

**STORAGE NAME:** h0851.rs

**DATE:** March 29, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
REGULATED SERVICES  
ANALYSIS**

**BILL #:** HB 851

**RELATING TO:** Bingo

**SPONSOR(S):** Representative Edwards

**TIED BILL(S):** None

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) REGULATED SERVICES
  - (2) CRIME & PUNISHMENT
  - (3) COMMUNITY AFFAIRS
  - (4) GENERAL GOVERNMENT APPROPRIATIONS
  - (5)
- 

**I. SUMMARY:**

A substantial amount of s 489.0931, F.S., which authorizes and regulates the conduct of bingo, is affected by the bill. Some portions are rewritten to provide technical or clarifying changes, while other portions are substantively changed. The definition section is amended. Terms used in the statute are defined expressly for the first time. The bill limits and rewrites provisions relating to the operators of bingo. Conditions placed on the number and value of prizes and jackpots are consolidated and amended. Other conditions on the operation of bingo are revised. Requirements on allowable lease rates are further defined. The statutory rules of bingo are revised. Provisions of the statute regarding the reservation of seats are amended and clarified. Criminal penalties for violations of s. 849.0931, F.S., are elevated and broadened. Counties and municipalities are expressly given the authority to provide stricter regulation of the conduct of bingo.

The bill has no apparent fiscal impact on state and local government.

The bill takes effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                                        |                                         |
|-----------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

The bill does not support principles of less government and individual freedom to the extent that it restricts the conduct of bingo to no more than four days per week, one session per day, at any authorized location and establishes a cap on allowable lease rates for leased bingo facilities.

B. PRESENT SITUATION:

Section 849.0931, F.S., authorizes and limits bingo in Florida. Entities that may conduct bingo include charitable, nonprofit, and veterans' organizations, as well as, homeowner, cooperative, condominium, and mobile home owners' associations and groups of mobile home park residents. The statute limits the dollar amount of prizes to \$50 or less, caps the dollar amount of jackpots at \$250 each, limits the number of jackpots to three per day, and limits the number of days per week that an authorized entity may conduct bingo to two. The entity benefiting from the game must be posted and that entity must designate three persons to be present and one must be in charge of the games. The entity benefiting from the games must be located in the county or within 15 miles of the location of the games. No one under 18 years of age is permitted to operate or play bingo.

Those entities authorized to conduct bingo must own or lease the equipment and facility used to conduct bingo except that a municipal or county facility may be used if approved by ordinance or resolution. A lease must be for a minimum of a year, not based on a percentage of the proceeds and must reasonably reflect the rental value of similar properties in the area. The statute also provides standards for gaming equipment, bingo cards, conduct of play, and declaration of winners.

Bingo facilities exist that operate multiple sessions of bingo on any day of the week. These leased facilities conduct multiple sessions per day under the sponsorship of different qualifying organizations. The statutory provisions limiting the monetary amount of prizes and the number of times that bingo may be played during a week are placed upon sponsoring organizations, not upon the particular location where bingo occurs.

C. EFFECT OF PROPOSED CHANGES:

A substantial amount of s 489.0931, F.S., is affected by the bill. Some portions are rewritten to provide technical or clarifying changes, while other portions are substantively changed.

The definition section is amended. The definition of "bingo game" is amended to simplify the text and define the game. The term "bingo card" is amended to require the use of cards that include control numbers that relate to the sequence of numbers on the face of the card. Such cards are not presently required by law. Also, it will be a violation of the section to knowingly place a card with the same number sequence into play. "Charitable, nonprofit, or veterans' organizations" are required to have been active in Florida for the past three years. An organization that has been active for three or more years, but is new to Florida, will not be permitted to conduct bingo until after they have been **active in Florida** for three years. The set of bingo balls referred to as "objects" by the statute is redefined to establish the sequencing of the letters and numbers and to state the minimum number required in play. "Rack" is defined to indicate its purpose and use during play. The term "receptacle" is defined as to the type and number of objects that must be in a container prior to the beginning of a valid game. Also, "session" is redefined to consist of a predetermined number of games played in a single calendar day by no more than one organization.

