

IN THE SENATE

SENATE BILL NO. 1254

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO BINGO AND RAFFLES; AMENDING SECTION 67-7702, IDAHO CODE, TO RE-
2 VISE DEFINITIONS AND TO DEFINE TERMS; AMENDING SECTION 67-7703, IDAHO
3 CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 67-7704, IDAHO CODE, TO
4 REVISE PROVISIONS REGARDING THE BINGO-RAFFLE ADVISORY BOARD AND TO MAKE
5 A TECHNICAL CORRECTION; AMENDING SECTION 67-7705, IDAHO CODE, TO REVISE
6 PROVISIONS REGARDING ACTIONS BY THE BINGO-RAFFLE ADVISORY BOARD, TO RE-
7 VISE A MEETING REQUIREMENT, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING
8 SECTION 67-7706, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE POWERS
9 AND DUTIES OF THE BINGO-RAFFLE ADVISORY BOARD AND TO MAKE TECHNICAL COR-
10 RECTIONS; AMENDING SECTION 67-7707, IDAHO CODE, TO REVISE TERMINOLOGY;
11 AMENDING SECTION 67-7708, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING
12 SECTION 67-7709, IDAHO CODE, TO REVISE PROVISIONS REGARDING ACCOUNT-
13 ING AND THE USE OF BINGO PROCEEDS AND TO REVISE TERMINOLOGY; AMENDING
14 SECTION 67-7710, IDAHO CODE, TO REVISE PROVISIONS REGARDING RAFFLES;
15 AMENDING SECTION 67-7711, IDAHO CODE, TO REVISE PROVISIONS REGARDING
16 LICENSING; AMENDING SECTION 67-7712, IDAHO CODE, TO PROVIDE FOR A CER-
17 TAIN LICENSE FEE, TO REMOVE PROVISIONS REGARDING SUSPENSION AND REVOCA-
18 TION, AND TO REDESIGNATE THE SECTION; AMENDING SECTION 67-7713, IDAHO
19 CODE, TO REDESIGNATE THE SECTION AND TO REVISE LICENSURE REQUIREMENTS;
20 AMENDING CHAPTER 77, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SEC-
21 TION 67-7713A, IDAHO CODE, TO PROVIDE FOR LICENSE SUSPENSION AND REVO-
22 CATION; AMENDING SECTION 67-7714, IDAHO CODE, TO REVISE TERMINOLOGY;
23 AMENDING SECTION 67-7715, IDAHO CODE, TO REVISE TERMINOLOGY, TO PROVIDE
24 A CORRECT CODE REFERENCE, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING
25 SECTION 67-7716, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION
26 67-7717, IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE TECHNICAL COR-
27 RECTIONS; AND AMENDING SECTION 67-7718, IDAHO CODE, TO REVISE TERMINOL-
28 OGY AND TO MAKE TECHNICAL CORRECTIONS.
29

30 Be It Enacted by the Legislature of the State of Idaho:

31 SECTION 1. That Section 67-7702, Idaho Code, be, and the same is hereby
32 amended to read as follows:

33 67-7702. DEFINITIONS. As used in this chapter:

34 (1) "Bingo" means the traditional game of chance played for a prize de-
35 termined prior to the start of the game.

36 (a) Upon approval by the bingo-raffle advisory board, a licensee may
37 offer bingo games in which players are allowed to select their own num-
38 bers if the cards used to conduct the games have controls that provide an
39 audit trail adequate to determine all winning number combinations.

40 (b) Card-minding devices are prohibited. Autodaubing features are
41 prohibited.

1 (c) Bingo shall not include "instant bingo," which is a game of chance
 2 played by the selection of one (1) or more prepackaged bingo cards, with
 3 the winner determined by the appearance of a preprinted winning desig-
 4 nation on the bingo card.

5 (2) "Bingo-raffle advisory board" means a board of ~~six~~ five (65) per-
 6 sons chosen by the governor to make advisory recommendations regarding bingo
 7 and raffle operations and regulation in Idaho.

8 (3) "Charitable organization" means an organization that has been in
 9 continuous existence in the county of operation of the charitable bingo game
 10 or raffle for at least one (1) year, that conducts charitable activities, and
 11 that is exempt from taxation under section 501(c) (3), 501(c) (4), 501(c) (6),
 12 501(c) (8), 501(c) (10), 501(c) (19) or 501(d) of the Internal Revenue Code
 13 and is exempt from income taxation under title 63, Idaho Code, as a bona fide
 14 nonprofit charitable, civic, religious, fraternal, patriotic or veterans
 15 organization or as a nonprofit volunteer fire department, or as a nonprofit
 16 volunteer rescue squad, or as a nonprofit volunteer educational booster
 17 group, parent-teacher organization or association. If the organization has
 18 local branches or chapters, the term "charitable organization" means the
 19 local branch or chapter operating the bingo or raffle game.

20 (4) "Charitable purpose" means:

21 (a) The advancement of a religious, charitable, civic, scientific
 22 testing, public safety, literary, or educational purpose;

23 (b) The purchase, construction, maintenance, operation, or use of
 24 equipment or land, or a building or improvements thereto, that is owned,
 25 leased, or rented by and for the charitable or nonprofit organization,
 26 and that is used for civic purposes or made available by the charitable
 27 or nonprofit organization for use by the general public from time to
 28 time;

29 (c) To foster amateur sports competition; or

30 (d) The prevention of cruelty to humans or animals.

31 (5) "Commission" means the Idaho state lottery commission as defined in
 32 section 67-7404, Idaho Code.

33 (56) "Duck race" means a charitable raffle played by releasing num-
 34 bered, inanimate toys (ducks) into a body of moving water. A person who has
 35 been assigned the same number as the first duck to cross a predetermined
 36 point in the water (the finish line) is the winner. Other prizes may be
 37 awarded on the basis of the order in which the ducks cross the finish line.
 38 With the exception of determining "net proceeds," all restrictions and re-
 39 quirements applicable to the conduct of charitable raffles in this chapter
 40 shall also apply to the conduct of duck races.

41 (67) "Electronic bingo card" or "face" means an electronic facsimile
 42 of a bingo card or face, from a permutation of bingo cards formulated by a
 43 manufacturer licensed in Idaho, which is stored and/or displayed in a bingo
 44 card-monitoring device. An electronic bingo card or face is deemed to be a
 45 form of disposable paper bingo card.

46 (78) (a) "Electronic bingo device" means an electronic device used by a
 47 bingo player to monitor bingo cards purchased at the time and place of a
 48 licensed organization's bingo session and that:

49 (i) Provides a means for bingo players to input numbers announced
 50 by a bingo caller;

1 (ii) Requires the player to manually enter the numbers as they are
2 announced by a bingo caller;

3 (iii) Compares the numbers entered by the bingo player to the num-
4 bers contained on bingo cards previously stored in the electronic
5 database of the device;

6 (iv) Identifies winning bingo patterns; and

7 (v) Signals only the bingo player when a winning bingo pattern is
8 achieved.

9 (b) "Electronic bingo device" does not mean or include any device into
10 which coins, currency, or tokens are inserted to activate play, or any
11 device that is interfaced with or connected to any host system which can
12 transmit or receive any ball call information, site system or any other
13 type of bingo equipment once the device has been activated for use by the
14 bingo player.

