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AMENDED IN SENATE MARCH 31, 2011

**SENATE BILL**

**No. 383**

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**Introduced by Senator Wolk**

February 15, 2011

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An act to repeal Sections 19850.5 and 19850.6 of the Business and Professions Code, and *to amend Section 326.4 of*, to amend and repeal Section 326.3 of, and to amend, repeal, and add Section 326.5 of, the Penal Code, relating to bingo, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 383, as amended, Wolk. 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 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 a city, county, or city and county to amend an existing local ordinance that allows bingo games to be conducted within that jurisdiction, by resolution, to permit the conduct of remote caller bingo games pursuant to that ordinance, as specified. The bill would include among those organizations eligible to conduct remote caller bingo a charitable organization affiliated with a community college district. The bill would prohibit an organization from conducting remote caller bingo more than 2 days per week, but would permit an organization to hold one additional game, at its election, in each calendar quarter. The bill would require an organization authorized to conduct remote caller bingo games to provide at least 10 days' advance written notice of intent to conduct a remote caller bingo game on a form prescribed by the city, county, or city and county, and to provide notice within 24 hours if the location of the remote caller bingo game changes. The bill also would repeal 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 would delete all state licensure requirements for the conduct of remote caller bingo, and would, instead, require ~~an organization that is eligible to conduct remote caller bingo games to register annually with the commission or the Department of Justice, as specified~~ *the local licensing entity to provide the name of the licensee, term of the license, and local contact information to the commission, as specified. The bill would require the commission to post this information on its Internet Web site.* The bill would require the commission or the department to maintain a registry of all organizations registered to conduct remote caller bingo and the dollar amount received by those organizations to

repay a specified loan to the Charitable Bingo Mitigation Fund. The bill would authorize the commission or the department to charge ~~an annual registration~~ a fee of ~~\$100~~ *not to exceed \$500*, to be deposited into the California Bingo Fund, to cover the actual costs to administer and enforce these provisions, and would authorize the commission or the department to adopt regulations in that regard. ~~The bill would require an organization licensed to conduct remote caller bingo, or a management company contracted with a licensed organization, to register all of its local bingo licenses with the commission or the department. The bill would authorize the commission or the department to charge a fee to cover the cost of this registration requirement and would require that registration information be made available to the public upon request.~~

The bill would make other technical and conforming changes relating to the duties of the department and the commission, including setting forth procedures for a city, county, or city and county, as the local licensing entity, to request a background check from the department. The bill would authorize the department to charge a fee sufficient to cover the cost of processing the background check, and would provide for the deposit of that fee revenue into the Fingerprint Fees Account, to be continuously appropriated to the department for that cost. By providing for a continuous appropriation, the bill would make an appropriation. The bill also would require the department to conduct a background investigation of each management company and to conduct field enforcement, as specified. The bill would delete the requirement that the commission approve all equipment used for remote caller bingo in advance, but would require the city, county, or city and county to monitor operation of the transmission and other equipment used for remote caller bingo and to monitor the game. The bill would authorize the commission or the department to audit the books and records of a licensed organization or a management company contracted by a licensed organization to conduct remote caller bingo at any time and to charge a fee for the audit. The bill would require the audit information to be made available to the public upon request. Additionally, the bill would require a management company to retain an independent California certified public accountant to conduct an annual audit of its books and records, and would subject a management company to a civil penalty for filing false information with the commission or the department.

The bill would permit an authorized organization to contract with a management company to provide business services, but would require the organization to give notice of the contract to the city, county, or city and county and to meet other requirements, as specified. The bill would require the live, physical calling and broadcast of a remote caller bingo game to be conducted from a jurisdiction that authorizes by local ordinance the conduct of remote caller bingo games.

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.

Under existing law, any violation of the remote caller bingo provisions described above is a misdemeanor, punishable as specified.

This bill would expand the scope of an existing crime by imposing different requirements for the conduct of remote caller bingo, thereby creating a state-mandated local program.

Existing law required 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. A loan from the Gambling Control Fund to the California Bingo Fund for the startup costs relating to remote caller bingo is required to be repaid within 5 years after the date of the loan.

This bill would delete that reporting requirement, and would delete the requirement that the startup loan be repaid within 5 years. The bill would require the department and the commission, on or before October 1, 2015, to report their findings to the Legislature, as to whether continuation of the remote caller bingo program and state oversight of that program is warranted based on specified findings. The bill would repeal the remote caller bingo program as of January 1, 2017.

*Existing law establishes the Charity Bingo Mitigation Fund, administered by the California Gambling Control Commission, for the purpose of making payments to specified nonprofit organizations that, as of July 1, 2008, used electronic devices other than card-minding devices to conduct bingo games. Existing law provides for a \$5,000,000 loan from the accrued interest in the Indian Gaming Special Distribution Fund to the Charity Bingo Mitigation Fund to make the mitigation payments described above. To reimburse the Special Distribution Fund, existing law requires nonprofit organizations that conduct a remote caller bingo game to pay the commission an amount equal to 5% of the*

*gross revenues of each remote caller bingo game played until the full advanced amount, as specified, is reimbursed.*

*This bill would require the commission to post information relating to the payments described above on its Internet Web site.*

Existing law authorizes players who are physically present at a bingo game to use hand-held, portable card-minding devices, as specified, that are approved prior to use by the California Gambling Control Commission. Additionally, the commission is required to license persons or entities that manufacture, supply, or service card-minding devices and related equipment, and may inspect and prohibit the use of any card-minding devices that are noncompliant. Existing law requires the commission to adopt regulations concerning remote caller bingo and card-minding devices.

This bill would repeal these provisions relating to card-minding devices and the duties of the commission.

