

SHORT TITLE: Amusements and sports; licenses for charity game managers and employees; changing tax rates; effective date; emergency.

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

SENATE BILL NO. 156

By: Littlefield

AS INTRODUCEDAn Act relating to charity games; amending Section 3, Chapter 328, O.S.L. 1992, as amended by Section 3, Chapter 305, O.S.L. 1993 and Sections 5, 9, 18 and 22, Chapter 328, O.S.L. 1992 (3A O.S. Supp. 1994, Sections 402, 404, 408, 417 and 421), which relate to the Oklahoma Charity Games Act; modifying definitions and defining terms; specifying certain license fees; providing exception to certain restriction; modifying persons authorized to conduct charity game for which a charge is made; requiring certain persons to obtain license; modifying requirements for license application; providing that certain information be confidential and not subject to Open Records Act; requiring Alcoholic Beverage Laws Enforcement Commission to refuse to issue or to revoke license under certain circumstances; requiring licensed organization to designate manager and report such designation; specifying responsibility of manager; modifying certain restriction on selling, serving or permitting consumption of certain beverages; requiring collection of tax on certain game sheets; authorizing advertisement of certain games; transferring the administration and enforcement of the Oklahoma Charity Games Act to the Oklahoma Tax Commission; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 3, Chapter 328, O.S.L. 1992, as amended by Section 3, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1994, Section 402), is amended to read as follows:

Section 402. As used in the Oklahoma Charity Games Act, Section 401 et seq. of this title:

1. "Bingo" means a game in which each player receives a bingo face and covers the squares according to the numbers, letters, or combination of numbers and letters that have been announced by the caller. The numbers and letters called are on an object selected at random either manually or mechanically from a receptacle in which have been placed the objects bearing the numbers, letters, or combinations of numbers and letters corresponding to the system used for designating the bingo face squares. The winner of each bingo game is the player who first properly covers a predetermined and announced pattern of squares upon the bingo face being used by the player;

2. "Bingo face" means a flat piece of paper which is marked off into any number of squares in any arrangement of rows, with each square being designated by number, letter or combination of numbers and letters and with one or more squares designated as a "free" space with one or more word "Oklahoma" and a facsimile outline of a map of Oklahoma in it, which cannot be reused after the game in which a player has used it is over;

3. "Breakopen ticket card" means a single folded or banded ticket or a card, the face of which is initially covered or otherwise hidden from view to conceal a number, letter, symbol, or set of letters or symbols, a few of which numbers, letters or symbols out of every set of charity game tickets have been designated in advance at random as prize winners and which is used in a breakopen ticket game;

4. "Breakopen ticket game" means a game wherein a player receives a breakopen ticket card. A breakopen ticket game shall meet the following criteria:

- a. the game shall be assembled so that no placement of winners or losers exists that allows the possibility of prize manipulation,
- b. the concealed numbers, letters, or symbols shall not be visible from the outside of the game using high intensity lamps. Protection shall be provided by the opaque paper stock employed, with the possible addition of colors and printed blockout patterns or by use of an aluminum foil laminate,
- c. a unique symbol or printed security device, such as a specific number keyed to particular winners or the name of the symbol or some of the symbol colors changed for a window, or other similar protection shall be placed in the winning windows of prize windows to ensure that the winner image is unique,
- d. it shall not be possible to detect or pick out winning from losing tickets through variations in printing graphics, color, or use of different printing plates,
- e. it shall not be possible to isolate winning or potential winning tickets from minor variations in size or cutting of the tickets comprising a particular packet, and
- f. each ticket in a game shall have a serial number. All tickets in a game shall have the same serial number appearing in a conspicuous place on the ticket;

5. "Business entity" is a person, company, corporation, or partnership organized for profit;

6. "Charity game" means a bingo game, U-PIK-EM bingo game, or breakopen ticket game conducted by an organization pursuant to the provisions of the Oklahoma Charity Games Act;

7. "Charity game equipment" means any object uniquely designed for use in the conducting of a charity game including but not limited to bingo faces, U-PIK-EM bingo game sets, and breakopen ticket cards. Items used in conducting charity games which are not charity game equipment are ink markers, furniture and general furnishings of rooms where charity games are conducted;

8. "Commission" or "ABLE Commission" means the Alcoholic Beverage Laws Enforcement Commission;

9. "Day session" means the set time frame within which conducting of charity games is authorized beginning no earlier than 10:00 a.m. and ending no later than 5:00 p.m.;

10. "Deal" means one series of breakopen ticket game cards which have a stated number of winner payouts and a stated amount of the payouts;

11. "Distributor" means a person or business entity that sells, markets, or otherwise provides charity game equipment to an organization;

12. "Doing business" means either conducting a charity game by an organization or providing goods or services to an organization by a business entity;

13. "Employee" means a person who works for compensation in a licensed charity game establishment;

