

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2754

By: Morrissette

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5  
6 AS INTRODUCED

7 An Act relating to amusements and sports; amending 3A  
8 O.S. 2011, Section 402, which relates to charity  
9 games; defining term; allowing breakopen ticket game  
10 machines under certain conditions; requiring machines  
11 meet certain conditions; requiring certification from  
12 certain independent testing laboratory; requiring  
13 certification contain certain findings; specifying  
14 information to be provided to testing laboratory;  
15 requiring example be made available; requiring  
16 testing laboratory provide report containing certain  
17 findings; providing scope of approval review;  
18 providing for maintenance of approval records;  
19 providing for precedence; limiting number of  
20 machines; limiting proximity of machines; providing  
21 for fee; requiring presence of agent upon  
22 installation; providing sale and shipping procedures;  
23 providing machine location requirements; requiring  
24 approval for relocation; providing for codification;  
and providing an effective date.

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

SECTION 1. AMENDATORY 3A O.S. 2011, 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           1. "Bingo" means a game in which each player receives a bingo  
2 face and covers the squares according to the numbers, letters, or  
3 combination of numbers and letters that have been announced by the  
4 caller. The numbers and letters called are on an object selected at  
5 random either manually or mechanically from a receptacle in which  
6 have been placed the objects bearing the numbers, letters, or  
7 combinations of numbers and letters corresponding to the system used  
8 for designating the bingo face squares. The winner of each bingo  
9 game is the player who first properly covers a predetermined and  
10 announced pattern of squares upon the bingo face being used by the  
11 player;

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

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

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

6 a. the game shall be assembled so that no placement of  
7 winners or losers exists that allows the possibility  
8 of prize manipulation,

9 b. the concealed numbers, letters, or symbols shall not  
10 be visible from the outside of the game using high  
11 intensity lamps. Protection shall be provided by the  
12 opaque paper stock employed, with the possible  
13 addition of colors and printed blockout patterns or by  
14 use of an aluminum foil laminate,

15 c. a unique symbol or printed security device, such as a  
16 specific number keyed to particular winners or the  
17 name of the symbol or some of the symbol colors  
18 changed for a window, or other similar protection  
19 shall be placed in the winning windows of prize  
20 windows to ensure that the winner image is unique,

21 d. it shall not be possible to detect or pick out winning  
22 from losing tickets through variations in printing  
23 graphics, color, or use of different printing plates,  
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1 e. it shall not be possible to isolate winning or  
2 potential winning tickets from minor variations in  
3 size or cutting of the tickets comprising a particular  
4 packet, and

5 f. each ticket in a game shall have a serial number. All  
6 tickets in a game shall have the same serial number  
7 appearing in a conspicuous place on the ticket;

8 5. "Breakopen ticket machine" means an electrical and  
9 mechanical machine that looks and sounds like a traditional slot  
10 machine which contains a manual feed for money, a roll of paper  
11 breakopen tickets, a bar code reader to read the back of each  
12 breakopen ticket, a rubber roller to dispense the breakopen ticket,  
13 a cutter which cuts the breakopen ticket from the roll, and a cash  
14 drawer. The bar code reader of such machine shall read the  
15 breakopen ticket as it passes through the machine to the player, and  
16 based on this reading a video screen displays the content of the  
17 breakopen ticket, whether a winner or a loser. The machine may also  
18 emit different sounds, depending on whether it has read a winning or  
19 losing ticket;

20 6. "Business entity" means a person, company, corporation, or  
21 partnership organized for profit;

22 ~~6.~~ 7. "Charity game" means a bingo game, U-PIK-EM bingo game,  
23 or breakopen ticket game conducted by an organization pursuant to  
24 the provisions of the Oklahoma Charity Games Act;

1       ~~7.~~ 8. "Charity game equipment" means any object uniquely  
2 designed for use in the conducting of a charity game including, but  
3 not limited to, bingo faces, U-PIK-EM bingo game sets, and breakopen  
4 ticket cards. Items used in conducting charity games which are not  
5 charity game equipment are ink markers, furniture and general  
6 furnishings of rooms where charity games are conducted;

7       ~~8.~~ 9. "Commission" or "ABLE Commission" means the Alcoholic  
8 Beverage Laws Enforcement Commission;

9       ~~9.~~ 10. "Day session" means the set time frame within which  
10 conducting of charity games is authorized beginning no earlier than  
11 10:00 a.m. and ending no later than 5:00 p.m.;

12       ~~10.~~ 11. "Deal" means one series of breakopen ticket game cards  
13 which has a stated number of winner payouts and a stated amount of  
14 the payouts;

15       ~~11.~~ 12. "Distributor" means a person or business entity that  
16 sells, markets, or otherwise provides charity game equipment to an  
17 organization;

