

ASSEMBLY BILL

No. 1924

Introduced by Assembly Member Jeffries

February 12, 2008

An act to amend Section 326.5 of the Penal Code, relating to bingo.

LEGISLATIVE COUNSEL'S DIGEST

AB 1924, as introduced, Jeffries. Charitable bingo: overhead.

The California Constitution allows the Legislature, by statute, to authorize cities and counties to provide for bingo games for charitable purposes. Existing law requires that the proceeds of bingo games be used only for charitable purposes, with certain exceptions, including an exception providing that no more than 20% of the proceeds before the deduction for prizes, or \$2,000 per month, whichever is less, may be used for the rental of property and for overhead.

This bill would change the amount of bingo proceeds that may be used for rental and overhead as described above to 20% of the proceeds before the deduction for prizes, or \$3,000 per month, whichever is less.

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

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

- 1 SECTION 1. Section 326.5 of the Penal Code is amended to
- 2 read:
- 3 326.5. (a) Neither this chapter nor Chapter 10 (commencing
- 4 with Section 330) applies to any bingo game that is conducted in
- 5 a city, county, or city and county pursuant to an ordinance enacted

1 under Section 19 of Article IV of the State Constitution, if ~~the both~~
2 *of the following requirements are met:*

3 (1) *The ordinance allows games to be conducted only by*
4 *organizations exempted from the payment of the bank and*
5 *corporation tax by Sections 23701a, 23701b, 23701d, 23701e,*
6 *23701f, 23701g, and 23701l of the Revenue and Taxation Code,*
7 *and by mobilehome park associations and senior citizens*
8 *organizations; and if the.*

9 (2) *The receipts of those games are used only for charitable*
10 *purposes.*

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

17 (c) A violation of subdivision (b) shall be punishable by a fine
18 not to exceed ten thousand dollars (\$10,000), which fine ~~is~~ *shall*
19 *be* deposited in the general fund of the city, county, or city and
20 county that enacted the ordinance authorizing the bingo game. A
21 violation of any provision of this section, other than subdivision
22 (b), is a misdemeanor.

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

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

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

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

38 (h) A bingo game shall be operated and staffed only by members
39 of the authorized organization that organized it. Those members
40 shall not receive a profit, wage, or salary from any bingo game.

1 Only the organization authorized to conduct a bingo game shall
2 operate such a game, or participate in the promotion, supervision,
3 or any other phase of a bingo game. This subdivision does not
4 preclude the employment of security personnel who are not
5 members of the authorized organization at a bingo game by the
6 organization conducting the game.

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

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

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

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

24 (2) A portion of the proceeds, not to exceed 20 percent of the
25 proceeds before the deduction for prizes, or ~~two~~ *three* thousand
26 dollars ~~(\$2,000)~~ *(\$3,000)* per month, whichever is less, may be
27 used for the rental of property and for overhead, including the
28 purchase of bingo equipment, administrative expenses, security
29 equipment, and security personnel.

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 awarded during the conduct of any
23 bingo games shall not exceed two hundred fifty dollars (\$250) in
24 cash or kind, or both, for each separate game which is held.

25 (o) As used in this section, “bingo” means a game of chance in
26 which prizes are awarded on the basis of designated numbers or
27 symbols on a card that conform to numbers or symbols selected
28 at random. Notwithstanding Section 330c, as used in this section,
29 the game of bingo includes cards having numbers or symbols that
30 are concealed and preprinted in a manner providing for distribution
31 of prizes. The winning cards shall not be known prior to the game
32 by any person participating in the playing or operation of the bingo
33 game. All preprinted cards shall bear the legend, “for sale or use
34 only in a bingo game authorized under California law and pursuant
35 to local ordinance.” It is the intention of the Legislature that bingo
36 as defined in this subdivision applies exclusively to this section
37 and shall not be applied in the construction or enforcement of any
38 other provision of law.