

IN THE SENATE

SENATE BILL NO. 1236

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO BINGO AND RAFFLES; AMENDING SECTION 67-7701, IDAHO CODE, TO  
2 REVISE TERMINOLOGY AND TO MAKE A TECHNICAL CORRECTION; AMENDING SEC-  
3 TION 67-7702, IDAHO CODE, TO REVISE DEFINITIONS AND TO MAKE TECHNICAL  
4 CORRECTIONS; REPEALING SECTION 67-7703, IDAHO CODE, RELATING TO THE  
5 ESTABLISHMENT OF THE BINGO-RAFFLE ADVISORY BOARD; REPEALING SECTION  
6 67-7704, IDAHO CODE, RELATING TO THE MEMBERS OF THE BINGO-RAFFLE ADVI-  
7 SORY BOARD; REPEALING SECTION 67-7705, IDAHO CODE, RELATING TO MEETINGS  
8 OF THE BINGO-RAFFLE ADVISORY BOARD; REPEALING SECTION 67-7706, IDAHO  
9 CODE, RELATING TO THE POWERS AND DUTIES OF THE BINGO-RAFFLE ADVISORY  
10 BOARD; AMENDING SECTION 67-7709, IDAHO CODE, TO REVISE PROVISIONS RE-  
11 GARDING ACCOUNTING AND USE OF BINGO PROCEEDS AND TO MAKE TECHNICAL  
12 CORRECTIONS; AMENDING SECTION 67-7710, IDAHO CODE, TO REVISE PROVI-  
13 SIONS REGARDING RAFFLES AND DUCK RACES; AMENDING SECTION 67-7711, IDAHO  
14 CODE, TO REVISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING  
15 SECTION 67-7715, IDAHO CODE, TO REVISE PROVISIONS REGARDING VENDORS AND  
16 TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 67-7716, IDAHO CODE, TO  
17 REVISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION  
18 67-7717, IDAHO CODE, TO REVISE PROVISIONS REGARDING MANUFACTURING AND  
19 DISTRIBUTION REQUIREMENTS; AMENDING SECTION 67-7718, IDAHO CODE, TO  
20 REVISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION  
21 67-7719, IDAHO CODE, TO REVISE PROVISIONS REGARDING ELECTRONIC BINGO  
22 DEVICES AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY  
23 AND PROVIDING AN EFFECTIVE DATE.  
24

25 Be It Enacted by the Legislature of the State of Idaho:

26 SECTION 1. That Section 67-7701, Idaho Code, be, and the same is hereby  
27 amended to read as follows:

28 67-7701. PURPOSE AND POLICY. It is hereby declared that all bingo  
29 games and raffles in Idaho ~~must~~ shall be strictly controlled and admin-  
30 istered, and it is in the public interest for the state to provide for the  
31 administration of charitable bingo games and raffles to protect the public  
32 from fraudulently conducted bingo games and raffles, to assure that char-  
33 itable groups and institutions realize the profits from these games, to  
34 prohibit professionals from conducting bingo games or raffles for fees or a  
35 percentage of the profit and to provide that all expenditures by a charitable  
36 or nonprofit organization in conducting bingo games and raffles are in the  
37 best interest of raising moneys for charitable purposes.

38 SECTION 2. That Section 67-7702, Idaho Code, be, and the same is hereby  
39 amended to read as follows:

40 67-7702. DEFINITIONS. As used in this chapter:

1 (1) "Bingo" means the traditional game of chance played for a prize de-  
2 termined prior to the start of the game.

3 (a) Upon approval by the ~~bingo-raffle advisory board~~ state lottery com-  
4 mission, a licensee may offer bingo games in which players are allowed  
5 to select their own numbers if the cards used to conduct the games have  
6 controls that provide an audit trail adequate to determine all winning  
7 number combinations.

8 (b) Card-minding devices are prohibited. ~~Autodaubing~~ Auto-daubing  
9 features are prohibited.

10 (c) Bingo shall not include "instant bingo," which is a game of chance  
11 played by the selection of one (1) or more prepackaged bingo cards, with  
12 the winner determined by the appearance of a preprinted winning desig-  
13 nation on the bingo card.

14 ~~(2) "Bingo-raffle advisory board" means a board of six (6) persons~~  
15 ~~chosen by the governor to make advisory recommendations regarding bingo and~~  
16 ~~raffle operations and regulation in Idaho.~~

17 ~~(3) (2)~~ (2) "Charitable organization" means an organization that has been  
18 in continuous existence in the county of operation of the charitable bingo  
19 game or raffle for at least one (1) year, that conducts charitable activi-  
20 ties, and that is exempt from taxation under section 501(c) (3), 501(c) (4),  
21 501(c) (6), 501(c) (8), 501(c) (10), 501(c) (19) or 501(d) of the Internal Rev-  
22 enue Code and is exempt from income taxation under title 63, Idaho Code, as  
23 a bona fide nonprofit charitable, civic, religious, fraternal, patriotic or  
24 veterans organization, or as a nonprofit volunteer fire department, or as a  
25 nonprofit volunteer rescue squad, or as a nonprofit volunteer educational  
26 booster group, parent-teacher organization or association. If the organi-  
27 zation has local branches or chapters, the term "charitable organization"  
28 means the local branch or chapter operating the bingo or raffle game.