15 (~~8~~9) "Gross revenues" means all moneys paid by players during a bingo
16 game or session for the playing of bingo or raffle events and does not include
17 money paid for concessions; provided that the expenses of renting electronic
18 bingo devices from a licensed vendor and the fees collected from players for
19 the use of electronic bingo devices must be reported separately on the organ-
20 ization's annual bingo report and must be netted for purposes of determining
21 gross revenues as follows: only fees collected from players in excess of the
22 rental charges paid to licensed vendors will be considered to be a part of
23 gross revenues; and if the costs of renting electronic bingo devices from a
24 licensed vendor exceed the fees collected from players for use of electronic
25 bingo devices, the difference will be considered an administrative expense
26 for purposes of section 67-7709(1) (d), Idaho Code.

27 (~~9~~10) "Host system" means the computer hardware, software and pe-
28 ripheral equipment of a licensed manufacturer that is used to generate and
29 download electronic bingo cards to a licensed organization's site system and
30 that monitors sales and other activities of a site system.

31 (11) "Lottery" or "state lottery" means the state lottery established
32 and operated pursuant to chapter 74, title 67, Idaho Code.

33 (102) "Nonprofit organization" means an organization incorporated un-
34 der chapter 30, title 30, Idaho Code, that has been in continuous existence
35 in the county of operation of the charitable bingo game or raffle for at least
36 one (1) year and that conducts charitable activities in advancement of a
37 charitable purpose as defined in subsection (4) of this section, Idaho Code.

38 (~~1~~3) "Organization" means a charitable organization or a nonprofit or-
39 ganization.

40 (124) "Person" shall be construed to mean and include an individual, as-
41 sociation, corporation, club, trust, estate, society, company, joint stock
42 company, receiver, trustee, assignee, referee or any other person acting
43 in a fiduciary or representative capacity, whether appointed by a court or
44 otherwise, and any combination of individuals. "Person" shall also be con-
45 strued to mean and include departments, commissions, agencies and instru-
46 mentalities of the state of Idaho, including counties and municipalities and
47 agencies or instrumentalities thereof.

48 (135) "Raffle" means a game in which the prize is won by random drawing
49 of the name or number of one (1) or more persons purchasing chances.

1 (146) "Session" means a period of time not to exceed eight (8) hours in
2 any one (1) day in which players are allowed to participate in bingo games
3 operated by a charitable or nonprofit organization.

4 (157) "Site system" means the computer hardware, software and periph-
5 eral equipment used by a licensed organization at the site of its bingo ses-
6 sion that provides electronic bingo cards or bingo card monitoring devices
7 to players, and that receipts the sale or rental of such cards and devices and
8 generates reports relative to such sales or rentals.

9 (168) "Vendor" means an applicant, licensee or manufacturer, distribu-
10 tor or supplier, licensed or unlicensed, that furnishes or supplies bingo or
11 raffle equipment, disposable or nondisposable cards, and any and all related
12 gaming equipment.

13 SECTION 2. That Section 67-7703, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 67-7703. BINGO-RAFFLE ADVISORY BOARD ESTABLISHED. There is estab-
16 lished the bingo-raffle advisory board, which is responsible for making
17 recommendations for the improvement of bingo and raffle operations and reg-
18 ulation to the ~~state lottery~~ commission, the governor and the legislature,
19 including recommendations for administrative rules.

20 SECTION 3. That Section 67-7704, Idaho Code, be, and the same is hereby
21 amended to read as follows:

22 67-7704. BINGO-RAFFLE ADVISORY BOARD -- MEMBERS -- APPOINTMENT --
23 QUALIFICATIONS. (1) The bingo-raffle advisory board shall consist of ~~six~~
24 five (65) members appointed by the governor and confirmed by the senate.
25 Members shall be selected and appointed because of their ability and dispo-
26 sition to serve the state's interest and for knowledge of bingo ~~and~~ or raffle
27 operations. Members appointed by the governor shall serve at the pleasure of
28 the governor, and shall be residents over twenty-five (25) years of age who
29 have experience in administrating, conducting or regulating bingo or raffle
30 operations. ~~There shall be one (1) member from each of the following six (6)~~
31 ~~districts initially established as follows:~~

32 ~~(a) District No. 1. The counties of Benewah, Bonner, Boundary, Kootenai and Shoshone.~~

33 ~~(b) District No. 2. The counties of Clearwater, Idaho, Latah, Lewis and Nez Perce.~~

34 ~~(c) District No. 3. The counties of Ada, Adams, Boise, Canyon, Elmore, Gem, Payette, Owyhee, Valley and Washington.~~

35 ~~(d) District No. 4. The counties of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls.~~

36 ~~(e) District No. 5. The counties of Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida and Power.~~

37 ~~(f) District No. 6. The counties of Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison and Teton.~~

38 (2) The terms of appointed members of the bingo-raffle advisory board
39 shall be three (3) years. At the end of a term, a member continues to serve
40 until a successor is appointed and qualifies. A member who is appointed af-
41 ter a term has begun serves only for the rest of the term and until a succes-
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1 sor is appointed and qualifies. A vacancy of the board shall be filled in the
 2 same manner as regular appointments are made, and the term shall be for the
 3 unexpired portion of the regular term. No member of the board shall have a
 4 direct or indirect pecuniary interest in any contract or agreement entered
 5 into by the board. ~~No more than three (3) members of the board shall belong to~~
 6 ~~the same political party.~~

7 SECTION 4. That Section 67-7705, Idaho Code, be, and the same is hereby
 8 amended to read as follows:

9 67-7705. QUORUM -- MEETINGS -- MINUTES -- COMPENSATION. A majority of
 10 the qualified membership of the bingo-raffle advisory board is a quorum. The
 11 advisory board may not act unless at least ~~four~~ three (43) members agree. The
 12 advisory board shall meet at least ~~three~~ two (32) times per year, and may meet
 13 more often as it deems necessary. Written notice of the time and place of
 14 each meeting shall be given to each board member. The advisory board shall
 15 select or elect one (1) of its members to be chairman, one (1) of its members
 16 to be ~~vice-chairman~~ vice chairman and one (1) of its members to be secretary.
 17 The secretary of the advisory board shall promptly send the ~~lottery~~ commis-
 18 sion a certified copy of the minutes of each meeting of the advisory board.
 19 The minutes shall include a copy of the current recommendations of the board,
 20 including recommended administrative rules. Members of the bingo-raffle
 21 advisory board shall receive compensation as provided in section 59-509(b),
 22 Idaho Code. Members are entitled to reimbursement for reasonable travel
 23 expenses incurred in the performance of their duties as a member, as provided
 24 by law.

