

**City of Long Beach**


*Working Together to Serve*

**Memorandum  
3rd Council District**

**R-14**

**Date:** January 19, 2010

**To:** Honorable Mayor Foster and Members of the City Council

**From:** Gary DeLong, Councilmember, 3rd District 

**Subject:** Bingo Maximum Prize Amount

Long Beach Municipal Code 5.20.120, last modified in 1986, stipulates the maximum amount of prizes awarded during the conduct of any bingo game. The current maximum is \$250 within Long Beach, but the State has set a maximum of \$500 with Penal Code 326.5n.

The State maximum was increased to \$500 on September 30, 2008. The Third District Council office has been approached with the request to raise the reward amount in effort to retain customers in Long Beach. The increase would align City Code with State Code and discourage the lose of Bingo customers to other Cities.

**Recommended Action:** Respectfully request that the City Attorney revise the municipal code to align the Maximum Prize amount with the State level to \$500.

Bingo is under Title 5 of the LBMC:

**5.20.120** Maximum amount of prizes.

The total value of prizes awarded during the conduct of any bingo game shall not exceed two hundred and fifty dollars in cash or kind, or both, for each separate game which is held, nor shall the awarding of tickets, bonuses, premiums or any other thing of value, however characterized, be permitted that will or may increase the value of the prize over two hundred and fifty dollars.

(Ord. C-7423 § 16, 1996; Ord. C-6260 § 1 (part), 1986).

CALIFORNIA CODES

PENAL CODE

Section 326.5.

(a) Neither the prohibition on gambling in this chapter nor in Chapter 10 (commencing with Section 330) applies to any **bingo** game that is conducted in a city, county, or city and county pursuant to an ordinance enacted under Section 19 of Article IV of the State Constitution, if the ordinance allows games to be conducted only in accordance with this section and only by organizations exempted from the payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701w, and 23701l of the Revenue and Taxation Code and by mobilehome park associations, senior citizens organizations, and charitable organizations affiliated with a school district; and if the receipts of those games are used only for charitable purposes.

(b) It is a misdemeanor for any person to receive or pay a profit, wage, or salary from any **bingo** game authorized by Section 19 of Article IV of the State Constitution. Security personnel employed by the organization conducting the **bingo** game may be paid from the revenues of **bingo** games, as provided in subdivisions (j) and (k).

(c) A violation of subdivision (b) shall be punishable by a fine not to exceed ten thousand dollars (\$10,000), which fine is deposited in the general fund of the city, county, or city and county that enacted the ordinance authorizing the **bingo** game. A violation of any provision of this section, other than subdivision (b), is a misdemeanor.

(d) The city, county, or city and county that enacted the ordinance authorizing the **bingo** game may bring an action to enjoin a violation of this section.

(e) No minors shall be allowed to participate in any **bingo** game.

(f) An organization authorized to conduct **bingo** games pursuant to subdivision (a) shall conduct a **bingo** game only on property owned or leased by it, or property whose use is donated to the organization, and which property is used by that organization for an office or for performance of the purposes for which the organization is organized. Nothing in this subdivision shall be construed to require that the property owned or leased by, or whose use is donated to, the organization be used or leased exclusively by, or donated exclusively to, that organization.

(g) All **bingo** games shall be open to the public, not just to the members of the authorized organization.

(h) A **bingo** game shall be operated and staffed only by members of the authorized organization that organized it. Those members shall not receive a profit, wage, or salary from any **bingo** game. Only the organization authorized to conduct a **bingo** game shall operate such a game, or participate in the promotion, supervision, or any other phase of a **bingo** game. This subdivision does not preclude the employment of security personnel who are not members of the authorized organization at a **bingo** game by the organization conducting the game.

(i) No individual, corporation, partnership, or other legal entity, except the organization authorized to conduct a **bingo** game, shall hold a financial interest in the conduct of a **bingo** game.