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.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. It is the intent of the Legislature in enacting this  
2 act to be consistent with the Governor’s Reorganization Plan No.  
3 2 of 2012 (GRP 2), which consolidates the support, investigatory,  
4 auditing, and compliance functions of the California Gambling  
5 Control Commission and transfers these duties to the Department  
6 of Justice. ~~Under GRP 2, the commission retains jurisdiction over~~  
7 ~~the licensing, policies, regulations, criteria, and standards pertaining~~  
8 ~~to gaming.~~

9 SEC. 2. Section 19850.5 of the Business and Professions Code  
10 is repealed.

11 SEC. 3. Section 19850.6 of the Business and Professions Code  
12 is repealed.

13 SEC. 4. Section 326.3 of the Penal Code is amended to read:

1 326.3. (a) The Legislature finds and declares all of the  
2 following:

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

6 (2) One of the great strengths of California is a vibrant nonprofit  
7 sector.

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

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

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

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

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

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

26 (b) Neither the prohibition on gambling in this chapter nor in  
27 Chapter 10 (commencing with Section 330) applies to any remote  
28 caller bingo game that is played or conducted in a city, county, or  
29 city and county pursuant to an ordinance enacted under Section  
30 19 of Article IV of the California Constitution, if the ordinance  
31 allows a remote caller bingo game to be played or conducted only  
32 in accordance with this section, including the following  
33 requirements:

34 (1) The game may be conducted only by the following  
35 organizations:

36 (A) An organization that is exempted from the payment of the  
37 taxes imposed under the Corporation Tax Law by Section 23701a,  
38 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or  
39 23701w of the Revenue and Taxation Code.

40 (B) A mobilehome park association.

1 (C) A senior citizens organization.

2 (D) Charitable organizations affiliated with a school district or  
3 community college district.

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

6 (3) The organization and its management company, if any, shall  
7 be licensed to conduct remote caller bingo. A licensing fee may  
8 be collected pursuant to subdivision (l) of Section 326.5.

9 (4) The receipts of the game shall be used only for charitable  
10 purposes. The organization conducting the game shall determine  
11 the disbursement of the net receipts of the game.

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

14 (c) (1) It is a misdemeanor for any person to receive or pay a  
15 profit, wage, or salary from any remote caller bingo game, provided  
16 that administrative, managerial, technical, financial, and security  
17 personnel employed by the organization conducting the bingo  
18 game may be paid reasonable fees for services rendered from the  
19 revenues of bingo games, as provided in subdivision (l), except  
20 that fees paid under those agreements shall not be determined as  
21 a percentage of receipts or other revenues from, or be dependent  
22 on the outcome of, the game.

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

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

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

34 (f) A remote caller bingo game shall not include any site that  
35 is not located within this state.

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

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

4 (h) (1) All remote caller bingo games shall be open to the  
5 public, not just to the members of the authorized organization.

6 (2) No more than 750 players may participate in a remote caller  
7 bingo game in a single location.

8 (3) If the Governor of California or the President of the United  
9 States declares a state of emergency in response to a natural disaster  
10 or other public catastrophe occurring in California, an organization  
11 authorized to conduct remote caller bingo games may, while that  
12 declaration is in effect, conduct a remote caller bingo game  
13 pursuant to this section with more than 750 participants in a single  
14 venue if the net proceeds of the game, after deduction of prizes  
15 and overhead expenses, are donated to or expended exclusively  
16 for the relief of the victims of the disaster or catastrophe, and the  
17 organization gives the local licensing entity at least 10 days' written  
18 notice of the intent to conduct that game.

19 (4) An organization authorized to conduct remote caller bingo  
20 games shall provide the local licensing entity with at least 10 days'  
21 advance written notice of its intent to conduct a remote caller bingo  
22 game. That notice shall be on a form prescribed by the local  
23 licensing entity. If the location of the remote caller bingo game  
24 changes, the organization shall provide the local licensing entity  
25 notice by e-mail, telephone, or facsimile within 24 hours of the  
26 change of location.

27 ~~(i) (1) An organization eligible to conduct a remote caller bingo~~  
28 ~~game pursuant to subdivision (b) shall register annually with the~~  
29 ~~commission or the department in order to conduct remote caller~~  
30 ~~bingo games pursuant to this section. The commission or the~~  
31 ~~department shall provide to eligible nonprofit organizations, upon~~  
32 ~~request, a registration form. The commission or the department~~  
33 ~~shall post the registration form on its Internet Web site. For~~  
34 ~~purposes of providing statewide transparency for remote caller~~  
35 ~~bingo licenses, the local licensing entity shall provide the name~~  
36 ~~of the licensee, term of the license, and local contact information~~  
37 ~~to the commission upon issuing an initial or license renewal for~~  
38 ~~an organization, management company, or any other person or~~  
39 ~~entity required to be licensed to conduct remote caller bingo~~  
40 ~~pursuant to a local ordinance. The commission shall post this~~

1 *information on its Internet Web site.* Only the information  
2 necessary for the commission or the department to implement this  
3 section shall be required ~~for completion of the registration form,~~  
4 *to be posted on the Internet Web site,* including, but not limited  
5 to, all of the following relative to the eligible organization:

6 (A) Name and address of the organization, and a mode of  
7 contract, such as a telephone number, for the organization that  
8 members of the public and government agencies may use during  
9 normal business hours to obtain information about the  
10 organization's finances and activities. The telephone number of  
11 an official of the organization who can provide that information  
12 may be used.

13 (B) Federal tax identification number, corporate number issued  
14 by the Secretary of State, organization number issued by the  
15 Franchise Tax Board, or California charitable trust identification  
16 number.

17 (C) Name and title of a responsible fiduciary of the organization.

18 (2) The commission or the department shall maintain a registry  
19 of all organizations registered to conduct remote caller bingo and  
20 the dollar amount received by those organizations to repay the  
21 loan to the Charitable Bingo Mitigation Fund pursuant to paragraph  
22 (2) of subdivision (d) of Section 326.4. ~~Prior to issuing a license~~  
23 ~~pursuant to a local ordinance, the local licensing entity shall~~  
24 ~~confirm that an organization applying to operate a remote caller~~  
25 ~~bingo game is registered and in good standing according to the~~  
26 ~~registry available on the commission's or the department's Internet~~  
27 ~~Web site.~~

28 (3) The commission or the department may require an eligible  
29 organization to pay ~~an annual registration~~ *a fee of one not to exceed*  
30 *five hundred dollars* ~~(\$100)~~ *(\$500)* to cover the actual costs of the  
31 commission or the department to administer and enforce this  
32 section. The commission or the department may, ~~by regulation,~~  
33 ~~adjust the annual registration~~ fee as needed to ensure that revenues  
34 will fully offset, but not exceed, the actual costs incurred by the  
35 commission or the department pursuant to this section. Fee  
36 revenues shall be deposited by the department into the California  
37 Bingo Fund.

