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# A BILL FOR AN ACT

RELATING TO BINGO GAMES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4 **"CHAPTER**

5 **BINGO**

6 **PART I. GENERAL PROVISIONS AND DEFINITIONS**

7 **§ -1 Purpose.** The legislature declares that:

- 8 (1) All phases of the conduct of bingo, except bingo games  
9 using free cards and donated prizes for which no  
10 payment of consideration is made by participants,  
11 should be closely controlled by appropriate laws and  
12 rules that should be strictly and uniformly enforced  
13 throughout this state;
- 14 (2) The conduct of bingo and all attendant activities,  
15 except bingo games using free cards and donated prizes  
16 for which no payment of consideration is made by  
17 participants, should be regulated to discourage  
18 commercialization of bingo in all forms, including the



1 rental of commercial premises for bingo, and to ensure  
2 the maximum use of the profits of bingo exclusively  
3 for the lawful purposes specified in this chapter or  
4 for the advancement, improvement, or benefit of the  
5 licensed organization that conducts the bingo game,  
6 under the requirements of this chapter; and

- 7 (3) It is a matter of statewide concern to foster and  
8 support these lawful purposes and to prevent  
9 commercialized gambling, participation by criminal and  
10 other undesirable elements, and diversion of funds  
11 from the lawful purposes authorized in this chapter.

12 **§ -2 Definitions.** As used in this chapter:

13 "Bingo" means a game in which players pay a consideration  
14 to participate, in which seventy-five numbered objects are  
15 available for selection, and those objects actually selected are  
16 selected on a random basis, and in which each player  
17 participates by means of cards sold, rented, or used only at the  
18 time and place of the game, each card containing five rows of  
19 five spaces each, each space printed with a number from 1 to 75,  
20 except the central space, which is marked "FREE". Winners are  
21 determined and prizes awarded on the basis of possessing a bingo  
22 card on which some combination of numbers are printed and



1 conform to the numbered objects selected at random based on a  
2 predetermined winning arrangement. "Bingo" as used in this  
3 chapter shall not include any game using free cards and donated  
4 prizes, if any, for which no payment of consideration is made by  
5 participants.

6 "Bingo occasion" means a single gathering or session at  
7 which a series of successive bingo games is played.

8 "Bingo supplies and equipment" means all cards, boards,  
9 sheets, markers, pads, or other supplies, devices, or equipment  
10 designed for use in the play of bingo.

11 "Board" means the bingo control board.

12 "Department" means the department of commerce and consumer  
13 affairs.

14 "Extra regular card" means a nondisposable card that  
15 affords additional opportunities to play in a regular bingo game  
16 to be played at a bingo occasion.

17 "Gross receipts" means total receipts received from the  
18 conduct of bingo, including but not limited to receipts from the  
19 sale, rental, or use of regular bingo cards, extra regular  
20 cards, special bingo cards, and bingo supplies.

21 "Lawful purpose" means one or more of the following:



1 (1) Benefiting persons by enhancing their opportunity for  
2 religious or educational advancement, by relieving or protecting  
3 them from disease, suffering, or distress, by contributing to  
4 their physical well-being, by assisting them in establishing  
5 themselves in life as worthy and useful citizens, or by  
6 increasing their comprehension of and devotion to the principles  
7 upon which this nation was founded;

8 (2) Initiating, performing, or fostering worthy public  
9 works, or enabling or furthering the erection or  
10 maintenance of public structures;

11 (3) Lessening the burdens borne by government, or  
12 voluntarily supporting, augmenting, or supplementing  
13 services that government would normally render to the  
14 people; or

15 (4) Maintaining, improving, building an addition to,  
16 repairing, or retiring the debt on existing buildings  
17 and real property used for purposes enumerated in  
18 paragraphs (1) to (3).

19 "Lawful purpose" does not include the erection or  
20 acquisition of any real property except as provided in paragraph  
21 (4), unless the board specifically authorizes the expenditures  
22 after finding that the property will be used exclusively for one



1 or more of the purposes specified in paragraphs (1) to (4), nor  
2 does it include any activities consisting of an attempt to  
3 influence legislation or participate in any political campaign  
4 on behalf of any elected official or person who is or has been a  
5 candidate for public office.

6 "Licensed organization" means an organization licensed  
7 under this chapter to conduct bingo.

8 "Limited period bingo" means the conduct of bingo for a  
9 period of not more than four out of five consecutive days in any  
10 one year at a festival, bazaar, picnic, carnival, or similar  
11 special function conducted by a licensed organization.

12 "Premises" means any room, hall, enclosure, tent, or  
13 outdoor area in which bingo is being played.

14 "Profit" means the gross receipts collected from one or  
15 more bingo occasions, less reasonable sums necessarily and  
16 actually expended for bingo supplies and equipment, prizes,  
17 utilities, license fees, and taxes.

18 "Regular bingo card" means a nondisposable card issued to a  
19 person upon payment of the admission fee which affords a person  
20 the opportunity to participate in all regular bingo games played  
21 at a bingo occasion.



1 "Regular bingo game" means a bingo game in which a person,  
2 upon payment of an admission, is issued a regular bingo card and  
3 may purchase or rent extra regular cards.

4 "Service organization" includes all of the following:

- 5 (1) A labor organization, recognized under section 377-14,  
6 whose jurisdiction is limited to a specific  
7 geographical area within the state; and  
8 (2) A political party, as defined in section 11-61, except  
9 a state committee registered under section 11-194 and  
10 organized exclusively for political purposes under  
11 whose name candidates appear on a ballot at any  
12 election.