18       ~~12.~~ 13. "Doing business" means either conducting a charity game  
19 by an organization or providing goods or services to an organization  
20 by a business entity;

21       ~~13.~~ 14. "Employee" means a person who works for compensation in  
22 a licensed charity game establishment;

23       ~~14.~~ 15. "Immediate family member" means a spouse, parent, child  
24 or sibling or spouse of a parent, child or sibling of a resident of

1 a facility exempt from specific provisions of the Oklahoma Charity  
2 Games Act as provided in subsection C of Section 405 of this title;

3 ~~15.~~ 16. "Licensee" means any person, organization, or business  
4 entity which has received a license from the Commission;

5 ~~16.~~ 17. "Location" means the building, including the individual  
6 rooms and equipment in the rooms, grounds, and appurtenances,  
7 including adjacent premises if subject to the direct or indirect  
8 control of the organization while conducting a charity game, which  
9 are used in connection with or in furtherance of the conducting of a  
10 charity game;

11 ~~17.~~ 18. "Manager" means a person who:

- 12 a. is an employee of an organization,  
13 b. has supervisory authority over other employees or over  
14 the conduct of charity games, and  
15 c. has been designated as such by the organization  
16 pursuant to the provisions of subsection D of Section  
17 408 of this title;

18 ~~18.~~ 19. "Manufacturer" means a person or business entity that  
19 assembles from raw materials, supplies, or subparts to form a  
20 completed series of charity game equipment for use in charity games  
21 and that sells, markets, or otherwise provides such equipment to a  
22 distributor;

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1       ~~19.~~ 20. "Night session" means the set time frame within which  
2 conducting of charity games is authorized beginning no earlier than  
3 5:00 p.m. and ending no later than 12:00 p.m. midnight;

4       ~~20.~~ 21. "Organization" means a religious, charitable, labor,  
5 fraternal, educational, or other type of association or any branch,  
6 lodge, chapter, or auxiliary of such association which:

- 7           a. operates without profit to its members,
- 8           b. has been in existence and been operating as a  
9                nonprofit organization for not less than two (2) years  
10               prior to applying for an organization license,
- 11           c. is exempt from taxation pursuant to the provisions of  
12               paragraphs (3), (4), (5), (6), (7), (8), (9), (10), or  
13               (19) of subsection (c) of Section 501 or paragraph (1)  
14               of subsection (a) of Section 509 of the United States  
15               Internal Revenue Code of 1986, as amended, 26 U.S.C.,  
16               Section 501(c) et seq. or Section 509(a)(1), and
- 17           d. formulates bylaws which clearly identify and  
18               establish:

- 19               (1) method of electing officers and their duties,
- 20               (2) method by which members are elected, initiated or  
21               admitted,
- 22               (3) the rights and privileges of each member,
- 23               (4) that each member has one vote, and

1 (5) that membership rights are personal to the member  
2 and not assignable;

3 ~~21.~~ 22. "Progressive game" means a game in which prizes are  
4 allowed to be carried over and increased from session to session;

5 ~~22.~~ 23. "U-PIK-EM bingo game" means a game played wherein a  
6 player writes the numbers on a U-PIK-EM bingo game set. The player  
7 retains one sheet of the set and deposits the second sheet in a  
8 receptacle in the control of the organization. The player then  
9 covers the numbers as the caller announces a number. The numbers  
10 called are on an object selected at random either manually or  
11 mechanically from a receptacle in which have been placed the objects  
12 bearing the numbers. The winner of each U-PIK-EM bingo game is the  
13 player who first covers all the numbers appearing on the retained  
14 sheet in accordance with the pattern as designated on the sheet; and

15 ~~23.~~ 24. "U-PIK-EM bingo game set" means two paper sheets of  
16 carbonless paper both bearing identical serial numbers on which a  
17 player writes numbers or letters, wherein one sheet is retained by  
18 the player and used for playing and one sheet is held by the  
19 organization and used for verifying winners.

20 SECTION 2. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 404.1 of Title 3A, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. The Alcoholic Beverage Laws Enforcement Commission is hereby  
24 empowered to permit licensed charity organizations to use electronic

1 breakopen ticket game machines as defined herein, under the  
2 conditions and procedures provided herein.