38 (4) The commission or the department may adopt regulations  
39 to implement this section. The initial adoption, amendment, or  
40 repeal of a regulation authorized by this section is deemed to

1 address an emergency, for purposes of Sections 11346.1 and  
2 11349.6 of the Government Code, and the commission or the  
3 department is hereby exempted for that purpose from the  
4 requirements of subdivision (b) of Section 11346.1 of the  
5 Government Code. After the initial adoption, amendment, or repeal  
6 of an emergency regulation pursuant to this section, the commission  
7 or the department may request approval from the Office of  
8 Administrative Law to readopt the regulation as an emergency  
9 regulation pursuant to Section 11346.1 of the Government Code.

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

12 (j) (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 subdivision (l), this  
19 subdivision shall not preclude the employment of administrative,  
20 managerial, technical, financial, or security personnel who are not  
21 members of the authorized organization at a location participating  
22 in the remote caller bingo game by the organization conducting  
23 the game. Notwithstanding any other law, exclusive or other  
24 agreements between the authorized organization and other entities  
25 or persons to provide services in the administration, management,  
26 or conduct of the game shall not be considered a violation of the  
27 prohibition against holding a legally cognizable financial interest  
28 in the conduct of the remote caller bingo game by persons or  
29 entities other than the charitable organization, or other entity  
30 authorized to conduct the remote caller bingo games. Fees to be  
31 paid under those agreements shall be reasonable and shall not be  
32 determined as a percentage of receipts or other revenues from, or  
33 be dependent on the outcome of, the game.

34 (2) An authorized organization may contract with a management  
35 company to provide business services, including, but not limited  
36 to, game accounting and bingo game consulting, including  
37 operations of broadcasting and telecasting assistance. An authorized  
38 organization that contracts with a management company shall do  
39 all of the following:

1 (A) Indicate on the application to conduct remote caller bingo  
2 games that is submitted to the local licensing entity that it has  
3 contracted with a management company. The authorized  
4 organization shall notify the local licensing entity in writing if it  
5 contracts with a management company subsequent to the  
6 submission of its application to the local licensing entity.

7 (B) Ensure that the management company has a business license  
8 and request a live scan background check for each employee or  
9 consultant that has a 10 percent or greater ownership interest in  
10 any management company.

11 (C) Maintain on file the name, address, and contact numbers of  
12 the management company, and provide that information to the  
13 department upon request.

14 (3) A management company that is retained by an authorized  
15 organization to manage a remote caller bingo game shall file all  
16 of the following with the commission or the department, *pursuant*  
17 *to the Governor's Reorganization Plan No. 2 of 2012, or the local*  
18 *licensing entity*:

19 (A) The legal name of the management company and the address  
20 of record of the agent upon whom legal notice may be served.

21 (B) The physical locations of the caller and each of the remote  
22 sites at which remote caller bingo is played.

23 (C) The names of any site managers employed by the  
24 management company.

25 (D) A copy of the local ordinance for each remote site at which  
26 remote caller bingo is played.

27 (4) The live, physical calling and broadcast of a remote caller  
28 bingo game shall be conducted from a jurisdiction that authorizes  
29 by local ordinance the conduct of remote caller bingo games.

30 (5) Any person who knowingly violates paragraph (3) by  
31 providing false information shall be subject to a civil penalty in  
32 the amount of five thousand dollars (\$5,000). An action for a civil  
33 penalty may be brought by any public prosecutor.

34 (6) An organization that conducts a remote caller bingo game  
35 shall designate a person as having fiduciary responsibility for the  
36 game.

37 (k) No individual, corporation, partnership, or other legal entity,  
38 except the organization authorized to conduct or participate in a  
39 remote caller bingo game, shall hold a legally cognizable financial  
40 interest in the conduct of that game.

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

20 (m) No person shall be allowed to participate in a remote caller  
21 bingo game unless the person is physically present at the time and  
22 place where the remote caller bingo game is being conducted. A  
23 person shall be deemed to be physically present at the place where  
24 the remote caller bingo game is being conducted if he or she is  
25 present at any of the locations participating in the remote caller  
26 bingo game in accordance with this section.

27 (n) (1) An organization shall not cosponsor a remote caller  
28 bingo game with one or more other organizations unless all of the  
29 cosponsors are affiliated under the master charter or articles and  
30 bylaws of a single organization involved in the same type of  
31 activity.

32 (2) Notwithstanding paragraph (1), a maximum of 10  
33 unaffiliated organizations described in paragraph (1) of subdivision  
34 (b) may enter into an agreement to cosponsor a remote caller bingo  
35 game, but that game shall have not more than 10 locations.

36 (3) An organization shall not conduct remote caller bingo more  
37 than two days per week, except that an organization may hold one  
38 additional game, at its election, in each calendar quarter.

39 (4) Before sponsoring or operating any game authorized under  
40 paragraph (1) or (2), each of the cosponsoring organizations shall

1 have entered into a written agreement, a copy of which shall be  
2 provided to the commission or the department, *pursuant to the*  
3 *Governor's Reorganization Plan No. 2 of 2012, or the local*  
4 *licensing entity*, setting forth how the expenses and proceeds of  
5 the game are to be allocated among the participating organizations,  
6 the bank accounts into which all receipts are to be deposited and  
7 from which all prizes are to be paid, and how game records are to  
8 be maintained and subjected to annual audit.

