

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 471
Committee Substitute Favorable 6/18/91

Short Title: Bingo Amendments.

(Public)

Sponsors:

Referred to:

April 1, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND VARIOUS STATUTES GOVERNING BINGO.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 14-309.7 reads as rewritten:

5 "**§ 14-309.7. Licensing procedure.**

6 (a) An exempt organization may not operate a bingo game at a location without a
7 license. Application for a bingo license shall be made to the Department of Human
8 Resources on a form prescribed by the Department. The Department shall charge an
9 annual application fee of ~~one hundred dollars (\$100.00)~~ two hundred dollars (\$200.00) to
10 defray the cost of issuing bingo licenses and handling bingo audit reports. The fees
11 collected shall be deposited in the General Fund of the State. This license shall expire
12 one year after the granting of the license. This license may be renewed yearly, if the
13 applicant pays the application fee and files an audit with the Department pursuant to
14 G.S. 14-309.11. A copy of the application and license shall be furnished to the local
15 law-enforcement agency in the county or municipality in which the licensee intends to
16 operate before bingo is conducted by the licensee.

17 (b) Each application and renewal application shall contain the following
18 information:

19 (1) The name and address of the applicant and if the applicant is a
20 corporation, association or other similar legal entity, the name and
21 home address of each of the officers of the organization as well as the
22 name and address of the directors, or other persons similarly situated,
23 of the organization.

1 (2) The name and home address of each of the members of the special
2 committee.

3 (3) A copy of the application for recognition of exemptions and a
4 determination letter from the Internal Revenue Service and the
5 Department of Revenue that indicates that the organization is an
6 exempt organization and stating the section under which that
7 exemption is granted; except that if the organization is a State or local
8 branch, lodge, post, or chapter of a national organization, a copy of the
9 determination letter of the national organization satisfies this
10 requirement.

11 (4) The location at which the applicant will conduct the bingo games. If
12 the premises are leased, a copy of the lease or rental agreement.

13 (c) In order for an exempt organization to have a member familiar with the
14 operation of bingo present on the premises at all times when bingo is being played and
15 for this member to be responsible for the receiving, reporting and depositing of all
16 revenues ~~received~~, received:

17 (1) ~~the~~ The exempt organization may pay one member for conducting a
18 bingo game.

19 (2) Such pay shall be on an hourly basis only for the time bingo is actually
20 being played and shall not exceed one and one-half times the existing
21 minimum wage in North Carolina.

22 (3) The member paid under this provision shall be a member in good
23 standing of the exempt organization for at least one year and shall not
24 be the lessor or an employee or agent of the lessor.

25 (4) No other person may be compensated for conducting a bingo game
26 from funds derived from any activities occurring in, or simultaneously
27 with, the playing of bingo, including funds derived from concessions.

28 (5) An exempt organization shall not contract with any person for the
29 purpose of conducting a bingo game.

30 (d) Except as provided in subsection ~~(e)~~ ~~(h)~~ of this section, an exempt
31 organization may hold a bingo game ~~only~~ in or on property which is owned ~~(either~~
32 ~~legally or equitably and the buildings must be of a permanent nature with approved plumbing~~
33 ~~for bathrooms and not movable or of a temporary nature such as a tent or lean-to) or leased by~~
34 ~~the exempt organization~~ organization. from the owner or bona fide property management
35 agent (no subleasing is permitted) at a total monthly rental in an amount not to exceed one and
36 one-quarter percent (1 1/4%) of the total assessed ad valorem tax value of the portion of the
37 building actually used for the bingo games and the land value on which the building is located
38 (not to exceed two acres) for all activities conducted therein including the playing of bingo for
39 a period of not less than one year and actually occupied and used by that organization on a
40 regular basis for purposes other than bingo for at least six months before the game; and all

41 (1) If the bingo game is held in or on property owned, legally or equitably,
42 by the exempt organization:

43 a. The property must be exempt from property taxes levied under
44 Subchapter II of Chapter 105 of the General Statutes or must be

1 classified and not subject to any property taxes levied under
2 Subchapter II of Chapter 105 of the General Statutes.

3 b. The buildings shall be of a permanent nature with approved
4 plumbing for bathrooms and shall not be movable or of a
5 temporary nature such as a tent or lean-to.

