

CITY OF PRICHARD ORDINANCE NO. 1965

AN ORDINANCE PROMULGATING RULES AND REGULATIONS FOR THE
OPERATION OF BINGO GAMES IN THE CITY OF PRICHARD

WHEREAS, pursuant to the authority granted in Amendment No. 440, to the Constitution of Alabama 1901, and Act No. 83-731, as Amended by Act No. 93-710 (The "Mobile County Bingo Act"), the Prichard City Council ("the City Council"), for the welfare and benefit of the citizens of the City of Prichard ("the City") and the State of Alabama, desires to ensure that all forms of bingo, made lawful in the City of Prichard pursuant to Amendment No. 440, and the Mobile County Bingo Act, shall be regulated according to law;

WHEREAS, Amendment No. 440 to the Constitution of Alabama, 1901, ("Amendment 440") provides that:

[t]he operation of bingo games for prizes or money by certain nonprofit organizations for charitable, educational, or other lawful purposes shall be legal in Mobile county, subject to the provisions of any resolution or ordinance by the county governing body or the governing bodies of the respective cities and towns, within their respective jurisdictions as provided by law regulating such operation. The said governing bodies shall have the authority to promulgate rules and regulations for the issuance of permits or licenses and for operation of bingo games, within their respective jurisdictions; provided, however, that said governing bodies must ensure compliance pursuant to said law and the following provisions:"

WHEREAS, the Mobile County Bingo Act is "supplemental only" to Amendment No. 440 (a self-executing provision) and cannot curtail the rights provided by Amendment No 440 nor place any undue burdens on the rights provided by Amendment No. 440. Thus, to the extent the Act unduely burdens or curtails the rights provided by the Amendment, the Act is legally preempted. Notwithstanding this preemption, the Act itself does not prohibit electronic bingo. It allows the use of "cards or paper sheets" (and cards may be electronic). Furthermore, the Act makes reference to "... any device, equipment...used in any bingo game..." Thus, the Amendment and the Act may be read together (in "pari materia") to allow electronic bingo.

WHEREAS, on December 1, 2004, Alabama Attorney General Troy King ("the Attorney General") announced the findings from his unprecedented, hands-on evaluation and review of gambling occurring in Alabama ("Gambling Review");

WHEREAS, the Attorney General states in the findings of his "Gambling Review" that, notwithstanding his personal opposition to gambling, "[i]t is not my job as Attorney General, however, to determine whether Alabama will allow gambling. It is my personal belief on a public policy matter that controls my actions as Attorney General, but, instead, it is the law and my duty to faithfully enforce it that must guide me;"

WHEREAS, the Attorney General in his Gambling Review states that "Alabama is a state with an unusual provision in her constitution that allows for the enactment of constitutional amendments affecting less than the whole state;"

WHEREAS, Amendment 440, is one of eighteen different local constitutional amendments authorizing some form of bingo in a given city or county within the State of Alabama;

WHEREAS, the Attorney General notes that "[t]he use of the word bingo is the source of much of the debate regarding what type of gambling is allowed in Alabama." He went on to describe what is meant by the term "bingo" under Alabama law as follows:

Bingo evolved from a game that has been played in Italy since 1530. The game made its way across Europe and to the United States sometime in the 1920s under the name 'beano.' It is a game played on a grid consisting of five horizontal and five vertical squares containing numbers that are covered up as numbers are randomly drawn and that is won when a preordained pattern is covered on the card. There are believed to be over 1.4 million variations of the 'bingo' card. This is a game that must be played against other players and not played as a house banked game. Bingo has evolved from its origins hundreds of years ago to cards where the numbers are covered by buttons or other markers, to sheets of paper where the numbers are daubed with a paint pen, to laptop computer-like devices where multiple cards can be played simultaneously, to video consoles where the bingo game is simulated using computer chips. It is machines of this final sort that are most prominently on display at Greenetrack and Victoryland and which have been the focus of much of the controversy in Alabama surrounding the legality of these operation. The games played on these video consoles must have certain important features to be bingo: First, the game must incorporate the typical features of traditional bingo, including, but not limited to, a grid of five horizontal and five vertical squares, numbers randomly selected, and a preordained winning pattern. Spinning wheels and other video graphics must not affect game play. Second, just as in traditional bingo halls, players on the machines must compete against one another. Consequently, the electronic machines must be linked so that players are competing against each other to permit the machines to comply with the constitutional requirement of "bingo." For example, such a machine might depict a bingo card in the upper left hand corner of the machine, and as the game play commences, balls containing numbers begin to fall. When a number depicted on the card is dropped, it would be marked on the cards of those playing and players would win prizes in the same manner that they win prizes in traditional bingo halls. If the machines at any facility should ever be determined to be operating independently or hosting games for single participants, then these facilities would be operating outside the bounds of the constitutional grant and would be subject to the appropriate legal action."