9 (o) The value of prizes awarded during the conduct of any  
10 remote caller bingo game shall not exceed 37 percent of the gross  
11 receipts for that game. When an authorized organization elects to  
12 deduct fees paid for the use and processing of credit card sales  
13 from the amount of gross revenues for that game awarded for  
14 prizes, the maximum amount of gross revenues that may be  
15 awarded for prizes shall not exceed 37 percent of the gross receipts  
16 for that game, less the amount of redirected fees paid for the use  
17 and processing of credit card sales. Every remote caller bingo game  
18 shall be played until a winner is declared. Progressive prizes are  
19 prohibited. The declared winner of a remote caller bingo game  
20 shall provide his or her identifying information and a mailing  
21 address to a representative of the organization. Prizes shall be paid  
22 only by check; no cash prizes shall be paid. The organization  
23 conducting the remote caller bingo game may issue a check to the  
24 winner at the time of the game, or may send a check to the declared  
25 winner by United States Postal Service. All prize money exceeding  
26 state and federal exemption limits on prize money shall be subject  
27 to income tax reporting and withholding requirements under  
28 applicable state and federal laws and regulations and those reports  
29 and withholding shall be forwarded, within 10 business days, to  
30 the appropriate state or federal agency on behalf of the winner. A  
31 report shall accompany the amount withheld identifying the person  
32 on whose behalf the money is being sent. Any game interrupted  
33 by a transmission failure, electrical outage, or act of God shall be  
34 considered void in the location that was affected. A refund for a  
35 canceled game or games shall be provided to the purchasers.

36 ~~(p) (1) A licensed organization, or a management company~~  
37 ~~contracted with a licensed organization, shall register all of its~~  
38 ~~local bingo licenses with the commission or the department. This~~  
39 ~~information shall be made available to the public upon request.~~

1 ~~(2) The commission or the department may charge an annual~~  
2 ~~filing fee of two hundred dollars (\$200) to be used to cover the~~  
3 ~~actual costs to administer and enforce the registration requirement~~  
4 ~~described in paragraph (1). Fee revenues shall be deposited by the~~  
5 ~~commission or the department into the California Bingo Fund.~~

6 ~~(q)~~

7 (p) (1) The Department of Justice shall conduct a background  
8 investigation of each management company and conduct field  
9 enforcement as it relates to remote caller bingo consistent with the  
10 Gambling Control Act (Chapter 5 (commencing with Section  
11 19800) of Division 8 of the Business and Professions Code), and  
12 as specified in regulations promulgated by the commission.

13 (A) Each application for a license as a management company  
14 shall be accompanied by a nonrefundable fee to cover the  
15 background investigation costs of the department pursuant to this  
16 paragraph. The fee shall be paid and accounted for in accordance  
17 with Section 19867 of the Business and Professions Code.

18 (B) The department shall submit the results of the background  
19 investigation of a management company to the local licensing  
20 entity.

21 (2) (A) If the local licensing entity requests a background check  
22 from the department of any person required to be licensed pursuant  
23 to the applicable local ordinance, it shall submit to the department  
24 fingerprint images and related information required by the  
25 department for the purpose of obtaining information as to the  
26 existence and content of a record of state and federal convictions  
27 and arrests, including state or federal arrests for which the  
28 department establishes that the person is free on bail or on his or  
29 her own recognizance pending trial or appeal.

30 (B) Upon receipt, the department shall forward requests for  
31 federal summary criminal history information pursuant to this  
32 paragraph to the Federal Bureau of Investigation. The department  
33 shall review the information returned from the Federal Bureau of  
34 Investigation and compile and disseminate a response to the local  
35 licensing entity.

36 (C) The department shall provide a state or federal level response  
37 to the local licensing entity pursuant to paragraph (1) of subdivision  
38 (p) of Section 11105.

1 (D) The local licensing entity shall request from the department  
2 subsequent arrest notification service, as provided pursuant to  
3 Section 11105.2, for persons described in subparagraph (A).

4 (E) The department shall charge a fee sufficient to cover the  
5 cost of processing the request described in this paragraph. The fee  
6 revenue shall be deposited in the Fingerprint Fees Account, as  
7 generally described in subdivision (e) of Section 11105 in the Penal  
8 Code, and, notwithstanding Section 13340 of the Government  
9 Code, shall be continuously appropriated to the department for the  
10 purpose of paying the costs associated with this paragraph.

11 (3) (A) Fees and revenue collected pursuant to this subdivision,  
12 except as otherwise provided pursuant to subparagraph (E) of  
13 paragraph (2), shall be deposited in the California Bingo Fund,  
14 which is hereby created in the State Treasury. The funds deposited  
15 in the California Bingo Fund shall be available, upon appropriation  
16 by the Legislature, for expenditure by the commission and the  
17 department exclusively for the support of the commission and the  
18 department in carrying out their duties and responsibilities under  
19 this section.

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

28 (i) The loan shall be repaid to the Gambling Control Fund as  
29 soon as there is sufficient money in the California Bingo Fund to  
30 repay the amount loaned.

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

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

37 (†)

38 (q) An organization that conducts remote caller bingo games  
39 shall retain records in connection with the remote caller bingo  
40 game for five years.

1     ~~(s)~~

2     ~~(r)~~ The local licensing entity shall monitor operation of the  
3 transmission and other equipment used for remote caller bingo,  
4 and monitor the game.

5     ~~(t)~~

6     ~~(s)~~ (1) As used in this section, “remote caller bingo game”  
7 means a game of bingo, as defined in subdivision (o) of Section  
8 326.5, in which the numbers or symbols on randomly drawn plastic  
9 balls are announced by a natural person present at the site at which  
10 the live game is conducted, and the organization conducting the  
11 bingo game uses audio and video technology to link any of its  
12 in-state facilities for the purpose of transmitting the remote calling  
13 of a live bingo game from a single location to multiple locations  
14 owned, leased, or rented by that organization, or as described in  
15 subdivision (n) of this section. The audio or video technology used  
16 to link the facilities may include cable, Internet, satellite,  
17 broadband, or telephone technology, or any other means of  
18 electronic transmission that ensures the secure, accurate, and  
19 simultaneous transmission of the announcement of numbers or  
20 symbols in the game from the location at which the game is called  
21 by a natural person to the remote location or locations at which  
22 players may participate in the game. The drawing of each ball  
23 bearing a number or symbol by the natural person calling the game  
24 shall be visible to all players as the ball is drawn, including through  
25 a simultaneous live video feed at remote locations at which players  
26 may participate in the game.

