the transmission and other equipment used for remote caller bingo and to monitor the game. The bill would authorize the department or the commission to audit the books and records of a licensed organization or vendor of equipment used in a remote caller bingo game at any time.

This bill would make additional changes relating to the requirements for cosponsoring remote caller bingo games, and would simplify other procedures and requirements applicable to the conduct of remote caller bingo games.

Existing law requires the California Gambling Control Commission to submit a report to the Legislature, on or before January 1, 2012, on the fundraising effectiveness and regulation of remote caller bingo.

This bill would delete that reporting requirement.

~~Existing law generally prohibits the sale or consumption of alcoholic beverages at a public schoolhouse or any grounds thereof. Existing law provides that this prohibition does not apply if the alcoholic beverages are acquired, possessed, or used during an event at a community center owned by a community services district and the event is not held at a time when students are attending a public school-sponsored activity at the center.~~

~~This bill would expand the exception to also provide that the prohibition does not apply if the alcoholic beverages are acquired, possessed, or used during an event at a community center owned by a city and the event is not held at a time when students are attending a public school-sponsored activity at the center.~~

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

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

1 SECTION 1. Section 326.3 of the Penal Code is amended to
2 read:

3 326.3. (a) The Legislature finds and declares all of the
4 following:

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

8 (2) One of the great strengths of California is a vibrant nonprofit
9 sector.

10 (3) Nonprofit and philanthropic organizations touch the lives
11 of every Californian through service and employment.

12 (4) Many of these services would not be available if nonprofit
13 organizations did not provide them.

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

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

1 (7) Legislation is needed to provide greater revenues for
2 nonprofit organizations to enable them to fulfill their charitable
3 purposes, and especially to meet their increasing social service
4 obligations.

5 (8) Legislation is also needed to clarify that existing law requires
6 that all charitable bingo must be played using a tangible card and
7 that the only permissible electronic devices to be used by charitable
8 bingo players are card-minding devices.

9 (b) Neither the prohibition on gambling in this chapter nor in
10 Chapter 10 (commencing with Section 330) applies to any remote
11 caller bingo game that is played or conducted in a city, county, or
12 city and county pursuant to an ordinance enacted under Section
13 19 of Article IV of the California Constitution, if the ordinance
14 allows a remote caller bingo game to be played or conducted only
15 in accordance with the requirements of this section, including the
16 following requirements:

17 (1) The game may be conducted only by the following
18 organizations:

19 (A) An organization that is exempted from the payment of the
20 taxes imposed under the Corporation Tax Law by Section 23701a,
21 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701w, or
22 23701l of the Revenue and Taxation Code.

23 (B) A mobilehome park association.

24 (C) A senior citizens organization.

25 (D) Charitable organizations affiliated with a school district.

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

28 (3) The organization conducting the game shall be licensed
29 pursuant to subdivision (l) of Section 326.5.

30 (4) The receipts of the game shall be used only for charitable
31 purposes. The organization conducting the game shall determine
32 the disbursement of the net receipts of the game.

33 (5) The operation of bingo may not be the primary purpose for
34 which the organization is organized.

35 (c) (1) A city, county, or city and county may adopt an
36 ordinance in substantially the following form to authorize remote
37 caller bingo in accordance with the requirements of subdivision

38 (b):

39

40 Sec. __.01. Legislative Authorization.

1 This chapter is adopted pursuant to Section 19 of Article IV of
2 the California Constitution, as implemented by Sections 326.3 and
3 326.4 of the Penal Code.

4 Sec. .02. Remote Caller Bingo Authorized.

5 Remote Caller Bingo may be lawfully played in the [City,
6 County, or City and County] pursuant to the provisions of Sections
7 326.3 and 326.4 of the Penal Code, and this chapter, and not
8 otherwise.

9 Sec. .03. Qualified Applicants: Applicants for Licensure.

10 (a) The following organizations are qualified to apply to the
11 License Official for a license to operate a bingo game if the receipts
12 of those games are used only for charitable purposes:

13 (1) An organization exempt from the payment of the taxes
14 imposed under the Corporation Tax Law by Section 23701a,
15 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or
16 23701w of the Revenue and Taxation Code.

17 (2) A mobile home park association of a mobile home park that
18 is situated in the [City, County, or City and County].

19 (3) Senior citizen organizations.

20 (4) Charitable organizations affiliated with a school district.