25 SECTION 5. That Section 67-7706, Idaho Code, be, and the same is hereby
 26 amended to read as follows:

27 67-7706. BINGO-RAFFLE ADVISORY BOARD -- POWERS -- DUTIES. (1) The
 28 bingo-raffle advisory board shall review the operation and regulation of
 29 bingo games and raffle events in Idaho, and shall make recommendations to
 30 the ~~state lottery~~ commission regarding, but not limited to, the following
 31 issues:

- 32 (1a) The issuances of licenses for the operation of bingo games and raf-
 33 fle events, including the denial, suspension or revocation of licenses;
 34 (2b) The collection of fees, penalties, fines and other moneys from or-
 35 ganizations conducting or applying to conduct bingo games and/or raffle
 36 events;
 37 (3c) The maintenance by bingo operators of records and the efficacy of
 38 the statutes and rules requiring maintenance of records;
 39 (4d) The recordation and reporting of income from bingo games and raf-
 40 fle events to the ~~state lottery~~ commission, and the efficacy of the
 41 statutes and rules governing recordation and reporting;
 42 (5e) The efficacy and profitability of income and expenditure limits
 43 placed on organizations, by statute or rule, operating bingo games
 44 and/or raffle events in the state;
 45 (6f) The type, scope, manner, and frequency of bingo games and/or raf-
 46 fle events conducted in Idaho, and the efficacy of the statutes or rules
 47 governing those considerations; and

1 ~~(7) Possible cooperative agreements with county, city, and other local~~
 2 ~~and state agencies that would enhance the safety and profitability of bingo~~
 3 ~~games and/or raffle events;~~

4 ~~(8) Possible written agreements or contracts with other states or any~~
 5 ~~agency or contractor of another state for the operation and promotion of~~
 6 ~~joint bingo games and/or raffle events that would enhance the safety and~~
 7 ~~profitability of bingo and raffle operations in Idaho;~~

8 (9g) What rules should be promulgated by the ~~state lottery~~ commission,
 9 if any, to ensure the safe, orderly and trustworthy operation of bingo
 10 games and/or raffle events in Idaho.

11 (2) The bingo-raffle advisory board shall, ~~at least twice a year~~, re-
 12 port to the ~~state lottery~~ commission addressing the operations and activi-
 13 ties of the advisory board and the major issues facing ~~bingo~~ charitable gam-
 14 ing operators in the state. The lottery security division shall provide a
 15 final annual report to the governor, the ~~lottery~~ commission, the president
 16 pro tempore of the senate and the speaker of the house of representatives of
 17 the Idaho legislature.

18 SECTION 6. That Section 67-7707, Idaho Code, be, and the same is hereby
 19 amended to read as follows:

20 67-7707. BINGO BY CHARITABLE OR NONPROFIT ORGANIZATIONS. (1) It is
 21 lawful for a charitable or nonprofit organization to conduct bingo sessions
 22 or games in accordance with the provisions of this chapter and the rules of
 23 the ~~state lottery~~ commission. Any charitable or nonprofit organization, any
 24 member of a charitable or nonprofit organization, or any person ~~that~~ who con-
 25 ducts a bingo session or game in violation of any provision of this chapter or
 26 the rules of the ~~state lottery~~ commission may be assessed a civil penalty not
 27 in excess of ten thousand dollars (\$10,000) per violation. Additionally,
 28 any person knowingly conducting a bingo session or game in violation of the
 29 provisions of this chapter or the rules of the ~~state lottery~~ commission may
 30 be charged under the gambling laws ~~contained~~ in chapter 38, title 18, Idaho
 31 Code. Violations will be prosecuted by the county prosecuting attorney.

32 (2) No person under the age of eighteen (18) years may play bingo in
 33 games where a cash prize is offered or where the prize exceeds twenty-five
 34 dollars (\$25.00) in value for merchandise.

35 SECTION 7. That Section 67-7708, Idaho Code, be, and the same is hereby
 36 amended to read as follows:

37 67-7708. LIMIT ON SESSIONS AND BINGO PRIZES. The number of sessions or
 38 games of bingo conducted or sponsored by a charitable or nonprofit organiza-
 39 tion shall be limited to three (3) sessions per week and such sessions shall
 40 not exceed a period of eight (8) hours per day. The maximum prize that may
 41 be offered or paid for any one (1) game of bingo, and the maximum aggregate
 42 amount of prizes that may be offered or paid for any one (1) session of bingo,
 43 shall be set by rule of the ~~state lottery~~ commission.

44 SECTION 8. That Section 67-7709, Idaho Code, be, and the same is hereby
 45 amended to read as follows:

1 67-7709. ACCOUNTING AND USE OF BINGO PROCEEDS.

2 (1) (a) All funds received in connection with a bingo game required to
3 be licensed pursuant to this chapter and the rules of the ~~state lottery~~
4 commission shall be placed in a separate bank account that is in the
5 name of and controlled by the charitable or nonprofit organization. No
6 funds may be disbursed from this account except the charitable or non-
7 profit organization may expend proceeds for prizes, advertising, rent
8 including, but not limited to, renting space, chairs, tables, equipment
9 and electronic bingo devices, utilities, the purchase of supplies and
10 equipment in playing bingo, taxes and license fees related to bingo, the
11 payment of compensation, and for the purposes set forth below for the
12 remaining proceeds.

13 (b) Funds from bingo accounts must be withdrawn by preprinted, con-
14 secutively numbered checks or withdrawal slips, signed by an autho-
15 rized representative of the licensed authorized organization and made
16 payable to a person. A check or withdrawal slip shall not be made
17 payable to "cash," "bearer" or a fictitious payee. The nature of the
18 payment made shall be noted on the face of the check or withdrawal slip.
19 Checks for the bingo account shall be imprinted with the words "bingo
20 account" and shall contain the organization's bingo license name on the
21 face of each check. A licensed authorized organization shall keep and
22 account for all checks and withdrawal slips, including voided checks
23 and withdrawal slips. Electronic transfers from the bingo account may
24 be used for payments made to another governmental agency.

25 (c) Any proceeds available in a bingo account after payment of the
26 expenses set forth in paragraph ~~(1)~~(a) of this subsection shall inure
27 to the charitable or nonprofit organization to be used for ~~religious,~~
28 ~~a charitable, civic, scientific testing, public safety, literary or~~
29 ~~educational purposes or for purchasing, constructing, maintaining,~~
30 ~~operating or using equipment or land, or a building or improvements~~
31 ~~thereto, owned, leased or rented by and for the charitable or nonprofit~~
32 ~~organization and used for civic purposes or made available by the chari-~~
33 ~~table or nonprofit organization for use by the general public from time~~
34 ~~to time, or to foster amateur sports competition, or for the prevention~~
35 ~~of cruelty to children or animals~~ purpose as defined in section 67-7702,
36 Idaho Code, provided that no proceeds shall be used or expended directly
37 or indirectly to compensate officers or directors. The licensed bingo
38 operation must maintain records for five (5) years on forms prescribed
39 by the commission or pursuant to rules prescribed by the commission
40 showing the charitable activities to which the proceeds described in
41 this paragraph are applied. No employees of the charitable or nonprofit
42 organization may be compensated from bingo proceeds except as provided
43 in this subsection.

44 (d) (i) All gross revenues received from bingo games by a charitable or
45 nonprofit organization must be disbursed in the following manner,
46 unless otherwise provided in section 67-7708, Idaho Code: not
47 less than twenty percent (20%) of gross revenues shall be used for
48 charitable purposes enumerated in this subsection, and a maximum
49 of eighteen percent (18%) of the gross revenues may be used for ad-
50 ministrative expenses associated with the charitable bingo game.

1 An organization requesting an exemption from the disbursement
2 percentages provided in this paragraph for administrative costs
3 shall request such an exemption from the ~~state lottery~~ commission.