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

31     ~~(u)~~

32     ~~(t)~~ A location shall not be eligible to participate in a remote  
33 caller bingo game if bingo games are conducted at that location  
34 in violation of Section 326.5, including, but not limited to, a  
35 location at which unlawful electronic devices are used.

36     ~~(v)~~

37     ~~(u)~~ (1) The commission or the department may audit the books  
38 and records of a licensed organization or a management company  
39 contracted by a licensed organization to conduct remote caller  
40 bingo at any time and may charge the licensed organization or a

1 management company a fee for the audit sufficient to cover the  
2 costs of performing the audit. Any information collected in the  
3 course of an audit shall be made available to the public upon  
4 request.

5 (2) A management company contracted with a licensed  
6 organization shall retain an independent California certified public  
7 accountant to conduct an annual audit of its books and records.  
8 The results of the audit shall be submitted to ~~the commission or~~  
9 the department within 120 days after the close of the management  
10 company's fiscal year.

11 ~~(w)~~  
12 (v) (1) The provisions of this section are severable. If any  
13 provision of this section or its application is held invalid, that  
14 invalidity shall not affect other provisions or applications that can  
15 be given effect without the invalid provision or application.

16 (2) Notwithstanding paragraph (1), if paragraph (1) or (2) of  
17 subdivision ~~(t)~~ (s), or the application of either of those provisions,  
18 is held invalid, this entire section shall be invalid.

19 ~~(x)~~  
20 (w) The following definitions apply for purposes of this section:

21 (1) "Commission" means the California Gambling Control  
22 Commission.

23 (2) "Department" means the Department of Justice.

24 (3) "Local licensing entity" means the city, county, or city and  
25 county.

26 (4) "Management company" means any person or business  
27 organization retained by the licensed organization to install  
28 equipment necessary to the electronic transmission of remote caller  
29 bingo to locations in addition to the site where the game is being  
30 called. "Management company" also means any person or business  
31 organization retained by the licensed organization to operate the  
32 electronic transmission of the remote caller bingo game to any or  
33 all remote sites in addition to the site from which the game is being  
34 called.

35 (5) "Organization" means the principal organization that the  
36 cosponsors are affiliated with. All cosponsors shall be considered  
37 part of the organization with one person serving as the fiduciary  
38 for the organization and all affiliated cosponsors.

1 (6) “Person” includes a natural person, corporation, limited  
 2 liability company, partnership, trust, joint venture, association, or  
 3 any other business organization.

4 ~~(y)~~

5 (x) (1) On or before October 1, 2015, the department and the  
 6 commission shall report their findings to the Legislature, including  
 7 the Senate and Assembly Committees on Governmental  
 8 Organization, the Senate and Assembly Committees on  
 9 Appropriations, the President pro Tempore of the Senate, and the  
 10 Speaker of the Assembly, as to whether continuation of the remote  
 11 caller bingo program, as implemented pursuant to this section, and  
 12 state oversight of that program are warranted based on all of the  
 13 following findings, including, but not limited to:

14 (A) The number of nonprofit organizations registered and  
 15 licensed to conduct remote caller bingo.

16 (B) The number of management companies licensed to assist a  
 17 licensed organization to conduct remote caller bingo.

18 (C) The number of remote caller bingo games conducted  
 19 annually.

20 (D) The total annual revenue received by licensed organizations.

21 (E) The total annual revenue received by the state in the form  
 22 of fees associated with remote caller bingo.

23 (F) The total annual cost to the department and the commission  
 24 to carry out regulatory and enforcement activities pursuant to  
 25 ~~Section 326.3~~ *this section*, and whether the department and the  
 26 commission have sufficient funding through the fee revenue  
 27 generated by the program to adequately comply with the  
 28 requirements of ~~Section 326.3~~ *this section*.

29 (G) The recommendations of the department and the commission  
 30 as to how the remote caller bingo program may be improved, if  
 31 applicable.

32 (2) This section shall remain in effect only until January 1, 2017,  
 33 and as of that date is repealed, unless a later enacted statute, that  
 34 is enacted before January 1, 2017, deletes or extends that date.

35 *SEC. 5. Section 326.4 of the Penal Code is amended to read:*

36 326.4. (a) Consistent with the Legislature’s finding that  
 37 card-minding devices, as described in subdivision (p) of Section  
 38 326.5, are the only permissible electronic devices to be used by  
 39 charity bingo players, and in an effort to ease the transition to  
 40 remote caller bingo on the part of those nonprofit organizations

1 that, as of July 1, 2008, used electronic devices other than  
2 card-minding devices to conduct games in reliance on an ordinance  
3 of a city, county, or city and county that, as of July 1, 2008,  
4 expressly recognized the operation of electronic devices other than  
5 card-minding devices by organizations purportedly authorized to  
6 conduct bingo in the city, county, or city and county, there is  
7 hereby created the Charity Bingo Mitigation Fund.

8 (b) The Charity Bingo Mitigation Fund shall be administered  
9 by the California Gambling Control Commission.

10 (c) Mitigation payments to be made by the Charity Bingo  
11 Mitigation Fund shall not exceed five million dollars (\$5,000,000)  
12 in the aggregate.

13 (d) (1) To allow the Charity Bingo Mitigation Fund to become  
14 immediately operable, five million dollars (\$5,000,000) shall be  
15 loaned from the accrued interest in the Indian Gaming Special  
16 Distribution Fund to the Charity Bingo Mitigation Fund on or after  
17 January 1, 2009, to make mitigation payments to eligible nonprofit  
18 organizations. Five million dollars (\$5,000,000) of this loan amount  
19 is hereby appropriated to the California Gambling Control  
20 Commission for the purposes of providing mitigation payments  
21 to certain charitable organizations, as described in subdivision (e).  
22 Pursuant to Section 16304 of the Government Code, after three  
23 years the unexpended balance shall revert back to the Charity  
24 Bingo Mitigation Fund.

