

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

HOUSE BILL NO. 2312

BY: COTNER

AS INTRODUCEDAN ACT RELATING TO AMUSEMENTS AND SPORTS; CREATING THE BINGO LICENSING ACT; PROVIDING SHORT TITLE; DEFINING TERMS; REQUIRING THE OKLAHOMA TAX COMMISSION TO PROMULGATE AND ADOPT CERTAIN RULES; PROVIDING FOR POWERS, FUNCTIONS AND DUTIES OF THE TAX COMMISSION; DESIGNATING THE TAX COMMISSION AS THE LICENSING AND REGULATORY AUTHORITY; PROVIDING QUALIFICATIONS AND REQUIREMENTS FOR ORGANIZATIONS OR ASSOCIATIONS ISSUED LICENSES TO CONDUCT BINGO; PROVIDING FOR REPORTING OF SALES TAX; PROVIDING LICENSE APPLICATION PROCEDURES FOR LICENSES TO CONDUCT BINGO; PROVIDING LICENSE FEES; PROVIDING PUBLICATION REQUIREMENTS; PROVIDING LICENSE LIMITATIONS; PROHIBITING LEASING OF BINGO LICENSE; PROVIDING GROUNDS FOR DENIAL OF LICENSE; PROVIDING FOR ORGANIZATIONS CONDUCTING BINGO ACTIVITIES THREE OR FEWER TIMES PER YEAR; PROVIDING SESSION, GAME AND PRIZE LIMITATIONS; PROVIDING FOR POSTING OF LICENSES; PROVIDING LOCATION LIMITATIONS; PROVIDING FOR INTERIM LICENSES; PROVIDING PROCEDURES FOR REVOCATION OF LICENSES; REQUIRING THAT CERTAIN EXPENDITURES BE DISBURSED BY CHECK AND AUTHORIZING THE PAYMENT OF OTHER EXPENDITURES BY CHECK; PROVIDING FOR THE LICENSING OF DISTRIBUTORS OF BINGO SUPPLIES OR EQUIPMENT; PROVIDING LICENSE FEE; PROVIDING TERM OF LICENSE; PROVIDING FOR DISBURSEMENT OF LICENSING FEES; PROHIBITING LICENSING IN CERTAIN CIRCUMSTANCES; PROVIDING APPLICATION PROCEDURES FOR DISTRIBUTOR LICENSES; REQUIRING CERTAIN RECORDS BE MAINTAINED AND MADE AVAILABLE FOR INSPECTION; PROVIDING FOR CERTAIN MONTHLY

REPORTS; REQUIRING COMPLIANCE WITH TAX LAWS; REQUIRING PURCHASES FROM LICENSED DISTRIBUTORS; PROVIDING FOR REPORTING OF DAMAGED AND WINNING CARDS; PROHIBITING REMOVAL OF UNUSED MATERIAL FROM LICENSED PREMISES; PROHIBITING USE OF NONDISPOSABLE CARDS AFTER A CERTAIN DATE, WITH EXCEPTION; DECLARING CERTAIN ITEMS TO BE CONTRABAND; PROVIDING PROCEDURES FOR SEIZURE AND FORFEITURE OF CONTRABAND; PROVIDING FOR AN IDENTIFICATION STAMP; REQUIRING STAMP TO BE AFFIXED TO CONTAINERS OF BINGO FACES; PROVIDING FOR STANDARD RECORDKEEPING AND INTERNAL CONTROL SYSTEMS; REQUIRING CERTAIN REPORTS BY LICENSED ORGANIZATIONS; PROHIBITING CERTAIN ACTS; PROVIDING PENALTIES; AMENDING 22 O.S. 1991, SECTION 1402, WHICH RELATES TO THE OKLAHOMA CORRUPT ORGANIZATIONS PREVENTION ACT; MODIFYING DEFINITIONS TO CORRECT REFERENCES TO BINGO STATUTES; REPEALING 21 O.S. 1991, SECTIONS 995.1, 995.1a, 995.2, 995.3, 995.3a, 995.4, 995.5, 995.6, 995.7, 995.8, 995.9, 995.10, 995.11, 995.12, 995.13, 995.14 AND 995.15, WHICH RELATE TO BINGO; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 301 of Title 3A, unless there is created a duplication in numbering, reads as follows:

Sections 1 through 18 of this act shall be known and may be cited as the "Bingo Licensing Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 302 of Title 3A, unless there is created a duplication in numbering, reads as follows:

As used in the Bingo Licensing Act:

