



OHIO CHARITABLE GAMING BINGO LAWS



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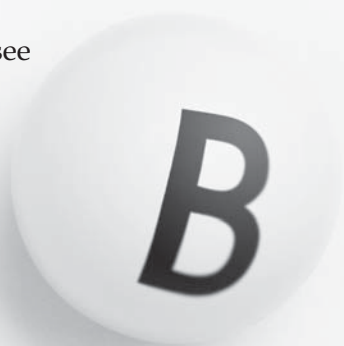
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WHAT IS "BINGO?"

O.R.C. 2915.01 generally defines Bingo as:

- “Traditional” bingo in which players cover spaces on cards which correspond to letters and numbers called by a bingo game operator;
- Instant bingo, punch boards and raffles.

For a complete definition, please see O.R.C. 2915.01(S).



IS A LICENSE REQUIRED TO CONDUCT BINGO?

(O.R.C. 2915.01; 2915.07; 2915.08; O.A.C. 109:1-4-03)

- A license is required to conduct traditional bingo and instant bingo. Conducting bingo without a license is a **felony** of the fourth degree. “Conduct” means to back, promote, organize, manage, carry on, sponsor or prepare for the operation of bingo or a game of chance.
- A bingo license is always required to conduct instant bingo.
- A license is **NOT** required if a traditional bingo game is conducted for the purpose of amusement only as described in O.R.C. 2915.12(A)(1) and 2915.12(A)(2); or by a “multipurpose senior center” consistent with the provisions of O.R.C. 173.121.

WHAT TYPES OF BINGO DOES THE ATTORNEY GENERAL'S OFFICE LICENSE AND WHEN ARE THE APPROVED HOURS?

(O.R.C. 2915.01; 2915.09)

- **Type I License** – To conduct “traditional bingo” no more than two times per week for no more than five hours per session. The scheduled hours for these sessions must be between 10:00 a.m. and midnight.
- **Type II License** – To conduct instant bingo during the hours traditional bingo is conducted and for not more than two hours before and two hours after that period. The earliest time to begin Type II bingo sales is 9:00 a.m. for traditional bingo that begins at 10:00 a.m.
- **Type III License** – To conduct instant bingo other than at a traditional bingo session. Veteran, fraternal and sporting organizations may conduct Type III bingo seven days per week, up to 12 hours per day, between the hours of 10:00 a.m. and 2:00 a.m. The 12 hours do not have to be consecutive. Other qualified 501(c)(3) charitable organizations do not have any day or time restrictions for the conduct of Type III instant bingo.

WHO IS ELIGIBLE TO BE LICENSED?

(O.R.C.2915.08)

- To be eligible for a bingo license an applicant must be one of the 14 types of “charitable organizations” defined in O.R.C. 2915.01(H). Eligible charitable organizations include any tax exempt

religious, educational, veteran, fraternal, sporting, service, nonprofit medical, volunteer rescue service, volunteer firefighter, senior citizen, historic railroad educational, youth athletic, amateur athletic or youth athletic park organization.

- An organization must be exempt from federal income tax with a tax exempt status of 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10), 501(c)(19) or if the organization is a sporting organization with a tax exempt status of 501(c)(7).
- In general, a charitable organization must have been in continuous existence in Ohio for at least two years prior to making application for a bingo license. Fraternal and nonprofit medical organizations must have been in existence for five years prior to making application. Exceptions to this rule include volunteer rescue service or volunteer firefighter organizations, or any 501(c)(3) organization that is created by a veteran, fraternal or sporting organization.

HOW DO I OBTAIN A BINGO LICENSE FOR MY ORGANIZATION?

An application for a bingo license may be requested from the Ohio Lottery Commission or through the Ohio Attorney General's web site:

www.ag.state.oh.us

The contact information can also be found on the last page of this publication.

WHAT IS THE BINGO LICENSE FEE?

(O.R.C. 2915.08)

The fees vary for different types of bingo licenses. The instructions about calculating the fee for a specific type of license can be found in the “Application Instructions” at the Attorney General’s web site or through the Ohio Lottery Commission.

HOW DO I REQUEST CHANGES TO OUR BINGO LICENSE?

(O.R.C. 2915.08)

- Submit a written request for the changes to the Ohio Lottery Commission at least 30 days before the date of the desired change. Include a reason why it is impractical to conduct bingo at the location(s), day(s) of the week or time of day specified on the existing license.
- The amendment fee is \$250 and must accompany the request. Please mail your request to the Ohio Lottery Commission.
- The organization must surrender its current license at the time the amended license is issued.
- No more than two amendments of the days and times specified on the license may be requested in a calendar year.

WHAT ARE THE RESPONSIBILITIES OF HAVING A BINGO LICENSE?