4 (ii) Two hundred fifty dollars (\$250) or one-tenth of one per-
5 cent (.1%) of annual gross revenues, as per the previous year's
6 annual bingo report, whichever is greater, may be paid as wages
7 for the conduct of any one (1) bingo session. Such wages shall be
8 paid on an hourly basis, shall be directly related to the prepara-
9 tion, conduct of and cleaning following a bingo session, and shall
10 be paid out of the organization's separate bank account unless the
11 director of lottery security has given prior written permission to
12 pay wages out of another account. Such wages shall be part of the
13 eighteen percent (18%) gross revenues used for administrative ex-
14 penses.

15 (2) Any licensed charitable or nonprofit organization conducting bingo
16 games pursuant to this chapter shall prepare a statement prescribed by the
17 commission at the close of its license year and shall file such statement
18 with the state lottery. ~~The statement shall be prepared on a form prescribed~~
19 ~~by the lottery commission and shall include~~ organization must also keep in
20 its records, at a minimum, the following information:

21 (a) The number of bingo sessions conducted or sponsored by the licensed
22 organization;

23 (b) The location and date at which each bingo session was conducted;

24 (c) The gross revenues of each bingo session;

25 (d) The fair market value of any prize given at each bingo session;

26 (e) The number of individual players participating in each session;

27 (f) The number of cards played in each session;

28 (g) The amount paid in prizes at each session;

29 (h) The amount paid to the charitable or nonprofit organization;

30 (i) All disbursements from bingo revenue and the purpose of those dis-
31 bursements must be documented on a general ledger and submitted with the
32 annual bingo report to the ~~Idaho lottery~~ commission; and

33 (j) ~~An accounting of all gross revenues and the disbursements required~~
34 ~~by statute and rule of the state lottery commission must be retained in~~
35 ~~records with the organization, including the date of each transaction~~
36 ~~and the~~ The date, name, and address of each payee for all prize payments

37 in excess of one hundred dollars (\$100); and

38 (k) The disbursements of funds to charitable activities, including
39 the identity of the charity and/or purpose and use of the disbursements
40 by the charity. ~~Such records shall be retained for a period of five (5)~~
41 years.

42 (3) Any organization required to be licensed to conduct bingo oper-
43 ations under the provisions of this chapter shall use only nonreusable
44 colored bingo paper or electronic bingo paper so that all sales may be
45 tracked. The nonreusable colored paper must have a series and serial number
46 on each card. At the conclusion of each session, all organizations using
47 nonreusable bingo paper must track their bingo sales per session by record-
48 ing the series and serial numbers of all paper sold, damaged, donated or used
49 for promotion in that session. Each such organization shall keep a ledger
50 of the numbers of all such papers used during each session. All paper must

1 be tracked as either sold, damaged, donated, used for promotion, or omitted
 2 from the original distributor or manufacturer. Paper tracking ledgers and
 3 invoices from the distributor or manufacturer for nonrefundable colored
 4 bingo paper must be kept with the permanent records for that bingo operation.

5 (4) Any person who shall willfully or knowingly furnish, supply or oth-
 6 erwise give false information in any statement filed pursuant to this sec-
 7 tion shall be guilty of a misdemeanor.

8 (5) All financial books, papers, records and documents of an organiza-
 9 tion shall be kept as determined by rule of the ~~state lottery~~ commission and
 10 shall be open to inspection by the county sheriff of the county, or the chief
 11 of police of the city, or the prosecuting attorney of the county where the
 12 bingo game was held, or the attorney general or the state lottery at reason-
 13 able times and during reasonable hours.

14 (6) Every charitable or nonprofit organization whose annual gross rev-
 15 enues exceed two hundred thousand dollars (\$200,000) from the operation of
 16 bingo games shall provide the state lottery with a copy of an annual audit
 17 of the bingo operation. The audit shall be performed by an independent cer-
 18 tified public accountant who is licensed in the state of Idaho and who meets
 19 peer review requirements set forth by the Idaho state board of accountancy.
 20 The audit shall be submitted to the ~~Idaho~~ state lottery within ninety (90)
 21 days after the end of the license year.

22 (7) An accounting of all gross revenues and the disbursements required
 23 by statute and rule of the commission shall be retained in records of the
 24 organization. All bingo records shall be retained for a period of five (5)
 25 years.

26 SECTION 9. That Section 67-7710, Idaho Code, be, and the same is hereby
 27 amended to read as follows:

28 67-7710. RAFFLES -- DUCK RACES. (1) It is lawful for any charitable or
 29 nonprofit organization to conduct raffles in accordance with the provisions
 30 of this chapter. Any charitable or nonprofit organization or any person that
 31 conducts a raffle in violation of any provision of this chapter may be as-
 32 sessed a civil penalty not in excess of ten thousand dollars (\$10,000) per
 33 violation. Additionally, any person knowingly conducting a raffle in viola-
 34 tion of any provision of this chapter or rule of the ~~state lottery~~ commission
 35 may be charged under the gambling laws of the state ~~contained~~ in chapter 38,
 36 title 18, Idaho Code, and may be assessed a civil penalty by the state lot-
 37 tery not in excess of ten thousand dollars (\$10,000) per violation. It shall
 38 not constitute a violation of state law to advertise a charitable raffle con-
 39 ducted pursuant to this section. It is lawful to participate in a charitable
 40 raffle conducted pursuant to this chapter. A charitable raffle conducted
 41 lawfully pursuant to this chapter is not gambling for purposes of chapter 38,
 42 title 18, Idaho Code.

43 (2) Before any raffle ticket sales may be legally conducted, the fol-
 44 lowing details shall be determined for each raffle:

45 (a) The date raffle ticket sales begin;

46 (b) Price of raffle ticket sales;

47 (c) Prizes to be awarded for each raffle; and

48 (d) A specified end date or specified number of raffle tickets to be
 49 sold for each raffle.

1 (3) Raffle drawings must be held in Idaho and shall be limited to twelve
2 (12) per charitable or nonprofit organization per year, provided that this
3 limitation shall not apply to public or private elementary schools, sec-
4 ondary schools or higher education institutions located in this state.

5 (4) Licensed and unlicensed charitable or nonprofit organizations
6 shall conduct and complete raffle drawings within one (1) year from the first
7 day raffle chances are available for purchase. If a license expires prior to
8 the raffle drawing, a licensed charitable organization must renew and hold a
9 valid raffle license prior to completion of the raffle.

10 (5) The maximum aggregate value of cash prize(s) that may be offered or
11 paid for any one (1) raffle, ~~which~~ that is not a duck race is one thousand dol-
12 lars (\$1,000), and if merchandise is used as a prize and it is not redeemable
13 for cash, there shall be no limit on the maximum amount of value for the mer-
14 chandise. For duck races, there shall be no limit on the maximum amount of
15 the value of a cash prize if the cash prize is underwritten by insurance. If a
16 duck race offers a cash prize that is not underwritten by insurance, the max-
17 imum aggregate value of the cash prize(s) is one thousand dollars (\$1,000).
18 There shall be no limit on the maximum of value for merchandise used as a
19 prize in a duck race if the merchandise is not redeemable for cash.