1. "Bingo" means a game in which each participant receives one or more cards, each of which is marked off into twenty-five squares

arranged in five horizontal rows of five squares each and five vertical rows of five squares each, with each square being designated by number, letter or combination of numbers and letters, and the center square designated with the word "free", with no two cards being identical, with the players covering squares as the operator of such game announces a number, letter or combination of numbers and letters appearing on an object selected by chance, either manually or mechanically, from a receptacle in which have been placed objects bearing numbers, letters or combinations of numbers and letters corresponding to the system used for designating the squares, with the winner of each game being the player or players first properly covering a predetermined and announced pattern of squares upon the card being used by him or them;

2. "Rip-off games" or "pull-tab games" means games wherein a participant receives a sealed card or tab which, when opened by the participant, reveals some combination of numbers, letters or symbols, the arrangement of which determines if the participant has won a prize;

3. "Net proceeds" means gross receipts less authorized expenditures;

4. "Authorized expenditures" means winnings, prizes and overhead;

5. "Charitable purposes" means those purposes specified in the articles of incorporation of the organization or in other appropriate documents filed with the Internal Revenue Service; and

6. "Face" means a paper replication of a bingo card, uniquely identified within the case or set by an individualized "free space" number.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 303 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Tax Commission shall promulgate and adopt rules for the implementation of the Bingo Licensing Act in accordance with the provisions of the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes.

B. The Tax Commission shall have the following powers, functions, and duties:

1. To enter at any time upon any premises where bingo games are conducted to determine if any of the provisions of the Bingo Licensing Act or any rules or regulations adopted and promulgated pursuant thereto have been or are being violated, and at such time to examine such premises;

2. To revoke or suspend any license issued pursuant to the Bingo Licensing Act pursuant to the provisions of Section 11 of this act if the Tax Commission determines that the holder of the license has violated any rule or regulation adopted or promulgated pursuant to the Bingo Licensing Act or has violated any gambling law of this state; and

3. To compute, determine, assess and collect the amounts required to be paid as taxes.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 304 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Tax Commission shall be authorized to issue a license to conduct bingo games to any organization that is a bona fide religious, charitable, labor, fraternal, educational organization or any branch, lodge, chapter or auxiliary thereof or any veterans' or firemen's organization which operates without profit to its members, and provided that such organization has been in existence for not less than two (2) years prior to making application for license and is exempt from tax under paragraphs (3), (4), (5), (6), (7), (8), (10) or (19) of subsection (c) of Section 501 of the Internal Revenue Code, 26 U.S.C., Section 501(c).

B. Each licensee shall control all bingo-related income and expenses in its own accounts and through its own officials who have been duly authorized by its membership. Such officials shall issue a written financial report to the licensee's membership on at least an annual basis. A copy of the written financial report and any other reports required by the Tax Commission shall be submitted by each licensee to the Tax Commission as required by law.

C. Provided, persons selling bingo cards, bingo supplies, food, drink, or any other concession item at any location at which bingo games are authorized under the provisions of the Bingo Licensing Act shall be required to obtain a sales tax permit pursuant to the provisions of Section 1350 et seq. of Title 68 of the Oklahoma Statutes prior to such sale.

D. The Tax Commission shall provide separate forms for the reporting of sales tax on bingo cards and bingo supplies.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 305 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. Any organization or association which meets the requirements set forth in subsection A of Section 4 of this act may apply to the Oklahoma Tax Commission for a license to conduct bingo games. The application shall be on such form as designated by the Tax Commission and shall contain sufficient information to enable the Tax Commission to make a determination as to whether the license should be issued.

B. The application form shall include:

1. A statement that the applicant is required by law to be an organization or association which meets the requirements set forth in Section 4 of this act;

2. The specific address or location at which the applicant proposes to conduct bingo; and

3. The name and address of the person authorized to receive notice in behalf of said licensee.

C. The application shall be accompanied by:

1. A copy of any sales tax permit issued by the Tax Commission to the organization;

2. A copy of a letter or other certificate from the Internal Revenue Service wherein it is recognized that the applicant or parent organization or association of the applicant is a nonprofit organization and exempt from payment of federal income taxes;

3. A copy of the minutes of a meeting of such applicant designating current officers of such organization or association and their terms of office;

4. A copy of the minutes of a meeting of such applicant authorizing the application for a bingo license;

5. A certified copy of the applicant's articles of incorporation or corporate trade name report or the organization constitution and bylaws, if unincorporated under Section 501(c)(5) of the Internal Revenue Code; and

6. A copy of the federal identification number of the applicant or of the parent organization or association of the applicant.

D. All of the requirements provided for in this section shall be sworn and attested to by a designated principal officer of said nonprofit organization or association or by the attorney of record for the organization or association.

E. The applicant applying for such license shall pay to the Tax Commission a fee of Sixty Dollars (\$60.00) for the issuance of the initial license. All licenses shall expire on December 31 of each year, and may be renewed for a period of one (1) year upon payment of a fee of Fifteen Dollars (\$15.00). All such fees shall be deposited in the General Revenue Fund.

