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HOUSE BILL NO. 590

Offered January 25, 1994

A BILL to amend and reenact § 18.2-340.9 of the Code of Virginia, relating to use of bingo proceeds.

Patron—Fisher

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That § 18.2-340.9 of the Code of Virginia are amended and reenacted as follows:**

§ 18.2-340.9. Prohibited practices.

In addition to those other practices prohibited by this article, the following acts or practices shall also be prohibited under the provisions of this article:

A. Except for reasonable and proper operating costs, including costs associated with providing clerical assistance in the conduct of bingo games or raffles for organizations composed of or for deaf or blind persons, publicizing the time and place of bingo games and raffles, and prizes, no part of the gross receipts derived by an organization, as herein defined, permitted to conduct bingo games or raffles may be used for any purpose other than (i) those lawful religious, charitable, community or educational purposes for which the organization is specifically chartered or organized and (ii) expenses relating to the acquisition, construction, maintenance, or repair of any interest in the real property involving the operation of the organization and used for lawful religious, charitable, community or educational purposes.

B. No organization shall enter into a contract with, or otherwise employ for compensation any person, firm, association, organization, partnership, or corporation of any classification whatsoever for the purpose of organizing, managing, or conducting bingo games or raffles. However, this subsection shall not prohibit the joint operation of bingo games under § 18.2-340.13.

C. No person, firm, association, organization, partnership, or corporation shall pay or receive for use of any premises devoted, in whole or in part, to the conduct of bingo games or raffles any consideration in excess of the current fair market rental value of such property. For purposes of this article, no fair market rental value consideration shall be based upon or determined by reference to a percentage of the proceeds derived from the operation of bingo games or raffles nor shall such consideration be based upon or determined by any reference to the number of people in attendance at such bingo games or raffles. Each day in violation of this subsection shall constitute a separate Class 1 misdemeanor as set forth in § 18.2-340.10.

D. No building or other premises shall be utilized in whole or in part for the purpose of conducting bingo games more frequently than two calendar days in any one calendar week, and the local governing body of any county, town, or city may adopt an ordinance establishing a reasonable limitation on the number of bingo games that may be conducted in any one calendar day. However, the provisions of this subsection shall not apply to the playing of bingo pursuant to a special permit issued in accordance with § 18.2-340.4. The local governing body of any county, town, or city may adopt an ordinance establishing reasonable hours during which bingo games held pursuant to this article may be played within such jurisdiction. No building or other premises owned by an organization as defined in § 18.2-340.1 of this article and qualified as a tax-exempt organization pursuant to § 501 (c) of the Internal Revenue Code shall be utilized in whole or in part for the purpose of conducting bingo games more frequently than four calendar days in any one calendar week. One building or premises owned by any county, city, or town shall be exempt from the provisions of this subsection.

E. Except for (i) persons employed as clerical assistants by organizations composed of or for deaf or blind persons, (ii) members of civic and fraternal groups or (iii) employees of a corporate sponsor of a qualified organization, only bona fide members of any such organization who have been members of such organization for at least ninety days prior to such participation shall participate in the management, operation or conduct of any bingo game or raffle. Except as provided herein, no person shall receive any remuneration for participating in the management, operation or conduct of any such game or raffle. Persons employed by organizations composed of or for deaf or blind persons may receive remuneration not to exceed thirty dollars per event for providing clerical assistance in the conduct of bingo games or raffles only for such organizations. The local governing body may, by ordinance, limit the number of organizations for which any person may participate in the management, operation, or conduct of bingo games or raffles. Persons eighteen years of age and under who sell raffle tickets to raise funds for youth activities in which they participate may receive nonmonetary incentive awards or prizes from the organization provided that organization is nonprofit. The spouse of any such bona fide member or a fire

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60 fighter or rescue squad member employed by a political subdivision with which the volunteer fire fighter
61 or rescue squad member is associated may participate in the operation and conduct of a bingo game or
62 raffle if a bona fide member is present.

63 F. No person shall manage, operate or conduct bingo games or raffles if, within the past five years,
64 he has been convicted of a felony or a crime involving moral turpitude, or has operated a bingo game or
65 raffle in violation of state law or local ordinance.

66 G. No organization shall enter into any contract with or otherwise employ or compensate any
67 member of that organization regarding the sale of bingo supplies or equipment.

68 H. No organization shall award any bingo prize money or any merchandise valued in excess of the
69 following amounts: (i) no bingo door prize shall exceed \$25, (ii) no regular bingo or special bingo game
70 prize shall exceed \$100, (iii) no instant bingo prize for a single card shall exceed \$500, and (iv) no
71 bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo jackpot
72 prizes awarded in any one calendar day exceed \$1,000.

73 Except as provided herein, no organization shall award any raffle prize valued at more than
74 \$100,000. The \$100,000 limitation shall not apply to a raffle conducted no more than once per calendar
75 year by an organization qualified as a tax-exempt organization pursuant to § 501 (c) (3) of the Internal
76 Revenue Code for a prize consisting of a lot improved by a residential dwelling where 100 percent of
77 the moneys received from such a raffle, less deductions for the fair market value for the cost of
78 acquisition of the land and materials, are donated to lawful religious, charitable, community, or
79 educational organizations specifically chartered or organized under the laws of the Commonwealth and
80 qualified as a § 501 (c) (3) tax-exempt organization.

81 The award of any prize money for any bingo game or raffle shall not be deemed to be part of any
82 gaming contract within the purview of § 11-14.

83 I. Any bingo game in which all the gross receipts from players for that game are paid as prize
84 money back to the players shall not be subject to the limitations of subdivision H of this section, but
85 there shall not be more than one such game per calendar day of play and the prize money from any
86 such game shall not exceed \$1,000.

87 J. Any organization composed of or for deaf or blind persons that employs a person not a member to
88 provide clerical assistance in the conduct of bingo games or raffles shall have in force fidelity insurance,
89 as defined in § 38.2-120, written by an insurer licensed to do business in the Commonwealth.

90 K. No person shall participate in the management, operation or conduct of any bingo game or raffle
91 if, within the preceding five years, he has been convicted of a felony or crime of moral turpitude.
92 Further, no person shall participate in the management, operation or conduct of any bingo game or raffle
93 if that person, within the past five years, has participated in the management, operation, or conduct of
94 any bingo game or raffle which was found by a local permitting authority or by a court of competent
95 jurisdiction to have been operated in violation of state law or local ordinance.