(j) With respect to organizations exempt from payment of the bank and corporation tax by Section 23701d of the Revenue and Taxation Code, all profits derived from a **bingo** game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Those profits shall be used only for charitable purposes.

(k) With respect to other organizations authorized to conduct **bingo** games pursuant to this section, all proceeds derived from a **bingo** game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Proceeds are the receipts of **bingo** games conducted by organizations not within subdivision (j). Those proceeds shall be used only for charitable purposes, except as follows:

(1) The proceeds may be used for prizes.

(2) (A) Except as provided in subparagraph (B), a portion of the proceeds, not to exceed 20 percent of the proceeds before the deduction for prizes, or two thousand dollars (\$2,000) per month, whichever is less, may be used for the rental of property and for overhead, including the purchase of **bingo** equipment, administrative expenses, security equipment, and security personnel.

(B) For the purposes of **bingo** games conducted by the Lake Elsinore Elks Lodge, a portion of the proceeds, not to exceed 20 percent of the proceeds before the deduction for prizes, or three thousand dollars (\$3,000) per month, whichever is less, may be used for the rental of property and for overhead, including the purchase of **bingo** equipment, administrative expenses, security equipment, and security personnel. Any amount of the proceeds that is additional to that permitted under subparagraph (A), up to one thousand dollars (\$1,000), shall be used for the purpose of financing the rebuilding of the facility and the replacement of equipment that was destroyed by fire in 2007. The exception to subparagraph (A) that is provided by this subparagraph shall remain in effect only until the cost of rebuilding the facility is repaid, or January 1, 2019, whichever occurs first.

(3) The proceeds may be used to pay license fees.

(4) A city, county, or city and county that enacts an ordinance permitting **bingo** games may specify in the ordinance that if the monthly gross receipts from **bingo** games of an organization within this subdivision exceed five thousand dollars (\$5,000), a minimum percentage of the proceeds shall be used only for charitable purposes not relating to the conducting of **bingo** games and that the balance shall be used for prizes, rental of property, overhead, administrative expenses, and payment of license fees. The amount of proceeds used for rental of property, overhead, and administrative expenses is subject to the limitations specified in paragraph (2).

(l) (1) A city, county, or city and county may impose a license fee on each organization that it authorizes to conduct **bingo** games. The fee, whether for the initial license or renewal, shall not exceed

fifty dollars (\$50) annually, except as provided in paragraph (2). If an application for a license is denied, one-half of any license fee paid shall be refunded to the organization.

(2) In lieu of the license fee permitted under paragraph (1), a city, county, or city and county may impose a license fee of fifty dollars (\$50) paid upon application. If an application for a license is denied, one-half of the application fee shall be refunded to the organization. An additional fee for law enforcement and public safety costs incurred by the city, county, or city and county that are directly related to **bingo** activities may be imposed and shall be collected monthly by the city, county, or city and county issuing the license; however, the fee shall not exceed the actual costs incurred in providing the service.

(m) No person shall be allowed to participate in a **bingo** game, unless the person is physically present at the time and place where the **bingo** game is being conducted.

(n) The total value of prizes available to be awarded during the conduct of any **bingo** games shall not exceed five hundred dollars (\$500) in cash or kind, or both, for each separate game which is held.

(o) As used in this section, "**bingo**" means a game of chance in which prizes are awarded on the basis of designated numbers or symbols that are marked or covered by the player on a tangible card in the player's possession and that conform to numbers or symbols, selected at random and announced by a live caller. Notwithstanding Section 330c, as used in this section, the game of **bingo** includes tangible cards having numbers or symbols that are concealed and preprinted in a manner providing for distribution of prizes. Electronics or video displays shall not be used in connection with the game of **bingo**, except in connection with the caller's drawing of numbers or symbols and the public display of that drawing, and except as provided in subdivision (p). The winning cards shall not be known prior to the game by any person participating in the playing or operation of the **bingo** game. All preprinted cards shall bear the legend, "for sale or use only in a **bingo** game authorized under California law and pursuant to local ordinance." Only a covered or marked tangible card possessed by a player and presented to an attendant may be used to claim a prize. It is the intention of the Legislature that **bingo** as defined in this subdivision applies exclusively to this section and shall not be applied in the construction or enforcement of any other provision of law.