F. An applicant for a bingo license shall, prior to applying for such license, twice publish, in such form and containing such

information as the Tax Commission shall by regulation prescribe, a notice of its intention to apply for any such license, once a week for two (2) successive weeks in a legal newspaper of general circulation within the county where the applicant proposes to conduct bingo, and file proof of such publication with the Tax Commission. The notice shall include the name of the applicant and the address or location at which the applicant proposes to conduct bingo. Upon application being filed, the Tax Commission shall mail notice of the application to the district attorney, the sheriff and the chief of police or marshal of any city or town in which bingo is proposed to be conducted. If there are no protests and the application is sufficient on its face, then the license shall be granted by the Tax Commission. Provided, that if a written protest setting forth objections is filed prior to issuance, then the Tax Commission shall hear the application or assign such application to an officer or employee of the Tax Commission for hearing. Said hearing shall be held within thirty (30) days and after due notice. The application for such license must be in writing and verified by the presiding officer of the applicant organization. All testimony before the Tax Commission shall be under oath.

G. No more than one license shall be issued for any one location or building; provided, a maximum of three licenses may be issued for any location or building if:

1. Each licensee files a semiannual report of public record with the Tax Commission on forms provided by the Tax Commission documenting that all of the licensee's net proceeds from the bingo operation, which shall be at least twenty-five percent (25%) of the gross receipts, go to charitable purposes; or

2. If during each one-month period, an average of no more than one hundred persons are allowed to play bingo during each session at such location or building.

H. Bingo shall not be conducted more than three (3) days in a given week on a single license; provided, if conducted at a single location or building under more than one license pursuant to the provisions of subsection G of this section, bingo shall not be conducted more than two (2) days in a given week on a single license at such location or building.

I. A license granted pursuant to the provisions of this section shall not be leased, assigned, sold or transferred to any other organization, person or entity of any nature and no bingo game shall be administered or conducted pursuant to the provisions of the Bingo Licensing Act except by the organization to which a license has been issued.

J. An applicant organization shall be denied a license if any officer of the organization has been convicted of a felony pursuant to the laws of the United States, this state or any other state.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 306 of Title 3A, unless there is created a duplication in numbering, reads as follows:

Any organization, qualifying under the provisions in Section 4 of this act which conducts bingo activities three times or fewer per year shall, upon filing of a verified application with the Oklahoma Tax Commission, signed by the executive officer of said organization, setting forth that said organization shall conduct bingo activities three times or fewer per year and the dates and times and location wherein such activities shall occur, shall be exempt from the payment of any license fees provided in the Bingo Licensing Act and shall be allowed to use nondisposable cards; provided, however, that such organization shall be subject to all other provisions of the Bingo Licensing Act.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 307 of Title 3A, unless there is created a duplication in numbering, reads as follows:

No licensee may conduct more than one session per day, each session not to exceed thirty bingo games. At each location each day, a single session of bingo shall not be conducted pursuant to more than one license. No prize greater in the amount or value than Five Hundred Dollars (\$500.00) shall be offered or given in any single game of bingo conducted under any such license and the aggregate amount of all prizes offered or given in all games played in a single session under any such license shall not exceed Three Thousand Dollars (\$3,000.00).

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 308 of Title 3A, unless there is created a duplication in numbering, reads as follows:

The license to conduct bingo games shall be posted in a conspicuous place at the location where the bingo games are held during each session conducted by the licensee.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 309 of Title 3A, unless there is created a duplication in numbering, reads as follows:

No license to conduct bingo shall be issued for any location if a license to conduct bingo for another location within a city block of the proposed location has been issued; provided, this restriction shall not prohibit bingo operations pursuant to more than one license at a single location if authorized by law. The governing body of the municipality shall notify the Oklahoma Tax Commission of any violations of the provisions of this section or of any applications for licenses pending which, if granted, would violate the provisions of this section. Provided however, this restriction shall not prohibit a church that is exempt from sales tax, pursuant to paragraph (F) of Section 1356 of Title 68 of the Oklahoma Statutes, from obtaining a license for a location which is within a city block of another location for which a bingo license has been issued.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 310 of Title 3A, unless there is created a duplication in numbering, reads as follows:

Until January 1, 1993, the Oklahoma Tax Commission shall be authorized to issue interim licenses to applicants for licenses pursuant to the Bingo Licensing Act, prior to issuance of permanent licenses. The issuance of interim licenses may take place before all the procedures required by the Bingo Licensing Act for such licensing are completed.