20 (36) As used in this subsection, "net proceeds of a charitable raffle"
21 means the gross receipts, less the cost of prizes awarded. "Net proceeds of a
22 duck race" shall mean gross receipts, less the cost of prizes awarded and the
23 rental cost of the ducks used in the race. No less than eighty percent (80%)
24 of the net proceeds of a raffle shall be used by the charitable or nonprofit
25 organization for a charitable, religious, educational, civic or other char-
26 itable purposes as defined in section 67-7702, Idaho Code.

27 (47) Any licensed charitable or nonprofit organization conducting raf-
28 fles pursuant to this chapter shall prepare a statement prescribed by the
29 commission at the close of its license year and shall file such statement
30 with the state lottery. The statement shall be prepared on a form prescribed
31 by the lottery commission and shall include organization must also keep in
32 its records, at a minimum, the following information:

33 (a) The number of raffles conducted or sponsored by the charitable or
34 nonprofit organization;

35 (b) The location and date at which each raffle was conducted;

36 (c) The gross revenues of each raffle;

37 (d) The fair market value of any prize given at each raffle;

38 (e) The amount paid in prizes at each raffle;

39 (f) The amount paid to the charitable or nonprofit organization;

40 (g) The number of raffle tickets sold during each raffle; and

41 (h) An accounting of all gross revenues and the disbursements required
42 by statute and rule of the state lottery commission that shall be re-
43 tained in the organization's records for a period of five (5) years.

44 (58) Every charitable or nonprofit organization whose annual gross
45 revenues exceed two hundred thousand dollars (\$200,000) from the operation
46 of raffle events shall provide the state lottery with a copy of an annual au-
47 dit of the raffle events. The audit shall be performed by a certified public
48 accountant who is licensed in the state of Idaho and who meets the peer review
49 requirements set forth by the Idaho state board of accountancy. The audit

1 shall be submitted to the ~~Idaho~~ state lottery within ninety (90) days after
2 the end of the license year.

3 (9) Any person who shall willfully or knowingly furnish, supply, or
4 otherwise give false information in any statement filed pursuant to this
5 section shall be guilty of a misdemeanor.

6 SECTION 10. That Section 67-7711, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 67-7711. LICENSING PROCEDURE. (1) Any charitable or nonprofit organi-
9 zation not exempt pursuant to section 67-7713~~2~~, Idaho Code, desiring to op-
10 erate bingo sessions or games or charitable raffles shall make application
11 for a license to the state lottery. The state lottery shall review the li-
12 cense application and shall approve or deny the issuing of a license within
13 fifteen (15) calendar days of receipt of the license application. The state
14 lottery may deny the application if it determines that the applicant has not
15 met requirements for an application imposed in this chapter and rules pro-
16 mulgated pursuant to this chapter or upon any ground for which an application
17 for renewal of a license could be denied or for which an existing licensee's
18 license could be revoked or suspended. Whenever an application is denied,
19 it shall be returned to the applicant by the state lottery with specific rea-
20 sons for the denial. When a license application is approved by the state lot-
21 tery, the state lottery shall issue a license to the applicant. No person or
22 charitable or nonprofit organization, except those exempt pursuant to sec-
23 tion 67-7713~~2~~, Idaho Code, shall operate or conduct a bingo session or game
24 or charitable raffle until it has received a license from the state lottery.
25 The license shall expire one (1) year after the date it was issued.

26 (2) Each application and renewal application shall contain the follow-
27 ing information:

28 (a) The name, address, date of birth, driver's license number and so-
29 cial security number of the applicant and, if the applicant is a corpo-
30 ration, association or other similar legal entity, the name, home ad-
31 dress, date of birth, driver's license number and social security num-
32 ber of each of the officers of the organization, as well as the name and
33 address of the directors, or other persons similarly situated, of the
34 organization;

35 (b) The name, home address, date of birth, driver's license number and
36 social security number of each person or persons responsible for manag-
37 ing the bingo session or game or raffle;

38 (c) (i) In the case of charitable organizations, a copy of the ap-
39 plication for recognition of exemptions and a determination let-
40 ter from the internal revenue service that indicates the organi-
41 zation is a charitable organization and states the section under
42 which that exemption is granted, except that if the organization
43 is a state or local branch, lodge, post or chapter of a national or-
44 ganization, a copy of the determination letter of the national or-
45 ganization shall satisfy this requirement; and

46 (ii) In the case of incorporated nonprofit organizations, a copy
47 of a certificate of existence issued by the secretary of state pur-
48 suant to chapter 30, title 30, Idaho Code, establishing the organ-
49 ization's good standing in the state.

1 (d) The location at which the applicant will conduct the bingo session
2 or games or drawings for the raffles.

3 (3) Different chapters of an organization may apply for and share one
4 (1) license to conduct raffles as long as the information required in sub-
5 section (2) of this section is provided to the state lottery prior to the is-
6 suance of the license.

7 (4) The organization may apply for the license to coincide with the or-
8 ganization's fiscal year.

9 (5) The operation of bingo sessions or games or charitable raffles
10 shall be the direct responsibility of, and controlled by, the governing body
11 of the organization and the members of the governing body shall be held re-
12 sponsible for the conduct of the bingo sessions or games or raffles.

13 (6) No directors or officers of an organization or persons related to
14 them either by marriage or blood within the second degree shall receive any
15 compensation derived from the proceeds of a bingo session or raffle regu-
16 lated under the provisions of this chapter.

17 (7) An organization shall not contract with any person for the purpose
18 of conducting a bingo session or providing bingo services or conducting a
19 raffle on the organization's behalf, provided that this prohibition does not
20 prevent ~~a bingo~~ an organization from hiring employees and paying wages as
21 provided in section 67-7709(1) (d) (ii), Idaho Code. ~~However, if the state~~
22 ~~lottery commission has entered into an agreement or contract with another~~
23 ~~state for the operation or promotion of joint bingo sessions, the charitable~~
24 ~~or nonprofit organization may participate in that contract or agreement.~~

25 ~~(4) Different chapters of an organization may apply for and share one~~
26 ~~(1) license to conduct raffles as long as the information required in subsec-~~
27 ~~tion (2) of this section is provided to the lottery prior to the issuance of~~
28 ~~the license.~~

29 ~~(5) The organization may apply for the license to coincide with the or-~~
30 ~~ganization's fiscal year.~~

31 SECTION 11. That Section 67-7712, Idaho Code, be, and the same is hereby
32 amended to read as follows:

33 67-7712~~3~~. LICENSE FEES ~~-- SUSPENSION OR REVOCATION.~~ (1) Each organ-
34 ization that applies to the state lottery for a license pursuant to this
35 chapter shall pay annually to the state lottery a nonrefundable license fee,
36 which shall be due upon submission of the application. New organizations
37 not exempt pursuant to section 67-7712, Idaho Code, and having no history of
38 gross revenues shall pay a license fee of one hundred dollars (\$100). Re-
39 newal license fees shall be based on the organization's gross revenues from
40 bingo or raffle operations as required to be reported by statute or rule of
41 the commission. Organizations with gross revenues of twenty-five thousand
42 dollars (\$25,000) or less shall pay a fee of one hundred dollars (\$100). Or-
43 ganizations with gross revenues of twenty-five thousand dollars (\$25,000)
44 to seventy-five thousand dollars (\$75,000) shall pay a fee of two hundred
45 dollars (\$200). Organizations with gross revenues exceeding seventy-five
46 thousand dollars (\$75,000) shall pay a fee of three hundred dollars (\$300).
47 ~~New organizations with no history of gross revenues shall pay a fee of one~~
48 ~~hundred dollars (\$100), and the gross revenues indicated in the organiza-~~
49 ~~tion's first annual report shall determine the license renewal fee.~~