21 (b) The application shall be in a form prescribed by the License
22 Official and shall be accompanied by a nonrefundable filing fee
23 in an amount determined by resolution of the [Governing Body of
24 the City, County, or City and County] from time to time. The
25 following documentation shall be attached to the application, as
26 applicable:

27 ~~(1) A certificate issued by the Franchise Tax Board certifying~~
28 ~~that the applicant is exempt from the payment of the taxes imposed~~
29 ~~under the Corporation Tax Law pursuant to Section 23701a,~~
30 ~~23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or~~
31 ~~23701w of the Revenue and Taxation Code. In lieu of a certificate~~
32 ~~issued by the Franchise Tax Board, the License Official may refer~~
33 ~~to the Franchise Tax Board's Internet Web site to verify that the~~
34 ~~applicant is exempt from the payment of the taxes imposed under~~
35 ~~the Corporation Tax Law.~~

36 *(1) Appropriate documentation of the organization's*
37 *qualification pursuant to subdivision (a).*

38 (2) Other evidence as the License Official determines is
39 necessary to verify that the applicant is a duly organized mobile

1 home park association of a mobile home park situated in the [City,
2 County, or City and County].

3 Sec. .04. License Application: Verification.

4 The license shall not be issued until the License Official has
5 verified the facts stated in the application and determined that the
6 applicant is qualified.

7 Sec. .05. Annual Licenses.

8 A license issued pursuant to this chapter shall be valid until the
9 end of the calendar year, at which time the license shall expire. A
10 new license shall only be obtained upon filing a new application
11 and payment of the license fee. The fact that a license has been
12 issued to an applicant creates no vested right on the part of the
13 licensee to continue to offer bingo for play. The [Governing Body
14 of the City, County, or City and County] expressly reserves the
15 right to amend or repeal this chapter at any time by resolution. If
16 this chapter is repealed, all licenses issued pursuant to this chapter
17 shall cease to be effective for any purpose on the effective date of
18 the repealing resolution.

19 Sec. .06. Conditions of Licensure.

20 (a) Any license issued pursuant to this chapter shall be subject
21 to the conditions contained in Sections 326.3 and 326.4 of the
22 Penal Code, and each licensee shall comply with the requirements
23 of those provisions.

24 (b) Each license issued pursuant to this chapter shall be subject
25 to the following additional conditions:

26 (1) Bingo games shall not be conducted by any licensee on more
27 than two days during any week, except that a licensee may hold
28 one additional game, at its election, in each calendar quarter.

29 (2) The licensed organization is responsible for ensuring that
30 the conditions of this chapter and Sections 326.3 and 326.4 of the
31 Penal Code are complied with by the organization and its officers
32 and members. A violation of any one or more of those conditions
33 or provisions shall constitute cause for the revocation of the
34 organization’s license. At the request of the organization, the
35 [Governing Body of the City, County, or City and County] shall
36 hold a public hearing before revoking any license issued pursuant
37 to this chapter.

38

1 (2) Nothing in this section shall require a city, county, or city
2 and county to use this model ordinance in order to authorize remote
3 caller bingo.

4 (3) *A remote caller bingo game may be played or conducted in*
5 *a city, county, or city and county pursuant to an ordinance enacted*
6 *under Section 19 of Article IV of the California Constitution, if*
7 *the ordinance allows games to be conducted only in accordance*
8 *with the requirements of Section 326.5, and if the governing body*
9 *of the city, county, or city and county opts to permit remote caller*
10 *bingo pursuant to that ordinance by resolution.*

11 (d) It is a misdemeanor for any person to receive or pay a profit,
12 wage, or salary from any remote caller bingo game, provided that
13 administrative, managerial, technical, financial, and security
14 personnel employed by the organization conducting the bingo
15 game may be paid reasonable fees for services rendered from the
16 revenues of bingo games, as provided in subdivision (m), except
17 that fees paid under those agreements shall not be determined as
18 a percentage of receipts or other revenues from, or be dependant
19 on the outcome of, the game.

20 (e) A violation of subdivision (d) shall be punishable by a fine
21 not to exceed ten thousand dollars (\$10,000), which fine shall be
22 deposited in the general fund of the city, county, or city and county
23 that enacted the ordinance authorizing the remote caller bingo
24 game. A violation of any provision of this section, other than
25 subdivision (d), is a misdemeanor.

26 (f) The city, county, or city and county that enacted the
27 ordinance authorizing the remote caller bingo game, or the Attorney
28 General, may bring an action to enjoin a violation of this section.

29 (g) No minors shall be allowed to participate in any remote
30 caller bingo game.

31 (h) A remote caller bingo game shall not include any site that
32 is not located within this state.

33 (i) An organization authorized to conduct a remote caller bingo
34 game pursuant to subdivision (b) shall conduct the game only on
35 property that is owned or leased by the organization, or the use of
36 which is donated to the organization. Nothing in this subdivision
37 shall be construed to require that the property that is owned or
38 leased by, or the use of which is donated to, the organization be
39 used or leased exclusively by, or donated exclusively to, that
40 organization.