To obtain an interim license an applicant shall file an application for a license authorized by this section with the Tax Commission and shall furnish all other information required by this act and rules and regulations promulgated by the Tax Commission. The interim license shall remain valid until final action either issuing a license or denying the application for a license is taken by the Tax Commission on the application for a license, on which date the interim license shall expire.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 311 of Title 3A, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Tax Commission on its own motion, subject to due process of law, may revoke or suspend any license to conduct bingo or distributor's license issued pursuant to the Bingo Licensing Act, in accordance with the provisions of Section 212 of Title 68 of the Oklahoma Statutes. In addition, the district attorney of any county or the governing body of any municipality in which a location has been licensed under the Bingo Licensing Act may file a petition with the Tax Commission to revoke or suspend the license of any licensee alleging the violation by the licensee, its agents, officers or employees of any of the provisions of the Bingo Licensing Act or of the gambling laws of this state. Thereafter, following at least ten (10) days' notice by mail, with return receipt requested, to the

person designated to receive such notice in the application filed to obtain the license sought to be revoked or suspended, the Tax Commission shall hear the petition and enter its order thereon. If the license is revoked, the licensee shall not be permitted to reapply for another license hereunder for a period of one (1) year from date of revocation. Provided, that notwithstanding any other provisions of the Bingo Licensing Act, any licensee whose license has been previously revoked one time shall pay the sum of One Hundred Fifty Dollars (\$150.00) as renewal fee and the sum of Three Hundred Dollars (\$300.00) for any renewal following a second or subsequent revocation. Said fee shall be in addition to any annual license fee that is due at the time of reinstatement. All fees received pursuant to this section shall be remitted to the State Treasurer to be credited to the General Revenue Fund of the state.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 312 of Title 3A, unless there is created a duplication in numbering, reads as follows:

All authorized expenditures, except prizes and winnings of less than Five Hundred Dollars (\$500.00), shall be disbursed by check. Prizes and winnings of less than Five Hundred Dollars (\$500.00) may be disbursed by check.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 313 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. A distributor of bingo supplies or equipment shall obtain a license from the Oklahoma Tax Commission prior to selling or supplying to any licensed organizations any bingo supplies or equipment for use within this state. A distributor shall pay an annual licensing fee of One Thousand Dollars (\$1,000.00) to the Tax Commission. All distributor licenses shall expire on December 31 of each year. All fees received by the Tax Commission pursuant to this section shall be remitted to the State Treasurer to be credited to

the General Revenue Fund of the state. No individual convicted of a felony shall be licensed to sell bingo supplies or equipment in this state. No partnership shall be licensed as a distributor to sell bingo supplies or equipment in this state if a partner of the partnership has been convicted of a felony committed in this state, any other state, or pursuant to federal law. No corporation shall be licensed as a distributor to sell bingo supplies or equipment in this state if a director, officer or stockholder owning more than fifteen percent (15%) of any class of stock in the corporation has been convicted of a felony committed in this state, any other state, or pursuant to federal law.

B. The applicant for a distributor's license shall supply information on application forms supplied by the Tax Commission, which shall include the following:

1. The name and address of the applicant and the name and address of each of its separate locations distributing bingo supplies and equipment;

2. The name and address of all owners of the distributing business, if the business is not a corporation. If the business is a corporation, the name and address of each of the officers and directors of the corporation and of each stockholder owning fifteen percent (15%) or more of any class of stock in the corporation; and

3. Any other information required by the Tax Commission to determine that the applicant is qualified and eligible to receive a distributor's license.

C. Every licensed distributor shall keep and maintain a set of records which shall include all details of the activities of the license relating to the conduct of the licensed activity within this state, including but not limited to, the amount of bingo equipment and supplies and the total number of bingo cards sold to any licensed organization in this state. Such records shall be available for inspection by the Tax Commission. The records shall

be maintained for a period of not less than three (3) years from the date of the end of the licensed distributor's fiscal year.

D. Each distributor shall also submit a monthly report to the Tax Commission containing the following information:

1. The name, address and license number of each licensed organization to whom bingo supplies or equipment were sold;
2. The total number of bingo faces sold;
3. Copies of all invoices to all licensed organizations in this state showing information required by the Tax Commission; and
4. Any other information required by the Tax Commission.

E. To obtain a distributor's license, each applicant shall be in compliance with all tax laws of this state and shall not be delinquent in the payment of any state taxes.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 314 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. All bingo cards or faces shall be purchased from distributors licensed in this state, with payment to be made upon delivery. All damaged and winning bingo cards or faces shall be reported on the session form for auditing purposes by the Oklahoma Tax Commission. No unused bingo cards or faces shall be permitted to leave the premises of the licensed organizations.

B. After July 1, 1992, no licensed organization shall use nondisposable bingo cards. All cards used in any game of bingo shall be printed on paper. The provisions of this subsection shall not apply to organizations that are exempt from the payment of license fees pursuant to Section 6 of this act.