(O.R.C.2915.09)(O.R.C. 2915.091)

An organization must:

- Conspicuously display bingo license and serial numbers of all instant bingo deals in play.
- Not conduct traditional bingo or instant bingo on any day, time or premises not indicated on the license.
- Conduct bingo in the same county as the organization's principal place of business.
- Upon opening a deal of instant bingo tickets, sell tickets until all prizes in top two prize tiers are awarded.
- Not allow persons less than 18 years old to play or work any type of bingo.
- Purchase or lease supplies from a licensed distributor and pay by check drawn on the bingo checking account.
- Pay allowable expenses and charity recipients by check.
- Keep unsold tickets and maintain required records for three years.
- Not sell or provide an instant bingo ticket for a price different than that printed on the ticket or game flare.
- Not pay fees to any person for any services performed in relation to an instant bingo game.
- Not sell instant bingo tickets to other bingo game operators or to employees of a "D" permit holder who are working at premises where instant bingo tickets are sold.
- Not allow a person convicted of a gambling or felony offense to be a bingo game operator.

- The owner or lessor is not assisting in the conduct of instant bingo, provides only the premises, has no other commercial activity at the location, and no portion of the rent is paid from the proceeds of Type III instant bingo.
- The contract must be a form contract in compliance with administrative rule; no changes to the terms are permitted.
- Type III instant bingo cannot be the primary source of retail income at any location.

WHAT ARE THE REQUIREMENTS FOR VETERAN, FRATERNAL AND SPORTING ORGANIZATIONS CONDUCTING TYPE III INSTANT BINGO?

(O.R.C. 2915.091)

- Instant bingo must be conducted on the organization's own premises.
- Instant bingo sales are limited to the organization's own members and invited guests.
- Maximum time allowed for instant bingo is seven days per week, 12 hours per day, between the hours of 10:00 a.m. and 2:00 a.m. (Hours do not need to be consecutive.)
- A paid employee of an organization may sell instant bingo tickets to members or invited guests, as long as no portion of the employee's compensation is paid from bingo receipts.
- The organization must have a fundraising contract with a 501(c)(3) public charity with its principal place of business in Ohio, or with a governmental unit.

- Not pay any compensation to a bingo game operator for conducting instant bingo or for preparing, serving or selling food or beverages at the site of instant bingo.
- Not use instant bingo ticket dispensers to sell tickets.
- Not possess a deal of instant tickets or cards that was not purchased from a licensed distributor as reflected on an invoice containing all of the information required by O.R.C. 2915.10.

WHAT ARE THE REQUIREMENTS FOR 501(C)(3) CHARITABLE ORGANIZATIONS CONDUCTING TYPE III INSTANT BINGO?

(O.R.C. 2915.09; 2915.091; 2915.093; 2915.094; 2915.095; 2915.10)

- Type III instant bingo may be conducted by a charity at a festival or at the charity's principal place of business when not conducting a traditional bingo session or, conducted by a third party "assisting" the charity, such as a retail store, restaurant or bar.
- The charity is limited to five locations, except in limited circumstances.
- The charity must have a contract with the owner or lessor of the premises, except when:
 - The charity plays on property it owns.
 - The charity conducts instant bingo at the location for not more than five days per year and not more than 10 hours per day and the owner or lessor is not assisting in the conduct of instant bingo.

For a complete list of restrictions and requirements, see O.R.C. 2915.09, 2915.091, 2915.093, 2915.094, 2915.095, 2915.10, and 2915.13.

WHAT ARE THE ALLOWABLE EXPENSES FROM BINGO PROCEEDS?

(O.R.C. 2915.01(LL), 2915.09)

Proceeds from traditional bingo may be used for the payment of prizes and the payment or reimbursement of expenses for:

- Purchase or lease of bingo supplies.
- Annual license fee.
- Bank fees and service charges for a bingo session or game account.
- Audits and accounting services.
- Safes.
- Cash registers.
- Hiring security personnel.
- Advertising bingo.
- Renting premises for a bingo session.
- Tables and chairs.
- Expenses for maintaining and operating a charitable organization's facilities, including a post home, club house, lounge, tavern, or canteen and any grounds attached to these facilities.

For veteran, fraternal and sporting organizations conducting instant bingo, prizes and the cost of instant bingo supplies are deducted from the instant bingo gross receipts to determine net profit from the proceeds of the sale of instant bingo. These organizations may then use the allowable percentage of net profit from the sale of instant bingo for the remaining expenses listed above.

WHAT ARE THE RECORDKEEPING REQUIREMENTS FOR BINGO LICENSES?

