

# SB1297



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB1297

Introduced 2/8/2011, by Sen. Antonio Muñoz

#### SYNOPSIS AS INTRODUCED:

230 ILCS 25/1.1  
230 ILCS 25/2.5 new

Amends the Bingo License and Tax Act. Provides that no person or organization shall conduct a remote caller bingo game without a remote caller bingo license issued from the Department of Revenue. Sets forth certain restrictions on the conducting of a remote caller bingo game. Sets forth provisions concerning costs, fees, prizes, and proceeds. Defines "remote caller bingo game".

LRB097 08401 ASK 48528 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Bingo License and Tax Act is amended by  
5 changing Section 1.1 and by adding Section 2.5 as follows:

6 (230 ILCS 25/1.1)

7 Sec. 1.1. Definitions. For purposes of this Act, the  
8 following definitions apply:

9 "Bingo" means a game in which each player has a card or  
10 board for which a consideration has been paid, containing 5  
11 horizontal rows of spaces, with each row except the central one  
12 containing 5 figures. The central row has 4 figures with the  
13 word "free" marked in the center space. "Bingo" includes games  
14 that otherwise qualify under this paragraph, except for the use  
15 of cards where the figures are not preprinted but are filled in  
16 by the players. A player wins a game of bingo by completing a  
17 preannounced combination of spaces or, in the absence of a  
18 preannouncement of a combination of spaces, any combination of  
19 5 spaces in a row, vertically, horizontally, or diagonally.

20 "Bingo equipment" means any equipment or machinery  
21 designed or used for the play of bingo. "Bingo equipment" does  
22 not include electronic equipment.

23 "Charitable organization" means an organization or

1 institution organized and operated to benefit an indefinite  
2 number of the public.

3 "Department" means the Department of Revenue.

4 "Educational organization" means an organization or  
5 institution organized and operated to provide systematic  
6 instruction in useful branches of learning by methods common to  
7 schools and institutions of learning which compare favorably in  
8 their scope and intensity with the course of study presented in  
9 tax-supported schools.

10 "Fraternal organization" means an organization of persons  
11 having a common interest that is organized and operated  
12 exclusively to promote the welfare of its members and to  
13 benefit the general public on a continuing and consistent  
14 basis, including but not limited to ethnic organizations.

15 "Holiday" means any of the holidays listed in Section 17 of  
16 the Promissory Note and Bank Holiday Act.

17 "Labor organization" means an organization composed of  
18 labor unions or workers organized with the objectives of  
19 betterment of the conditions of those engaged in such pursuit  
20 and the development of a higher degree of efficiency in their  
21 respective occupations.

22 "Licensed organization" means a qualified organization  
23 that has obtained a license to conduct bingo in conformance  
24 with the provisions of this Act.

25 "Limited license" means a license issued to an organization  
26 that is not a licensed organization, but that is otherwise

1 eligible for a regular license to conduct bingo. A limited  
2 license authorizes the conduct of bingo at up to 2 indoor or  
3 outdoor festivals during the calendar year for which the  
4 license is issued for a maximum of 5 consecutive days on each  
5 occasion.

6 "Non-profit organization" means an organization or  
7 institution organized and conducted on a not-for-profit basis  
8 with no personal profit inuring to anyone as a result of the  
9 operation.

10 "Organization" means a corporation, agency, partnership,  
11 association, firm, business or other entity consisting of 2 or  
12 more persons joined by a common interest or purpose.

13 "Person" means any natural individual, corporation,  
14 partnership, limited liability company, organization (as  
15 defined in this Section), licensee under this Act, or  
16 volunteer.

17 "Provider" means any person or organization, except a city,  
18 village, or incorporated town that owns or leases premises to  
19 an organization for the conduct of bingo.

20 "Regular license" means a license authorizing its holder to  
21 conduct one session of bingo per week on the date and at the  
22 time and location stated on the license.