C. Any container of bingo cards or faces which does not bear the stamp required by Section 15 of this act which is not being transported to a licensed distributor from a manufacturer is declared to be contraband, unless the container is being transported through this state from another state to be sold or distributed in

another state. Any duly authorized officer or employee of the Tax Commission is hereby authorized to seize any contraband containers and any vehicle or conveyance used in the transportation of such containers. The seized containers and vehicles shall be subject to confiscation and forfeiture, pursuant to the provisions of this section.

D. After the seizure of any contraband container of bingo cards, and any vehicle or other conveyance used in the transportation of such containers, the Tax Commission shall hold a hearing to determine whether the container of bingo cards seized did not have the necessary stamp affixed as required by Section 15 of this act and the rules and regulations thereunder. The Tax Commission shall give notice of the time and place of such hearing to the owner of such container of bingo cards if known and also to the person in whose possession such container was found if such person is known and if such person in possession is not the owner of said property, as provided in Section 208 of Title 68 of the Oklahoma Statutes. Any officer or employee of the Tax Commission designated to conduct such hearing shall have power to administer oaths, and the power to issue subpoenas requiring the attendance of and the giving of testimony by witnesses, and subpoenas duces tecum requiring the production of books, papers, records and memoranda.

E. Pursuant to such hearing, the Tax Commission shall determine whether the container of cards seized did not have the stamp affixed as required by the Bingo Licensing Act and the rules and regulations thereunder and whether a vehicle or other conveyance was used to transport the cards, and upon a decision to that effect an order shall be entered that such container and vehicle or conveyance, if applicable, is confiscated and forfeited to the State of Oklahoma. The Tax Commission shall give notice of such order to the owner of such container of bingo cards if known and also to the person in whose possession said property so taken was found if such person is

known and if such person in possession is not the owner of said property.

F. After an order of forfeiture, and when a proceeding for judicial review of the order has been concluded or the time for judicial review has expired, the Tax Commission, to the extent that its order is sustained on review, shall destroy such forfeited bingo cards and shall sell such vehicle or conveyance, if applicable, at such time and place and in such manner as it deems advisable. Proceeds of such sales shall be deposited with the State Treasurer to the credit of the General Revenue Fund of the State of Oklahoma.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 315 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. Each distributor licensed pursuant to the Bingo Licensing Act shall obtain from the Oklahoma Tax Commission, free of charge, stamps to be used for identification purposes for each container of nine thousand faces prior to the sale of the bingo faces to a licensed organization.

B. The stamp shall be in a form prescribed by the Tax Commission.

C. No assemblage of bingo faces shall be delivered, shipped or transported in this state to a licensed organization unless the required stamp has been affixed thereon. If any distributor fails to procure and affix the required stamp the Tax Commission shall be authorized to revoke or suspend the distributor's license pursuant to Section 11 of this act. If any licensed organization is found to be in possession of any unstamped containers of bingo faces, the Tax Commission shall be authorized to revoke or suspend the license of the organization pursuant to Section 11 of this act.

D. Applicants for distributor and organization licenses who have an inventory of bingo faces purchased before July 1, 1992, shall submit to the Tax Commission, prior to said date, a full and

complete inventory, in the form of a sworn affidavit. Upon receipt of a license, the licensee shall be provided sufficient stamps for the inventory from the Tax Commission, based on a plan established by the Tax Commission. This subsection shall not apply to nondisposable cards.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 316 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Tax Commission shall establish by rule a standard recordkeeping system for the conduct for bingo games. The Tax Commission also shall provide a model internal control system for use by licensed organizations. All licensed organizations shall submit to the Tax Commission for the approval of the Commission, a system of internal control and recordkeeping or agree to abide by the model system promulgated by the Commission. Failure by a licensed organization to provide adequate internal control or keep financial records in accordance with an approved system or the standard system shall be grounds for suspension of license.

B. Prior to April 1 of each year, every organization which has conducted bingo games pursuant to the provisions of the Bingo Licensing Act shall file a report with the Oklahoma Tax Commission on forms provided by the Tax Commission. The report shall contain the following information:

1. The gross receipts received by the organization in conducting the bingo games;
2. The amount of the gross receipts given or to be given to the purpose represented by the organization;
3. The aggregate amount paid or to be paid for the expenses of conducting the bingo games; and
4. Any other information required by the Tax Commission.