29 ~~(4) (3)~~ (3) "Commission" means the Idaho state lottery commission as de-  
30 fined in section 67-7404, Idaho Code.

31 ~~(5) (4)~~ (4) "Duck race" means a charitable raffle played by releasing num-  
32 bered, inanimate toys (ducks) into a body of moving water. A person who has  
33 been assigned the same number as the first duck to cross a predetermined  
34 point in the water (the finish line) is the winner. Other prizes may be  
35 awarded ~~on the basis of~~ based on the order in which the ducks cross the finish  
36 line. ~~With the exception of~~ Except for determining "net proceeds," all re-  
37 strictions and requirements applicable to the conduct of charitable raffles  
38 in this chapter shall also apply to the conduct of duck races.

39 ~~(6) (5)~~ (5) "Electronic bingo card" or "face" means an electronic facsimile  
40 of a bingo card or face, from a permutation of bingo cards formulated by a  
41 manufacturer licensed in Idaho, ~~which that~~ is stored and/or displayed in a  
42 bingo card-monitoring device. An electronic bingo card or face is deemed to  
43 be a form of disposable paper bingo card.

44 ~~(7) (6)~~ (a) "Electronic bingo device" means an electronic device used by  
45 a bingo player to monitor bingo cards purchased at the time and place of  
46 a licensed organization's bingo session and that:

47 (i) Provides a means for bingo players to input numbers announced  
48 by a bingo caller;

49 (ii) Requires the player to manually enter the numbers as they are  
50 announced by a bingo caller;

1 (iii) Compares the numbers entered by the bingo player to the num-  
2 bers contained on bingo cards previously stored in the electronic  
3 database of the device;

4 (iv) Identifies winning bingo patterns; and

5 (v) Signals only the bingo player when a winning bingo pattern is  
6 achieved.

7 (b) "Electronic bingo device" does not mean or include any device into  
8 which coins, currency, or tokens are inserted to activate play, or any  
9 device that is interfaced with or connected to any host system ~~which~~  
10 that can transmit or receive any ball call information, any site system  
11 or any other type of bingo equipment once the device has been activated  
12 for use by the bingo player.

13 ~~(8)~~ (7) "Gross revenues" means all moneys paid by players during a bingo  
14 game or session for the playing of bingo or raffle events and does not include  
15 money paid for concessions; provided that the expenses of renting electronic  
16 bingo devices from a licensed vendor and the fees collected from players for  
17 the use of electronic bingo devices ~~must~~ shall be reported separately on the  
18 organization's annual bingo report and ~~must~~ shall be netted for purposes of  
19 determining gross revenues as follows: only fees collected from players in  
20 excess of the rental charges paid to licensed vendors will be considered to  
21 be a part of gross revenues; ~~and, but~~ if the costs of renting electronic bingo  
22 devices from a licensed vendor exceed the fees collected from players for use  
23 of electronic bingo devices, the difference will be considered an adminis-  
24 trative expense for purposes of section 67-7709 (1) (d), Idaho Code.

25 ~~(9)~~ (8) "Host system" means the computer hardware, software and pe-  
26 ripheral equipment of a licensed manufacturer that is used to generate and  
27 download electronic bingo cards to a licensed organization's site system and  
28 that monitors sales and other activities of a site system.

29 ~~(10)~~ (9) "Nonprofit organization" means an organization incorporated  
30 under chapter 30, title 30, Idaho Code.

31 ~~(11)~~ (10) "Organization" means a charitable organization or a nonprofit  
32 organization.

33 ~~(12)~~ (11) "Person" shall be construed to mean and include an individual,  
34 association, corporation, club, trust, estate, society, company, joint  
35 stock company, receiver, trustee, assignee, referee or any other person  
36 acting in a fiduciary or representative capacity, whether appointed by a  
37 court or otherwise, and any combination of individuals. "Person" shall also  
38 be construed to mean and include departments, commissions, agencies and  
39 instrumentalities of the state of Idaho, including counties and municipal-  
40 ities and agencies or instrumentalities thereof.

41 ~~(13)~~ (12) "Raffle" means a game in which the prize is won by random draw-  
42 ing of the name or number of one (1) or more persons purchasing chances.

43 ~~(14)~~ (13) "Session" means a period of time not to exceed eight (8) hours  
44 in any one (1) day in which players are allowed to participate in bingo games  
45 operated by a charitable or nonprofit organization.

46 ~~(15)~~ (14) "Site system" means the computer hardware, software and pe-  
47 ripheral equipment used by a licensed organization at the site of its bingo  
48 session that provides electronic bingo cards or bingo card-monitoring de-  
49 vices to players, ~~and that~~ receipts the sale or rental of such cards and de-  
50 vices and generates reports relative to such sales or rentals.

1       ~~(16)~~ (15) "Vendor" means an applicant, licensee or manufacturer, dis-  
 2 tributor or supplier, licensed or unlicensed, that furnishes or supplies  
 3 bingo or raffle equipment, disposable or nondisposable cards, and any and  
 4 all related gaming equipment.

5       SECTION 3. That Section [67-7703](#), Idaho Code, be, and the same is hereby  
 6 repealed.

7       SECTION 4. That Section [67-7704](#), Idaho Code, be, and the same is hereby  
 8 repealed.

9       SECTION 5. That Section [67-7705](#), Idaho Code, be, and the same is hereby  
 10 repealed.

11       SECTION 6. That Section [67-7706](#), Idaho Code, be, and the same is hereby  
 12 repealed.

13       SECTION 7. That Section 67-7709, Idaho Code, be, and the same is hereby  
 14 amended to read as follows:

15       67-7709. ACCOUNTING AND USE OF BINGO PROCEEDS.