13 "Special bingo card" means a disposable, specially marked  
14 bingo card which affords a person the opportunity to participate  
15 in a special bingo game to be played at a bingo occasion.

16 "Special bingo game" means any bingo game that is not a  
17 regular bingo game and that is played with special bingo cards.

18 **PART II. BINGO CONTROL BOARD**

19 **§ - 11 Bingo control board; appointment.** There is  
20 established within the department a bingo control board  
21 consisting of seven members who shall be appointed by the  
22 governor in the manner prescribed by section 26-34.



1 Five members of the board shall be officers, directors, or  
2 clergy of a bona fide religious, charitable, fraternal, or  
3 veteran's organization or any tax exempt organization under the  
4 Internal Revenue Code of 1986, as amended. Two members shall be  
5 public members. Four members of the board shall be residents of  
6 the city and county of Honolulu and three shall be residents of  
7 counties other than the city and county of Honolulu. The  
8 members of the board shall serve without compensation but shall  
9 be reimbursed for expenses, including travel expenses, necessary  
10 for the performance of their duties.

11 § -12 **General duties of the board.** The board shall:

- 12 (1) Hear appeals on denial of licenses by the department  
13 under this chapter;
- 14 (2) Conduct hearings on the suspension or revocation of a  
15 license for violation of this chapter or any rules  
16 adopted under it;
- 17 (3) Adopt rules under chapter 91 relating to the issuance,  
18 renewal, amendment, suspension, and revocation of  
19 bingo and raffle licenses and the conduct of bingo  
20 under this chapter;
- 21 (4) Approve and establish a standard set of bingo cards  
22 comprising a consecutively numbered series and



1           prescribe by rule the manner in which the cards shall  
2           be reproduced and distributed to a licensed  
3           organization; and

4           (5) Prescribe appropriate forms necessary to carry out  
5           this chapter.

6           §     -13   **Department powers and duties.** The department  
7 shall:

8           (1) Issue, renew, and amend licenses to:

9                   (A) Organizations to conduct bingo;

10                   (B) A supervisory member designated by the  
11                   organization; and

12                   (C) A member designated by the organization who is  
13                   responsible for the gross receipts;

14           (2) Have power to temporarily suspend any license;

15           (3) Make recommendations to the board regarding  
16           suspensions and revocations of licenses;

17           (4) Refer for investigation potential or actual violations  
18           of this chapter and rules adopted under it to the  
19           prosecuting attorney in the county in which a bingo  
20           occasion will be or was held;

21           (5) Make a continuous study of the operation of this  
22           chapter to ascertain if there are defects that





1           jeopardize or threaten to jeopardize the purpose of  
 2           this chapter; and make a continuous study of the  
 3           operation and administration of similar laws that may  
 4           be in effect in other states; and

- 5           (6) Recommend to the board changes to state law as the  
 6           department determines are necessary to carry out the  
 7           purposes of this chapter.

8           **§       -14 Conflict of interest prohibited.** No member of  
 9           the board or employee of the department assigned duties under  
 10          this chapter shall:

- 11          (1) Own, be employed by, or have any pecuniary interest in  
 12          any business engaged directly or indirectly in the  
 13          manufacture, distribution, or sale of bingo supplies  
 14          and equipment, or be the spouse of or related in the  
 15          first degree of kinship to any person so employed or  
 16          interested;

- 17          (2) Participate in the approval, denial, revocation, or  
 18          suspension of any application or license for an  
 19          organization of which the member or employee is an  
 20          officer, director, shareholder, or member;

- 21          (3) Engage in private employment or in a profession or  
 22          business that conflicts with the performance of the



1 member's or employee's official duties; or  
2 (4) Engage in any business, transaction, or professional  
3 activity or incur any obligation of any nature that  
4 conflicts with the proper discharge of the member's or  
5 employee's official duties.

6 **§ -15 Rules governing expenditure of bingo funds**

7 **restricted.** (a) As used in this section:

8 "Bar" means premises operating under a license or permit  
9 for the retail sale of alcoholic beverages for consumption on  
10 the premises.

11 "Meals" does not include soft drinks, ice cream, milk, milk  
12 drinks, ices, or confections.

13 "Restaurant" means any place in which meals are prepared  
14 for or served or sold to the public more than once in any week.

15 (b) The board may not adopt any rule that limits the  
16 expenditure of bingo funds for installing, maintaining, or  
17 improving the heating, plumbing, air conditioning, or electrical  
18 systems of an existing building used in whole or in part for any  
19 lawful purpose except for that portion of the building  
20 consisting of a bar or restaurant.

21 **PART III. LICENSING**

22 **§ -21 License to conduct bingo.** (a) Any bona fide



1 religious, charitable, service, fraternal, or veterans'  
2 organization, or any tax exempt organization under the Internal  
3 Revenue Code of 1986, as amended, may apply to the board for a  
4 license to conduct bingo.