23 "Religious organization" means any church, congregation,  
24 society, or organization founded for the purpose of religious  
25 worship.

26 "Remote caller bingo game" means a game of bingo in which

1 (1) the numbers or symbols on randomly-drawn plastic balls are  
2 announced by a natural person present at the site where the  
3 live game is conducted and (2) the organization conducting the  
4 game of bingo uses audio and video technology to link any of  
5 its in-state facilities for the purpose of transmitting the  
6 remote calling of a live bingo game from a single location to  
7 multiple locations owned, leased, or rented by that  
8 organization.

9 "Senior citizens organization" means an organization or  
10 association comprised of members of which substantially all are  
11 individuals who are senior citizens, as defined in the Illinois  
12 Act on the Aging, the primary purpose of which is to promote  
13 the welfare of its members.

14 "Special games" means bingo games that may be designated as  
15 such, played a maximum of 5 times during a bingo session and  
16 are distinguished from regular games only by the maximum price  
17 that may be charged for the bingo cards used.

18 "Special permit" means the ability of a licensee who  
19 currently holds a license to be granted a permit to conduct  
20 bingo at other premises or on other days not exceeding 5  
21 consecutive days.

22 "Supplier" means any person, firm, or corporation that  
23 sells, leases, or distributes to any organization licensed to  
24 conduct bingo or to any licensed bingo supplier, cards, boards,  
25 sheets, markers, pads and any other supplies, devices and  
26 equipment designed for use in the play of bingo.

1 "Veterans' organization" means an organization comprised  
2 of members of which substantially all are individuals who are  
3 veterans or spouses, widows, or widowers of veterans, the  
4 primary purpose of which is to promote the welfare of its  
5 members and to provide assistance to the general public in such  
6 a way as to confer a public benefit.

7 "Volunteer" means a person recruited by an organization who  
8 voluntarily performs services at a bingo event, including  
9 participation in the management or operation of a game.

10 "Youth athletic organization" means an organization having  
11 as its exclusive purpose the promotion and provision of  
12 athletic activities for youth aged 18 and under.

13 (Source: P.A. 95-228, eff. 8-16-07.)

14 (230 ILCS 25/2.5 new)

15 Sec. 2.5. Remote caller bingo license; restrictions.

16 (a) No person or organization may conduct a remote caller  
17 bingo game without a remote caller bingo license. The remote  
18 caller bingo game license must list all of the locations  
19 approved by the Department to conduct remote caller bingo games  
20 under that license. The Department shall issue qualifications  
21 for a remote caller bingo license and set forth an application  
22 process.

23 (b) The conducting of a remote caller bingo game is subject  
24 to the following restrictions:

25 (1) The drawing of each ball bearing a number or symbol

1 by the natural person calling the game shall be visible to  
2 all players as the ball is drawn, including through a  
3 simultaneous live video feed at remote locations at which  
4 players may participate in the game. The audio or video  
5 technology used to link the facilities may include cable,  
6 Internet, satellite, broadband, or telephone technology,  
7 or any other means of electronic transmission that ensures  
8 the secure, accurate, and simultaneous transmission of the  
9 announcement of numbers or symbols in the game from the  
10 location at which the game is called by a natural person to  
11 the remote location or locations at which players may  
12 participate in the game.

13 (2) The remote caller bingo licensee or members of its  
14 organization shall not receive a profit, wage, or salary  
15 from the remote caller bingo game.

16 (3) The remote caller bingo game shall be operated and  
17 staffed only by the remote caller bingo licensee or members  
18 of its organization with the exception of administrative,  
19 managerial, technical, financial, or security personnel  
20 who are employed by the remote caller bingo licensee at a  
21 location participating in the remote caller bingo game.  
22 Notwithstanding any other provision of law, an exclusive  
23 agreement or other agreement between the remote caller  
24 bingo licensee and other entities or persons to provide  
25 services in the administration, management, or conduct of  
26 the game shall not be considered a violation of the

1 prohibition against holding a legally cognizable financial  
2 interest in the conduct of the remote caller bingo game by  
3 persons or entities other than the charitable  
4 organization.

