

House Engrossed Senate Bill

**FILED**

**MICHELE REAGAN  
SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

**CHAPTER 240  
SENATE BILL 1180**

AN ACT

AMENDING SECTION 5-406, ARIZONA REVISED STATUTES; RELATING TO BINGO.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-406, Arizona Revised Statutes, is amended to  
3 read:

4 5-406. Persons permitted to conduct games; premises;  
5 equipment; expenses; compensation

6 A. A person shall not hold, operate or conduct any game of bingo  
7 under any license issued pursuant to this article unless the person has  
8 submitted affidavits as required in section 5-404 and has received prior  
9 written approval from the licensing authority. Persons seeking to replace  
10 a manager, proceeds coordinator, supervisor or assistant or to serve as an  
11 additional manager, supervisor or assistant shall submit the appropriate  
12 affidavit to the licensing authority as required in section 5-404.

13 B. Except as provided in section 5-413, only CONTRACTORS, members  
14 and new members of a licensee or an applicant may participate or apply to  
15 participate in conducting any bingo game held by the licensee.

16 C. Except for a class A licensee, a person shall not hold, operate,  
17 conduct or assist in conducting any game or games of bingo under any  
18 license if the person or the person's spouse has a proprietary, equitable  
19 or credit interest, or is an officer, director, agent or employee of an  
20 individual or company that has a proprietary, equitable or credit  
21 interest, in the licensee.

22 D. Bookkeepers or accountants need not be members of the  
23 organization.

24 E. An item of expense shall not be incurred or paid in connection  
25 with holding, operating or conducting any game of bingo held, operated or  
26 conducted pursuant to any license issued under this article, except bona  
27 fide expenses in a reasonable amount for purposes described in section  
28 5-407, subsection G. A game of bingo shall not be conducted with any  
29 equipment except equipment owned solely by the licensee, or jointly by not  
30 more than six licensees. No portion of the ownership of such equipment  
31 may be held by any person or organization not licensed pursuant to this  
32 chapter. A game of bingo shall not be conducted with rented equipment.  
33 THIS SUBSECTION DOES NOT APPLY TO TECHNOLOGICAL AIDS FOR BINGO GAMES THAT  
34 FUNCTION ONLY AS ELECTRONIC SUBSTITUTES FOR BINGO CARDS OR A CONTRACTOR'S  
35 PERSONNEL WHO ARE NEEDED TO OPERATE TECHNOLOGICAL AIDS PRESCRIBED IN  
36 SUBSECTION Y OF THIS SECTION.

37 F. An applicant or a licensee shall not enter into any purchase  
38 agreement other than a bona fide purchase agreement. The seller may  
39 repurchase equipment only ~~upon~~ ON default of the buyer and then only at a  
40 price equal to or greater than ninety percent of any money paid for  
41 equipment from buyer to seller. The seller may repurchase a building only  
42 ~~upon~~ ON default of the buyer at a fair market value per licensee.

43 G. A licensee shall not conduct or operate more than five occasions  
44 of bingo during any calendar week. ~~no~~ NOT more than twelve hours of bingo

1 shall be conducted in any building or on any premises during any calendar  
2 day.

3 H. The entire net proceeds of any game shall be devoted to a lawful  
4 use or uses. In addition to other unlawful uses, the following are not  
5 considered lawful uses under this subsection:

6 1. Compensation and expenses of directors, officers and management  
7 personnel.

8 2. Fees or commissions of consultants.

9 3. Compensation paid for legal services incurred by a licensee  
10 unsuccessfully defending against charges of violations of this article.

11 4. Donations to other than national, state or local nonprofit  
12 parent organizations in excess of five percent of the net proceeds except  
13 with the permission of the licensing authority.

14 5. Donations or any payment from the lessor to the lessee.

15 I. The premises where any game of bingo is being held, operated or  
16 conducted, where it is intended that any game of bingo shall be held,  
17 operated or conducted or where it is intended that any equipment shall be  
18 used shall at all times be open to inspection by the licensing authority,  
19 its agents and employees and peace officers of any political subdivision  
20 of the state.

21 J. When any merchandise prize is awarded in a game of bingo, its  
22 value shall be its current retail price. A merchandise prize shall not be  
23 redeemable or convertible into cash directly or indirectly.

24 K. Equipment, prizes and supplies for games of bingo shall not be  
25 purchased or sold at prices in excess of one hundred fifteen percent of  
26 the average price paid by other licensees as reported in the reports  
27 submitted to the licensing authority during the prior ~~six-month~~ SIX-MONTH  
28 period by licensees having the same class of license. A licensee shall  
29 not enter into any contract or purchase agreement whereby it agrees to  
30 limit its source of supplies.