An organization which maintains its books on other than a calendar year basis, upon application to the Tax Commission, may be

permitted to file its report within ninety (90) days after the close of its fiscal year. The report when filed shall be a public record in the office of the Tax Commission.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 317 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. No licensee shall pay any commission, salary, compensation, reward or recompense to any person for conducting bingo unless such conducting is only incidental to the regular employment of such employees of such licensees or if the officers and members of the licensed organization are blind or deaf, and in no event shall commission, salary, compensation, reward or recompense, either directly or indirectly, be based upon a percentage of the receipts accruing to such licensee by virtue of such bingo operation. Provided, employees of a nonprofit organization may be paid a fair and reasonable wage for their actual time spent conducting bingo. No employee shall conduct bingo more than eighteen (18) hours per week. Upon request by the Oklahoma Tax Commission, the Office of Handicapped Concerns shall determine and inform the Tax Commission as to whether or not the officers and members of a licensed organization are blind or deaf.

B. No licensee shall employ in any capacity a person who has been convicted of a felony pursuant to the laws of the United States, this state or any other state.

C. No part of the receipts derived from any bingo activity shall inure to the benefit of any individual shareholder, member or employee of the licensed organization except as otherwise provided in the Bingo Licensing Act.

D. No licensee shall contract with any other person or organization for which any consideration or compensation is provided to conduct its bingo operation.

E. No licensee shall pay more than the fair and reasonable rental value for premises rented or leased for the purpose of conducting bingo. In no case shall such fair and reasonable rental value be based on a percentage of the receipts accruing to such licensee by virtue of such bingo operation.

F. No bingo shall be conducted by any licensee on the first day of the week, commonly known and designated as Sunday. No bingo shall be conducted between the hours of midnight and 10:00 a.m. on weekdays.

G. No licensee shall sell, serve or permit to be consumed any intoxicating and nonintoxicating beverages as defined in the laws of Oklahoma in any room or outdoor area where bingo is conducted during the time that it is so conducted.

H. No person, except a licensee operating pursuant to the provisions of the Bingo Licensing Act or an organization subject to the provisions of Section 6 of this act, shall conduct any game of bingo for which a charge is made.

I. No licensee shall collect an admission charge for admittance to the premises where any game of bingo is conducted.

J. No minor shall be permitted to play bingo unless accompanied by a parent or guardian except when such game of bingo is conducted by an organization exempt from the license fee as provided by Section 6 of this act.

K. No licensee shall practice racial or sexual discrimination at any game of bingo.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 318 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. Any person violating the provisions of the Bingo Licensing Act except as otherwise provided in this section shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by confinement in the county jail for a period of time not to exceed

one (1) year, by a fine of not less than Two Hundred Dollars (\$200.00) and not more than Two Thousand Dollars (\$2,000.00), or by both such fine and imprisonment.

B. Any person who shall file a false or fraudulent return in connection with any tax imposed by this act, or willfully evade, or attempt to evade, any tax herein levied shall be guilty of a felony and upon conviction be fined not more than Ten Thousand Dollars (\$10,000.00), or imprisoned in the State Penitentiary for not more than five (5) years, or both such fine and imprisonment.

C. Any person who shall knowingly engage in any activity or perform any transaction or act for which a license is required under the Bingo Licensing Act, not having such license, shall be guilty of a felony and be fined not more than Ten Thousand Dollars (\$10,000.00), or imprisoned in the State Penitentiary for not more than five (5) years, or both such fine and imprisonment.

D. Any person conducting, playing, or offering to play or conduct any rip-off game or pull-tab game in any place where bingo is conducted shall be guilty of a misdemeanor and upon conviction shall be subject to imprisonment in the county jail for not more than one (1) year or by a fine of not more than Two Thousand Dollars (\$2,000.00), or by both such fine and imprisonment.

SECTION 19. AMENDATORY 22 O.S. 1991, Section 1402, is amended to read as follows:

Section 1402. As used in the Oklahoma Corrupt Organizations Prevention Act, Section 1401 et seq. of this title:

1. "Beneficial interest" includes:

- a. the interest of a person as a beneficiary pursuant to a trust, in which the trustee holds legal title to personal or real property, or
- b. the interest of a person as a beneficiary pursuant to any other arrangement under which any other person

holds legal title to personal or real property for the benefit of such person.

The term beneficial interest does not include the interest of a stockholder in a corporation or the interest of a partner in either a general or limited partnership;

2. "Enterprise" includes any individual, sole proprietorship, partnership, corporation, trust, governmental entity, or other legal entity, or any union, association, unincorporated association or group of persons, associated in fact although not a legal entity, involved in any lawful or unlawful project or undertaking;

3. "Innocent party" includes bona fide purchasers and victims;

4. "Lien notice" means the notice pursuant to the provisions of Section 1412 of this title;

5. "Pattern of racketeering activity" means two or more occasions of conduct:

a. that include each of the following:

- (1) constitute racketeering activity,
- (2) are related to the affairs of the enterprise,
- (3) are not isolated, and
- (4) are not so closely related to each other and connected in point of time and place that they constitute a single event, and

b. where each of the following is present:

- (1) at least one of the occasions of conduct occurred after November 1, 1988,
- (2) the last of the occasions of conduct occurred within three (3) years, excluding any period of imprisonment served by any person engaging in the conduct, of a prior occasion of conduct, and
- (3) for the purposes of Section 1403 of this title each of the occasions of conduct constituted a felony pursuant to the laws of this state;

6. "Pecuniary value" means:

- a. anything of value in the form of money, a negotiable instrument, or a commercial interest, or anything else, the primary significance of which is economic advantage, or
- b. any other property or service that has a value in excess of One Hundred Dollars (\$100.00);

7. "Person" means any individual or entity holding or capable of holding a legal or beneficial interest in property;

8. "Personal property" includes any personal property, or any interest in such personal property, or any right, including bank accounts, debts, corporate stocks, patents or copyrights. Personal property and beneficial interest in personal property shall be deemed to be located where the trustee, the personal property, or the instrument evidencing the right is located;

9. "Principal" means a person who engages in conduct constituting a violation of the Oklahoma Corrupt Organizations Prevention Act or who is legally accountable for the conduct of another who engages in a violation of the Oklahoma Corrupt Organizations Prevention Act;

10. "Racketeering activity" means engaging in, attempting to engage in, conspiring to engage in, or soliciting, coercing, or intimidating another person to engage in any conduct which is chargeable or indictable as constituting a felony violation of one or more of the following provisions of the Oklahoma Statutes, regardless of whether such act is in fact charged or indicted:

- a. relating to homicide pursuant to the provisions of Sections 651, 652, 653, 701.7, 701.8, 701.16, 711 or 716 of Title 21 of the Oklahoma Statutes or relating to concealment of homicidal death pursuant to the provisions of Section 543 of Title 21 of the Oklahoma Statutes,

- b. relating to kidnapping pursuant to the provisions of Sections 741, 745, 891 or 1119 of Title 21 of the Oklahoma Statutes,
- c. relating to sex offenses pursuant to the provisions of Sections 886, 888, 1021, 1021.2, 1021.4, 1024.2, 1040.51, 1111, 1111.1, 1114 or 1123 of Title 21 of the Oklahoma Statutes,
- d. relating to bodily harm pursuant to the provisions of Sections 645, 650, 650.2, 1289.16, 1302, 1303 or 1767.1 of Title 21 of the Oklahoma Statutes,
- e. relating to theft, where the offense constitutes a felony, pursuant to the provisions of Sections 1704, 1707, 1708, 1709, 1710, 1711, 1713, 1716, 1719, 1720, 1721, 1722, 1723 or 1731 of Title 21 of the Oklahoma Statutes,
- f. relating to forgery pursuant to the provisions of Sections 1561, 1562, 1571, 1572, 1574, 1575, 1577, 1578, 1579, 1580, 1581, 1582, 1583, 1584, 1585, 1586, 1587, 1588, 1589, 1590, 1591 or 1593 of Title 21 of the Oklahoma Statutes,
- g. relating to robbery pursuant to the provisions of Sections 797, 800 or 801 of Title 21 of the Oklahoma Statutes,
- h. relating to burglary pursuant to the provisions of Sections 1431, 1435 or 1437 of Title 21 of the Oklahoma Statutes,
- i. relating to arson pursuant to the provisions of Sections 1368, 1401, 1402, 1403 or 1404 of Title 21 of the Oklahoma Statutes,
- j. relating to use or possession of a firearm or other offensive weapon while committing or attempting to commit a felony pursuant to the provisions of Sections

1287, 1289.20 or 1289.21 of Title 21 of the Oklahoma Statutes,

- k. relating to gambling pursuant to the provisions of Sections 941, 942, 944, 945, 946, 948, 954, 956, 957, 962, 969, 970, 971, 981, 982, 983, 984, 985, 986, 987, 991, or 992, 995.7, 995.8, 995.11 or 995.12 of Title 21 of the Oklahoma Statutes or relating to bingo pursuant to the provisions of Section 18 of this act,
- l. relating to bribery in contests pursuant to the provisions of Sections 399 or 400 of Title 21 of the Oklahoma Statutes,
- m. relating to interference with public officers pursuant to the provisions of Sections 434, 436, 437, 438, 439, 440, 441, 443, 444, 521, 522, 532, 540, 543, 545 or 546 of Title 21 of the Oklahoma Statutes,
- n. relating to interference with judicial procedure pursuant to the provisions of Sections 388, 453, 455, 456, 491, 496 or 504 of Title 21 of the Oklahoma Statutes,
- o. relating to official misconduct pursuant to the provisions of Sections 380, 381, 382, 383, 384, 385, 386, 389, 390, 950 or 976 of Title 21 of the Oklahoma Statutes,
- p. relating to the Uniform Controlled Dangerous Substances Act, Section 2-101 et seq. of Title 63 of the Oklahoma Statutes, where the offense constitutes a felony, pursuant to the provisions of Section 2-101 et seq. of Title 63 of the Oklahoma Statutes,
- q. relating to automobile theft pursuant to the provisions of Sections 4-102, 4-103, 4-107, 4-108, 4-109 or 4-110 of Title 47 of the Oklahoma Statutes,