1 ~~(2) Any license issued pursuant to this chapter may be suspended or re-~~
2 ~~voked by the state lottery if it is found that the licensee or any person con-~~
3 ~~nected with the licensee has violated any provision of this chapter or any~~
4 ~~rule of the lottery commission or ordinance of a county adopted pursuant to~~
5 ~~this chapter or:~~

6 ~~(a) Has continued to operate bingo sessions or games after losing its~~
7 ~~tax exempt or nonprofit status or ceases to exercise independent con-~~
8 ~~trol over its activities or budget as required under the provisions of~~
9 ~~this chapter;~~

10 ~~(b) Has violated or has failed or refused to comply with the provisions~~
11 ~~of this chapter, or has violated the provisions of a rule of the lottery~~
12 ~~commission or has allowed such a violation to occur upon premises over~~
13 ~~which the licensee has substantial control;~~

14 ~~(c) Has knowingly caused, aided or abetted, or conspired with another~~
15 ~~to cause, any person to fail or refuse to comply with the provisions, re-~~
16 ~~quirements, conditions, limitation or duties imposed in this chapter,~~
17 ~~or to fail or refuse to comply with a rule adopted by the state lottery~~
18 ~~commission;~~

19 ~~(d) Has obtained a license or permit by fraud, misrepresentation or~~
20 ~~concealment, or through inadvertence or mistake;~~

21 ~~(e) Has been convicted, forfeited bond, or has been granted a withheld~~
22 ~~judgment, upon a charge involving forgery, theft, willful failure to~~
23 ~~make required payments or reports to a governmental agency at any level,~~
24 ~~or filing false reports to a governmental agency, or any similar offense~~
25 ~~or offenses, or of bribing or otherwise unlawfully influencing a public~~
26 ~~official or employee of any state or the United States, or of any crime,~~
27 ~~whether a felony or misdemeanor, involving gambling activity, physical~~
28 ~~injury to individuals or moral turpitude;~~

29 ~~(f) Denies the state lottery access to any place where a licensed game~~
30 ~~is conducted, denies access to any law enforcement officer, or fails~~
31 ~~promptly to produce for inspection or audit any records or items as re-~~
32 ~~quired by law;~~

33 ~~(g) Fails to have the license available for verification where the li-~~
34 ~~icensed game is conducted;~~

35 ~~(h) Misrepresents or fails to disclose to the state lottery or any in-~~
36 ~~vestigating law enforcement officer any material fact;~~

37 ~~(i) Fails to demonstrate to the state lottery by clear and convincing~~
38 ~~evidence, qualifications for the license according to state law and the~~
39 ~~rules of the state lottery establishing such qualifications;~~

40 ~~(j) Is subject to current prosecution or pending charges, or to a con-~~
41 ~~viction regardless of whether it has been appealed, for any offense de-~~
42 ~~scribed in paragraph (e) of this subsection. At the request of an appli-~~
43 ~~cant for an original license, the state lottery may defer decision upon~~
44 ~~the application during the pendency of the prosecution or appeal;~~

45 ~~(k) Has pursued or is pursuing economic gain in a manner or context~~
46 ~~which violates criminal or civil public policy of this state and creates~~
47 ~~a reasonable belief that the participation of the person in gaming oper-~~
48 ~~ations by charitable or nonprofit organizations would be harmful to the~~
49 ~~proper operation of a lawful bingo or raffle.~~

1 ~~(3) The state lottery may, upon its own motion or upon a written veri-~~
2 ~~fied complaint of any other person, investigate the operation of any gaming~~
3 ~~purportedly authorized in this chapter. If the state lottery has reasonable~~
4 ~~cause to believe that any gaming as described in this chapter violates any of~~
5 ~~the provisions of this chapter or rules promulgated pursuant to this chap-~~
6 ~~ter, it may, in its discretion, place in probationary status, revoke, can-~~
7 ~~cel, rescind or suspend any license. The state lottery may refuse to grant a~~
8 ~~renewal of the license or it may take other action as may be appropriate un-~~
9 ~~der this chapter and any rules promulgated pursuant to this chapter. If the~~
10 ~~state lottery shall refuse to grant a license or refuse to grant a renewal~~
11 ~~of a license or revoke, cancel, rescind or suspend a license, it shall give~~
12 ~~the applicant or licensee fifteen (15) calendar days' written notice of its~~
13 ~~intended action stating generally the basis for its action. Within the fif-~~
14 ~~teen (15) calendar day notice period, the applicant or licensee shall indi-~~
15 ~~cate its acceptance of the decision of the state lottery or shall request a~~
16 ~~hearing to be held in the same manner as hearings in contested cases pursuant~~
17 ~~to chapter 52, title 67, Idaho Code. The hearing shall be conducted within~~
18 ~~twenty-one (21) days of the request. The applicant or licensee may appeal~~
19 ~~the decision of the state lottery after the hearing within the same time and~~
20 ~~manner as provided for judicial review of actions pursuant to chapter 52, ti-~~
21 ~~tle 67, Idaho Code. Failure to make the request for a hearing as provided~~
22 ~~herein, shall render the decision of the state lottery final and not subject~~
23 ~~to further appeal.~~

24 SECTION 12. That Section 67-7713, Idaho Code, be, and the same is hereby
25 amended to read as follows:

26 67-7713~~2~~. LICENSURE REQUIREMENTS. A charitable or nonprofit organi-
27 zation conducting a bingo game shall be required to obtain a license if the
28 gross annual bingo sales are ten thousand dollars (\$10,000) or more. A char-
29 itable or nonprofit organization conducting a raffle shall be required to
30 obtain a license if the maximum aggregate fair market value of merchandise
31 prizes awarded exceeds five thousand dollars (\$5,000).