3 B. Only breakopen ticket machines which meet the following  
4 conditions may be authorized by the Commission:

5 1. Breakopen tickets shall be constructed with the appropriate  
6 security protections to prohibit any illicit manipulation,  
7 placement, or prior knowledge of the location of winning or losing  
8 breakopen tickets with the deal;

9 2. All breakopen tickets must be from a finite pool of tickets  
10 in which the order of play is predetermined and all tickets must be  
11 dispensed in the order in which they are stored, on a first-come,  
12 first-served basis;

13 3. The player terminal, including the audio and video features,  
14 must be nondeterministic of the game outcome, and cannot alter any  
15 deal or ticket which is received from the game;

16 4. Video and audio features of the game must respond only to  
17 the information contained in the paper breakopen ticket;

18 5. There can be no mechanism that enables the system to  
19 influence the selection of the breakopen ticket;

20 6. Each deal placed into play will have its own unique serial  
21 number to be carried on all documentation and flare; and each  
22 breakopen ticket within that deal shall have its own unique serial  
23 number marked on each breakopen ticket;

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1       7. Play shall be identified as a single deal or a commingled  
2 deal;

3       8. Game form and serial number of the deal in play must  
4 correspond to the game serial number on the invoice;

5       9. Each deal placed into play shall have a flare posted in a  
6 conspicuous place, showing all pertinent information associated with  
7 the deal;

8       10. A player must receive a paper breakopen ticket for each  
9 play;

10       11. The face of the paper breakopen ticket received from the  
11 machine's dispenser by the player must be initially covered by  
12 opaque paper stock. Colors and blackout patterns may be used;

13       12. All paper tickets must conceal numbers, letters, symbols or  
14 sets of numbers, letters, or symbols, a few of which numbers,  
15 letters or symbols out of every deal have been designated in advance  
16 at random as prize winners and which are used in the game;

17       13. The odds of a winning prize must be fixed through the  
18 finite nature of the breakopen game;

19       14. Unique or printed security devices shall be placed in the  
20 winning windows to ensure that the winner image is unique;

21       15. The breakopen ticket machine must have a cashless  
22 redemption system that ensures that a player must redeem winning  
23 tickets from an employee; and  
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1 16. A player must take the winning ticket or voucher to an  
2 employee to have the winning ticket or voucher verified before a  
3 prize associated with the ticket or voucher may be awarded or paid.

4 C. Before any breakopen ticket dispenser may be placed into  
5 operation by a licensed organization, the licensed organization  
6 shall have first obtained and submitted to the Alcoholic Beverage  
7 Laws Enforcement Commission's Director, a written certification from  
8 an independent testing laboratory licensed by the Oklahoma Horse  
9 Racing Commission, that the machine and its components:

10 1. Conform to the standards contained in this act;

11 2. Are not a Class III gaming machine, as that term is  
12 understood in the Indian Gaming Regulatory Act, 25 U.S.C., Sections  
13 2701 through 2721; and

14 3. That the breakopen ticket machine and the game played  
15 thereon do not constitute an Electronic Amusement Game, an  
16 Electronic Bonanza-Style Bingo Game, or an Electronic Instant Bingo  
17 Game, as defined in the State-Tribal Gaming Act, Sections 261  
18 through 282 of Title 3A of the Oklahoma Statutes.

19 D. In order to obtain the required certification from an  
20 independent testing laboratory, a licensed organization shall  
21 provide, or require that the manufacturer or vendor provide, to the  
22 independent testing laboratory a written request as to each machine  
23 and game for which certification is sought, any fee required to be  
24 deposited with the independent testing laboratory, and on a

1 confidential basis: two copies of the game illustrations,  
2 schematics, block diagrams, circuit analysis, technical and  
3 expertise manuals, program objections and source codes, hexadecimal  
4 dumps (the compiled computer program presented in bit 16 format),  
5 and any other information required by the independent testing  
6 laboratory. The licensed organization shall send copies of the  
7 request for certification to the Commission's Executive Director  
8 when made and shall make all materials submitted to the independent  
9 testing laboratory available to the Commission staff upon request.  
10 Any material so submitted which is designated by the manufacturer or  
11 vendor as proprietary shall remain confidential and shall not be  
12 subject to disclosure requirements of the Oklahoma Open Records Act.

13 E. If requested by the independent testing laboratory, the  
14 licensed organization shall require the manufacturer or vendor to  
15 transport not more than two working models of the game and machine  
16 for which certification is sought to a location designated by the  
17 independent testing laboratory for testing, examination, and/or  
18 analysis. Neither the state nor the independent testing laboratory  
19 shall be liable for any costs associated with the transportation,  
20 testing, examination, or analysis, including any damage to the  
21 components of the game. If requested by the independent testing  
22 laboratory, the licensed organization shall require the manufacturer  
23 or vendor to provide specialized equipment for the services of an

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1 independent technical expert to assist with the testing, examination  
2 and/or analysis.

3 F. At the conclusion of each test, the independent testing  
4 laboratory shall provide to the Commission's Executive Director, a  
5 report that contains findings, conclusions and a certification that  
6 the machine or game conforms or fails to conform to the standards  
7 and requirements of this act.