(O.R.C. 2915.10)

These records must be kept for three years from the date the bingo or game of chance is conducted:

- Itemized list of gross receipts from bingo session and each game of instant bingo by serial number.
- Itemized list of gross profits of each game of instant bingo by serial number.
- Itemized list of all expenses, other than prizes, incurred in conducting bingo or instant bingo, the name of the person or company paid, and a receipt.
- List of all prizes awarded during each bingo session and the total prizes awarded from each game of instant bingo by serial number. There must also be a record of the name, address and Social Security number of all winners of prizes of \$600 or more.
- Itemized list of all recipients of the net profit of bingo and, if the organization uses the net profit for charitable or other purposes defined in O.R.C. 2915.01(Z) or 2915.101, a list of each purpose and each expenditure for each purpose.
- Number of persons who participate in each bingo session.
- List of receipts from the sale of food and beverages by the charitable organization or auxiliary, if the receipts were excluded from "gross receipts."
- Itemized list of expenses incurred at each bingo session or instant bingo game for the sale of food and beverages, the name of each person paid and a receipt for all listed expenses.

- The organization must keep the records at its principal place of business in Ohio or its headquarters in Ohio, and shall notify the Attorney General's Office of this location.
- The organization shall conduct and record an inventory of all its bingo supplies as of November 1st of each year.

HOW DO I OBTAIN A DISTRIBUTOR'S LICENSE?

(O.R.C. 2915.081)

- The Ohio Attorney General must license anyone distributing bingo supplies for use in this state. Application forms may be obtained by contacting the Attorney General's Office at (614) 466-3180 or by visiting our web site at www.ag.state.oh.us.
- A distributor license is valid for one year and the annual fee is \$5,000.

No distributor shall:

- Sell, offer to sell, or otherwise provide or offer to provide bingo supplies or modify, convert, add to, or remove parts from bingo supplies for use in this state except to or for the use of a charitable organization or to another distributor that has been issued a license under O.R.C. 2915.08.
- Participate in the conduct of bingo on behalf of a charitable organization or have any ownership interest in premises used for the conduct of bingo.

For a complete list of requirements, please see O.R.C. 2915.081.

WHAT IS A RAFFLE?

A raffle is a form of bingo where prizes are won by purchasing a raffle ticket. A ticket stub or other detachable section is drawn from a receptacle.



WHO MAY CONDUCT RAFFLES?

(O.R.C. 2915.092)

- Organizations conducting raffles must be a charity, public school, chartered non-public school, a community school or a veteran, fraternal or sporting organization and have a tax exempt status with the IRS of 501(c)(3), 501(c)(4), (501(c)(8), 501(c)(10), or 501(c)(19), or a sporting organization with a tax exempt status with the IRS of 501(c)(7).
- If the raffle is conducted by an organization that is not a 501(c)(3) charitable organization, 50 percent of the net profit must be distributed for a charitable purpose described in O.R.C. 2915.01(Z) or to a governmental unit.
- A bingo license is not required in order to conduct raffles.
- Local law enforcement and local prosecutors enforce the laws regarding raffles.

WHAT IS A "POOL NOT CONDUCTED FOR PROFIT?"

(O.R.C. 2915.01)

- No license is required for a scheme in which a participant gives money for a chance to win a prize, and the **total** amount of money wagered is distributed to a participant or participants.
- Not a scheme of chance or bingo.

WHAT ARE GAMES OF CHANCE?

(O.R.C. 2915.01(D) (O.R.C. 2915.02 (D)(1)(c))

- "Games of chance" are gambling activities where games such as Texas Hold'em, black jack, poker and other similar games are played to raise funds for a charity. Bingo is not a "game of chance."
- "Games of chance" are limited to "charitable organizations" that have an IRS tax exempt status of 501(c)(3). In most cases, the charitable organization must have been in "continuous existence" in the state for at least two years or longer depending on the type of organization. (See "Who is Eligible to be Licensed?" for more details.)
- The games of chance must be conducted "at festivals of the charitable organization that are conducted either for a period of four consecutive days or less and not more than twice a year or for a period of five consecutive days not more than once a year."



- Certain games are prohibited, such as craps or roulette for money.
- Workers cannot be paid.
- Proceeds must be distributed to a 501(c)(3) public charity or to a governmental unit.

WHAT ARE THE PENALTIES FOR VIOLATING THE GAMBLING LAWS?

(O.R.C. 2915)

- Violations of Ohio's Gambling Act can result in criminal penalties. Decisions to criminally prosecute under the gambling statutes are made by county and other local prosecutors, who have criminal enforcement authority under the Act.
- Violations may also result in civil prosecutions or the suspension or revocation of an organization's charitable bingo license.

For applications, instructions and other forms, please contact:

**THE OFFICE OF CHARITABLE GAMING
A DIVISION OF THE OHIO LOTTERY
COMMISSION
615 W. SUPERIOR AVE.
CLEVELAND, OH 44113-1879
(800) 686-4208**

This information is also available on the Attorney General's web site at www.ag.state.oh.us under the Charitable Law Section.



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