16       (1) (a) All funds received in connection with a bingo game required to  
 17 be licensed pursuant to this chapter and the rules of the state lottery  
 18 commission shall be placed in a separate bank account that is in the  
 19 name of and controlled by the charitable or nonprofit organization.  
 20 No funds may be disbursed from this account, except the charitable or  
 21 nonprofit organization may expend proceeds for prizes, advertising,  
 22 rent (including, but not limited to, renting space, chairs, tables,  
 23 equipment, and electronic bingo devices), utilities, the purchase of  
 24 supplies and equipment in playing bingo, taxes and license fees related  
 25 to bingo, the payment of compensation, and for the purposes set forth  
 26 below for the remaining proceeds.

27       (b) Funds from bingo accounts ~~must~~ shall be withdrawn by preprinted,  
 28 consecutively numbered checks or withdrawal slips, signed by an au-  
 29 thorized representative of the licensed authorized organization and  
 30 made payable to a person. A check or withdrawal slip shall not be made  
 31 payable to "cash," "bearer" or a fictitious payee. The nature of the  
 32 payment made shall be noted on the face of the check or withdrawal slip.  
 33 Checks for the bingo account shall be imprinted with the words "bingo  
 34 account" and shall contain the organization's bingo license name on the  
 35 face of each check. A licensed authorized organization shall keep and  
 36 account for all checks and withdrawal slips, including voided checks  
 37 and withdrawal slips. Electronic transfers from the bingo account may  
 38 be used for payments made to another governmental agency.

39       (c) Any proceeds available in a bingo account after payment of the  
 40 expenses set forth in paragraph ~~(1)~~(a) of this subsection shall inure  
 41 to the charitable or nonprofit organization to be used for religious,  
 42 charitable, civic, scientific testing, public safety, literary or  
 43 educational purposes or for purchasing, constructing, maintaining,  
 44 operating or using equipment or land, or a building or improvements  
 45 thereto, owned, leased or rented by and for the charitable or nonprofit

1 organization and used for civic purposes or made available by the chari-  
 2 table or nonprofit organization for use by the general public from time  
 3 to time, or to foster amateur sports competition, or for the preven-  
 4 tion of cruelty to children or animals, provided that no proceeds shall  
 5 be used or expended directly or indirectly to compensate officers or  
 6 directors. The licensed bingo operation ~~must~~ shall maintain records  
 7 for five (5) years on forms prescribed by the commission or pursuant to  
 8 rules prescribed by the commission showing the charitable activities to  
 9 which the proceeds described in this paragraph are applied. No employ-  
 10 ees of the charitable or nonprofit organization may be compensated from  
 11 bingo proceeds except as provided in this subsection.

12 (d) (i) All gross revenues received from bingo games by a chari-  
 13 table or nonprofit organization ~~must~~ shall be disbursed in the  
 14 following manner, unless otherwise provided in section 67-7708,  
 15 Idaho Code: not less than twenty percent (20%) of gross revenues  
 16 shall be used for charitable purposes enumerated in this subsec-  
 17 tion, and a maximum of ~~eighteen~~ twenty-five percent ~~(18%)~~ (25%) of  
 18 the gross revenues may be used for administrative expenses asso-  
 19 ciated with the charitable bingo game. An organization requesting  
 20 an exemption from the disbursement percentages provided in this  
 21 paragraph for administrative costs shall request such an exemp-  
 22 tion from the state lottery commission.

23 (ii) Two hundred fifty dollars (\$250) or one-tenth of one percent  
 24 (.1%) of annual gross revenues, as per the previous year's annual  
 25 bingo report, whichever is greater, may be paid as wages for the  
 26 conduct of any one (1) bingo session. Such wages shall be paid  
 27 on an hourly basis, shall be directly related to the preparation,  
 28 conduct of and cleaning following a bingo session, and shall be  
 29 paid out of the organization's separate bank account, unless the  
 30 director of lottery security has given prior written permission to  
 31 pay wages out of another account. Such wages shall be part of the  
 32 ~~eighteen~~ twenty-five percent ~~(18%)~~ (25%) gross revenues used for  
 33 administrative expenses.

34 (2) Any charitable or nonprofit organization conducting bingo games  
 35 pursuant to this chapter shall prepare a statement report at the close of its  
 36 license year and shall file such statement report with the state lottery.  
 37 The statement report shall be prepared on a form prescribed by the lottery  
 38 commission and shall include, at a minimum, the following information:

39 (a) The number of bingo sessions conducted or sponsored by the licensed  
 40 organization;

41 (b) ~~The location and date at which each of each conducted bingo session~~  
 42 ~~was conducted;~~

43 (c) ~~The annual gross revenues of each bingo session;~~

44 (d) ~~The fair market value of any prize given at each bingo session~~  
 45 ~~amount of noncash prizes;~~

46 (e) ~~The number of individual players participating in each session~~  
 47 ~~amount paid in prizes;~~

48 (f) ~~The number of cards played in each session~~ nonprize operating  
 49 costs, including wages, salaries, equipment, supplies, utilities,

1 rent, and other costs related to the conducting of bingo sessions and  
 2 games;

3 (g) The amount paid in prizes at each session, to the charitable or non-  
 4 profit organization; and

5 (h) The amount paid to the charitable or nonprofit organization, of  
 6 cash on hand at the beginning and end of the year.