Terms used in the statute are defined expressly by the bill for the first time. The term "member" is defined to mean a bona fide member of the authorized organization so as to avoid the granting of limited or temporary membership to a person for the sole purpose of conducting bingo. Also, a "day" is defined as a fifteen hour period beginning at 9 o'clock a.m. and ending at 12 o'clock midnight. This will require the cessation of operations at midnight and prohibit the immediate continuation of operations under a new session or day of bingo.

The bill limits and rewrites provisions of the statute relating to the operators of bingo. Only "members," as defined by the bill, may operate bingo. This includes the conduct of the game, verification of winners, handling of money, and distribution of prizes and jackpots without regard to the location or ownership of the facility. This prohibits the staffing of the bingo operation by persons other than bona fide members of the organization whether working in a leased facility or an organization's own facility. The name of the member in charge of the game must be conspicuously displayed. Further, the members conducting the game must reside within thirty miles of the bingo operation and may not receive remuneration, of any kind, unless under a contract approved by the sponsoring organization. The operation of concessions is not affected by the bill.

The conditions placed on the number and value of prizes and jackpots are consolidated and amended. The existing constraint of three jackpots per session per organization is now placed on any one location. Only one session per day will be permitted per location and only one sponsor may benefit from that session. This will prevent a bingo location from ending one session and immediately opening another under a different sponsor. Additionally, no location will be permitted to conduct more than four sessions or to award more than twelve jackpots per week. A leased facility will no longer be able to conduct as many sessions as they have sponsors. Leased facilities will only be able to lease to two authorized organizations per week. This, in combination with the limit of a single session per day, means a maximum number of four sessions per week at any one location. Further, the limitations regarding value of prizes and jackpots are applied to all games in a session whether players are charged for the game.

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The bill revises other conditions on the operation of bingo. The requirement that the session sponsor be located in the county or within fifteen miles of the location of the bingo operation is changed to allow a sponsor to be located in the county or within thirty miles of the location of the bingo operation. Previously, no one under eighteen years of age was permitted to be involved in the play or conduct of bingo. The bill prohibits anyone under the age of eighteen from being inside the location of the bingo operation. The bill deletes the authority for a cooperative association to conduct bingo. Also, the requirement that cooperative and homeowners' associations conduct bingo in common areas of the association or property owned by the association is deleted. Presumably, homeowners' associations would then be permitted to lease bingo facilities.

Requirements on the rental rates are further defined. The bill requires that the rental rate in the lease be supported by at least three comparisons prepared by licensed real estate or rental agents. Further, any lease rate that exceeds one dollar per patron per day, including equipment and utilities, is declared excessive. This ties the determination of lease rates to the relevant rental market and establishes a floating cap on the rent.

Some of the statutory rules of bingo are revised. The requirement that a disinterested person must be present when the objects are placed in the receptacle and inspected is amended to require that two randomly selected players must be present. Also, it is expressly provided that a verification can be had not only before, during and after a bingo but also upon a change of callers. Video and computerized tracking versions of bingo cards are prohibited. The responsibility of announcing "bingo" loud enough for the caller of the game to hear and thus stop the game is expressly placed on the player. Further, upon a request for verification of the numbers called, if the caller is the designated member in charge of the game, it is expressly provided that the verification is to occur in the presence of another officer listed on the license. Conditions concerning the closing of play are clarified.

Provisions of the statute regarding the reservation of seats are amended. A seat may be reserved provided the "appropriate" fee has been paid. A section of seats may be reserved for disabled players; however, seats reserved for the disabled may be occupied by anyone in the fifteen minutes prior to the start of the game. Also, players may prepay for the next day's session and the sponsor may implement a no refund policy.

The criminal penalties for violations of s. 849.0931, F.S., are elevated and broadened. Initial violations will now be third degree felonies instead of first degree misdemeanors. Second and subsequent violations will be first degree felonies as opposed to third degree felonies. The standards established by the statute are applied to bingo operations conducted under any other statute.

Counties and municipalities are expressly given the authority to provide stricter regulation of the conduct of bingo.

**D. SECTION-BY-SECTION ANALYSIS:**

Not applicable, this is a two section bill.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The operation of leased bingo facilities is subject to tighter regulation and greater limitations that will reduce the viability of such operations.

D. FISCAL COMMENTS:

None

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

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V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None

B. RULE-MAKING AUTHORITY:

None

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON REGULATED SERVICES:

Prepared by:

Staff Director:

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