- 1 (j) (1) All remote caller bingo games shall be open to the public,
2 not just to the members of the authorized organization.
- 3 ~~(2) No more than 750 players may participate in a remote caller~~
4 ~~bingo game in a single location.~~
- 5 ~~(3)~~
- 6 (2) If the Governor of California or the President of the United
7 States declares a state of emergency in response to a natural disaster
8 or other public catastrophe occurring in California, an organization
9 authorized to conduct remote caller bingo games may, while that
10 declaration is in effect, conduct a remote caller bingo game
11 pursuant to this section ~~with more than 750 participants in a single~~
12 ~~venue~~ if the net proceeds of the game, after deduction of prizes
13 and overhead expenses, are donated to or expended exclusively
14 for the relief of the victims of the disaster or catastrophe, and the
15 organization gives the ~~California Gambling Control Commission~~
16 ~~department~~ at least 10 days' written notice of the intent to conduct
17 that game.
- 18 ~~(4) An organization authorized to conduct remote caller bingo~~
19 ~~games shall provide the commission with at least 30 days' advance~~
20 ~~written notice of its intent to conduct a remote caller bingo game.~~
21 ~~That notice shall include all of the following:~~
- 22 (A) The legal name of the organization and the address of record
23 of the agent upon whom legal notice may be served.
- 24 ~~(B) The locations of the caller and remote players, whether the~~
25 ~~property is owned by the organization or donated, and if donated,~~
26 ~~by whom.~~
- 27 (C) The name of the licensed caller and site manager.
- 28 ~~(D) The names of administrative, managerial, technical,~~
29 ~~financial, and security personnel employed.~~
- 30 ~~(E) The name of the vendor and any person or entity maintaining~~
31 ~~the equipment used to operate and transmit the game.~~
- 32 ~~(F) The name of the person designated as having a fiduciary~~
33 ~~responsibility for the game pursuant to paragraph (2) of subdivision~~
34 ~~(k).~~
- 35 ~~(G) The license numbers of all persons specified in~~
36 ~~subparagraphs (A) to (F), inclusive, who are required to be licensed.~~
- 37 ~~(H) A copy of the local ordinance for any city, county, or city~~
38 ~~and county in which the game will be played. The commission~~
39 ~~shall post the ordinance on its Internet Web site.~~

1 (3) *An organization licensed to conduct remote caller bingo*
2 *games by the local licensing entity shall register with the*
3 *department by transmitting a copy of the bingo license to the*
4 *department. The department may require a licensed organization*
5 *to pay an annual registration fee of up to one hundred dollars*
6 *(\$100) per year to cover the actual costs of the department to*
7 *administer and enforce this section. The annual registration fees*
8 *shall be deposited by the department into the Gambling Control*
9 *Fund.*

10 (4) *The department shall have concurrent jurisdiction with local*
11 *law enforcement agencies to enforce this section.*

12 (k) (1) A remote caller bingo game shall be operated and staffed
13 only by members of the authorized organization that organized it.
14 Those members shall not receive a profit, wage, or salary from
15 any remote caller bingo game. Only the organization authorized
16 to conduct a remote caller bingo game shall operate that game, or
17 participate in the promotion, supervision, or any other phase of a
18 remote caller bingo game. Subject to ~~the provisions of~~ subdivision
19 (m), this subdivision shall not preclude the employment of
20 administrative, managerial, technical, financial, or security
21 personnel who are not members of the authorized organization at
22 a location participating in the remote caller bingo game by the
23 organization conducting the game. Notwithstanding any other
24 ~~provisions of~~ law, exclusive or other agreements between the
25 authorized organization and other entities or persons to provide
26 services in the administration, management, or conduct of the game
27 shall not be considered a violation of the prohibition against
28 holding a legally cognizable financial interest in the conduct of
29 the remote caller bingo game by persons or entities other than the
30 charitable organization, or other entity authorized to conduct the
31 remote caller bingo games, provided that those persons or entities
32 obtain the gambling licenses, the key employee licenses, or the
33 work permits required by, and otherwise comply with, Chapter 5
34 (commencing with Section 19800) of Division 8 of the Business
35 and Professions Code. Fees to be paid under ~~any such~~ *those*
36 agreements shall be reasonable and shall not be determined as a
37 percentage of receipts or other revenues from, or be dependent on
38 the outcome of, the game.

1 (2) An organization that conducts a remote caller bingo game
2 shall designate a person as having fiduciary responsibility for the
3 game.