14. "Immediate family member" means a spouse, parent, child or sibling or spouse of a parent, child or sibling of a resident of a facility exempt from specific provisions of the Oklahoma Charity Games Act as provided in subsection C of Section 405 of this title;

~~14.~~ 15. "Licensee" means any person, organization, or business entity which has received a license from the Commission;

~~15.~~ 16. "Location" means the building, including the individual rooms and equipment in the rooms, grounds, and appurtenances, including adjacent premises if subject to the direct or indirect control of the organization while conducting a charity game, which are used in connection with or in furtherance of the conducting of a charity game;

~~16.~~ 17. "Manager" means a person who:

- a. works for compensation in a licensed charity game establishment,
- b. has supervisory authority over other employees or over the conduct of charity games, and
- c. has been designated as such by the organization pursuant to Section 5 of this act;

18. "Manufacturer" means a person or business entity that assembles from raw materials, supplies, or subparts to form a completed series of charity game equipment for use in charity games and that sells, markets, or otherwise provides such equipment to a distributor;

~~17.~~ 19. "Night session" means the set time frame within which conducting of charity games is authorized beginning no earlier than 5:00 p.m. and ending no later than 12:00 p.m. midnight;

~~18.~~ 20. "Organization" means a religious, charitable, labor, fraternal, educational, or other type of association or any branch, lodge, chapter, or auxiliary of such association which:

- a. operates without profit to its members,
- b. has been in existence and been operating as a nonprofit organization within the State of Oklahoma for not less than two (2) years prior to applying for an organization license; provided, this requirement shall not apply to any branch, lodge, chapter or auxiliary of a religious, charitable, labor, fraternal, educational or other type of association if

such religious, charitable, labor, fraternal, educational or other type of association has been in existence and been operating as a nonprofit organization with the State of Oklahoma for not less than two (2) years prior to the branch, lodge, chapter or auxiliary applying for an organization license,

c. is tax exempt pursuant to the provisions of paragraphs (3), (4), (5), (6), (7), (8), (9), (10), or (19) of subsection (c) of Section 501 of the United States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq., and

d. formulates bylaws which clearly identify and establish:

- (1) method of electing officers and their duties,
- (2) method by which members are elected, initiated or admitted,
- (3) the rights and privileges of each member,
- (4) that each member has one vote, and
- (5) that membership rights are personal to the member and not assignable;

~~19.~~ 21. "Special promotional game" means a bingo game which:

- a. requires a separate single sheet which is sealed for security,
- b. requires preposting of forty-five (45) to fifty (50) numbers prior to the first game of the session, and
- c. allows for sale of the special promotional game sheets throughout the session;

22. "U-PIK-EM bingo game" means a game played wherein a player writes the numbers on a U-PIK-EM bingo game set. The player retains one sheet of the set and deposits the second sheet in a receptacle in the control of the organization. The player then covers the numbers as the caller announces a number. The numbers called are on

an object selected at random either manually or mechanically from a receptacle in which have been placed the objects bearing the numbers. The winner of each U-PIK-EM bingo game is the player who first covers all the numbers appearing on the retained sheet in accordance with the pattern as designated on the sheet; and

~~20.~~ 23. "U-PIK-EM bingo game set" means two paper sheets of carbonless paper both bearing identical serial numbers on which a player writes numbers, wherein one sheet is retained by the player and used for playing and one sheet is held by the organization and used for verifying winners.

SECTION 2. AMENDATORY Section 5, Chapter 328, O.S.L. 1992 (3A O.S. Supp. 1994, Section 404), is amended to read as follows:

Section 404. A. All licenses issued pursuant to the provisions of the Oklahoma Charity Games Act shall be valid for one (1) year from the date of issue.

B. A license issued by the Commission shall not be transferable, sold, leased or assigned under any circumstances.

C. The initial and renewal fees for licenses authorized by the Oklahoma Charity Games Act shall be as follows:

1. Organization License - One Hundred Dollars (\$100.00);
2. Distributor License - Five Thousand Dollars (\$5,000.00); ~~and~~
3. Manufacturer License - Two Thousand Dollars (\$2,000.00);
4. Manager License - Fifteen Dollars (\$15.00); and
5. Employee License - Five Dollars (\$5.00).

D. All fees received by the Commission pursuant to this section shall be forwarded to the State Treasurer for deposit in the General Revenue Fund.

SECTION 3. AMENDATORY Section 9, Chapter 328, O.S.L. 1992 (3A O.S. Supp. 1994, Section 408), is amended to read as follows:

Section 408. A. Any organization desiring to conduct a charity game in this state shall apply to the Commission for an organization license. An organization license shall only be issued to an organization. A business entity shall not be qualified under any conditions to hold an organization license.

