

House Bill 473

By: Representative DeLoach of the 167th

A BILL TO BE ENTITLED

AN ACT

1 To amend Part 2 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia
2 Annotated, relating to bingo, so as to authorize local governments to operate bingo based
3 games to offset reduced tax collections that result from the ownership by the State of Georgia
4 of large amounts of forest lands; to provide legislative intent; to provide definitions; to
5 provide for the Secretary of State to issue bingo licenses to certain local governments; to
6 provide for rules and regulations; to authorize the use of electronic bingo machines and bingo
7 based games by licensed local governments at certain locations; to provide exceptions to
8 certain limitations on bingo based games operated by licensed local governments; to amend
9 Code Section 48-14-1 of the Official Code of Georgia Annotated, relating to grants to
10 counties containing more than 20,000 acres of state-owned land not subject to taxation, limit
11 on amount of grants, evaluation and assessment, and procedure for billing State Forestry
12 Commission, so as to revise grant awards to counties licensed to operate bingo games; to
13 provide definitions; to provide that certain bingo proceeds collected by such counties are
14 remitted to the state; to provide for related matters; to provide an effective date; to repeal
15 conflicting laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

H. B. 473

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17 **SECTION 1.**

18 Part 2 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
 19 relating to bingo, is amended by revising Code Section 16-12-50, relating to legislative
 20 intent, and Code Section 16-12-51, relating to definitions, as follows:

21 "16-12-50.

22 (a) It is the intention of the General Assembly that, except for recreational bingo, only
 23 nonprofit, tax-exempt organizations which are properly licensed pursuant to this part shall
 24 be allowed to operate bingo games.

25 (b) The General Assembly recognizes that in certain counties the State of Georgia owns
 26 significant acreage of property that has been taken off of such counties' tax digests. It is
 27 the further intention of the General Assembly to provide a process and resource for those
 28 counties to mitigate the fiscal impact of not receiving tax revenue from such state owned
 29 property while also raising revenue to remove the burden of maintaining such property
 30 from the state government by authorizing certain local governments with highly impacted
 31 tax digests which are also properly licensed pursuant to this part to operate a bingo game.

32 16-12-51.

33 As used in this part, the term:

34 (1) 'Adjusted net income' means the income generated by a bingo game operated
 35 pursuant to this part by a local government with a highly impacted tax digest less any
 36 costs associated with the administration, operation, or marketing of the bingo game.

37 (1) 'Bingo game' or 'nonprofit bingo game' means a game of chance played on cards or
 38 electronic bingo machines with numbered squares in which counters or indicators are
 39 placed on numbers chosen by lot and won by covering a previously specified number or
 40 order of numbered squares. A bingo game may be played manually or with an electronic
 41 ~~or computer device~~ bingo machine that stores the numbers from a player's card or cards,
 42 tracks the numbers chosen by lot when such numbers are entered by the player, and

43 notifies the player of a winning combination; provided, however, that, except as provided
44 for in this part, the numbers chosen by lot shall be chosen by a natural person who is
45 physically located on the premises or property described in Code Section 16-12-57 on
46 which the game is operated. Such words, terms, or phrases, as used in this paragraph,
47 shall be strictly construed to include only the series of acts generally defined as bingo and
48 shall exclude all other activity. Such term shall also include a game played on an
49 electronic bingo machine.

50 (2) 'Bingo session' means a time period during which bingo games are played.

51 (2.1) 'Electronic bingo machine' means a stand-alone electronic or computer device on
52 which a bingo based game is played, provided that the person playing such game is
53 physically located within three feet of the machine and further provided that the numbers
54 chosen in such game need not be chosen by a natural person who is physically located on
55 the premises or property described in subsection (a) of Code Section 16-12-57 on which
56 the game is operated.

57 (2.2) 'Local government with a highly impacted tax digest' means a county that meets the
58 requirements established pursuant to subsection (a) of Code Section 48-14-1 or any
59 municipal corporation located within such county.

60 (3) 'Nonprofit, tax-exempt organization' means an organization, association, corporation,
61 or other legal entity which has been determined by the federal Internal Revenue Service
62 to be exempt from taxation under federal tax law and which is exempt from taxation
63 under the income tax laws of this state under Code Section 48-7-25; which is organized
64 or incorporated in this state or authorized to do business in this state; and which uses the
65 proceeds from any bingo games conducted or operated by such organization solely within
66 this state.

67 (4) 'Operate,' 'operated,' or 'operating' means the direction, supervision, management,
68 operation, control, or guidance of activity.