4 (l) No individual, corporation, partnership, or other legal entity,
5 except the organization authorized to conduct or participate in a
6 remote caller bingo game, shall hold a legally cognizable financial
7 interest in the conduct of ~~such a~~ *that* game.

8 (m) An organization authorized to conduct a remote caller bingo
9 game pursuant to this section shall not have overhead costs
10 exceeding 20 percent of gross sales, except that the limitations of
11 this section shall not apply to one-time, nonrecurring capital
12 acquisitions. For purposes of this subdivision, “overhead costs”
13 includes, but is not limited to, amounts paid for rent and equipment
14 leasing and the reasonable fees authorized to be paid to
15 administrative, managerial, technical, financial, and security
16 personnel employed by the organization pursuant to subdivision
17 (d). For the purpose of keeping its overhead costs below 20 percent
18 of gross sales, an authorized organization may elect to deduct all
19 or a portion of the fees paid to financial institutions for the use and
20 processing of credit card sales from the amount of gross revenues
21 awarded for prizes. In that case, the redirected fees for the use and
22 processing of credit card sales shall not be included in “overhead
23 costs” as defined in the California Remote Caller Bingo Act.
24 Additionally, fees paid to financial institutions for the use and
25 processing of credit card sales shall not be deducted from the
26 proceeds retained by the charitable organization.

27 (n) No person shall be allowed to participate in a remote caller
28 bingo game unless the person is physically present at the time and
29 place where the remote caller bingo game is being conducted. A
30 person shall be deemed to be physically present at the place where
31 the remote caller bingo game is being conducted if he or she is
32 present at any of the locations participating in the remote caller
33 bingo game in accordance with this section.

34 (o) (1) An organization shall not cosponsor a remote caller
35 bingo game with one or more other organizations unless ~~one of~~
36 ~~the following is true:~~

37 ~~(A) All~~ *all* of the cosponsors are affiliated under the master
38 charter or articles and bylaws of a single organization *involved in*
39 *the same type of activity.*

1 ~~(B) All of the cosponsors are affiliated through an organization~~
2 ~~described in paragraph (1) of subdivision (b), and have the same~~
3 ~~Internal Revenue Service activity code.~~

4 (2) Notwithstanding paragraph (1), a maximum of 10
5 unaffiliated organizations described in paragraph (1) of subdivision
6 (b) may enter into an agreement to cosponsor a remote caller game,
7 *provided but* the game shall have not more than 10 locations.

8 (3) An organization shall not conduct remote caller bingo more
9 than two days per week, *except that a licensed organization may*
10 *hold one additional game, at its election, in each calendar quarter.*

11 ~~(4) Before sponsoring or operating any game authorized under~~
12 ~~paragraph (1) or (2), each of the cosponsoring organizations shall~~
13 ~~have entered into a written agreement, a copy of which shall be~~
14 ~~provided to the commission, setting forth how the expenses and~~
15 ~~proceeds of the game are to be allocated among the participating~~
16 ~~organizations, the bank accounts into which all receipts are to be~~
17 ~~deposited and from which all prizes are to be paid, and how game~~
18 ~~records are to be maintained and subjected to annual audit.~~

19 (p) The value of prizes awarded during the conduct of any
20 remote caller bingo game shall not exceed 37 percent of the gross
21 receipts for that game. When an authorized organization elects to
22 deduct fees paid for the use and processing of credit card sales
23 from the amount of gross revenues for that game awarded for
24 prizes, the maximum amount of gross revenues that may be
25 awarded for prizes shall not exceed 37 percent of the gross receipts
26 for that game, less the amount of redirected fees paid for the use
27 and processing of credit card sales. Every remote caller bingo game
28 shall be played until a winner is declared. Progressive prizes are
29 prohibited. The declared winner of a remote caller bingo game
30 shall provide his or her identifying information and a mailing
31 address to ~~the onsite manager of the remote caller bingo game a~~
32 *representative of the organization*. Prizes shall be paid only by
33 check; no cash prizes shall be paid. The organization conducting
34 the remote caller bingo game may issue a check to the winner at
35 the time of the game, or may send a check to the declared winner
36 by United States Postal Service ~~certified mail, return receipt~~
37 ~~requested~~. All prize money exceeding state and federal exemption
38 limits on prize money shall be subject to income tax reporting and
39 withholding requirements under applicable state and federal laws
40 and regulations and those reports and withholding shall be

1 forwarded, within 10 business days, to the appropriate state or
2 federal agency on behalf of the winner. A report shall accompany
3 the amount withheld identifying the person on whose behalf the
4 money is being sent. Any game interrupted by a transmission
5 failure, electrical outage, or act of God shall be considered void
6 in the location that was affected. A refund for a canceled game or
7 games shall be provided to the purchasers.