5 (b) Prior to applying for a license, an organization  
6 listed under subsection (a) shall:

- 7 (1) Be incorporated in this state as a nonprofit  
8 corporation or organized in this state as a religious  
9 or nonprofit organization;
- 10 (2) Have at least fifteen members in good standing;
- 11 (3) Conduct activities within this state in addition to  
12 the conduct of bingo;
- 13 (4) Be authorized by its constitution, articles, charter,  
14 or bylaws to further in this state a lawful purpose;
- 15 (5) Operate without profit to its members; and no part of  
16 the net earnings of the organization shall inure to  
17 the benefit of any private shareholder or individual;
- 18 (6) Have been in existence for five years immediately  
19 preceding its application for a license, and shall  
20 have had during that five-year period a bona fide  
21 membership actively engaged in furthering a lawful  
22 purpose; and



1 (7) Have received and used and shall continue to receive  
2 and use, for a lawful purpose, funds derived from  
3 sources other than from the conduct of bingo.

4 **§ -22 Bingo license application.** Each applicant for a  
5 license to conduct bingo shall file with the board an  
6 application on a form prescribed by the board. The application  
7 shall include:

8 (1) The name and address of the applicant;

9 (2) Sufficient facts relating to the incorporation or  
10 organization of the applicant to enable the board to  
11 determine if the applicant is eligible for a license  
12 under this part;

13 (3) The name and address of each officer of the applicant  
14 organization;

15 (4) The place and date of each bingo occasion proposed to  
16 be conducted during the effective period of the  
17 license;

18 (5) The name and address of the owner of the premises in  
19 which bingo will be conducted and the approximate  
20 capacity of the premises;

21 (6) The name, date of birth, and address of each  
22 supervising member for each bingo occasion who shall



1 be a bona fide and active member of the applicant  
2 organization and one or more of whom shall be present  
3 and in immediate charge of and responsible for the  
4 conduct of bingo games at each bingo occasion;

5 (7) The name of any licensed organization cosponsoring any  
6 bingo occasion;

7 (8) The name, address, date of birth, and years of  
8 membership of a bona fide and active member of the  
9 applicant organization who shall be responsible for  
10 the proper utilization of the gross receipts derived  
11 from the conduct of bingo;

12 (9) The specific purposes to which the profits from the  
13 conduct of bingo are to be devoted; and

14 (10) Other information the board deems necessary to  
15 administer this chapter.

16 **§ -23 Affidavits, bond, and fees.** An application for  
17 a license to conduct bingo shall be accompanied by:

18 (1) A sworn statement of each designated supervising  
19 member that the member will be responsible for  
20 compliance with this chapter and rules adopted under  
21 it for each bingo occasion supervised by the member;

22 (2) A sworn statement by the member designated as



1 responsible for the proper utilization of gross  
 2 receipts that no commission, fee, rent, salary,  
 3 profits, compensation, reward, or recompense will be  
 4 paid to any person or organization and that all  
 5 profits will be spent for a lawful purpose or as  
 6 provided under section -32(b); and

- 7 (3) A \$10 license fee for each bingo occasion proposed to  
 8 be conducted; \$5 for an annual license for each  
 9 designated supervising member; and \$5 for an annual  
 10 license for each designated member responsible for the  
 11 proper utilization of gross receipts. The fees shall  
 12 be paid to the board, which shall deposit the fees in  
 13 the state treasury to the credit of the general fund.

14 **§ -24 Department determinations.** Upon receipt of an  
 15 application for a license to conduct bingo, the department shall  
 16 investigate the qualifications of the applicant and the merits  
 17 of the application and before issuing a license shall determine  
 18 that:

- 19 (1) The applicant is eligible to be licensed to conduct  
 20 bingo under section -21;  
 21 (2) The supervising members and member responsible for the  
 22 proper utilization of gross receipts are bona fide and



1 active members of the applicant organization who have  
2 never been convicted of a felony or, if convicted,  
3 have received a pardon or have been released from  
4 parole or probation for at least five years;

5 (3) The proposed bingo occasions will be conducted in  
6 accordance with this chapter and the rules adopted  
7 under it;

8 (4) No commission, fee, rent, salary, profit,  
9 compensation, reward, or recompense is or will be paid  
10 or given to any person in connection with the holding,  
11 operating, or conducting of any bingo occasion, except  
12 rent authorized under section -46 and except  
13 expenditures authorized under section -32(b) may  
14 be paid;

15 (5) The premises in which a proposed bingo occasion will  
16 be conducted are adequate and suitable for the conduct  
17 of bingo and are owned by the applicant, another  
18 licensed organization, or the public, or are used by  
19 the applicant organization on a regular basis for  
20 purposes other than bingo and that no benefits of any  
21 kind are proposed to be transferred as rent for the  
22 premises, except as permitted under paragraph (4); and



1           (6) The profits from all bingo games conducted by the  
2           applicant organization are proposed to be used as  
3           provided under section       -32(b) or for a lawful  
4           purpose that is a proper objective of the applicant  
5           organization.

6           **§       -25   Issuance of license to conduct bingo.   (a)**

7   Within sixty days after the filing of an application for a  
8   license to conduct bingo, the department, after making the  
9   determinations under section       -24, shall either notify the  
10   applicant organization in writing why a license is not being  
11   issued or issue a license to the applicant organization  
12   authorizing it to conduct bingo at the times and places set  
13   forth in the license. Except for limited period bingo, an  
14   applicant organization shall not be authorized to conduct or  
15   cosponsor more than twenty-six bingo occasions in any year or  
16   more than five bingo occasions in any month. An applicant  
17   organization holding a regular license, in addition, may be  
18   issued one limited period bingo license during the twelve-month  
19   period from the date of issuance or renewal of that regular  
20   license. An applicant organization not holding a regular bingo  
21   license may be issued two limited period licenses within a  
22   twelve-month period. A license issued under this subsection





1 shall be effective for one year from the first day of the month  
2 of the first occasion listed on the license and may be renewed  
3 annually, except that an applicant organization may request that  
4 the license expire on the first day of any month within the one-  
5 year licensure period.