- r. relating to embezzlement pursuant to the provisions of Section 1412 of Title 6 of the Oklahoma Statutes, Section 641 of Title 19 of the Oklahoma Statutes, Sections 341, 531, 1451, 1452, 1453, 1454, 1455, 1456, 1463 or 1464 of Title 21 of the Oklahoma Statutes, Section 163.4 of Title 37 of the Oklahoma Statutes, Section 25 of Title 41 of the Oklahoma Statutes, Section 114 of Title 64 of the Oklahoma Statutes or Sections 506 or 1361 of Title 68 of the Oklahoma Statutes,
- s. relating to extortion, where the offense constitutes a felony, pursuant to the provisions of Sections 1304, 1481, 1482, 1485, 1486 or 1488 of Title 21 of the Oklahoma Statutes,
- t. relating to fraud, where the offense constitutes a felony, pursuant to the provisions of Sections 208.6, 208.7 or 208.8 of Title 3A of the Oklahoma Statutes, Section 552.18 of Title 18 of the Oklahoma Statutes, Sections 358, 1411, 1412, 1413, 1414, 1415, 1416, 1503, 1521, 1541.1, 1541.3, 1542, 1543, 1544, 1550.2, 1550.22, 1550.23, 1550.24, 1550.25, 1550.26, 1550.27, 1550.28, 1550.29, 1550.30, 1550.31, 1550.32, 1632, 1635 or 1662 of Title 21 of the Oklahoma Statutes or Section 604 of Title 62 of the Oklahoma Statutes,
- u. relating to conspiracy, where the offense constitutes a felony, pursuant to the provisions of Sections 421, 422 or 424 of Title 21 of the Oklahoma Statutes,
- v. relating to prostitution, pornography or obscenity pursuant to the provisions of Sections 1021, 1040.52, 1081, 1085, 1086, 1087 or 1088 of Title 21 of the Oklahoma Statutes,

- w. relating to the Oklahoma Alcoholic Beverage Control Act, Section 501 et seq. of Title 37 of the Oklahoma Statutes, where the offense constitutes a felony, pursuant to the provisions of Section 506.1 et seq. of Title 37 of the Oklahoma Statutes,
- x. relating to the Oklahoma Securities Act, Section 1 et seq. of Title 71 of the Oklahoma Statutes, where the offense constitutes a felony, pursuant to the provisions of Section 1 et seq. of Title 71 of the Oklahoma Statutes, or
- y. relating to trafficking in children pursuant to the provisions of Sections 866 and 867 of Title 21 of the Oklahoma Statutes;

In addition, "racketeering activity" may be proven by proof of engaging in, attempting to engage in, conspiring to engage in, or soliciting, coercing, or intimidating another person to engage in any of the above described conduct within another state, regardless of whether said conduct is chargeable or indictable in that state.

11. "Real property" means any real property or any interest in real property, including any lease of, or mortgage upon real property. Real property and beneficial interest in real property shall be deemed to be located where the real property is located;

12. "Trustee" includes trustees, a corporate as well as a natural person and a successor or substitute trustee in accordance with the Oklahoma Trust Act, Section 175.1 et seq. of Title 60 of the Oklahoma Statutes; and

13. "Unlawful debt" means any money or other thing of value constituting principal or interest of a debt that is unenforceable in the courts of Oklahoma, because the debt was incurred or contracted in violation of a law relating to the business of gambling activity or in violation of federal or state law but does not include any debt owed to a bank, savings and loan association,

credit union or supervised lender licensed by the Oklahoma Administrator of Consumer Credit or to any debt referred or assigned to a debt collection agency, which referral or assignment is accepted in good faith by the debt collection agency as a debt collectible under the Uniform Commercial Code or other laws of this state and enforceable in the courts of this state.

SECTION 20. REPEALER 21 O.S. 1991, Sections 995.1, 995.1a, 995.2, 995.3, 995.3a, 995.4, 995.5, 995.6, 995.7, 995.8, 995.9, 995.10, 995.11, 995.12, 995.13, 995.14 and 995.15, are hereby repealed.

SECTION 21. This act shall become effective July 1, 1992.

SECTION 22. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-2-7847 SD