32 SECTION 13. That Chapter 77, Title 67, Idaho Code, be, and the same is
33 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
34 ignated as Section 67-7713A, Idaho Code, and to read as follows:

35 67-7713A. LICENSE SUSPENSION OR REVOCATION. (1) Any license issued
36 pursuant to this chapter may be suspended or revoked by the state lottery
37 if it is found that the licensee or any person connected with the licensee
38 has violated any provision of this chapter or any rule of the commission or
39 ordinance of a county adopted pursuant to this chapter or:

40 (a) Has continued to operate bingo sessions or games after losing its
41 tax-exempt or nonprofit status or ceases to exercise independent con-
42 trol over its activities or budget as required under the provisions of
43 this chapter;

44 (b) Has violated or has failed or refused to comply with the provisions
45 of this chapter, or has violated the provisions of a rule of the commis-
46 sion, or has allowed such a violation to occur upon premises over which
47 the licensee has substantial control;

1 (c) Has knowingly caused, aided or abetted, or conspired with another
2 to cause any person to fail or refuse to comply with the provisions, re-
3 quirements, conditions, limitations, or duties imposed in this chap-
4 ter, or to fail or refuse to comply with a rule adopted by the commis-
5 sion;

6 (d) Has obtained a license or permit by fraud, misrepresentation, or
7 concealment, or through inadvertence or mistake;

8 (e) Has been convicted, forfeited bond, or has been granted a withheld
9 judgment upon a charge involving forgery, theft, willful failure to
10 make required payments or reports to a governmental agency at any level,
11 or filing false reports to a governmental agency, or any similar offense
12 or offenses, or of bribing or otherwise unlawfully influencing a public
13 official or employee of any state or the United States, or of any crime,
14 whether a felony or misdemeanor, involving gambling activity, physical
15 injury to individuals, or moral turpitude;

16 (f) Denies the state lottery access to any place where a licensed game
17 is conducted, denies access to any law enforcement officer, or fails
18 promptly to produce for inspection or audit any records or items as re-
19 quired by law;

20 (g) Fails to have the license available for verification where the li-
21 censed game is conducted;

22 (h) Misrepresents or fails to disclose to the state lottery or any in-
23 vestigating law enforcement officer any material fact;

24 (i) Fails to demonstrate to the state lottery, by clear and convincing
25 evidence, qualifications for the license according to state law and the
26 rules of the commission establishing such qualifications;

27 (j) Is subject to current prosecution or pending charges, or to a con-
28 viction regardless of whether it has been appealed, for any offense de-
29 scribed in paragraph (e) of this subsection. At the request of an appli-
30 cant for an original license, the state lottery may defer decision upon
31 the application during the pendency of the prosecution or appeal; or

32 (k) Has pursued or is pursuing economic gain in a manner or context that
33 violates criminal or civil public policy of this state and creates a
34 reasonable belief that the participation of the person in gaming opera-
35 tions by charitable or nonprofit organizations would be harmful to the
36 proper operation of a lawful bingo or raffle.

37 (2) The state lottery may, upon its own motion or upon a written veri-
38 fied complaint of any other person, investigate the operation of any gaming
39 purportedly authorized in this chapter. If the state lottery has reasonable
40 cause to believe that any gaming as described in this chapter violates any of
41 the provisions of this chapter or rules promulgated pursuant to this chap-
42 ter, it may, in its discretion, place in probationary status, revoke, or sus-
43 pend any license. The state lottery may refuse to grant a renewal of the li-
44 cense or it may take other action as may be appropriate under this chapter and
45 any rules promulgated pursuant to this chapter. If the state lottery shall
46 refuse to grant a license or refuse to grant a renewal of a license or revoke
47 or suspend a license, it shall give the applicant or licensee fifteen (15)
48 calendar days' written notice of its intended action stating generally the
49 basis for its action. Within the fifteen (15) calendar day notice period,
50 the applicant or licensee shall indicate its acceptance of the decision of

1 the state lottery or shall request a hearing to be held in the same manner
2 as hearings in contested cases pursuant to chapter 52, title 67, Idaho Code.
3 The hearing shall be conducted within twenty-one (21) days of the request.
4 The applicant or licensee may appeal the decision of the state lottery after
5 the hearing within the same time and manner as provided for judicial review
6 of actions pursuant to chapter 52, title 67, Idaho Code. Failure to make the
7 request for a hearing as provided in this section shall render the decision
8 of the state lottery final and not subject to further appeal.

9 SECTION 14. That Section 67-7714, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 67-7714. RULES AND FORMS. The ~~state lottery~~ commission is authorized
12 to promulgate rules consistent with this act in compliance with chapter 52,
13 title 67, Idaho Code, to implement the provisions of this act and shall pre-
14 scribe standardized forms for implementation of this act.

15 SECTION 15. That Section 67-7715, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 67-7715. VENDORS -- LICENSING -- FEES. (1) No person or entity shall
18 manufacture, sell, distribute, furnish or supply to any person or entity
19 any gaming device, equipment or material, in this state or for use in this
20 state, without first obtaining a vendor's license from the state lottery
21 ~~commission~~. Vendor licenses shall not be issued by the state lottery except
22 respecting devices, equipment or material designed and permitted to be used
23 in connection with activities authorized under this chapter. Provided how-
24 ever, that this licensing requirement shall apply only insofar as the ~~state~~
25 ~~lottery~~ commission has adopted rules implementing it as to particular cate-
26 gories of gaming devices and related material and equipment.

27 (2) Any person or entity that manufactures, sells, distributes, fur-
28 nishes or supplies any gaming device, equipment or material, in this state
29 or for use in this state, shall make application for a vendor license to the
30 state lottery. The state lottery shall review the license application and
31 shall approve or deny the issuing of a license within fifteen (15) calen-
32 dar days of receipt of the license application. The state lottery may deny
33 the application if it determines that the applicant has not met the require-
34 ments imposed in this chapter and rules promulgated pursuant to this chap-
35 ter. Whenever an application is denied, it shall be returned to the appli-
36 cant by the state lottery with specific reasons for the denial. When the li-
37 cense application is approved by the state lottery, the state lottery shall
38 issue a license to the applicant.

39 (3) Each application and renewal application shall contain the follow-
40 ing information:

41 (a) The name, address, date of birth, driver's license number and so-
42 cial security number of the applicant and, if the applicant is a corpora-
43 tion, proprietorship, association, partnership or other similar leg-
44 al entity, the name, home address, date of birth, driver's license num-
45 ber and social security number of each of the officers of the corpora-
46 tion and their spouses, as well as the name and address of the directors
47 and their spouses, or other persons similarly situated.

1 (b) The locations or persons with which the applicant will provide any
2 gaming device, equipment or material in this state or for use in this
3 state.

4 (4) Each applicant shall pay annually to the state lottery a nonrefund-
5 able license fee of five hundred dollars (\$500), which shall be due upon sub-
6 mission of the application.

7 (5) Each licensed vendor shall maintain records of all sales to organi-
8 zations in Idaho for a period of five (5) years. Such records shall be pro-
9 vided to the state lottery upon request.

10 (6) Any license issued pursuant to this section shall be suspended or
11 revoked by the state lottery and the licensee may be assessed a civil penalty
12 by the state lottery up to ten thousand dollars (\$10,000) per violation
13 if it is found that the licensee or any person connected with the licensee
14 has violated any provision of this chapter, particularly those in section
15 67-77123A, Idaho Code, or any rule of the ~~lottery~~ commission.

16 SECTION 16. That Section 67-7716, Idaho Code, be, and the same is hereby
17 amended to read as follows:

18 67-7716. ELECTRONIC BINGO DEVICE AND SITE SYSTEMS -- APPROVAL RE-
19 QUIRED. (1) Electronic bingo devices and site system software shall be
20 sold, rented, leased or otherwise provided in this state only by a licensed
21 manufacturer. Licensed manufacturers shall sell, rent, lease or other-
22 wise provide such equipment only to a licensed distributor. A copy of any
23 contractual agreement between a licensed manufacturer and a licensed dis-
24 tributor relative to the marketing of the manufacturer's equipment in this
25 state, shall be provided to the ~~commission~~ state lottery.