7 ~~(i) (3)~~ All disbursements from bingo revenue and the purpose of those  
 8 disbursements ~~must~~ shall be documented on a general ledger and submitted  
 9 with the annual bingo report to the Idaho lottery commission; and state lot-  
 10 tery.

11 ~~(j) (4)~~ An accounting of all gross revenues and the disbursements re-  
 12 quired by statute and rule of the state lottery commission ~~must~~ shall be re-  
 13 tained in records with the organization, including the date of each transac-  
 14 tion and the name and address of each payee for all prize payments in excess  
 15 of one hundred dollars (\$100) and the disbursements of funds to charitable  
 16 activities, including the identity of the charity ~~and/or~~ and purpose and use  
 17 of the disbursements by the charity. Such records shall be retained for a pe-  
 18 riod of five (5) years.

19 ~~(3) (5)~~ Any organization required to be licensed to conduct bingo oper-  
 20 ations under the provisions of this chapter shall use only nonreusable col-  
 21 ored bingo paper or electronic bingo paper so that all sales may be tracked.  
 22 The nonreusable colored paper ~~must~~ shall have a series and serial number  
 23 on each card. At the conclusion of each session, all organizations using  
 24 nonreusable bingo paper ~~must~~ shall track their bingo sales per session by  
 25 recording the series and serial numbers of all paper sold, damaged, donated  
 26 or used for promotion in that session. Each such organization shall keep a  
 27 ledger of the numbers of all such papers used during each session. All paper  
 28 ~~must~~ shall be tracked as either sold, damaged, donated, used for promotion,  
 29 or omitted from the original distributor or manufacturer. Paper tracking  
 30 ledgers and invoices from the distributor or manufacturer for nonrefundable  
 31 colored bingo paper ~~must~~ shall be kept with the permanent records for that  
 32 bingo operation.

33 ~~(4) (6)~~ Any person who shall willfully or knowingly furnish, supply or  
 34 otherwise give false information in any statement filed pursuant to this  
 35 section shall be guilty of a misdemeanor.

36 ~~(5) (7)~~ All financial books, papers, records and documents of an organ-  
 37 ization shall be kept as determined by rule of the state lottery and shall be  
 38 open to inspection by the county sheriff of the county, ~~or~~ the chief of po-  
 39 lice of the city, ~~or~~ the prosecuting attorney of the county where the bingo  
 40 game was held, ~~or~~ the attorney general ~~or~~, and the state lottery at reason-  
 41 able times and during reasonable hours.

42 ~~(6) (8)~~ Every charitable or nonprofit organization whose annual gross  
 43 revenues exceed two hundred thousand dollars (\$200,000) from the operation  
 44 of bingo games shall provide the state lottery with a copy of an annual audit  
 45 of the bingo operation. The audit shall be performed by an independent cer-  
 46 tified public accountant who is licensed in the state of Idaho and who meets  
 47 peer review requirements set forth by the Idaho state board of accountancy.  
 48 The audit shall be submitted to the Idaho state lottery within ninety (90)  
 49 days after the end of the license year.

1 SECTION 8. That Section 67-7710, Idaho Code, be, and the same is hereby  
2 amended to read as follows:

3 67-7710. RAFFLES -- DUCK RACES. (1) It is lawful for any charitable or  
4 nonprofit organization to conduct raffles in accordance with the provisions  
5 of this chapter. Any charitable or nonprofit organization or any person that  
6 conducts a raffle in violation of any provision of this chapter may be as-  
7 sessed a civil penalty not in excess of ten thousand dollars (\$10,000) per  
8 violation. Additionally, any person knowingly conducting a raffle in viola-  
9 tion of any provision of this chapter or rule of the state lottery commission  
10 may be charged under the gambling laws of the state ~~contained~~ in chapter 38,  
11 title 18, Idaho Code, and may be assessed a civil penalty by the lottery not  
12 in excess of ten thousand dollars (\$10,000) per violation. It shall not con-  
13 stitute a violation of state law to advertise a charitable raffle conducted  
14 pursuant to this section. It is lawful to participate in a charitable raffle  
15 conducted pursuant to this chapter. A charitable raffle conducted lawfully  
16 pursuant to this chapter is not gambling for purposes of chapter 38, title  
17 18, Idaho Code.

18 (2) Raffle drawings ~~must~~ shall be held in Idaho and shall be limited to  
19 twelve (12) per charitable or nonprofit organization per year, provided that  
20 this limitation shall not apply to public or private elementary schools,  
21 secondary schools or higher education institutions located in this state.  
22 The maximum aggregate value of cash ~~prize(s)~~ prizes that may be offered or  
23 paid for any one (1) raffle, ~~which that~~ is not a duck race is ~~one thousand~~  
24 ~~dollars (\$1,000)~~ five thousand dollars (\$5,000), and if merchandise is used  
25 as a prize and it is not redeemable for cash, there shall be no limit on the  
26 maximum amount of value for the merchandise. For duck races, there shall be  
27 no limit on the maximum amount of the value of a cash prize if the cash prize  
28 is underwritten by insurance. If a duck race offers a cash prize that is not  
29 underwritten by insurance, the maximum aggregate value of the cash prize(s)  
30 is ~~one thousand dollars (\$1,000)~~ five thousand dollars (\$5,000). There  
31 shall be no limit on the maximum ~~of~~ value for merchandise used as a prize in a  
32 duck race if the merchandise is not redeemable for cash.

