



# County of El Dorado

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## Chief Administrative Office

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### STAFF REPORT

TO: Board of Supervisors  
FROM: Chief Administrative Office  
RE: Review of Remote Caller Bingo

Several Supervisorial Districts and the Treasurer/Tax Collector's Office have received inquiries concerning the licensing of "Remote Caller Bingo" in the unincorporated areas of the County. Currently Chapter 5.20 of the County Ordinance allows specified organization to hold bingo games and provides regulations for the operation of "traditional" bingo games but does not allow for "Remote Caller Bingo" games.

The following information is provided should the Board wish to consider an ordinance establishing the legal framework for the regulation of Remote Caller Bingo.

### **Traditional Bingo**

#### **Definition**

"Traditional Bingo" is a lottery type game in which prizes are won when all (or a specific amount of) numbers, on a purchased card(s), match with those chosen by chance. The first player to cover all or specific numbered slots on his or her card wins. In a "Traditional Bingo" game, the callers of the random numbers or symbols are physically present in the same location as the bingo players.

## **Rules and Regulations**

Section 326.5 of the California Penal Code (Penal Code) establishes the legal framework for the regulation of "Traditional Bingo." The State has deferred to local jurisdictions the responsibility to authorize and regulate "Traditional Bingo" local ordinances. Under the County Code, a bingo game must only be used for charitable fundraising, and bingo operators must be associated with specific, eligible, non-profit organizations. The game must be open to the public, and attendance at any game is limited to the occupancy capacity of the room where the game is conducted. A bingo game shall be operated and staffed only by members of the nonprofit charitable organization which organized it. The members shall not receive a profit, wage or salary from any bingo game. Only the organization authorized to conduct a bingo game shall operate the game or participate in the promotion, supervision or any other phase of the game. The total value of prizes awarded during the conduct of any bingo games shall not exceed \$500.00 in cash or kind or both for each separate game which is held under the Penal Code. Bingo operator's and manager's business licenses each have an initial application fee (currently \$32) and an annual renewal fee (currently \$32).

## **Remote Caller Bingo**

### **Definition**

"Remote Caller Bingo" is also a lottery type game in which prizes are won when all (or a specific amount of) numbers, on a purchased card(s), match with those chosen by chance. The first player to cover all or specific numbered slots on his or her card wins. In "Remote Caller Bingo," the caller of the random numbers or symbols is located in a separate location from the players. The operator uses audio and video technology to telecast the caller to the participating locations.

### **Rules and Regulations**

Section 326.3 of the Penal Code became effective on September 30, 2008, and established the regulation and jurisdiction of "Remote Caller Bingo" under the California Gambling Control Commission (Commission). The Commission licenses "Remote Caller Bingo" equipment manufacturers, distributors, providers of "Remote Caller Bingo" services, and the caller. The operator's application must include a copy of the local ordinance for the local jurisdiction in which the game will be played, as well as a copy of the "Traditional Bingo" license issued to the organization by that local jurisdiction.

The game must be conducted by specific, eligible, non-profit organizations, which have been operating for at least three years. The receipts from the game must only be used for charitable purposes. The organization cannot conduct "Remote Caller Bingo" more than two days per week. The actual location where the game is held must be within the State of California, and all participating locations where the game is televised must also be within the State, and owned, leased, rented by or donated to a charitable organization.

In addition, the Commission issues work permits for any administrative, managerial, technical, financial, and security personnel used by non-profit organizations to conduct "Remote Caller Bingo" games. These personnel are subject to a criminal background check, which is conducted by the Commission. Final approval of the application requires a hearing by the Commission. Currently, several counties within the State license "Remote Caller Bingo."

"Remote Caller Bingo" provides non-profit organizations the ability to increase their fund raising capability. These organizations are able to broadcast to multiple locations and have up to 750 participants per location, dependent on occupancy capacity. In addition, prize money may be up to 37 percent of the bingo gross receipts per game. The California Department of Justice, Bureau of Gambling Control, is responsible for investigating violations and enforcing the "Remote Caller Bingo" Act. Complaints regarding "Remote Caller Bingo" are under the jurisdiction of the Bureau of Gambling Control.

## **Licensing**

In order to license "Remote Caller Bingo," the County Code would need to be updated to incorporate the State requirements. The local ordinance must require remote caller bingo games to be conducted in accordance with the provisions of Penal Code Section 326.3.

The Treasurer/Tax Collector is the Licensing Official responsible for verifying the facts to ensure the applicant is qualified prior to issuing a license and obtaining concurrence and sign off from the Sheriff. Such facts include:

- 1) Verification of tax exempt status imposed under:
  - a. Corporation Tax Law by Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation (R&T) Code.
  - b. A mobile home park organization.
  - c. A senior citizen's organization.
  - d. Charitable organizations affiliated with a school district.
- 2) Verify the organization conducting the game has been in existence for three years or more.
- 3) Require certification that game proceeds shall only be used for charitable purposes.
- 4) Require certification of how many days each month games will be held.
- 5) Verify the operation of bingo is not the primary purpose for which the organization is formed.

The verification requirements for this type of license are more involved than a standard business license, but the anticipated volume is low. For this reason, minimal impact for the Treasurer/Tax Collector's office and the Sheriff is low.

The current annual charge for licenses requiring additional verifications is \$130.00. In order to cover costs associated with the more complex requirements of a Remote Caller Bingo license, staff recommends the licensing fee be set at this level.

### **Draft Ordinance**

California Penal Code Section 326.3(c)(1) contains model ordinance language for the use of local governing bodies for the authorization and regulation of Remote Caller Bingo games. Staff has created a draft ordinance using this model and recommends that County Counsel prepare a draft ordinance for First Reading and consideration by the Board of Supervisors.