31 L. An alcoholic beverage shall not be offered or given as a prize  
32 in any such game.

33 M. The net profits derived from the holding of games of bingo must  
34 be devoted within one year ~~from~~ AFTER the date such profits were earned to  
35 the lawful purposes of the organization permitted to conduct such games.  
36 Any organization desiring to hold the net profits of games of bingo for a  
37 period longer than one year ~~from~~ AFTER the date such profits were earned  
38 must apply to the licensing authority for special permission and ~~upon~~ ON  
39 good cause shown the authority may grant the request.

40 N. Any licensee ~~which~~ THAT does not report during any one-year  
41 period the amount of its net profits, if any, shall be required to show  
42 cause before the licensing authority why its license to conduct games of  
43 bingo should not be revoked.

1           O. The licensing authority shall require a licensee ~~which~~ THAT does  
2 not conduct bingo games during any ~~one year~~ ONE-YEAR period to show cause  
3 why its license to conduct games of bingo should not be cancelled.

4           P. Except as otherwise provided by this section, a prize greater in  
5 amount or value than one thousand dollars shall not be offered or given in  
6 any single game of bingo conducted under any such license, and total  
7 prizes shall not exceed an amount or value greater than three thousand  
8 dollars for any occasion. Door prizes, discounts or other inducements  
9 with a value exceeding two hundred fifty dollars per occasion shall not be  
10 offered or given away.

11           Q. Except for a class A licensee, on application to the licensing  
12 authority by the licensee the licensing authority may authorize one  
13 special bonus game to be played at weekly consecutive occasions with a  
14 quarterly prize limit of twelve thousand dollars. A weekly consecutive  
15 occasion is an occasion played on the same day of each week during the  
16 quarter. The special bonus game may be played at each weekly consecutive  
17 occasion subject to the rules adopted by the licensing authority. The  
18 special bonus game is not subject to the prize limits prescribed by  
19 subsection P of this section.

20           R. The equipment used in playing bingo and the method of play shall  
21 be such that each card shall have an equal opportunity to be a winner.  
22 The objects or balls to be drawn shall be essentially the same as to size,  
23 shape, weight, balance and all other characteristics that may influence  
24 their selection. All objects or balls shall be present in the receptacle  
25 before each game is begun. All numbers announced shall be plainly and  
26 clearly audible or visible to all the players present. Where more than  
27 one room is used for any one game, the receptacle, the person calling the  
28 numbers as they are drawn and the person removing the objects or balls  
29 from the receptacle must be present in the room where the greatest number  
30 of players is present and all numbers announced shall be plainly audible  
31 or visible to the players in that room and also audible or visible to the  
32 players in the other room or rooms. The cards or sheets of the players  
33 shall be part of a deck, group or series of cards, no two of which shall  
34 be alike, and which deck, group or series shall not be so prepared or  
35 arranged as to prefer any card. A licensee may provide braille cards for  
36 legally blind persons or allow legally blind persons to supply their own  
37 braille cards. A legally blind person supplying the person's own cards  
38 shall pay a fee to the licensee equal to that which would be charged if  
39 the legally blind person obtained the cards from the licensee. The bingo  
40 game activity shall be conducted and recorded in a manner as prescribed by  
41 the licensing authority to verify the gross receipts from each occasion.

42           S. The receptacle, the person calling the numbers as they are drawn  
43 and the person removing the objects or balls from the receptacle must be  
44 visible to all the players at all times except where more than one room is  
45 used for any one game and subsection R of this section applies.

1 T. The particular arrangement of numbers required to be covered in  
2 order to win the game and the amount of the prize shall be clearly and  
3 audibly or visibly described and announced to the players immediately  
4 before each game is begun.

5 U. Any players shall be entitled to call for a verification of all  
6 numbers drawn at the time a winner is determined, and for a verification  
7 of the objects or balls remaining in the receptacle and not yet drawn.  
8 The verification shall be made in the immediate presence of the supervisor  
9 and in full view of any player requesting the verification.

10 V. A person who is not physically present on the premises where the  
11 game is actually conducted shall not be allowed to participate as a player  
12 in the game.

13 W. A person who holds, operates or conducts, or assists in holding,  
14 operating or conducting, a game of bingo shall not play at any occasion at  
15 which such person works unless the game of bingo is conducted pursuant to  
16 a class A license.

17 X. A person shall not conduct a lottery or raffle within a ~~twelve~~  
18 ~~hour~~ TWELVE-HOUR period before or after a bingo occasion or game on any  
19 premises used for bingo games or within one thousand feet of the bingo  
20 game. This subsection does not affect any legally conducted activity  
21 related to the state lottery.