6 (2) If the bingo game is held in or on leased property:

7 a. The lessor shall be the owner of the property or a bona fide
8 property management agent.

9 b. Subleasing shall not be permitted.

10 c. The total monthly rental shall not exceed one and one-quarter
11 percent (1 1/4%) of the total assessed ad valorem value of the
12 portion of the building actually used for the bingo games and
13 the land on which the building is located. The total acreage of
14 the land upon which the maximum amount of rent is calculated
15 shall not exceed two acres.

16 d. The total monthly rental described in sub-subdivision c. of this
17 subdivision shall include the rental for all activities conducted
18 by the exempt organization on that property, including the
19 playing of bingo.

20 e. The lease shall be for a period of not less than one year.

21 f. The leased premises shall have been actually occupied and used
22 by the exempt organization on a regular basis for purposes other
23 than bingo for six months before bingo is offered on the leased
24 premises.

25 (e) All equipment used by the exempt organization in conducting the bingo game
26 must be owned or leased by the organization. ~~Unless the exempt organization leases the~~
27 ~~property in accordance with this subsection, an exempt organization may conduct a~~
28 ~~bingo game only in or on property that is exempt from property taxes levied under~~
29 ~~Subchapter II of Chapter 105 of the General Statutes, or that is classified and not subject~~
30 ~~to any property taxes levied under Subchapter II of Chapter 105 of the General Statutes.~~

31 (f) It shall be unlawful for any person to operate beach bingo games at a location
32 which is being used by any licensed exempt organization for the purpose of conducting
33 bingo games.

34 (d) (g) Conduct of a bingo game or raffle under this Part on such property shall
35 not operate to defeat an exemption or classification under Subchapter II of Chapter 105
36 of the General Statutes.

37 (e) (h) An exempt organization ~~that wants~~ desiring to conduct only an annual or
38 semiannual bingo game may apply to the Department of Human Resources for a limited
39 occasion ~~permit~~ permit as follows:

40 (1) The Department of Human Resources shall charge a limited occasion
41 permit fee of one hundred dollars (\$100.00) to defray the cost of
42 issuing limited occasion permits and handling bingo audit reports. The
43 fees shall be deposited in the General Fund.

- 1 (2) The Department of Human Resources may require such information as
2 is reasonable and necessary to determine that the bingo game is
3 conducted in accordance with the provisions of this Part but may not
4 require more information than previously specified in this section for
5 application of a regular license.
- 6 (3) The application shall be made to the Department on prescribed forms
7 at least 30 days prior to the scheduled date of the bingo game.
- 8 (4) In lieu of the reporting requirements of G.S. 14-309.11(b) the exempt
9 organization shall file with the licensing agency and local law-
10 enforcement a report on prescribed forms no later than 30 days
11 following the conduct of the bingo game for which the permit was
12 obtained. Such report may require such information as is reasonable
13 and necessary to determine that the bingo game was conducted in
14 accordance with the provisions of this Part but may not require more
15 information than specified in G.S. 14-309.11(b).
- 16 (5) Any licensed exempt organization may donate or loan its equipment or
17 use of its premises to an exempt organization which has secured a
18 limited occasion permit provided such arrangement is disclosed in the
19 limited occasion permit application and is approved by the Department
20 of Human Resources. If the bingo game is not conducted on premises
21 donated or loaned by a licensed exempt organization, it shall be
22 conducted only on a location approved by the Department and
23 designated in the limited occasion permit or on the premises described
24 in subsection (d) of this section, pursuant to the terms of that
25 subsection.
- 26 (6) Except as stated above, all provisions of this Part shall apply to any
27 exempt organization operating a bingo game under this provision.
- 28 (i) If an organization has been determined by the Department to be in violation
29 of any of the provisions of this Article, the Department may revoke or suspend the
30 organization's bingo license or place the organization on probation. If a license is
31 revoked by the Department, the licensee shall not be eligible to reapply for a bingo
32 license for a period of one year. A license may be suspended by the Department for up
33 to 12 months if the Department determines that the license holder is in violation of any
34 of the provisions of this Article. The Department may place an organization on
35 probation for up to 12 months if the license holder is in violation of any of the
36 provisions of this Article."

37 Sec. 2. This act becomes effective October 1, 1991.