33 (3) As used in this subsection, "net proceeds of a charitable raffle"  
34 means the gross receipts, less the cost of prizes awarded. "Net proceeds of a  
35 duck race" shall mean gross receipts, less the cost of prizes awarded and the  
36 rental cost of the ducks used in the race. No less than eighty percent (80%)  
37 of the net proceeds of a raffle shall be used by the charitable or nonprofit  
38 organization for charitable, religious, educational, civic or other chari-  
39 table purposes.

40 (4) Any licensed charitable or nonprofit organization conducting raf-  
41 fles pursuant to this chapter shall prepare a statement report at the close  
42 of its license year and shall file such statement report with the state lot-  
43 tery. The statement report shall be prepared on a form prescribed by the lot-  
44 tery commission and shall include, at a minimum, the following information:

- 45 (a) The number of raffles conducted or sponsored by the charitable or  
46 nonprofit organization;  
47 (b) The location and date at which each raffle was conducted;  
48 (c) The gross revenues of each raffle;

1           (d) ~~The fair market value of any prize given~~ number of raffle tickets  
2 sold at each raffle;

3           (e) ~~The amount paid in prizes at~~ price of each raffle ticket;

4           (f) The amount paid to the charitable or nonprofit organization; and

5           (g) ~~An accounting of all gross revenues and the disbursements required~~  
6 ~~by statute and rule of the state lottery commission that shall be re-~~  
7 ~~tained in the organization's records for a period of five (5) years.~~  
8 The amount of expenses incurred by the organization for each raffle,  
9 including itemized expenses for acquisition of prizes for each raffle.

10           (5) An accounting of all gross revenues and the disbursements required  
11 by statute and rule of the state lottery commission shall be retained in the  
12 organization's records for a period of five (5) years.

13           ~~(5)~~ (6) Every charitable or nonprofit organization whose annual gross  
14 revenues exceed two hundred thousand dollars (\$200,000) from the operation  
15 of raffle events shall provide the state lottery with a copy of an annual au-  
16 dit of the raffle events. The audit shall be performed by a certified public  
17 accountant who is licensed in the state of Idaho and who meets the peer review  
18 requirements set forth by the Idaho state board of accountancy. The audit  
19 shall be submitted to the Idaho state lottery within ninety (90) days after  
20 the end of the license year.

21           SECTION 9. That Section 67-7711, Idaho Code, be, and the same is hereby  
22 amended to read as follows:

23           67-7711. LICENSING PROCEDURE. (1) Any charitable or nonprofit organi-  
24 zation not exempt pursuant to section 67-7713, Idaho Code, desiring to oper-  
25 ate bingo sessions or games or charitable raffles shall make application for  
26 a license to the state lottery. The state lottery shall review the license  
27 application and shall approve or deny the issuing of a license within fifteen  
28 (15) calendar days of receipt of the license application. The state lottery  
29 may deny the application if it determines that the applicant has not met re-  
30 quirements for an application imposed in this chapter and rules promulgated  
31 pursuant to this chapter or ~~upon~~ on any ground for which an application for  
32 renewal of a license could be denied or for which an existing licensee's li-  
33 cense could be revoked or suspended. Whenever an application is denied, it  
34 shall be returned to the applicant by the state lottery with specific rea-  
35 sons for the denial. When a license application is approved by the state lot-  
36 tery, the state lottery shall issue a license to the applicant. No person or  
37 charitable or nonprofit organization, except those exempt pursuant to sec-  
38 tion 67-7713, Idaho Code, shall operate or conduct a bingo session or game  
39 or charitable raffle until it has received a license from the state lottery.  
40 The license shall expire one (1) year after the date it was issued.

41           (2) Each application and renewal application shall contain the follow-  
42 ing information:

43           (a) The name, address, date of birth, driver's license number and so-  
44 cial security number of the applicant and, if the applicant is a corpo-  
45 ration, association or other similar legal entity, the name, home ad-  
46 dress, date of birth, driver's license number and social security num-  
47 ber of each of the officers of the organization, as well as the name and  
48 address of the directors, or other persons similarly situated, of the  
49 organization;



1 (b) The name, home address, date of birth, driver's license number and  
2 social security number of each person or persons responsible for manag-  
3 ing the bingo session or game or raffle;

4 (c) (i) In the case of charitable organizations, a copy of the ap-  
5 plication for recognition of exemptions and a determination let-  
6 ter from the internal revenue service that indicates the organi-  
7 zation is a charitable organization and states the section under  
8 which that exemption is granted, except that if the organization  
9 is a state or local branch, lodge, post or chapter of a national or-  
10 ganization, a copy of the determination letter of the national or-  
11 ganization shall satisfy this requirement; and

12 (ii) In the case of incorporated nonprofit organizations, a copy  
13 of a certificate of existence issued by the secretary of state pur-  
14 suant to chapter 30, title 30, Idaho Code, establishing the organ-  
15 ization's good standing in the state.

16 (d) The location at which the applicant will conduct the bingo session  
17 or games or drawings for the raffles.