26 (2) No electronic bingo device or site system software may be sold,
27 rented, leased or otherwise provided to any person in this state for use in a
28 bingo game conducted pursuant to this chapter unless and until such device
29 and system software have been approved by the ~~commission~~ state lottery. Ap-
30 proval of the device or site system software will be based upon conformance
31 with the requirements contained in this chapter and rules established by the
32 commission for the testing and review of these types of devices and systems.

33 (3) A licensed manufacturer seeking approval of an electronic bingo
34 device or site system software may be required to submit a prototype of the
35 device or system software for testing and review, at the expense of the man-
36 ufacturer, as required by the ~~commission~~ state lottery. Once approved, any
37 hardware or software modifications must be preapproved by the ~~commission~~
38 state lottery. A licensed manufacturer shall be responsible for the actual
39 costs of testing and examining bingo card monitoring devices, host systems
40 and site system hardware.

41 SECTION 17. That Section 67-7717, Idaho Code, be, and the same is hereby
42 amended to read as follows:

43 67-7717. MANUFACTURING AND DISTRIBUTING REQUIREMENTS. (1) No elec-
44 tronic bingo device shall be able to monitor more than fifty-four (54) bingo
45 faces per game. The licensed manufacturer or distributor must restrict the
46 device to store no more than fifty-four (54) faces per bingo game in its elec-

1 tronic database. After July 1, 2005, the maximum amount of electronic bingo
2 cards played per game may be set by rule of the commission.

3 (2) Each electronic bingo device that requires a site system to down-
4 load electronic bingo cards to the device, shall have a unique and permanent
5 identification number hardcoded into the device's software. The identifi-
6 cation number shall be communicated from the device to the site system when-
7 ever the device is connected to the site system, and printed on all transac-
8 tion logs including the player's receipt. Manual input of a device identi-
9 fication number into the site system or on any transaction log or receipt is
10 prohibited.

11 (3) Each electronic bingo device shall be programmed to automatically
12 erase all electronic bingo cards and/or bingo card face numbers stored in the
13 device: (a) upon turning off the device after the last bingo game of the ses-
14 sion has been played, or (b) by some secondary timing method established by
15 the manufacturer and approved by the commission.

16 (4) No electronic bingo device shall be designed to allow bingo players
17 the ability to design their own bingo cards by choosing, rearranging or plac-
18 ing numbers on a card.

19 (5) A site system shall not be able to engage in any type of sale, void
20 or reload transaction unless an electronic bingo device is connected to and
21 communicating with the site system.

22 (6) A site system shall be restricted to load no more than fifty-four
23 (54) electronic bingo faces per bingo game into any one (1) electronic bingo
24 device, and the site system must be interfaced with a printer ~~which~~ that is
25 capable of printing, upon request, a continuous hard-copy transaction log
26 and a printout for the player showing the device identification number, and
27 all of the bingo cards and their face numbers loaded into the device. A re-
28 ceipting function for electronic bingo cards must be self-contained within
29 the site system and must record and print out on a copy, which is given to
30 the player, the device identification number, the date, number of electronic
31 bingo cards purchased or loaded, and the total amount charged for the elec-
32 tronic bingo cards.

33 (7) A site system shall be able to provide the winning game patterns re-
34 quired for the entire bingo session on a ~~hardcopy~~ hard-copy printout. The
35 printout must be available upon demand at the bingo session.

36 (8) If the ~~commission~~ state lottery detects or discovers any malfunc-
37 tion or problem with an electronic bingo device or site system that could
38 affect the security or integrity of the bingo game, the electronic bingo
39 devices, or the site system, the ~~commission~~ state lottery may direct the man-
40 ufacturer, distributor or licensed organization to cease providing or using
41 the electronic bingo devices or site system, as applicable. The ~~commission~~
42 state lottery may require the manufacturer to correct the problem or re-
43 call the devices or system immediately upon notification by the ~~commission~~
44 state lottery to the manufacturer. Failure to take the corrective action
45 requested may result in confiscation or seizure of the devices and/or site
46 system.

47 (9) If a manufacturer, distributor or licensed organization detects or
48 discovers any malfunction or problem with the electronic bingo devices or
49 site system ~~which~~ that could affect the security or integrity of the bingo
50 game, bingo card monitoring devices, or site system, the manufacturer, dis-

1 tributor or licensed organization, as applicable, shall discontinue use of
2 the devices or site system and notify the commission state lottery by tele-
3 phone by the next working day of such action and the nature of the problem
4 detected. The commission state lottery may request further explanation in
5 writing if deemed necessary.

6 SECTION 18. That Section 67-7718, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 67-7718. LICENSED DISTRIBUTOR REQUIREMENTS AND DUTIES. (1) A licensed
9 distributor shall purchase, rent, lease or otherwise obtain electronic
10 bingo devices and site system software only from a manufacturer licensed
11 by the commission state lottery. A licensed distributor shall sell, rent,
12 lease or otherwise provide, only electronic bingo devices and site system
13 software that have been approved by the commission state lottery.

14 (2) A licensed distributor shall sell, rent, lease or otherwise provide
15 electronic bingo devices and site system software in this state only to an
16 organization holding a charitable gaming bingo license.

17 (3) Before the initial use by the licensed organization, the licensed
18 distributor must notify the commission state lottery in writing of the sale,
19 rental, lease, provision, and/or installation of any electronic bingo de-
20 vices or site system software. Such notification shall include:

21 (a) The complete name and address of the licensed organization and its
22 license number;

23 (b) The type of equipment, including serial numbers, sold, rented,
24 leased, provided or installed;

25 (c) The expected start-up date for use of the equipment by the licensed
26 organization; and

27 (d) A copy of any agreement between the licensed distributor and the or-
28 ganization for the use of the equipment.

29 (4) The licensed distributor shall serve as the initial contact for the
30 licensed organization with respect to requests for installation, service,
31 maintenance, or repair of electronic bingo devices and site systems, and for
32 the ordering of electronic bingo cards, if applicable. The distributor may,
33 as needed, enlist the aid of the licensed manufacturer in providing service,
34 repair or maintenance of the devices or site system. A licensed manufacturer
35 may, with commission state lottery approval, authorize or subcontract with
36 a person or company to service, maintain or repair bingo card monitoring de-
37 vices and/or site systems; however, the ultimate liability for such service,
38 maintenance or repair shall be solely that of the licensed manufacturer.

39 (5) The licensed distributor shall invoice the licensed organization
40 and collect any and all payments for the sale, rental, lease or other use
41 of the electronic bingo cards, bingo card monitoring devices and site sys-
42 tems. The distributor may, at its discretion, allow the licensed manufac-
43 turer to generate the invoice; however, all payments by the licensed organi-
44 zation must be remitted directly to the distributor. The licensed distribu-
45 tor must ensure that its name, complete address, and telephone number appear
46 on the invoice as well as the name, complete address and license number of the
47 licensed organization.

48 (6) Electronic bingo devices may be transported by a licensed distrib-
49 tor from one (1) location to another for use by more than one (1) licensed

1 organization, provided the distributor notifies the ~~commission~~ state lot-
2 tery of the rotation schedule of the devices. However, each licensed organ-
3 ization utilizing a site system must have its own site system, which cannot
4 be moved from its bingo location or be used by another organization without
5 prior approval from the ~~commission~~ state lottery.