25 (2) To reimburse the Special Distribution Fund, those nonprofit  
26 organizations that conduct a remote caller bingo game pursuant  
27 to Section 326.3 shall pay to the California Gambling Control  
28 Commission an amount equal to 5 percent of the gross revenues  
29 of each remote caller bingo game played until that time as the full  
30 advanced amount plus interest on the loan at the rate accruing to  
31 moneys in the Pooled Money Investment Account is reimbursed.  
32 *The commission shall post information regarding payments*  
33 *pursuant to this paragraph from nonprofit organizations that*  
34 *conduct remote caller bingo on its Internet Web site.*

35 (e) (1) An organization meeting the requirements in subdivision  
36 (a) shall be eligible to receive mitigation payments from the Charity  
37 Bingo Mitigation Fund only if the city, county, or city and county  
38 in which the organization is located maintained official records of  
39 the net revenues generated for the fiscal year ending June 30, 2008,  
40 by the organization from the use of electronic devices or the

1 organization maintained audited financial records for the fiscal  
2 year ending June 30, 2008, which show the net revenues generated  
3 from the use of electronic devices.

4 (2) In addition, an organization applying for mitigation payments  
5 shall provide proof that its board of directors has adopted a  
6 resolution and its chief executive officer has signed a statement  
7 executed under penalty of perjury stating that, as of January 1,  
8 2009, the organization has ceased using electronic devices other  
9 than card-minding devices, as described in subdivision (p) of  
10 Section 326.5, as a fundraising tool.

11 (3) Each eligible organization may apply to the California  
12 Gambling Control Commission no later than January 31, 2009,  
13 for the mitigation payments in the amount equal to net revenues  
14 from the fiscal year ending June 30, 2008, by filing an application,  
15 including therewith documents and other proof of eligibility,  
16 including any and all financial records documenting the  
17 organization's net revenues for the fiscal year ending June 30,  
18 2008, as the California Gambling Control Commission may require.  
19 The California Gambling Control Commission is authorized to  
20 access and examine the financial records of charities requesting  
21 funding in order to confirm the legitimacy of the request for  
22 funding. In the event that the total of those requests exceeds five  
23 million dollars (\$5,000,000), payments to all eligible applicants  
24 shall be reduced in proportion to each requesting organization's  
25 reported or audited net revenues from the operation of electronic  
26 devices.

27 ~~SEC. 5.~~

28 *SEC. 6.* Section 326.5 of the Penal Code is amended to read:

29 326.5. (a) Neither the prohibition on gambling in this chapter  
30 nor in Chapter 10 (commencing with Section 330) applies to any  
31 bingo game that is conducted in a city, county, or city and county  
32 pursuant to an ordinance enacted under Section 19 of Article IV  
33 of the California Constitution, if the ordinance allows games to be  
34 conducted only in accordance with this section, and only by  
35 organizations exempted from the payment of the bank and  
36 corporation tax by Sections 23701a, 23701b, 23701d, 23701e,  
37 23701f, 23701g, 23701k, 23701l, and 23701w of the Revenue and  
38 Taxation Code, and by mobilehome park associations, senior  
39 citizens organizations, and charitable organizations affiliated with  
40 a school district; and if the receipts of those games are used only

1 for charitable purposes. The ordinance may be amended by  
2 resolution of the governing body of the city, county, or city and  
3 county to allow a remote caller bingo game to be played or  
4 conducted in accordance with the requirements of Section 326.3.

5 (b) It is a misdemeanor for any person to receive or pay a profit,  
6 wage, or salary from any bingo game authorized by Section 19 of  
7 Article IV of the California Constitution. Security personnel  
8 employed by the organization conducting the bingo game may be  
9 paid from the revenues of bingo games, as provided in subdivisions  
10 (j) and (k).

11 (c) A violation of subdivision (b) shall be punishable by a fine  
12 not to exceed ten thousand dollars (\$10,000), which fine is  
13 deposited in the general fund of the city, county, or city and county  
14 that enacted the ordinance authorizing the bingo game. A violation  
15 of any provision of this section, other than subdivision (b), is a  
16 misdemeanor.

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

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

21 (f) An organization authorized to conduct bingo games pursuant  
22 to subdivision (a) shall conduct a bingo game only on property  
23 owned or leased by it, or property whose use is donated to the  
24 organization, and which property is used by that organization for  
25 an office or for performance of the purposes for which the  
26 organization is organized. Nothing in this subdivision shall be  
27 construed to require that the property owned or leased by, or whose  
28 use is donated to, the organization be used or leased exclusively  
29 by, or donated exclusively to, that organization.

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

32 (h) A bingo game shall be operated and staffed only by members  
33 of the authorized organization that organized it. Those members  
34 shall not receive a profit, wage, or salary from any bingo game.  
35 Only the organization authorized to conduct a bingo game shall  
36 operate such a game, or participate in the promotion, supervision,  
37 or any other phase of a bingo game. This subdivision does not  
38 preclude the employment of security personnel who are not  
39 members of the authorized organization at a bingo game by the  
40 organization conducting the game.

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

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

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

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

18 (2) (A) Except as provided in subparagraph (B), a portion of  
19 the proceeds, not to exceed 20 percent of the proceeds before the  
20 deduction for prizes, or two thousand dollars (\$2,000) per month,  
21 whichever is less, may be used for the rental of property and for  
22 overhead, including the purchase of bingo equipment,  
23 administrative expenses, security equipment, and security  
24 personnel.

25 (B) For the purposes of bingo games conducted by the Lake  
26 Elsinore Elks Lodge, a portion of the proceeds, not to exceed 20  
27 percent of the proceeds before the deduction for prizes, or three  
28 thousand dollars (\$3,000) per month, whichever is less, may be  
29 used for the rental of property and for overhead, including the  
30 purchase of bingo equipment, administrative expenses, security  
31 equipment, and security personnel. Any amount of the proceeds  
32 that is additional to that permitted under subparagraph (A), up to  
33 one thousand dollars (\$1,000), shall be used for the purpose of  
34 financing the rebuilding of the facility and the replacement of  
35 equipment that was destroyed by fire in 2007. The exception to  
36 subparagraph (A) that is provided by this subparagraph shall remain  
37 in effect only until the cost of rebuilding the facility is repaid, or  
38 January 1, 2019, whichever occurs first.