18 (3) The operation of bingo sessions or games or charitable raffles  
19 shall be the direct responsibility of, and controlled by, the governing body  
20 of the organization, and the members of the governing body shall be held  
21 responsible for the conduct of the bingo sessions or games or raffles. No  
22 directors or officers of an organization or persons related to them either  
23 by marriage or blood within the second degree shall receive any compensation  
24 derived from the proceeds of a bingo session or raffle regulated under the  
25 provisions of this chapter. An organization shall not contract with any per-  
26 son for the purpose of conducting a bingo session or providing bingo services  
27 or conducting a raffle on the organization's behalf, provided that this  
28 prohibition does not prevent a bingo organization from hiring employees and  
29 paying wages as provided in section 67-7709(1) (d) (ii), Idaho Code. However,  
30 if the state lottery commission has entered into an agreement or contract  
31 with another state for the operation or promotion of joint bingo sessions,  
32 the charitable or nonprofit organization may participate in that contract or  
33 agreement.

34 (4) Different chapters of an organization may apply for and share one  
35 (1) license to conduct raffles ~~as long as~~ if the information required in sub-  
36 section (2) of this section is provided to the lottery prior to the issuance  
37 of the license.

38 (5) The organization may apply for the license to coincide with the or-  
39 ganization's fiscal year.

40 SECTION 10. That Section 67-7715, Idaho Code, be, and the same is hereby  
41 amended to read as follows:

42 67-7715. VENDORS -- LICENSING -- FEES. (1) No person or entity shall  
43 manufacture, sell, distribute, furnish or supply to any person or entity any  
44 gaming device, equipment or material, in this state or for use in this state,  
45 without first obtaining a vendor's license from the state lottery commis-  
46 sion. Vendor licenses shall not be issued by the state lottery except re-  
47 specting devices, equipment or material designed and permitted to be used  
48 in connection with activities authorized under this chapter. Provided how-  
49 ever, that this licensing requirement shall apply only ~~insofar as~~ to the ex-

1 tent the state lottery commission has adopted rules implementing it as to  
2 particular categories of gaming devices and related material and equipment.

3 (2) Any person or entity that manufactures, sells, distributes, fur-  
4 nishes or supplies any gaming device, equipment or material, in this state  
5 or for use in this state, shall make application for a vendor license to the  
6 state lottery. The state lottery shall review the license application and  
7 shall approve or deny the issuing of a license within fifteen (15) calen-  
8 dar days of receipt of the license application. The state lottery may deny  
9 the application if it determines that the applicant has not met the require-  
10 ments imposed in this chapter and rules promulgated pursuant to this chap-  
11 ter. Whenever an application is denied, it shall be returned to the appli-  
12 cant by the state lottery with specific reasons for the denial. When the li-  
13 cense application is approved by the state lottery, the state lottery shall  
14 issue a license to the applicant.

15 (3) Each application and renewal application shall contain the follow-  
16 ing information:

17 (a) The name, address, date of birth, driver's license number and so-  
18 cial security number of the applicant and, if the applicant is a corpo-  
19 ration, proprietorship, association, partnership or other similar le-  
20 gal entity, the name, home address, date of birth, driver's license num-  
21 ber and social security number of each of the officers of the corpora-  
22 tion and their spouses, as well as the name and address of the directors  
23 and their spouses, or other persons similarly situated.

24 (b) The locations or persons with which the applicant will provide any  
25 gaming device, equipment or material in this state or for use in this  
26 state.

27 (4) Each applicant shall pay annually to the state lottery a nonrefund-  
28 able license fee of five hundred dollars (\$500), which shall be due upon sub-  
29 mission of the application.

30 (5) Each licensed vendor shall maintain records of all sales to organi-  
31 zations in Idaho for a period of five (5) years. Such records shall be pro-  
32 vided to the state lottery upon request.

33 (6) Any license issued pursuant to this section shall be suspended or  
34 revoked by the state lottery and the licensee may be assessed a civil penalty  
35 by the state lottery up to ten thousand dollars (\$10,000) per violation if it  
36 is found that the licensee or any person connected with the licensee has vio-  
37 lated any provision of this chapter, particularly those in section 67-7712,  
38 Idaho Code, or any rule of the state lottery commission.

39 SECTION 11. That Section 67-7716, Idaho Code, be, and the same is hereby  
40 amended to read as follows:

41 67-7716. ELECTRONIC BINGO DEVICE AND SITE SYSTEMS -- APPROVAL RE-  
42 QUIRED. (1) Electronic bingo devices and site system software shall be  
43 sold, rented, leased or otherwise provided in this state only by a licensed  
44 manufacturer. Licensed manufacturers shall sell, rent, lease or other-  
45 wise provide such equipment only to a licensed distributor. A copy of any  
46 contractual agreement between a licensed manufacturer and a licensed dis-  
47 tributor relative to the marketing of the manufacturer's equipment in this  
48 state, shall be provided to the commission.

1 (2) No electronic bingo device or site system software may be sold,  
2 rented, leased or otherwise provided to any person in this state for use in a  
3 bingo game conducted pursuant to this chapter unless and until such device  
4 and system software have been approved by the commission. Approval of the  
5 device or site system software will be based ~~upon~~ on conformance with the re-  
6 quirements contained in this chapter and rules established by the commission  
7 for the testing and review of these types of devices and systems.