8 ~~(q) (1) The California Gambling Control Commission shall~~
9 ~~regulate remote caller bingo, including, but not limited to, licensure~~
10 ~~and operation. The commission shall establish reasonable criteria~~
11 ~~regulating, and department shall require the licensure of, the~~
12 ~~following:~~

13 ~~(A) Any person who conducts a remote caller bingo game~~
14 ~~pursuant to this section, including, but not limited to, an employee,~~
15 ~~a person having fiduciary responsibility for a remote caller bingo~~
16 ~~game, a site manager, and a bingo caller.~~

17 ~~(B) Any any person who directly or indirectly manufactures,~~
18 ~~distributes, supplies, vends, leases, or otherwise provides supplies,~~
19 ~~devices, services, or other equipment designed for use in the~~
20 ~~playing of a remote caller bingo game by any nonprofit~~
21 ~~organization.~~

22 ~~(C)~~
23 (2) Beginning January 31, 2009, or a later date as may be
24 established by the ~~commission~~ *department*, all persons described
25 in ~~subparagraph (A) or (B)~~ *paragraph (1)* may submit to the
26 ~~commission~~ *department* a letter of intent to submit an application
27 for licensure. The letter shall clearly identify the principal
28 applicant, all categories under which the application will be filed,
29 and the names of all those particular individuals who are applying.
30 Each charitable organization shall provide an estimate of the
31 frequency with which it plans to conduct remote caller bingo
32 operations, including the number of locations. The letter of intent
33 may be withdrawn or updated at any time.

34 ~~(2)~~
35 (3) (A) ~~The Department of Justice~~ *department and the local*
36 *licensing entity* shall conduct background investigations and
37 ~~conduct~~ field enforcement as it relates to remote caller bingo
38 consistent with the Gambling Control Act (Chapter 5 (commencing
39 with Section 19800) of Division 8 of the Business and Professions

1 Code), and as specified in regulations promulgated by the
2 ~~commission~~ department.

3 (B) Fees to cover background investigation costs shall be paid
4 and accounted for in accordance with Section 19867 of the
5 Business and Professions Code.

6 ~~(3)~~

7 (4) (A) Every application for a license or approval shall be
8 accompanied by a nonrefundable fee, the amount of which shall
9 be adopted by the ~~commission~~ department by regulation.

10 (B) Fees and revenue collected pursuant to this paragraph shall
11 be deposited in the California Bingo Fund, which is hereby created
12 in the State Treasury. The funds deposited in the California Bingo
13 Fund shall be available, upon appropriation by the Legislature, for
14 expenditure by the commission and the department exclusively
15 for the support of the commission and department in carrying out
16 their duties and responsibilities under this section and Section
17 326.5.

18 (C) A loan is hereby authorized from the Gambling Control
19 Fund to the California Bingo Fund on or after January 1, 2009, in
20 an amount of up to five hundred thousand dollars (\$500,000) to
21 fund operating, personnel, and other startup costs incurred by the
22 commission relating to this act. Funds from the California Bingo
23 Fund shall be available to the commission upon appropriation by
24 the Legislature in the annual Budget Act. The loan shall be subject
25 to all of the following conditions:

26 (i) The loan shall be repaid to the Gambling Control Fund as
27 soon as there is sufficient money in the California Bingo Fund to
28 repay the amount loaned, but no later than five years after the date
29 of the loan.

30 (ii) Interest on the loan shall be paid from the California Bingo
31 Fund at the rate accruing to moneys in the Pooled Money
32 Investment Account.

33 (iii) The terms and conditions of the loan are approved, prior
34 to the transfer of funds, by the Department of Finance pursuant to
35 appropriate fiscal standards.

36 The commission may assess and collect reasonable fees and
37 deposits as necessary to defray the costs of regulation and
38 oversight.

39 ~~(r) The administrative, managerial, technical, financial, and~~
40 ~~security personnel employed by an organization that conducts~~

1 ~~remote caller bingo games shall apply for, obtain, and thereafter~~
2 ~~maintain valid work permits, as defined in Section 19805 of the~~
3 ~~Business and Professions Code.~~

4 ~~(s)~~

5 (r) An organization that conducts remote caller bingo games
6 shall retain records in connection with the remote caller bingo
7 game for five years.

8 ~~(t)~~

9 (s) (1) All equipment used for remote caller bingo shall be
10 approved in advance by the ~~California Gambling Control~~
11 ~~Commission~~ *commission* pursuant to regulations adopted pursuant
12 to subdivision (r) of Section 19841 of the Business and Professions
13 Code.