69 (5) 'Recreational bingo' means a bingo session operated by any person or entity at no
70 charge to participants in which the prizes for each bingo game during the bingo session
71 shall be noncash prizes and the total of such prizes for each such game shall not exceed
72 the amount established pursuant to regulations established by the Secretary of State. No
73 such noncash prize awarded in recreational bingo shall be exchanged or redeemed for
74 money or for any other prize with a value in excess of the amount established pursuant
75 to regulations established by the Secretary of State. Recreational bingo shall also include
76 a bingo session operated by a nonprofit, tax-exempt licensed operator of bingo games at
77 no charge to participants in which the participants are senior citizens attending a function
78 at a facility of the tax-exempt licensed organization or are residents of nursing homes,
79 retirement homes, senior centers, or hospitals and in which the prizes for each bingo
80 game during the bingo session shall be nominal cash prizes not to exceed \$5.00 for any
81 single prize and the total of such prizes for each such game shall not exceed the amount
82 established pursuant to regulations established by the Secretary of State. Recreational
83 bingo shall also include a bingo session operated by an employer with ten or more
84 full-time employees for the purposes of providing a safe workplace incentive and in
85 which the prizes are determined by the employer; provided, however, that no monetary
86 consideration is required by any participant other than the employer and the employer
87 expressly prohibits any monetary consideration from any employee. Recreational bingo
88 shall not be considered a lottery as defined in paragraph (4) of Code Section 16-12-20 or
89 a form of gambling as defined in Code Section 16-12-21."

90 **SECTION 2.**

91 Said part is further amended by adding a new Code section to read as follows:

92 "16-12-53.1.

93 (a) Any local government with a highly impacted tax digest desiring to obtain a license to
94 operate bingo games shall make application to the Secretary of State on forms prescribed

95 by the Secretary of State and shall pay an annual fee of \$1,000.00. A bingo license issued
96 pursuant to this Code section shall be valid for ten years. Applications for renewal of a
97 bingo license shall be submitted to the Secretary of State not less than 60 days prior to the
98 expiration of the bingo license on a form prescribed by the Secretary of State.

99 (b) Each application for a bingo license and each application for renewal of a bingo license
100 shall contain the following information:

101 (1) The name and mailing address of the applicant local government entity;

102 (2) The names, titles, and contact information of the persons who will be supervising the
103 operation of the bingo games for the local government entity;

104 (3) A statement affirming that the applicant meets the requirements established pursuant
105 to subsection (a) of Code Section 48-14-1 or is a municipal corporation located within a
106 county that meets such requirements;

107 (4) The location at which the applicant will operate the bingo games and, if the premises
108 on which the games are to be operated are to be leased, a copy of the lease or rental
109 agreement; and

110 (5) Any other necessary and reasonable information which the Secretary of State may
111 require.

112 (c) The Secretary of State shall refuse to grant a bingo license to any applicant that fails
113 to provide fully the information required by this Code section.

114 (d) In addition to any rules or regulations the Secretary of State adopts pursuant to Code
115 Section 16-12-61, the Secretary of State shall establish rules and regulations for the
116 licensing and operation of electronic bingo machines, provided that such rules and
117 regulations are comparable to rules and regulations adopted pursuant to Article 3 of
118 Chapter 27 of Title 50."

119 **SECTION 3.**

120 Said part is further amended by revising Code Section 16-12-57, relating to restrictions as
121 to ownership of premises utilized, as follows:

122 "16-12-57.

123 (a) Bingo games shall be operated only on premises owned by the nonprofit, tax-exempt
124 organization operating the bingo game, on property leased by the nonprofit, tax-exempt
125 organization and used regularly by that organization for purposes other than the operation
126 of a bingo game, or on property leased by the nonprofit, tax-exempt organization operating
127 the bingo game from another nonprofit, tax-exempt organization.

128 (b) Notwithstanding any provisions of subsection (a) of this Code section to the contrary,
129 a local government with a highly impacted tax digest licensed pursuant to this part may
130 operate a bingo game pursuant to this part and shall be authorized to contract with a private
131 entity to operate such bingo game. The adjusted net income from a bingo game operated
132 pursuant to this part shall be used for a public purpose. A bingo game operated pursuant
133 to this part may utilize one or more electronic bingo machines."

134 **SECTION 4.**

135 Said part is further amended by revising Code Section 16-12-60, relating to rules and
136 regulations, as follows:

137 "16-12-60.

138 (a) A licensee that conducts or operates a bingo session shall maintain the following
139 records for at least three years from the date on which the bingo session is conducted or
140 operated:

141 (1) An itemized list of the gross receipts for each session;

142 (2) An itemized list of all expenses other than prizes that are incurred in the conducting
143 or operation of the bingo session as well as the name of each person to whom the
144 expenses are paid and a receipt for all of the expenses;