8 (3) A licensed manufacturer seeking approval of an electronic bingo de-  
9 vice or site system software may be required to submit a prototype of the de-  
10 vice or system software for testing and review, at the expense of the man-  
11 ufacturer, as required by the commission. Once approved, any hardware or  
12 software modifications ~~must~~ shall be preapproved by the commission. A li-  
13 censed manufacturer shall be responsible for the actual costs of testing and  
14 examining bingo card monitoring devices, host systems and site system hard-  
15 ware.

16 SECTION 12. That Section 67-7717, Idaho Code, be, and the same is hereby  
17 amended to read as follows:

18 67-7717. MANUFACTURING AND DISTRIBUTING REQUIREMENTS. (1) No elec-  
19 tronic bingo device shall be able to monitor more than ~~fifty-four (54)~~ one  
20 hundred eight (108) bingo faces per game. The licensed manufacturer or  
21 distributor ~~must~~ shall restrict the device to store no more than ~~fifty-four~~  
22 ~~(54)~~ one hundred eight (108) faces per bingo game in its electronic database.  
23 After July 1, 2005, the maximum amount of electronic bingo cards played per  
24 game may be set by rule of the commission.

25 (2) Each electronic bingo device that requires a site system to down-  
26 load electronic bingo cards to the device, shall have a unique and permanent  
27 identification number ~~hard-coded~~ hard-coded into the device's software. The  
28 identification number shall be communicated from the device to the site sys-  
29 tem whenever the device is connected to the site system, and printed on all  
30 transaction logs including the player's receipt. Manual input of a device  
31 identification number into the site system or on any transaction log or re-  
32 ceipt is prohibited.

33 (3) Each electronic bingo device shall be programmed to automatically  
34 erase all electronic bingo cards ~~and/or~~ and bingo card face numbers stored  
35 in the device: ~~(a)~~ either upon turning off the device after the last bingo  
36 game of the session has been played, or ~~(b)~~ by some secondary timing method  
37 established by the manufacturer and approved by the commission.

38 (4) No electronic bingo device shall be designed to allow bingo players  
39 the ability to design their own bingo cards by choosing, rearranging or plac-  
40 ing numbers on a card.

41 (5) A site system shall not be able to engage in any type of sale, void  
42 or reload transaction unless an electronic bingo device is connected to and  
43 communicating with the site system.

44 (6) A site system shall be restricted to load no more than ~~fifty-four~~  
45 ~~(54)~~ one hundred eight (108) electronic bingo faces per bingo game into any  
46 one (1) electronic bingo device, and the site system ~~must~~ shall be interfaced  
47 with a printer ~~which is~~ capable of printing ~~upon~~ on request, a continuous  
48 ~~hard-copy~~ hard-copy transaction log and a printout for the player showing  
49 the device identification number, and all of the bingo cards and their face

1 numbers loaded into the device. A receipting function for electronic bingo  
2 cards ~~must~~ shall be self-contained within the site system and ~~must~~ shall  
3 record and print out on a copy ~~which is~~ given to the player, the device iden-  
4 tification number, the date, number of electronic bingo cards purchased or  
5 loaded, and the total amount charged for the electronic bingo cards.

6 (7) A site system shall be able to provide the winning game patterns re-  
7 quired for the entire bingo session on a ~~hardcopy~~ hard-copy printout. The  
8 printout ~~must~~ shall be available upon demand at the bingo session.

9 (8) If the commission detects or discovers any malfunction or problem  
10 with an electronic bingo device or site system that could affect the secu-  
11 rity or integrity of the bingo game, the electronic bingo devices, or the  
12 site system, the commission may direct the manufacturer, distributor or li-  
13 censed organization to cease providing or using the electronic bingo devices  
14 or site system, as applicable. The commission may require the manufacturer  
15 to correct the problem or recall the devices or system immediately upon noti-  
16 fication by the commission to the manufacturer. Failure to take the correc-  
17 tive action requested may result in confiscation or seizure of the devices  
18 and/or site system.

19 (9) If a manufacturer, distributor or licensed organization detects or  
20 discovers any malfunction or problem with the electronic bingo devices or  
21 site system ~~which that~~ could affect the security or integrity of the bingo  
22 game, bingo card monitoring devices, or site system, the manufacturer, dis-  
23 tributor or licensed organization, as applicable, shall discontinue use of  
24 the devices or site system and notify the commission by telephone by the next  
25 working day of such action and the nature of the problem detected. The com-  
26 mission may request further explanation in writing if deemed necessary.

27 SECTION 13. That Section 67-7718, Idaho Code, be, and the same is hereby  
28 amended to read as follows:

29 67-7718. LICENSED DISTRIBUTOR REQUIREMENTS AND DUTIES. (1) A licensed  
30 distributor shall purchase, rent, lease or otherwise obtain electronic  
31 bingo devices and site system software only from a manufacturer licensed by  
32 the commission. A licensed distributor shall sell, rent, lease or otherwise  
33 provide, ~~only~~ electronic bingo devices and site system software that have  
34 been approved by the commission.

35 (2) A licensed distributor shall sell, rent, lease or otherwise provide  
36 electronic bingo devices and site system software in this state only to an  
37 organization holding a charitable gaming bingo license.

38 (3) Before the initial use by the licensed organization, the licensed  
39 distributor ~~must~~ shall notify the commission in writing of the sale, rental,  
40 lease, provision, and/or installation of any electronic bingo devices or  
41 site system software. Such notification shall include:

42 (a) The complete name and address of the licensed organization and its  
43 license number;

44 (b) The type of equipment, including serial numbers, sold, rented,  
45 leased, provided or installed;

46 (c) The expected start-up date for use of the equipment by the licensed  
47 organization; and

48 (d) A copy of any agreement between the licensed distributor and the or-  
49 ganization for the use of the equipment.