14 (2) ~~The California Gambling Control Commission~~ *department*
15 shall monitor operation of the transmission and other equipment
16 used for remote caller bingo, and monitor the game.

17 ~~(tt)~~

18 (t) (1) As used in this section, “remote caller bingo game”
19 means a game of bingo, as defined in subdivision (o) of Section
20 326.5, in which the numbers or symbols on randomly drawn plastic
21 balls are announced by a natural person present at the site at which
22 the live game is conducted, and the organization conducting the
23 bingo game uses audio and video technology to link any of its
24 in-state facilities for the purpose of transmitting the remote calling
25 of a live bingo game from a single location to multiple locations
26 owned, leased, or rented by that organization, or as described in
27 subdivision (o) of this section. The audio or video technology used
28 to link the facilities may include cable, Internet, satellite,
29 broadband, or telephone technology, or any other means of
30 electronic transmission that ensures the secure, accurate, and
31 simultaneous transmission of the announcement of numbers or
32 symbols in the game from the location at which the game is called
33 by a natural person to the remote location or locations at which
34 players may participate in the game. The drawing of each ball
35 bearing a number or symbol by the natural person calling the game
36 shall be visible to all players as the ball is drawn, including through
37 a simultaneous live video feed at remote locations at which players
38 may participate in the game.

39 ~~(2) The caller in the live game must be licensed by the California~~
40 ~~Gambling Control Commission. A game may be called by a~~

1 nonlicensed caller if the drawing of balls and calling of numbers
2 or symbols by that person is observed and personally supervised
3 by a licensed caller.

4 (3)

5 (2) Remote caller bingo games shall be played using traditional
6 paper or other tangible bingo cards and daubers, and shall not be
7 played by using electronic devices, except card-minding devices,
8 as described in paragraph (1) of subdivision (p) of Section 326.5.

9 ~~(4) Prior to conducting a remote caller bingo game, the~~
10 ~~organization that conducts remote caller bingo shall submit to the~~
11 ~~commission the controls, methodology, and standards of game~~
12 ~~play, which shall include, but not be limited to, the equipment used~~
13 ~~to select bingo numbers and create or originate cards, control or~~
14 ~~maintenance, distribution to participating locations, and distribution~~
15 ~~to players. Those controls, methodologies, and standards shall be~~
16 ~~subject to prior approval by the commission, provided that the~~
17 ~~controls shall be deemed approved by the commission after 90~~
18 ~~days from the date of submission unless disapproved.~~

19 (v)

20 (u) A location shall not be eligible to participate in a remote
21 caller bingo game if bingo games are conducted at that location
22 in violation of Section 326.5 or any regulation adopted by the
23 commission pursuant to Section 19841 of the Business and
24 Professions Code, including, but not limited to, a location at which
25 unlawful electronic devices are used.

26 ~~(w) (1) The vendor of the equipment used in a remote caller~~
27 ~~bingo game shall have its books and records audited at least~~
28 ~~annually by an independent California certified public accountant~~
29 ~~and shall submit the results of that audit to the California Gambling~~
30 ~~Control Commission within 120 days after the close of the vendor's~~
31 ~~fiscal year. In addition, the California Gambling Control~~
32 ~~Commission may audit the books and records of the vendor at any~~
33 ~~time.~~

34 ~~(2) An authorized organization that conducts remote caller bingo~~
35 ~~games shall provide copies of the records pertaining to those games~~
36 ~~to the California Gambling Control Commission within 30 days~~
37 ~~after the end of each calendar quarter. In addition, those records~~
38 ~~shall be audited by an independent California certified public~~
39 ~~accountant at least annually and copies of the audit reports shall~~
40 ~~be provided to the California Gambling Control Commission within~~

1 120 days after the close of the organization's fiscal year. The audit
2 report shall account for the annual amount of fees paid to financial
3 institutions for the use and processing of credit card sales by the
4 authorized organization and the amount of fees for the use and
5 processing of credit card sales redirected from "overhead costs"
6 and deducted from the amount of gross revenues awarded for
7 prizes.