- 145 (3) A list of all prizes awarded during the bingo session and the name and address of all
146 persons who are winners of prizes of \$50.00 or more in value;
- 147 (4) An itemized list of the recipients other than the licensee of the proceeds of the bingo
148 game, including the name and address of each recipient to whom such funds are
149 distributed; and
- 150 (5) A record of the number of persons who participate in any bingo session conducted
151 or operated by the licensee.
- 152 (b) A licensee shall:
- 153 (1) Own all the equipment used to conduct or operate a bingo game or lease such
154 equipment;
- 155 (2) Display its bingo license conspicuously at the location where the bingo game is
156 conducted or operated;
- 157 (3) Conduct or operate bingo games only at the single location specified in the licensee's
158 application; and
- 159 (4) Not conduct or operate more than one bingo session during any one calendar day,
160 which session shall not exceed five hours.
- 161 (c) No nonprofit, tax-exempt organization shall enter into any contract with any individual,
162 firm, association, or corporation to have such individual, firm, association, or corporation
163 operate bingo games or concessions on behalf of the nonprofit, tax-exempt organization.
- 164 (d) A nonprofit, tax-exempt organization shall not lend its name nor allow its identity to
165 be used by any individual, firm, association, or corporation in the operating or advertising
166 of a bingo game in which said nonprofit, tax-exempt organization is not directly and solely
167 operating the bingo game.
- 168 (e) It shall be unlawful for two or more nonprofit, tax-exempt organizations which are
169 properly licensed pursuant to this part to operate bingo games jointly or to operate bingo
170 games upon the same premises during any 18 hour period.

171 (f) It shall be unlawful to award prizes in excess of \$3,000.00 in cash or gifts of equivalent
172 value during any calendar week. It shall be unlawful to exceed such limitation at any
173 combination of locations operated by a single licensee or such licensee's agents or
174 employees. It shall be unlawful for two or more licensees to pyramid the valuation of
175 prizes in such manner as to exceed the limitation contained in this Code section. The term
176 'equivalent value' shall mean the fair market value of the gift on the date the gift is given
177 as the prize in a bingo game.

178 (g) No person or organization by whatever name or composition thereof shall take any
179 salary, expense money, or fees for the operation of any bingo game, except that not more
180 than \$30.00 per day may be paid to one or more individuals for assisting in the conduct or
181 operation of such games on such day.

182 (h) No person shall pay consulting fees to any person for any services performed in
183 relation to the operation or conduct of a bingo game.

184 (i) A person who is a member of more than one nonprofit, tax-exempt organization shall
185 be permitted to participate in the bingo operations of only two organizations of which such
186 person is a member; provided, however, that such person shall not receive more than
187 \$30.00 per day for assisting in the conduct or operation of bingo games regardless of
188 whether such person assists both organizations in the same day.

189 (j) The provisions of this Code section shall not apply to a local government with a highly
190 impacted tax digest licensed pursuant to this part."

191 **SECTION 5.**

192 Code Section 48-14-1 of the Official Code of Georgia Annotated, relating to grants to
193 counties containing more than 20,000 acres of state-owned land not subject to taxation, limit
194 on amount of grants, evaluation and assessment, and procedure for billing State Forestry
195 Commission, is amended as follows:

196 "48-14-1.

197 (a)(1) For the purposes of this subsection, the term:

198 (A) 'Bingo license' means a license granted to a qualified county pursuant to Part 2 of
199 Article 2 of Chapter 12 of Title 16.

200 (B) 'Grant' means funds granted to a county by the State Forestry Commission for state
201 owned land.

202 (C) 'Qualified county' means a county which consists of at least 50,000 acres of state
203 owned land on which such county is not lawfully able to collect tax revenue.

204 (D) 'State owned land' means land in a qualified county that the State of Georgia owns
205 from which the county receives no tax revenue.

206 (2) The governing authority of a qualified county may receive a grant for state owned
207 land. The amount of funds to be granted pursuant to such grant shall not exceed the
208 amount the qualified county would have received were the land subject to taxation during
209 the applicable time period based on property evaluation and millage assessment.

210 (3) A qualified county that has a bingo license and is operating one or more bingo games
211 shall not receive a grant pursuant to this subsection. After a qualified county has collected
212 proceeds from its bingo game or games in an amount greater than the amount it otherwise
213 would have been qualified to receive from a grant pursuant to paragraph (2) of this
214 subsection for that fiscal year, the qualified county shall remit to the State of Georgia
215 5 percent of its adjusted net income from bingo games for that fiscal year.

216 ~~Each county in which is located land belonging to the state which consists of 20,000 acres~~
217 ~~and from which the county receives no tax revenue may receive from the State Forestry~~
218 ~~Commission a grant of funds for such land. The amount of funds to be granted may not~~
219 ~~exceed the amount the county would have received were the land subject to taxation during~~
220 ~~the applicable time period based on property evaluation and millage assessment.~~

221 (b) Immediately upon an evaluation of the property involved and a determination of the
222 millage assessment for the property, the county tax official for the county involved shall

223 bill the State Forestry Commission for the proper amount as determined under this Code
224 section. The county tax official shall send the bill to the State Forestry Commission at the
225 same time as the county tax bills are sent to the property owners of the county who are
226 subject to county taxation."

227 **SECTION 6.**

228 This Act shall become effective upon its approval by the Governor or upon its becoming law
229 without such approval.

230 **SECTION 7.**

231 All laws and parts of laws in conflict with this Act are repealed.