22 Y. THE OPERATOR OF A BINGO GAME SHALL OFFER ASSISTANCE TO PLAYERS  
23 WITH DISABILITIES, SUBJECT TO THE FOLLOWING:

24 1. THE OPERATOR OF A BINGO GAME MAY OFFER PLAYERS TECHNOLOGICAL  
25 AIDS FOR BINGO GAMES THAT FUNCTION ONLY AS ELECTRONIC SUBSTITUTES FOR  
26 BINGO CARDS AND SHALL RESERVE AT LEAST TWO OF THESE TECHNOLOGICAL AIDS FOR  
27 USE BY PLAYERS WITH DISABILITIES. IF NO REQUESTS ARE MADE FOR THE USE OF  
28 THESE TECHNOLOGICAL AIDS WITHIN FIFTEEN MINUTES AFTER THE SCHEDULED START  
29 OF A GAME OF BINGO, THESE RESERVED TECHNOLOGICAL AIDS MAY BE MADE  
30 AVAILABLE TO ANY OTHER PLAYER.

31 2. IF THE OPERATOR OF A BINGO GAME, OR ANY OTHER PERSON THAT IS  
32 INVOLVED IN THE CONDUCT OF A BINGO GAME, CHARGES PLAYERS A FEE FOR THE USE  
33 OF TECHNOLOGICAL AIDS FOR BINGO GAMES THAT FUNCTION ONLY AS ELECTRONIC  
34 SUBSTITUTES FOR BINGO CARDS OR REQUIRES PLAYERS TO COMPLY WITH A MINIMUM  
35 PURCHASE REQUIREMENT FOR THE USE OF THESE TECHNOLOGICAL AIDS, PLAYERS WITH  
36 DISABILITIES MAY NOT BE REQUIRED TO PAY THAT FEE OR TO COMPLY WITH THAT  
37 MINIMUM PURCHASE REQUIREMENT. THIS PARAGRAPH DOES NOT PROHIBIT THE  
38 OPERATOR OF A BINGO GAME OR ANY OTHER PERSON THAT IS INVOLVED IN THE  
39 CONDUCT OF A BINGO GAME FROM REQUIRING A PLAYER WITH A DISABILITY TO  
40 COMPLY WITH A MINIMUM PURCHASE REQUIREMENT THAT IS IMPOSED ON ALL PLAYERS.

41 3. THE OPERATOR OF A BINGO GAME THAT OFFERS TECHNOLOGICAL AIDS FOR  
42 BINGO GAMES THAT FUNCTION ONLY AS ELECTRONIC SUBSTITUTES FOR BINGO CARDS  
43 SHALL ALLOW PLAYERS WITH DISABILITIES TO CLAIM PRIZES BY PRESENTING A  
44 PRINTOUT OR OTHER EVIDENCE OF A WINNING CARD.

1           4. THE OPERATOR OF A BINGO GAME SHALL ALLOW PLAYERS TO USE A FORM  
2 OF VISUAL OR AUDIO SIGNAL TO NOTIFY THE OPERATOR OF A WINNING PATTERN OR  
3 BINGO, WHICH MAY INCLUDE A FLAG, PADDLE, LIGHT, HORN, BELL OR WHISTLE OR  
4 ANY OTHER MECHANICAL OR ELECTRONIC MEANS.

5           5. IF A PLAYER'S DISABILITY RESTRICTS THE PLAYER'S ABILITY TO MARK  
6 CARDS, USE TECHNOLOGICAL AIDS FOR BINGO GAMES THAT FUNCTION ONLY AS  
7 ELECTRONIC SUBSTITUTES FOR BINGO CARDS OR ANNOUNCE BINGO, THE OPERATOR OF  
8 A BINGO GAME SHALL ALLOW ANOTHER PERSON TO ASSIST THE PLAYER WITH A  
9 DISABILITY IN THE BINGO GAME.

10          6. A PERSON WITH A DISABILITY WHO IS EMPLOYED BY A BINGO OPERATOR  
11 MAY USE TECHNOLOGICAL AIDS FOR BINGO GAMES THAT FUNCTION ONLY AS  
12 ELECTRONIC SUBSTITUTES FOR BINGO CARDS TO PROPERLY CARRY OUT THE PERSON'S  
13 JOB FUNCTIONS AS THOSE FUNCTIONS APPLY TO THE CONDUCT OF BINGO GAMES.

**APPROVED BY THE GOVERNOR MAY 1, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2017.**

Passed the House April 24, 2017,

Passed the Senate February 23, 2017,

by the following vote: 51 Ayes,

by the following vote: 27 Ayes,

3 Nays, 5 Not Voting  
1 vacant

3 Nays, 0 Not Voting

[Signature]  
Speaker of the House

[Signature]  
President of the Senate

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

S.B. 1180

SENATE CONCURS IN HOUSE  
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 25, 2017

by the following vote: 25 Ayes,

3 Nays, 2 Not Voting

*Alan B. Richardson*  
President of the Senate

*Susan Owens*  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

25<sup>th</sup> day of April, 2017

at 1:25 o'clock P. M.

*[Signature]*  
Secretary to the Governor

Approved this 1<sup>st</sup> day of

May 2017

at 2:10 o'clock P. M.

*Joseph R. Ivey*  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 1 day of May, 2017

at 7:03 o'clock P. M.

*Michelle Reagan*  
Secretary of State