6 (b) The form of the license shall be prescribed by the  
7 board and shall include:

8 (1) The name and address of the licensed organization;

9 (2) The name and address of each supervising member of the  
10 licensee under whom each bingo occasion is to be  
11 conducted;

12 (3) The place, date, and time when each bingo occasion is  
13 to be held;

14 (4) The specific purposes to which the profits of each  
15 bingo occasion will be devoted; and

16 (5) Other information the board deems necessary to  
17 administer this chapter.

18 (c) Each license, and all amendments thereto, shall be  
19 conspicuously displayed at the place where a bingo occasion is  
20 conducted and at all times during the conduct thereof so as to  
21 be easily readable by any patron of the bingo occasion.

22 (d) Within ten days after the issuance of a license to



1 conduct bingo and at least five days prior to the first bingo  
2 occasion each year as authorized by the license, or amendments  
3 thereto, the department shall send written notice of the  
4 issuance, or amendment, of the license to the prosecuting  
5 attorney of the county in which any bingo occasion is to be  
6 conducted. The notice shall indicate the time, place, and  
7 sponsoring licensed organizations for each authorized bingo  
8 occasion.

9       §       -26 **Amendment of license to conduct bingo.** Upon  
10 application by a licensed organization, a license may be  
11 amended, if the subject matter of the amendment properly and  
12 lawfully could have been included in the original license. An  
13 application for an amendment to a license shall be filed and  
14 processed in the same manner as an original application. An  
15 application for the amendment of a license shall be accompanied  
16 by a \$3 fee. If any application for amendment seeks approval of  
17 additional bingo occasions or designates new supervising members  
18 or a member responsible for the proper utilization of gross  
19 receipts, the appropriate fee under section       -23 shall also  
20 be paid. If the department approves an application for an  
21 amendment to a license, a copy of the amendment shall be sent to  
22 the applicant, who shall attach the copy to the original



1 license.

2           **§       -27 Denial of application; hearing.** If the  
3 department denies a license to conduct bingo, within ten days  
4 after receiving written notification of the denial, an applicant  
5 may demand in writing a hearing before the board upon the  
6 applicant's qualifications and the merit of the application. At  
7 the hearing, the burden of proof shall be on the applicant to  
8 establish the applicant's eligibility for a license. If, after  
9 the hearing, the board enters an order denying the application,  
10 the order shall set forth in detail the reasons for the denial.  
11 Upon entry of such an order or upon the expiration of the ten-  
12 day period during which a hearing may be demanded, the  
13 applicant's license fee shall be refunded less reasonable  
14 administrative costs. If the board approves the application,  
15 the department shall issue the license within fourteen days  
16 after approval.

17           **§       -28 Suspension or revocation.** (a) Proceedings to  
18 suspend or revoke a license to conduct bingo shall be initiated  
19 by the board pursuant to chapter 91. The notice shall state the  
20 alleged violations that constitute the grounds for the  
21 proceedings. The department may temporarily suspend the license  
22 for a period of thirty days while any proceedings are pending,



1 and shall notify the licensee of the dates of the temporary  
2 suspension.

3 (b) The department shall notify an officer or agent of the  
4 licensee of the time and place of the hearing by registered  
5 mail, return receipt requested, at least fifteen days before the  
6 hearing.

7 (c) The board shall hold a hearing on a suspension or  
8 proposed revocation as soon as practicable. The board shall  
9 issue, in writing, its findings and decision on suspension or  
10 revocation within thirty days after the hearing. A copy of the  
11 findings and decision shall be sent immediately to the licensee.  
12 If the board suspends or revokes the license, the licensee shall  
13 be informed of the effective date of the suspension or  
14 revocation. The board's decision under this section shall be  
15 subject to judicial review pursuant to section 91-14.

16 (d) When a license is suspended or revoked by the board,  
17 the licensee shall immediately surrender the license to the  
18 board. A licensee whose license has been revoked may reapply  
19 for a license one year after the effective date of the  
20 revocation. If a license has been suspended under subsection  
21 (c), the department shall reinstate the license at the end of  
22 the period of suspension.



1 (e) A violation of any applicable law of this State or  
2 rule adopted thereunder shall constitute grounds for suspension  
3 or revocation.

4 **PART IV. CONDUCT OF BINGO**

5 **§ -31 Restrictions on the conduct of bingo.** (a) Only  
6 a person licensed under section -25 shall conduct bingo.

7 (b) Bingo shall be played only on premises that are:

8 (1) Owned by a licensed organization;

9 (2) Publicly owned;

10 (3) Owned by another licensed organization;

11 (4) Used regularly by the licensed organization for a  
12 purpose other than bingo, except that a tent that has  
13 been rented, borrowed, or donated may be used at a  
14 limited period bingo occasion; or

15 (5) Made available without charge.

16 (c) Not more than fifty-four occasions of regular bingo  
17 may be played at any one building, tent, enclosure, or outdoor  
18 area in any calendar year.

19 (d) Bingo may not be conducted at a place owned, operated,  
20 or controlled by a person who has been convicted of having  
21 operated a gambling place within the past five years.