5 (4) The remote caller bingo licensee shall not have  
6 overhead costs exceeding 25% of gross sales, except that  
7 the limitations of this item (4) shall not apply to  
8 one-time, non-recurring capital acquisitions. For purposes  
9 of this item (4), overhead costs include, but are not  
10 limited to, amounts paid for rent and equipment leasing and  
11 the reasonable fees authorized to be paid to  
12 administrative, managerial, technical, financial, and  
13 security personnel employed by the remote caller bingo  
14 licensee.

15 For the purpose of keeping its overhead costs below 25%  
16 of gross sales, a remote caller bingo licensee may elect to  
17 deduct all or a portion of the fees paid to financial  
18 institutions for the use and processing of credit card  
19 sales from the amount of gross revenues awarded for prizes.  
20 These deducted fees for the use and processing of credit  
21 card sales shall not be considered overhead costs.  
22 Additionally, fees paid to financial institutions for the  
23 use and processing of credit card sales shall not be  
24 deducted from the proceeds retained by the charitable  
25 organization.

26 (5) No person shall be allowed to participate in a



1 remote caller bingo game unless the person is physically  
2 present at the time and place where the remote caller bingo  
3 game is being conducted. A person shall be deemed to be  
4 physically present at the place where the remote caller  
5 bingo game is being conducted if he or she is present at  
6 any of the locations participating in the remote caller  
7 bingo game in accordance with this Section.

8 (6) An organization shall only co-sponsor a remote  
9 caller bingo game with one or more other organizations that  
10 share the same type of membership category. Unaffiliated  
11 organizations shall be limited to a maximum of 10 locations  
12 for a remote caller bingo game and a maximum of 2 remote  
13 caller bingo games per week.

14 (7) Every remote caller bingo game shall be played  
15 until a winner is declared. The declared winner of a remote  
16 caller bingo game shall provide his or her identifying  
17 information and a mailing address to the onsite manager of  
18 the remote caller bingo game. Prizes shall be paid only by  
19 check if the prize money exceeds \$999.99. The remote caller  
20 bingo licensee may issue a check to the winner at the time  
21 of the game or may a check to the declared winner by  
22 certified mail, return receipt requested, within 10 days  
23 after the remote caller bingo game.

24 (8) The value of prizes awarded during the conduct of  
25 any remote caller bingo game shall not exceed 40% of the  
26 gross receipts for that game. If an authorized organization

1 elects to deduct fees paid for the use and processing of  
2 credit card sales from the amount of gross revenues for  
3 that game awarded for prizes, then the maximum amount of  
4 gross revenues that may be awarded for prizes shall not  
5 exceed 40% of the gross receipts for that game, less the  
6 amount of redirected fees paid for the use and processing  
7 of credit card sales.

8 (9) All prize money exceeding State and federal  
9 exemption limits on prize money shall be subject to income  
10 tax reporting and withholding requirements under  
11 applicable State and federal laws and regulations and those  
12 reports and withholding shall be forwarded, within 10  
13 business days after the remote caller bingo game, to the  
14 appropriate State or federal agency on behalf of the  
15 winner. A report shall accompany the amount withheld  
16 identifying the person on whose behalf the money is being  
17 sent. Any game interrupted by a transmission failure,  
18 electrical outage, or act of God shall be considered void  
19 in the location that was affected and the organizations  
20 members, affiliates, and the State shall be held harmless.  
21 A refund for a canceled game or games shall be provided to  
22 the purchasers.

23 (10) The entire net proceeds, comprised of at least 35%  
24 of the gross proceeds, from the remote caller bingo game  
25 must be exclusively devoted to the lawful purposes of the  
26 organization permitted to conduct that game.