(p) (1) Players who are physically present at a **bingo** game may use hand-held, portable card-minding devices, as described in this subdivision, to assist in monitoring the numbers or symbols announced by a live caller as those numbers or symbols are called in a live game. Card-minding devices may not be used in connection with any game where a **bingo** card may be sold or distributed after the start of the ball draw for that game. A card-minding device shall do all of the following:

- (A) Be capable of storing in the memory of the device **bingo** faces of tangible cards purchased by a player.
- (B) Provide a means for **bingo** players to input manually each individual number or symbol announced by a live caller.

- (C) Compare the numbers or symbols entered by the player to the **bingo** faces previously stored in the memory of the device.
  - (D) Identify winning **bingo** patterns that exist on the stored **bingo** faces.
- (2) A card-minding device shall perform no functions involving the play of the game other than those described in paragraph (1). Card-minding devices shall not do any of the following:
- (A) Be capable of accepting or dispensing any coins, currency, or other representative of value or on which value has been encoded.
  - (B) Be capable of monitoring any **bingo** card face other than the faces of the tangible **bingo** card or cards purchased by the player for that game.
  - (C) Display or represent the game result through any means, including, but not limited to, video or mechanical reels or other slot machine or casino game themes, other than highlighting the winning numbers or symbols marked or covered on the tangible **bingo** cards or giving an audio alert that the player's card has a prize-winning pattern.
  - (D) Determine the outcome of any game or be physically or electronically connected to any component that determines the outcome of a game or to any other **bingo** equipment, including, but not limited to, the ball call station, or to any other card-minding device. No other player-operated or player-activated electronic or electromechanical device or equipment is permitted to be used in connection with a **bingo** game.
- (3) (A) A card-minding device shall be approved in advance by the commission as meeting the requirements of this section and any additional requirements stated in regulations adopted by the commission. Any proposed material change to the device, including any change to the software used by the device, shall be submitted to the commission and approved by the commission prior to implementation.
- (B) In accordance with Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions **Code**, the commission shall establish reasonable criteria for, and require the licensure of, any person that directly or indirectly manufactures, distributes, supplies, vends, leases, or otherwise provides card-minding devices or other supplies, equipment, or services related to card-minding devices designed for use in the playing of **bingo** games by any nonprofit organization.
- (C) A person or entity that supplies or services any card-minding device shall meet all licensing requirements established by the commission in regulations.
- (4) The costs of any testing, certification, license, or determination required by this subdivision shall be borne by the person or entity seeking it.
- (5) On and after January 1, 2010, the commission and the Department of Justice may inspect all card-minding devices at any time without notice, and may immediately prohibit the use of any device that does not comply with the requirements of subdivision (r) of Section 19841 of the Business and Professions **Code**. The Department of Justice may at any time,

without notice, impound any device the use of which has been prohibited by the commission.

- (6) The California Gambling Control Commission shall issue regulations to implement the requirements of this subdivision and may issue regulations regarding the means by which the operator of a **bingo** game, as required by applicable law, may offer assistance to a player with disabilities in order to enable that player to participate in a **bingo** game, provided that the means of providing that assistance shall not be through any electronic, electromechanical, or other device or equipment that accepts the insertion of any coin, currency, token, credit card, or other means of transmitting value, and does not constitute or is not a part of a system that constitutes a video lottery terminal, slot machine, or device prohibited by Chapter 10 (commencing with Section 330).
- (7) The following definitions apply for purposes of this subdivision:
  - (A) "Commission" means the California Gambling Control Commission.
  - (B) "Person" includes a natural person, corporation, limited liability company, partnership, trust, joint venture, association, or any other business organization.