22 (e) Except for limited period bingo, only persons who pay



1 for regular bingo cards may participate as a player in a regular  
2 or special bingo game.

3 (f) Purchase of a regular bingo card shall entitle each  
4 player to a place with sufficient room in which to play.

5 (g) A licensed organization or its members or agents shall  
6 accept only cash payment for any bingo card.

7 **§ -32 Profits for lawful purposes or organization**  
8 **benefit.** (a) Except as provided under subsection (b), the  
9 profits from any bingo game shall be devoted exclusively to a  
10 lawful purpose of the licensed organization.

11 (b) No more than fifteen per cent of the profits from any  
12 bingo game may be used for the advancement, improvement, or  
13 benefit of the licensed organization that conducts the bingo  
14 game.

15 **§ -33 Limitation on prizes.** (a) No prize in a single  
16 bingo game shall exceed \$500. The aggregate value of prizes at  
17 any bingo occasion may not exceed \$3,000 except by the amount  
18 resulting from the awarding of minimum prizes under section

19 -43.

20 (b) No licensed organization shall award any prize  
21 consisting of alcoholic or fermented malt beverages or an  
22 interest in real estate or securities.



1 (c) No bonus or additional prizes shall be awarded on the  
2 basis of either a specific arrangement of the numbers or type of  
3 card required to win a game. No prize shall be determined on  
4 the basis of a specified number of calls.

5 (d) If any merchandise prize is awarded in a bingo game,  
6 its value shall be its current retail price. The current retail  
7 price of merchandise prizes donated to a licensed organization  
8 shall not be reported as an expenditure in its financial  
9 statement of bingo operations. No merchandise prize shall be  
10 redeemable or convertible into cash directly or indirectly by  
11 the licensed organization.

12 **§ -34 Management and operation of bingo.** (a) Only a  
13 bona fide and active member of the licensed organization, a bona  
14 fide and active member of the auxiliary of the licensed  
15 organization or the parent organization, or the spouse of such a  
16 member, may participate in the management or operation of a  
17 bingo occasion.

18 (b) No person shall receive remuneration for participating  
19 in the management or operation of any bingo game.

20 **§ -35 Minimum age requirement.** No person under age  
21 eighteen shall:

22 (1) Play any bingo game conducted by a licensed



1 organization, unless accompanied by that person's  
2 parent, guardian, or spouse; or

3 (2) Conduct or assist in the conduct of bingo.

4 **§ -36 Only certain expenses permitted.** No expense may  
5 be incurred or amounts paid in connection with the conduct of  
6 bingo by a licensed organization, except those reasonably and  
7 necessarily expended for bingo supplies and equipment, including  
8 blowers, flashboards, tables, chairs, public address systems,  
9 bingo cards, markers, filing cabinets, and signs, and for  
10 prizes, utilities, license fees and taxes, fees regularly  
11 charged by the State or a county for use of a public premise,  
12 printing of bingo forms and house rules, repairs to bingo  
13 equipment, and rent authorized under section -46.

14 **§ -37 Winners and prizes; same day.** Each bingo winner  
15 shall be determined and every prize shall be awarded and  
16 delivered on the same day on which the bingo occasion is  
17 conducted.

18 **§ -38 Bingo cards.** (a) Bingo cards shall be printed  
19 only on one side.

20 (b) The licensed organization shall keep an accurate,  
21 separate count of the number of regular bingo cards, extra  
22 regular cards, and special bingo cards that are sold, rented, or





1 used. The information shall be available for inspection at the  
2 close of the bingo occasion.

3 (c) Regular bingo cards, extra regular cards, and special  
4 bingo cards shall each be assigned a specific price, and the  
5 price shall remain the same during a bingo occasion. At any  
6 time during a bingo occasion, a card may be changed at no  
7 additional cost. Cards shall be sold or rented only on the  
8 premises at which bingo is being conducted. A price list shall  
9 be posted where the regular bingo cards are distributed, setting  
10 forth the price of each type of card. Only the posted price may  
11 be charged. The regular bingo cards and the extra regular cards  
12 shall be readily distinguishable from each other.

13 **§ -39 Method of play.** (a) The method of play in any  
14 bingo game and the utilization of bingo supplies and equipment  
15 shall afford each player an equal opportunity to win.

16 (b) The objects to be drawn shall be essentially the same  
17 in size, color, shape, weight, balance, and all other  
18 characteristics, so that at all times during the conduct of  
19 bingo, each object possesses the capacity for equal agitation  
20 with any other object within the receptacle.

21 (c) All seventy-five objects shall be present in the  
22 receptacle at the beginning of each bingo game.



1 (d) The announcement of all numbers drawn shall be clearly  
2 audible to the players present.

3 (e) When more than one room is used for any one bingo  
4 game, the receptacle and caller and any assistant shall be in  
5 the room where the greatest number of players are present; and  
6 all numbers shall be announced in a manner clearly audible to  
7 the players in each room.

8 (f) Once removed, no object shall be returned to the  
9 receptacle until after the conclusion of the game.

10 (g) Immediately following the calling of each number in a  
11 bingo game, the caller shall turn that portion of the object  
12 that shows the number and letter to the players.

13 **§ -40 Number arrangement announced; prizes announced**  
14 **and posted.** The particular arrangement of numbers required to  
15 be covered to win and the amount of the prize for each game  
16 shall be clearly described and audibly announced to the players  
17 immediately before each game. The amount of the prize for each  
18 bingo game shall also be posted where the regular bingo cards  
19 are distributed.