1 (4) The licensed distributor shall serve as the initial contact for the  
2 licensed organization with respect to requests for installation, service,  
3 maintenance, or repair of electronic bingo devices and site systems, and for  
4 the ordering of electronic bingo cards, if applicable. The distributor may,  
5 as needed, enlist the aid of the licensed manufacturer in providing service,  
6 repair or maintenance of the devices or site system. A licensed manufac-  
7 turer may, with commission approval, authorize or subcontract with a per-  
8 son or company to service, maintain or repair bingo card-monitoring devices  
9 ~~and/or~~ and site systems; however, the ultimate liability for such service,  
10 maintenance or repair shall be solely that of the licensed manufacturer.

11 (5) The licensed distributor shall invoice the licensed organization  
12 and collect ~~any and~~ all payments for the sale, rental, lease or other use  
13 of the electronic bingo cards, bingo card-monitoring devices and site sys-  
14 tems. The distributor may, at its discretion, allow the licensed manufac-  
15 turer to generate the invoice; however, all payments by the licensed organi-  
16 zation ~~must~~ shall be remitted directly to the distributor. The licensed dis-  
17 tributor ~~must~~ shall ensure that its name, complete address, and telephone  
18 number appear on the invoice as well as the name, complete address and li-  
19 cense number of the licensed organization.

20 (6) Electronic bingo devices may be transported by a licensed distrib-  
21 utor from one (1) location to another for use by more than one (1) licensed  
22 organization, provided the distributor notifies the commission of the rota-  
23 tion schedule of the devices. However, each licensed organization utilizing  
24 a site system ~~must~~ shall have its own site system, ~~which that~~ cannot be moved  
25 from its bingo location or be used by another organization without prior ap-  
26 proval from the commission.

27 SECTION 14. That Section 67-7719, Idaho Code, be, and the same is hereby  
28 amended to read as follows:

29 67-7719. LICENSED ORGANIZATIONS -- USE OF ELECTRONIC BINGO DE-  
30 VICES. (1) A licensed organization shall purchase, rent, lease or otherwise  
31 obtain electronic bingo devices and site system software only from an Idaho  
32 licensed distributor. A licensed organization may obtain terminals ~~and/or~~  
33 and printers to be used in conjunction with site system software obtained  
34 from a licensed distributor, ~~from any source.~~

35 (2) The use of a player-owned electronic bingo device at a bingo session  
36 is prohibited.

37 (3) Electronic bingo devices shall be rented, leased or otherwise  
38 provided to bingo players only by the licensed organization conducting the  
39 bingo session, and only at the time and place of the bingo session. A bingo  
40 player using an electronic bingo device ~~must~~ shall be physically present on  
41 the premises, during the time of the bingo session, in order to be eligible  
42 to play bingo or win any bingo prize.

43 (4) Regardless of the number of electronic bingo devices made available  
44 for play, at least one (1) device shall be reserved by the licensed organiza-  
45 tion as a backup device, in the event a device in play malfunctions.

46 (5) Electronic bingo devices shall be made available to players on a  
47 first-come, first-served basis. No device may be reserved for any player,  
48 except a device may be reserved for any player with a disability that would

1 restrict his or her ability to mark cards and such disability is consistent  
2 with definitions set forth in the Americans with disabilities act.

3 (6) No bingo player shall be allowed to utilize more than one (1) bingo  
4 card-monitoring device at any time during a bingo occasion.

5 (7) An electronic bingo device cannot be used to monitor hard bingo  
6 cards or shutter cards.

7 (8) A licensed organization shall not permit a bingo player to choose  
8 or reject individual electronic bingo cards loaded into an electronic bingo  
9 device.

10 (9) At the licensed organization's discretion, a bingo player may, in  
11 addition to the maximum ~~fifty-four (54)~~ one hundred eight (108) bingo cards  
12 per game ~~which he or she~~ that the player purchases to monitor with an elec-  
13 tronic bingo device, purchase additional disposable paper bingo cards to  
14 play using a manual daubing or marking method.

15 (10) An electronic bingo device shall be downloaded with electronic  
16 bingo cards by the licensed organization:

17 (a) Only upon payment by the player;

18 (b) Only on the premises of the licensed organization's bingo session;  
19 and

20 (c) Only during the time of the bingo session.

21 (11) A licensed organization may, at its discretion, charge a separate  
22 fee to players for the use of an electronic bingo device. The fee charged  
23 ~~must~~ shall be separately stated on the cash register and bingo player's re-  
24 ceipt and shall be included in the bingo cash receipts.

25 (12) The sale of all bingo cards used in conjunction with an electronic  
26 bingo device ~~must~~ shall be receipted by either cash register or site system.  
27 Additional disposable paper bingo card sales ~~must~~ shall be separately re-  
28 ceipted and, in addition, the cash register and player's receipt ~~must~~ shall  
29 identify and show the sale of disposable paper bingo cards separately from  
30 that of electronic bingo cards.

31 SECTION 15. An emergency existing therefor, which emergency is hereby  
32 declared to exist, this act shall be in full force and effect on and after  
33 July 1, 2024.