8 G. The Commission's Executive Director shall review and approve  
9 a breakopen ticket machine and game based solely upon:

10 1. The standards and requirements contained in this act; and

11 2. The reports and certification received from the independent  
12 testing laboratory.

13 H. The Commission shall maintain a file of all approved  
14 breakopen ticket machines and games, and any organization licensee  
15 may rely on the prior certification of a game or machine by an  
16 independent testing laboratory on file with the Commission, and  
17 accordingly, in applying for approval of the game, need not submit a  
18 prototype of the game for retesting.

19 I. No licensed organization may place more than twenty  
20 breakopen ticket machines within the building in which its charity  
21 gaming operation is located. Nor may any other licensed charity  
22 organizations place breakopen ticket machines in the same facility  
23 nor within one thousand (1,000) feet of the gaming location of  
24 another licensed charity organization. For each breakopen ticket

1 machine which a licensed charity organization places in the location  
2 of its gaming operation, the organization shall pay an annual fee of  
3 Five Hundred Dollars (\$500.00) prior to installation of the machine,  
4 which payment shall be evidenced by an annual sticker placed on the  
5 machine by the Commission's gaming agents.

6 J. All approved breakopen ticket machines can only be installed  
7 in a licensed organization's gaming operation in the presence of a  
8 Commission gaming agent.

9 K. Except as otherwise provided, no person may sell, display,  
10 supply, ship, transport or distribute any breakopen machine or  
11 component thereof, for use or play in the State of Oklahoma.  
12 Further, no breakopen ticket machine of a licensed charity  
13 organization may be sold, shipped, transported or distributed other  
14 than by the licensed charity organization itself, unless the person  
15 shipping, transporting or distributing the breakopen ticket machine  
16 is licensed by the Commission as a distributor, manufacturer or  
17 distributor/manufacturer. A licensed manufacturer or distributor  
18 shipping or transporting a breakopen ticket machine into the state  
19 or within the state for use at a gaming facility of a licensed  
20 organization must provide the following information to the  
21 Commission, prior to shipping, on a form provided or approved by the  
22 Commission:

23 1. The full name, address and license number of the person  
24 making the shipments;

- 1        2. The method of shipment and the name of the carrier, if any;
- 2        3. The full name, address and license number of the person to
- 3 whom the breakopen ticket machines are being shipped and the
- 4 destination of the shipment, if different from the address;
- 5        4. The number of breakopen ticket machines in the shipment;
- 6        5. The serial number of each machine;
- 7        6. The model number and description of each machine;
- 8        7. The expected arrival date of the machine at its destination;

9 and

- 10       8. All controlled program devices or other system components,
- 11 certified by an independent testing laboratory licensed by the
- 12 Oklahoma Horse Racing Commission, that require signature
- 13 verification prior to installation.

14       L. All breakopen machines, including any player terminal and

15 each game at a licensed organization's gaming facility, must be

16 physically located as follows:

- 17       1. In an area in the charity gaming organization's gaming
- 18 facility that is monitored at all times by the organization or its
- 19 members or employees, to prevent access to or play of the machines
- 20 by persons under the age of eighteen (18);

- 21       2. The initial installation and placement of each player
- 22 terminal and each game within an organization's gaming facility,
- 23 must take place in the presence of a gaming agent of the Commission
- 24 who, at the time of installation, shall test each player terminal

1 and each game to ensure that each terminal and each game is  
2 identical to the prototype that has been certified by an independent  
3 testing laboratory licensed by the Oklahoma Horse Racing Commission.  
4 If the onsite test indicates that the player terminal or game does  
5 not conform to the certified prototype, the licensed organization  
6 shall remove the game or player terminal from the floor and it shall  
7 not be placed into operation until such time, if any, as a  
8 Commission gaming agent finds that it is identical to a prototype  
9 certification issued by the required independent testing laboratory;

10 3. If the onsite test of a gaming agent demonstrates that the  
11 game or player terminal is identical to a prototype certified by an  
12 independent testing laboratory, the gaming agent shall seal the  
13 program storage device with a Commission-numbered seal; and

14 4. The Commission's gaming agent shall also perform a test to  
15 ensure that the game and the player terminal are operating properly.  
16 Only machines and games that are found to be identical to prototypes  
17 certified by the independent testing laboratory and that pass the  
18 operation test conducted by the gaming agent may be installed and  
19 placed into operation.

20 M. Any relocating of a game or player terminal within the  
21 licensed premises requires prior written approval by a Commission  
22 gaming agent.

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SECTION 3. This act shall become effective November 1, 2012.

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