8 ~~(3) The costs of the licensing and audits required by this section~~
9 ~~shall be borne by the person or entity required to be licensed or~~
10 ~~audited. The audit shall enumerate the receipts for remote caller~~
11 ~~bingo, the prizes disbursed, the overhead costs, and the amount~~
12 ~~retained by the nonprofit organization. The commission may audit~~
13 ~~the books and records of an organization that conducts remote~~
14 ~~caller bingo games at any time.~~

15 ~~(4) If, during an audit, the commission identifies practices in~~
16 ~~violation of this section, the license for the audited entity may be~~
17 ~~suspended pending review and hearing before the commission for~~
18 ~~a final determination.~~

19 ~~(5) No audit required to be conducted by the commission shall~~
20 ~~commence before January 1, 2010.~~

21 ~~(v) The department or the commission may audit the books and~~
22 ~~records of a licensed organization or vendor of equipment used~~
23 ~~in a remote caller bingo game at any time.~~

24 ~~(x)~~

25 ~~(w) (1) The provisions of this section are severable. If any~~
26 ~~provision of this section or its application is held invalid, that~~
27 ~~invalidity shall not affect other provisions or applications that can~~
28 ~~be given effect without the invalid provision or application.~~

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

32 ~~(y) The commission shall submit a report to the Legislature, on~~
33 ~~or before January 1, 2012, on the fundraising effectiveness and~~
34 ~~regulation of remote caller bingo, and other matters that are relevant~~
35 ~~to the public interest regarding remote caller bingo.~~

36 ~~(z)~~

37 ~~(x) The following definitions apply for purposes of this section:~~

38 ~~(1) "Commission" means the California Gambling Control~~
39 ~~Commission.~~

40 ~~(2) "Department" means the Department of Justice.~~

1 (3) “Local licensing entity” means the city, county, or city and
2 county.

3 (4) “Organization” means the principal organization that the
4 cosponsors are affiliated with. All cosponsors shall be considered
5 part of the organization with one person serving as the fiduciary
6 for the organization and all affiliated cosponsors.

7 ~~(2)~~

8 (5) “Person” includes a natural person, corporation, limited
9 liability company, partnership, trust, joint venture, association, or
10 any other business organization.

11 SECTION 1. Section 25608 of the Business and Professions
12 Code is amended to read:

13 25608. ~~(a) Every person who possesses, consumes, sells, gives,
14 or delivers to any other person, any alcoholic beverage in or on
15 any public schoolhouse or any of the grounds of the schoolhouse,
16 is guilty of a misdemeanor. This section does not, however, make
17 it unlawful for any person to acquire, possess, or use any alcoholic
18 beverage in or on any public schoolhouse, or on any grounds of
19 the schoolhouse, if any of the following applies:~~

20 ~~(1) The alcoholic beverage possessed, consumed, or sold,
21 pursuant to a license obtained under this division, is wine that is
22 produced by a bonded winery owned or operated as part of an
23 instructional program in viticulture and enology.~~

24 ~~(2) The alcoholic beverage is acquired, possessed, or used in
25 connection with a course of instruction given at the school and the
26 person has been authorized to acquire, possess, or use it by the
27 governing body or other administrative head of the school.~~

28 ~~(3) The public schoolhouse is surplus school property and the
29 grounds of the schoolhouse are leased to a lessee that is a general
30 law city with a population of less than 50,000, or the public
31 schoolhouse is surplus school property and the grounds of the
32 schoolhouse are located in an unincorporated area and are leased
33 to a lessee that is a civic organization, and the property is to be
34 used for community center purposes and no public school education
35 is to be conducted on the property by either the lessor or the lessee
36 and the property is not being used by persons under the age of 21
37 years for recreational purposes at any time during which alcoholic
38 beverages are being sold or consumed on the premises.~~

39 ~~(4) The alcoholic beverages are acquired, possessed, or used
40 during events at a college-owned or college-operated veterans~~

1 stadium with a capacity of over 12,000 people, located in a county
2 with a population of over 6,000,000 people. As used in this
3 paragraph, “events” mean football games sponsored by a college,
4 other than a public community college, or other events sponsored
5 by noncollege groups.

6 ~~(5) The alcoholic beverages are acquired, possessed, or used~~
7 ~~during an event not sponsored by any college at a performing arts~~
8 ~~facility built on property owned by a community college district~~
9 ~~and leased to a nonprofit organization that is a public benefit~~
10 ~~corporation formed under Part 2 (commencing with Section 5110)~~
11 ~~of Division 2 of Title 1 of the Corporations Code. As used in this~~
12 ~~paragraph, “performing arts facility” means an auditorium with~~
13 ~~more than 300 permanent seats.~~

14 ~~(6) The alcoholic beverage is wine for sacramental or other~~
15 ~~religious purposes and is used only during authorized religious~~
16 ~~services held on or before January 1, 1995.~~

17 ~~(7) The alcoholic beverages are acquired, possessed, or used~~
18 ~~during an event at a community center owned by a community~~
19 ~~services district or a city, and the event is not held at a time when~~
20 ~~students are attending a public school-sponsored activity at the~~
21 ~~center.~~