20 **§ -41 Verification of winner.** (a) The numbers  
21 appearing on the winning card at the time a winner is determined  
22 shall be verified in the immediate presence of at least one



1 disinterested player.

2 (b) At the time a winner is determined, any player may  
3 call for verification of all numbers and of the objects  
4 remaining in the receptacle and not yet drawn. This  
5 verification shall be made in the immediate presence of the  
6 supervising member and at least one disinterested player.

7 § -42 **Limit on number of bingo games.** Except for  
8 limited period bingo, no licensed organization shall conduct  
9 more than thirty-five bingo games, including regular and special  
10 games, on a single bingo occasion.

11 § -43 **More than one winner.** When more than one player  
12 is found to be the winner on the call of the same number in the  
13 same bingo game, a cash prize shall be divided equally among the  
14 winners. The licensed organization may elect to round off the  
15 prize to any amount between the next lower dollar and the next  
16 higher dollar. Any licensed organization may elect to set a  
17 minimum prize of not exceeding \$10 for each winner. When equal  
18 division of a merchandize prize is not possible, identical  
19 substitute prizes whose aggregate retail value is approximately  
20 equal to that of the designated prize may be awarded or a cash  
21 prize equal to the retail value may be divided among the winners  
22 as provided in this section.



1           **§       -44 Prohibited from playing.** No licensed  
2 organization shall permit any person who is conducting or  
3 assisting in the conduct of bingo on a bingo occasion to  
4 participate as a player on that occasion.

5           **§       -45 Bingo caller.** No person may act as a caller in  
6 the conduct of any game of bingo unless the person:

- 7           (1) Has been a member in good standing of the licensed  
8 organization, the auxiliary of the licensed  
9 organization or the parent organization, or a member  
10 of the local unit of the religious organization that  
11 the licensed organization is a member of for at least  
12 one year immediately preceding the date of the game or  
13 is the spouse of such a member; and
- 14           (2) Has never been convicted of a felony or, if convicted,  
15 has been pardoned or released from probation or parole  
16 for at least five years.

17           **§       -46 Rent.** Except as provided under section       -32,  
18 a licensed organization may incur and pay rent in connection  
19 with the conduct of bingo only:

- 20           (1) If for a tent rented for use at a limited bingo  
21 occasion and the rent incurred and paid is reasonable;  
22 or



1           (2) If it does not rent from itself and the rent is for  
2           premises used for a bingo occasion and does not exceed  
3           an amount equal to ten per cent of the aggregate value  
4           of prizes offered at the bingo occasion.

5           §       -47 **Limited period bingo.** (a) No person licensed  
6           to conduct limited period bingo shall conduct more than sixty  
7           games of limited period bingo on a single bingo occasion.  
8           Limited period bingo may be conducted on two bingo occasions in  
9           a single day.

10          (b) No admission fee shall be charged to play limited  
11          period bingo.

12          (c) All other provisions in this chapter relating to  
13          regular bingo games shall apply to limited period bingo except  
14          as otherwise provided.

15          §       -48 **Special bingo games.** In addition to provisions  
16          in this chapter relating to regular bingo games, the following  
17          provisions shall apply to special bingo games:

18          (1) All special bingo cards shall be in a form approved by  
19          the board; and

20          (2) Each special bingo card shall be used for one game  
21          only and shall be indelibly marked by the player while  
22          in use so as to render it void and unusable



1           thereafter.

2           **§ -49 Penalties.** (a) Any person convicted of  
3 violating section -31(a) or (b), -32, -33, -34,  
4 or -42 shall be guilty of a misdemeanor, but shall be  
5 subject to a maximum term of imprisonment of nine months, or a  
6 maximum fine of \$10,000, or both.

7           (b) Any person convicted of violating any other provision  
8 of this chapter shall be guilty of a petty misdemeanor, but  
9 shall be subject to a maximum term of imprisonment of ninety  
10 days, or a maximum fine of \$5,000, or both.

11           (c) The attorney general or the prosecuting attorney of  
12 the county where the violation occurs may commence an action in  
13 the name of the State to recover a civil forfeiture to the State  
14 of not more than \$10,000 for the violation of any provision of  
15 this chapter.

16           (d) The attorney general, the board, or the prosecuting  
17 attorney of a county in which an actual or potential violation  
18 occurs, after informing the attorney general, may commence an  
19 action in the circuit court in the name of the State to restrain  
20 any violation of any provision of this chapter. The court,  
21 prior to entry of final judgment, may make such an order or  
22 judgment as necessary to restore to any person any pecuniary



1 loss suffered because of the acts or practices involved in the  
2 violation; provided proof thereof is submitted to the court.  
3 The attorney general may subpoena persons, require the  
4 production of books and other documents, and request the board  
5 to exercise its authority to aid in the investigation of alleged  
6 violations of this section.