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

1 (4) A city, county, or city and county that enacts an ordinance  
2 permitting bingo games may specify in the ordinance that if the  
3 monthly gross receipts from bingo games of an organization within  
4 this subdivision exceed five thousand dollars (\$5,000), a minimum  
5 percentage of the proceeds shall be used only for charitable  
6 purposes not relating to the conducting of bingo games and that  
7 the balance shall be used for prizes, rental of property, overhead,  
8 administrative expenses, and payment of license fees. The amount  
9 of proceeds used for rental of property, overhead, and  
10 administrative expenses is subject to the limitations specified in  
11 paragraph (2).

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

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

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

31 (n) The total value of prizes available to be awarded during the  
32 conduct of any bingo games shall not exceed five hundred dollars  
33 (\$500) in cash or kind, or both, for each separate game which is  
34 held.

35 (o) As used in this section, “bingo” means a game of chance in  
36 which prizes are awarded on the basis of designated numbers or  
37 symbols that are marked or covered by the player on a tangible  
38 card in the player’s possession and that conform to numbers or  
39 symbols, selected at random and announced by a live caller.  
40 Notwithstanding Section 330c, as used in this section, the game

1 of bingo includes tangible cards having numbers or symbols that  
2 are concealed and preprinted in a manner providing for distribution  
3 of prizes. Electronics or video displays shall not be used in  
4 connection with the game of bingo, except in connection with the  
5 caller's drawing of numbers or symbols and the public display of  
6 that drawing, and except as provided in subdivision (p). The  
7 winning cards shall not be known prior to the game by any person  
8 participating in the playing or operation of the bingo game. All  
9 preprinted cards shall bear the legend, "for sale or use only in a  
10 bingo game authorized under California law and pursuant to local  
11 ordinance." Only a covered or marked tangible card possessed by  
12 a player and presented to an attendant may be used to claim a prize.  
13 It is the intention of the Legislature that bingo as defined in this  
14 subdivision applies exclusively to this section and shall not be  
15 applied in the construction or enforcement of any other provision  
16 of law.

17 (p) (1) Players who are physically present at a bingo game may  
18 use hand-held, portable card-minding devices, as described in this  
19 subdivision, to assist in monitoring the numbers or symbols  
20 announced by a live caller as those numbers or symbols are called  
21 in a live game. Card-minding devices may not be used in  
22 connection with any game where a bingo card may be sold or  
23 distributed after the start of the ball draw for that game. A  
24 card-minding device shall do all of the following:

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

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

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

31 (D) Identify winning bingo patterns that exist on the stored  
32 bingo faces.

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

36 (A) Be capable of accepting or dispensing any coins, currency,  
37 or other representative of value or on which value has been  
38 encoded.

1 (B) Be capable of monitoring any bingo card face other than  
2 the faces of the tangible bingo card or cards purchased by the  
3 player for that game.

4 (C) Display or represent the game result through any means,  
5 including, but not limited to, video or mechanical reels or other  
6 slot machine or casino game themes, other than highlighting the  
7 winning numbers or symbols marked or covered on the tangible  
8 bingo cards or giving an audio alert that the player's card has a  
9 prize-winning pattern.

10 (D) Determine the outcome of any game or be physically or  
11 electronically connected to any component that determines the  
12 outcome of a game or to any other bingo equipment, including,  
13 but not limited to, the ball call station, or to any other card-minding  
14 device. No other player-operated or player-activated electronic or  
15 electromechanical device or equipment is permitted to be used in  
16 connection with a bingo game.

17 (q) This section shall remain in effect only until January 1, 2017,  
18 and as of that date is repealed, unless a later enacted statute, that  
19 is enacted before January 1, 2017, deletes or extends that date.

20 ~~SEC. 6.~~

21 *SEC. 7.* Section 326.5 is added to the Penal Code, to read:

22 326.5. (a) Neither the prohibition on gambling in this chapter  
23 nor in Chapter 10 (commencing with Section 330) applies to any  
24 bingo game that is conducted in a city, county, or city and county  
25 pursuant to an ordinance enacted under Section 19 of Article IV  
26 of the California Constitution, if the ordinance allows games to be  
27 conducted only in accordance with this section, and only by  
28 organizations exempted from the payment of the bank and  
29 corporation tax by Sections 23701a, 23701b, 23701d, 23701e,  
30 23701f, 23701g, 23701k, 23701l, and 23701w of the Revenue and  
31 Taxation Code, and by mobilehome park associations, senior  
32 citizens organizations, and charitable organizations affiliated with  
33 a school district; and if the receipts of those games are used only  
34 for charitable purposes.

35 (b) It is a misdemeanor for any person to receive or pay a profit,  
36 wage, or salary from any bingo game authorized by Section 19 of  
37 Article IV of the California Constitution. Security personnel  
38 employed by the organization conducting the bingo game may be  
39 paid from the revenues of bingo games, as provided in subdivisions  
40 (j) and (k).

1 (c) A violation of subdivision (b) shall be punishable by a fine  
2 not to exceed ten thousand dollars (\$10,000), which fine is  
3 deposited in the general fund of the city, county, or city and county  
4 that enacted the ordinance authorizing the bingo game. A violation  
5 of any provision of this section, other than subdivision (b), is a  
6 misdemeanor.

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

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

11 (f) An organization authorized to conduct bingo games pursuant  
12 to subdivision (a) shall conduct a bingo game only on property  
13 owned or leased by it, or property whose use is donated to the  
14 organization, and which property is used by that organization for  
15 an office or for performance of the purposes for which the  
16 organization is organized. Nothing in this subdivision shall be  
17 construed to require that the property owned or leased by, or whose  
18 use is donated to, the organization be used or leased exclusively  
19 by, or donated exclusively to, that organization.