22 ~~(8) The alcoholic beverage is wine that is acquired, possessed,~~
23 ~~or used during an event sponsored by a community college district~~
24 ~~or an organization operated for the benefit of the community~~
25 ~~college district where the college district maintains both an~~
26 ~~instructional program in viticulture on no less than five acres of~~
27 ~~land owned by the district and an instructional program in enology,~~
28 ~~which includes sales and marketing.~~

29 ~~(9) The alcoholic beverage is acquired, possessed, or used at a~~
30 ~~professional minor league baseball game conducted at the stadium~~
31 ~~of a community college located in a county with a population of~~
32 ~~less than 250,000 inhabitants, and the baseball game is conducted~~
33 ~~pursuant to a contract between the community college district and~~
34 ~~a professional sports organization.~~

35 ~~(10) The alcoholic beverages are acquired, possessed, or used~~
36 ~~during events at a college-owned or college-operated stadium or~~
37 ~~other facility. As used in this paragraph, “events” means fundraisers~~
38 ~~held to benefit a nonprofit corporation that has obtained a license~~
39 ~~pursuant to this division for the event. “Events” does not include~~
40 ~~football games or other athletic contests sponsored by any college~~

1 ~~or public community college. This paragraph shall not apply to~~
2 ~~any public education facility in which any grade from kindergarten~~
3 ~~to grade 12, inclusive, is schooled.~~

4 ~~(11) The alcoholic beverages are possessed, consumed, or sold,~~
5 ~~pursuant to a license, permit, or authorization obtained under this~~
6 ~~division, for an event held at an overnight retreat facility owned~~
7 ~~and operated by a county office of education or a school district~~
8 ~~at times when pupils are not on the grounds.~~

9 ~~(12) The grounds of the public schoolhouse on which the~~
10 ~~alcoholic beverage is acquired, possessed, used, or consumed is~~
11 ~~property that has been developed and is used for residential~~
12 ~~facilities or housing that is offered for rent, lease, or sale~~
13 ~~exclusively to faculty or staff of a public school or community~~
14 ~~college.~~

15 ~~(13) The grounds of a public schoolhouse on which the alcoholic~~
16 ~~beverage is acquired, possessed, used, or consumed is property of~~
17 ~~a community college that is leased, licensed, or otherwise provided~~
18 ~~for use as a water conservation demonstration garden and~~
19 ~~community passive recreation resource by a joint powers agency~~
20 ~~comprised of public agencies, including the community college,~~
21 ~~and the event at which the alcoholic beverage is acquired,~~
22 ~~possessed, used, or consumed is conducted pursuant to a written~~
23 ~~policy adopted by the governing body of the joint powers agency~~
24 ~~and no public funds are used for the purchase or provision of the~~
25 ~~alcoholic beverage.~~

26 ~~(14) The alcoholic beverage is beer or wine acquired, possessed,~~
27 ~~used, sold, or consumed only in connection with a course of~~
28 ~~instruction, sponsored dinner, or meal demonstration given as part~~
29 ~~of a culinary arts program at a campus of a California community~~
30 ~~college and the person has been authorized to acquire, possess,~~
31 ~~use, sell, or consume the beer or wine by the governing body or~~
32 ~~other administrative head of the school.~~

33 ~~(15) The alcoholic beverages are possessed, consumed, or sold,~~
34 ~~pursuant to a license or permit obtained under this division for~~
35 ~~special events held at the facilities of a public community college,~~
36 ~~located in a county of the first class, a county of the fourth class,~~
37 ~~or a county of the tenth class, during the special event. As used in~~
38 ~~this paragraph, “special event” means festivals, shows, private~~
39 ~~parties, concerts, theatrical productions, and other events held on~~
40 ~~the premises of the public community college, pursuant to a license~~

1 or permit, and for which the principal attendees are members of
2 the general public or invited guests and not students of the public
3 community college.

4 (16) The alcoholic beverages are acquired, possessed, or used
5 during an event at a community college-owned facility in which
6 any grade from kindergarten to grade 12, inclusive, is schooled,
7 if the event is held at a time when students in any grades from
8 kindergarten to grade 12, inclusive, are not present at the facility.
9 As used in this paragraph, “events” include fundraisers held to
10 benefit a nonprofit corporation that has obtained a license pursuant
11 to this division for the event.

12 (b) Any person convicted of a violation of this section shall, in
13 addition to the penalty imposed for the misdemeanor, be barred
14 from having or receiving any privilege of the use of public school
15 property which is accorded by Article 2 (commencing with Section
16 82537) of Chapter 8 of Part 49 of Division 7 of Title 3 the
17 Education Code.