7 **PART V. REPORTS AND FINANCIAL STATEMENTS**

8 **§ -61 Report of bingo operations.** (a) Within fifteen  
9 days after the conclusion of each bingo occasion, each licensed  
10 organization shall execute and file a report of bingo operations  
11 on a form prescribed by the board. The report shall be  
12 accompanied by the payment of the gross receipts tax due  
13 pursuant to section -81. The licensed organization shall  
14 retain a copy of the report for its permanent records. The  
15 report shall include:

- 16 (1) The name and address of each supervising member and  
17 each member responsible for the proper utilization of  
18 gross receipts;
- 19 (2) The date, hour, and address of the bingo occasion;
- 20 (3) The number of games played;
- 21 (4) An itemized statement of the gross receipts from the  
22 bingo occasion, including gross receipts from sales of



1 regular bingo cards, extra regular cards, special game  
2 cards, and sale of supplies;

3 (5) An itemized statement of expenditures, including  
4 amounts paid for prizes, bingo supplies and equipment,  
5 license fees, and other expenses;

6 (6) An itemized statement of expenditures, if any, made by  
7 the licensed organization under section -32(b);

8 (7) A statement showing the balance in the licensed  
9 organization's bingo account and bingo savings  
10 accounts and other deposits into or adjustments in the  
11 accounts since the last filing date; and

12 (8) The name of the depository and the title and number of  
13 the account.

14 (b) The report shall be signed by the member responsible  
15 for the proper utilization of gross receipts for the bingo  
16 occasion.

17 (c) If no bingo games are held on a date when a license  
18 authorizes them to be held, a report to that effect shall be  
19 filed with the board.

20 **§ -62 Reports improperly filed.** (a) The department  
21 may refuse to renew a license of an organization found to be  
22 delinquent in filing its financial statement or found to have





1 filed an incomplete statement of bingo operations.

2 (b) If a licensed organization fails to file a financial  
3 statement of bingo operations within five days after  
4 notification by the department of the delinquency, the  
5 department may suspend the license, pending the filing of the  
6 financial statement.

7 (c) If the financial statement filed by a licensed  
8 organization is not fully, accurately, and truthfully completed,  
9 the department may refuse to renew a license or may suspend a  
10 license until such time as a statement in proper form has been  
11 filed.

12 **§ -63 Unlawful purpose; reimbursement and waiver.** If  
13 a financial audit of a licensed organization shows that bingo  
14 funds were disbursed for a purpose that is not a lawful purpose  
15 and the department requests that the licensed organization  
16 reimburse the appropriate bingo account in an amount equal to  
17 the amount so disbursed, the licensed organization may appeal  
18 the request to the board. The board may waive or reduce the  
19 amount of any reimbursement if the licensed organization  
20 presents evidence satisfactory to the board that the licensed  
21 organization acted in good faith and by mistake or inadvertently  
22 in so disbursing the funds.



1           §       -64   **Financial report to membership.**   (a)   At least  
2   once a year, each licensed organization shall report the  
3   following information in writing to its membership regarding the  
4   bingo occasions that it has conducted:

5           (1)   The number of bingo occasions conducted;

6           (2)   The gross receipts;

7           (3)   The amount of prizes paid;

8           (4)   The net profit or loss;

9           (5)   The disposition of profits;

10          (6)   Any interest earned on profits deposited in interest  
11               bearing accounts; and

12          (7)   A summary of expenses incurred.

13          (b)   The information reported under subsection (a) shall be  
14   incorporated into the minutes or records of each licensed  
15   organization.  If a licensed organization is an auxiliary or  
16   affiliate of a parent organization, a copy of the written report  
17   shall be filed with the executive officer of the parent  
18   organization and incorporated into its minutes.  A copy of the  
19   financial report to the membership shall be mailed to the board  
20   within sixty days after the close of an organization's annual  
21   accounting period.





1 the reading of the transcript of the testimony to or by the  
2 witness and the witness' signature thereto are waived and that  
3 the transcript may be used with like force and effect as if read  
4 and subscribed by the witness. The attendance of the witness  
5 for the purpose of reading and subscribing to the transcript may  
6 be compelled in the same manner that the witness' attendance to  
7 be examined may be compelled.

8       **§ -72 Violations a public nuisance.** A violation of  
9 this chapter constitutes a public nuisance and may be enjoined  
10 or abated in like manner as other public nuisances, irrespective  
11 of any criminal prosecution that may be or is commenced based on  
12 the same acts.

13       **§ -73 Inspection for enforcement.** Any peace officer  
14 or prosecuting attorney, within their respective jurisdictions,  
15 or an authorized employee of the department, at all reasonable  
16 hours, may enter the premises where a bingo occasion is being  
17 conducted and examine the books, papers, and records of the  
18 licensed organization to determine if all proper taxes or fees  
19 imposed have been paid. Any refusal to permit an examination of  
20 the premises by the licensed organization, its agent or an  
21 employee, or the person in charge of the premises to which the  
22 bingo license relates, constitutes sufficient grounds for the



1 suspension or revocation of a license, and is punishable under  
2 section -49(b). In addition, the refusal constitutes  
3 sufficient grounds for any peace officer or other persons  
4 authorized under this section within their respective  
5 jurisdictions or authority to employ whatever reasonable action  
6 is necessary to conduct inspections permitted by this section.

7 **PART VII. GROSS RECEIPTS TAX**

8 **§ -81 Tax on gross receipts.** All gross receipts of  
9 any licensed organization that are derived from the conduct of  
10 bingo shall be subject to chapter 237 and taxed as provided in  
11 section 237-13(9)."