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

22 (h) A bingo game shall be operated and staffed only by members  
23 of the authorized organization that organized it. Those members  
24 shall not receive a profit, wage, or salary from any bingo game.  
25 Only the organization authorized to conduct a bingo game shall  
26 operate such a game, or participate in the promotion, supervision,  
27 or any other phase of a bingo game. This subdivision does not  
28 preclude the employment of security personnel who are not  
29 members of the authorized organization at a bingo game by the  
30 organization conducting the game.

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

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

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

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

9 (2) (A) Except as provided in subparagraph (B), a portion of  
10 the proceeds, not to exceed 20 percent of the proceeds before the  
11 deduction for prizes, or two thousand dollars (\$2,000) per month,  
12 whichever is less, may be used for the rental of property and for  
13 overhead, including the purchase of bingo equipment,  
14 administrative expenses, security equipment, and security  
15 personnel.

16 (B) For the purposes of bingo games conducted by the Lake  
17 Elsinore Elks Lodge, a portion of the proceeds, not to exceed 20  
18 percent of the proceeds before the deduction for prizes, or three  
19 thousand dollars (\$3,000) per month, whichever is less, may be  
20 used for the rental of property and for overhead, including the  
21 purchase of bingo equipment, administrative expenses, security  
22 equipment, and security personnel. Any amount of the proceeds  
23 that is additional to that permitted under subparagraph (A), up to  
24 one thousand dollars (\$1,000), shall be used for the purpose of  
25 financing the rebuilding of the facility and the replacement of  
26 equipment that was destroyed by fire in 2007. The exception to  
27 subparagraph (A) that is provided by this subparagraph shall remain  
28 in effect only until the cost of rebuilding the facility is repaid, or  
29 January 1, 2019, whichever occurs first.

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

31 (4) A city, county, or city and county that enacts an ordinance  
32 permitting bingo games may specify in the ordinance that if the  
33 monthly gross receipts from bingo games of an organization within  
34 this subdivision exceed five thousand dollars (\$5,000), a minimum  
35 percentage of the proceeds shall be used only for charitable  
36 purposes not relating to the conducting of bingo games and that  
37 the balance shall be used for prizes, rental of property, overhead,  
38 administrative expenses, and payment of license fees. The amount  
39 of proceeds used for rental of property, overhead, and

1 administrative expenses is subject to the limitations specified in  
2 paragraph (2).

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

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

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

22 (n) The total value of prizes available to be awarded during the  
23 conduct of any bingo games shall not exceed five hundred dollars  
24 (\$500) in cash or kind, or both, for each separate game which is  
25 held.

26 (o) As used in this section, “bingo” means a game of chance in  
27 which prizes are awarded on the basis of designated numbers or  
28 symbols that are marked or covered by the player on a tangible  
29 card in the player’s possession and that conform to numbers or  
30 symbols, selected at random and announced by a live caller.  
31 Notwithstanding Section 330c, as used in this section, the game  
32 of bingo includes tangible cards having numbers or symbols that  
33 are concealed and preprinted in a manner providing for distribution  
34 of prizes. Electronics or video displays shall not be used in  
35 connection with the game of bingo, except in connection with the  
36 caller’s drawing of numbers or symbols and the public display of  
37 that drawing, and except as provided in subdivision (p). The  
38 winning cards shall not be known prior to the game by any person  
39 participating in the playing or operation of the bingo game. All  
40 preprinted cards shall bear the legend, “for sale or use only in a

1 bingo game authorized under California law and pursuant to local  
2 ordinance.” Only a covered or marked tangible card possessed by  
3 a player and presented to an attendant may be used to claim a prize.  
4 It is the intention of the Legislature that bingo as defined in this  
5 subdivision applies exclusively to this section and shall not be  
6 applied in the construction or enforcement of any other provision  
7 of law.

8 (p) (1) Players who are physically present at a bingo game may  
9 use hand-held, portable card-minding devices, as described in this  
10 subdivision, to assist in monitoring the numbers or symbols  
11 announced by a live caller as those numbers or symbols are called  
12 in a live game. Card-minding devices may not be used in  
13 connection with any game where a bingo card may be sold or  
14 distributed after the start of the ball draw for that game. A  
15 card-minding device shall do all of the following:

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

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

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

22 (D) Identify winning bingo patterns that exist on the stored  
23 bingo faces.

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

27 (A) Be capable of accepting or dispensing any coins, currency,  
28 or other representative of value or on which value has been  
29 encoded.

30 (B) Be capable of monitoring any bingo card face other than  
31 the faces of the tangible bingo card or cards purchased by the  
32 player for that game.

33 (C) Display or represent the game result through any means,  
34 including, but not limited to, video or mechanical reels or other  
35 slot machine or casino game themes, other than highlighting the  
36 winning numbers or symbols marked or covered on the tangible  
37 bingo cards or giving an audio alert that the player’s card has a  
38 prize-winning pattern.

39 (D) Determine the outcome of any game or be physically or  
40 electronically connected to any component that determines the

1 outcome of a game or to any other bingo equipment, including,  
2 but not limited to, the ball call station, or to any other card-minding  
3 device. No other player-operated or player-activated electronic or  
4 electromechanical device or equipment is permitted to be used in  
5 connection with a bingo game.

6 (q) This section shall become operative on January 1, 2017.

7 ~~SEC. 7.~~

8 *SEC. 8.* 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 ~~SEC. 8.~~

18 *SEC. 9.* This act is an urgency statute necessary for the  
19 immediate preservation of the public peace, health, or safety within  
20 the meaning of Article IV of the Constitution and shall go into  
21 immediate effect. The facts constituting the necessity are:

22 In order to define the roles of the Department of Justice and the  
23 California Gambling Control Commission relating to remote caller  
24 bingo in accordance with the Governor’s Reorganization Plan No.  
25 2 of 2012, and to provide continuity for charitable organizations  
26 that are conducting remote caller bingo at the earliest possible  
27 time, it is necessary that this act take effect immediately.