B. An organization shall be limited to only one license and to doing business at only one location.

C. An organization shall use only disposable bingo faces purchased from a licensed distributor. Only one game shall be played on each bingo face; provided, a special promotional game may be played one time per session and offer a combination of winners not to exceed three (3) prizes.

D. Only an organization or a ~~person paid by~~ licensed employee or manager of an organization shall conduct a charity game for which a charge is made. Compensation paid to an organization or other person for conducting a charity game shall not exceed two times the amount of the minimum wage specified pursuant to federal law. A compensated employee or manager of an organization shall be required to obtain an employee or manager license from the Commission.

E. An initial application for an organization license shall be sworn and attested to by a principal officer of the applicant organization and shall include:

1. A certified copy of the document from the U.S. Internal Revenue Service which grants the applicant tax-exempt status and the federal identification number;

2. ~~A certified copy of the articles of incorporation and~~ The certificate of incorporation of the organization;

3. A copy of the bylaws of the organization;

4. A copy of the minutes of the meeting of the organization at which the governing body was elected and the terms of office of each member of the governing body;

5. A copy of the minutes of the meeting of the governing body of the organization at which the application for the license was authorized;

6. The name and address of a person authorized to receive service of process on behalf of the organization;

7. The address of the location where the charity games will be conducted; ~~and~~

8. A copy of the lease agreement for the premises of its charity game activities and for any charity game equipment which it leases;

9. A written copy of the management agreement, if any, between the manager and the organization; and

10. Such other information deemed necessary by the Commission to assure eligibility for a license.

Information and documents supplied to the ABLE Commission pursuant to paragraphs 8 and 9 of this subsection shall be confidential and shall not be subject to the Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes.

F. A renewal application shall only include any changes in the information required to be submitted with the initial application.

G. An organization license shall be placed within public view at all times in a conspicuous place at the location where the charity game is being conducted.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 407.1 of Title 3A, unless there is created a duplication in numbering, reads as follows:

The ABLE Commission shall refuse to issue a license to any person who has been convicted of a felony of any state or federal law relating to gambling. If the ABLE Commission finds that any current licensee has been convicted of a felony of any state or federal law relating to gambling, the ABLE Commission shall revoke such license.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 408.1 of Title 3A, unless there is created a duplication in numbering, reads as follows:

Every organization licensed pursuant to the Oklahoma Charity Games Act shall designate one person to be manager of its charity gaming operations and shall report the name and address of its manager, if such manager is compensated for such service, to the ABLE Commission. Each such organization shall report a change in managers, if such managers are compensated for such service, to the Commission on the first working day after such change is made and receive approval from the Commission for the change. If such approval is not received on the day such report is made, the new manager shall not be permitted to conduct any charity games after that day. The manager shall be held responsible for any violation of the Oklahoma Charity Games Act or rule of the Commission and for any act of his or her servant, agent, employee or representative in violation of any law or rule.

SECTION 6. AMENDATORY Section 18, Chapter 328, O.S.L. 1992 (3A O.S. Supp. 1994, Section 417), is amended to read as follows:

Section 417. No licensed organization shall sell, serve or permit to be consumed any alcoholic beverage as defined in Section 506 of Title 37 of the Oklahoma Statutes or nonintoxicating beverage as defined in Section 163.2 of Title 37 of the Oklahoma Statutes in any room or outdoor area where and during the time a ~~charity~~ bingo or U-PIK-EM game is being conducted.

SECTION 7. AMENDATORY Section 22, Chapter 328, O.S.L. 1992 (3A O.S. Supp. 1994, Section 421), is amended to read as follows:

Section 421. A. There is hereby levied a tax in the amount of ~~one and one-half cent (\$0.015)~~ three-fourths of one cent (\$0.0075) upon each bingo face, each special promotional game sheet and each

U-PIK-EM bingo game set sold in this state to be paid by the distributor.

B. There is hereby levied upon each breakopen ticket game sold in this state a tax in the amount of ~~ten percent (10%)~~ five percent (5%) on the gross receipts of the retail sales value to be paid by the distributor. For purposes of this subsection, "gross receipts of the retail sales value" means the stated retail per breakopen ticket price multiplied by the number of tickets in each packaging container of breakopen tickets.

C. There is hereby levied upon all charity game equipment except bingo faces, special promotional game sheets, U-PIK-EM bingo game sets, and breakopen ticket games a tax in the amount of ten percent (10%) of the price paid for such equipment as shown on the purchase invoice.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 401.1 of Title 3A, unless there is created a duplication in numbering, reads as follows:

It shall be lawful to advertise bingo games, breakopen ticket games or U-PIK-EM bingo games authorized by the Oklahoma Charity Games Act, and Indian Gaming considered lawful in this state pursuant to the provisions of the Indian Gaming Regulatory Act, 25 U.S.C., Section 2701 et seq.

SECTION 9. This act shall become effective July 1, 1995.

SECTION 10. 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.

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