12 SECTION 2. Section 237-23, Hawaii Revised Statutes, is  
13 amended by amending subsection (b) to read as follows:

14 "(b) The exemptions enumerated in subsection (a)(3) to (6)  
15 shall apply only:

16 (1) To those persons who shall have registered with the  
17 department of taxation by filing a written application  
18 for registration in such form as the department shall  
19 prescribe, shall have paid the registration fee of  
20 \$20, and shall have had the exemption allowed by the  
21 department or by a court or tribunal of competent  
22 jurisdiction upon appeal from any assessment resulting



1 from disallowance of the exemption by the department;

2 (2) To activities from which no profit inures to the  
3 benefit of any private stockholder or individual,  
4 except for death or other benefits to the members of  
5 fraternal societies; and

6 (3) To the fraternal, religious, charitable, scientific,  
7 educational, communal, or social welfare activities of  
8 such persons, or to the activities of such hospitals,  
9 infirmaries, and sanitarium as such, and not to any  
10 activity the primary purpose of which is to produce  
11 income even though the income is to be used for or in  
12 furtherance of the exempt activities of such persons.

13 The exemption shall not apply to the conduct of  
14 bingo."

15 SECTION 3. Section 712-1220, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "~~§~~712-1220 **Definitions of terms in this part.** In this  
18 part unless a different meaning plainly is required, the  
19 following definitions apply.

20 [~~1~~] "Advance gambling activity". A person "advances  
21 gambling activity" if [~~he~~] that person engages in conduct that  
22 materially aids any form of gambling activity. Conduct of this



1 nature includes but is not limited to conduct directed toward  
2 the creation or establishment of the particular game, contest,  
3 scheme, device, or activity involved, toward the acquisition or  
4 maintenance of premises, paraphernalia, equipment, or apparatus  
5 therefor, toward the solicitation or inducement of persons to  
6 participate therein, toward the actual conduct of the playing  
7 phases thereof, toward the arrangement of any of its financial  
8 or recording phases, or toward any other phase of its operation.  
9 A person advances gambling activity if, having substantial  
10 proprietary control or other authoritative control over premises  
11 being used with [~~his~~] the person's knowledge for purposes of  
12 gambling activity, [~~he~~] the person permits that activity to  
13 occur or continue or makes no effort to prevent its occurrence  
14 or continuation. A person advances gambling activity if [~~he~~]  
15 that person plays or participates in any form of gambling  
16 activity.

17 [~~2~~] "Bookmaking" means advancing gambling activity by  
18 accepting bets from members of the public upon the outcomes of  
19 future contingent events.

20 [~~3~~] "Contest of chance" means any contest, game, gaming  
21 scheme, or gaming device in which the outcome depends in a  
22 material degree upon an element of chance, notwithstanding that



1 skill of the contestants may also be a factor therein.

2       [~~4~~] "Gambling". A person engages in gambling if [he]  
3 that person stakes or risks something of value upon the outcome  
4 of a contest of chance or a future contingent event not under  
5 [~~his~~] that person's control or influence, upon an agreement or  
6 understanding that [he] the person or someone else will receive  
7 something of value in the event of a certain outcome. Gambling  
8 does not include bona fide business transactions valid under the  
9 law of contracts, including but not limited to contracts for the  
10 purchase or sale at a future date of securities or commodities,  
11 and agreements to compensate for loss caused by the happening of  
12 chance, including but not limited to contracts of indemnity or  
13 guaranty and life, health, or accident insurance. Gambling does  
14 not include the conduct of bingo pursuant to chapter \_\_\_\_\_.

15       [~~5~~] "Gambling device" means any device, machine,  
16 paraphernalia, or equipment that is used or usable in the  
17 playing phases of any gambling activity, whether that activity  
18 consists of gambling between persons or gambling by a person  
19 involving the playing of a machine. However, lottery tickets  
20 and other items used in the playing phases of lottery schemes  
21 are not gambling devices within this definition.





1

2 [~~6~~] "Lottery" means a gambling scheme in which:

3 [~~a~~] (1) The players pay or agree to pay something of  
4 value for chances, represented and differentiated by  
5 numbers or by combinations of numbers or by some other  
6 medium, one or more of which chances are to be  
7 designated the winning ones; and

8 [~~b~~] (2) The winning chances are to be determined by a  
9 drawing or by some other method based on an element of  
10 chance; and

11 [~~e~~] (3) The holders of the winning chances are to receive  
12 something of value.

13 [~~7~~] "Mutuel" means a form of lottery in which the winning  
14 chances or plays are not determined upon the basis of a drawing  
15 or other act on the part of persons conducting or connected with  
16 the scheme, but upon the basis of the outcome or outcomes of a  
17 future contingent event or events otherwise unrelated to the  
18 particular scheme.

19 [~~8~~] "Player" means a person who engages in gambling  
20 solely as a contestant or bettor.

21 [~~9~~] "Profit from gambling activity". A person "profits  
22 from gambling activity" if [~~he~~] that person accepts or receives



1 money or other property pursuant to an agreement or  
2 understanding with any person whereby [~~he~~] the person  
3 participates or is to participate in the proceeds of gambling  
4 activity.

5 [~~10~~] "Social gambling" is defined in section 712-1231.

6 [~~11~~] "Something of value" means any money or property, any  
7 token, object, or article exchangeable for money or property, or  
8 any form of credit or promise directly or indirectly  
9 contemplating transfer of money or property or of any interest  
10 therein, or involving extension of a service or entertainment."

11 SECTION 4. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on July 1, 2007.

14

INTRODUCED BY:

Will Eyo



**Report Title:**

Bingo Games

**Description:**

Establishes requirements for the conduct of bingo games for lawful purposes.