WHEREAS, the Attorney General in his Gambling Review, recognizes the impact of technology upon the game of "bingo" as he addresses the confusion that may ensue from the appearance or form of today's technologically advanced and computer generated "media" bingo games. The Attorney General states that [i]t cannot be concluded, as some have, that just because the game is being played on video consoles, it is not 'bingo.' Just as no one would contend that e-mails are any less a form of correspondence than are letters written with a quill pen, but instead represent a technological evolution in correspondence, similarly, bingo games that are depicted on a video console can still be bingo – albeit a technologically advanced form of bingo – but bingo nonetheless.

WHEREAS, the Attorney General has concluded "that, as a matter of law, machines that operate in the manner described above are permissible" in counties "with facilities operating under a valid constitutional amendment;

WHEREAS, Amendment 440 as adopted by the Legislature and approved by a vote of the people is a valid constitutional amendment which provides that the operation of bingo games for prizes or money by certain nonprofit organizations for charitable, educational, or other lawful purposes shall be legal in Mobile county, subject to the provisions of any resolution or ordinance by the county governing body or the governing bodies of the respective cities and towns, within their respective jurisdictions as provided by law regulating such operation.

WHEREAS, Alabama Attorney General Opinion Number 97-072 held that once a valid constitutional amendment makes Charitable Bingo legal within the limits of a city or county, the city or county "does not have the authority to decline to permit bingo operations by qualified organizations, but that its power is limited to the authority to regulate bingo operations."

WHEREAS, Amendment 440 related to Bingo in Mobile county may not contemplate the impact of the technological evolution in computer technology upon the game of "bingo" and current "media" forms of "bingo" that have emerged from said technological advances;

WHEREAS, it is the intent of the Prichard City Council that all forms of the game known as "bingo," including but not limited to, "media" forms of "bingo" shall be subject to licensure and regulation in the City of Prichard;

WHEREAS, Amendment Number 440 to the Constitution of Alabama, 1901, also requires that said governing bodies must ensure compliance pursuant to said law and the following provisions:

(a) No person under the age of 19 shall be permitted to play any game or games of bingo, unless accompanied by a parent or guardian; nor shall any person under the age of 19 be permitted to conduct or assist in the conduct of any game of bingo;

(b) No bingo permit or license shall be issued to any nonprofit organization, unless such organization shall have been in existence for at least 12 months immediately prior to the issuance of the permit or license;

(c) Bingo games shall be operated only on the premises owned or leased by the nonprofit organization operating the bingo game. If the premises is leased, the rate or rental shall not be based on a percentage of receipts or profits resulting from the operation of bingo games;

(d) No nonprofit organization shall enter into any contract with any individual, firm, association or corporation to have said individual or entity operate bingo games or concessions on behalf of the nonprofit organization, nor shall said nonprofit organization pay consulting fees to any individual or entity for any services performed in relation to the operation or conduct of a bingo game.

(e) A nonprofit organization shall not lend its name or allow its identity to be used by any other person or entity in the operating or advertising of a bingo game in which said nonprofit organization is not directly and solely operating said bingo game;

(f) Prizes given by any qualified nonprofit organization for the playing of bingo games shall not exceed the cash amount or gifts of equivalent value, set by the legislature, during any bingo session. The legislature shall set a maximum amount for any calendar week;

(g) No person or organization, by whatever name or composition thereof, shall take any expenses for the operation of a bingo game except as permitted by law.

NOW, THEREFORE, BE IT RESOLVED, as follows:

The following Rules and Regulations for the Licensing and Operation of Bingo Games in the City of Prichard (hereinafter sometimes referred to as "Rules", "Regulations" or "Rules and Regulations") are hereby promulgated by the City Council of the City of Prichard to regulate the issuance of permits or licenses for and the operation of Bingo Games by certain Nonprofit Organizations in the City of Prichard, Alabama pursuant to Amendments Nos. 440 and 797 and the Mobile County Bingo Act.

Section 1 Definitions.

As used herein the following words shall have the following meanings as described herein, unless the context clearly indicates otherwise:

- (a) "Bingo" or "Bingo Games" shall mean any game of chance known as bingo, which is certified by a nationally recognized gaming laboratory certifying that the game complies with both the Americans with Disabilities Act and the Alabama Attorney General's definition of bingo set forth in his 2004 Press Release, which incorporates the following elements: (i) the game must be played on a grid of five (5) horizontal rows intersected by five (5) contiguous squares contained within the grid; (ii) each square in a grid must be designated by a number or other symbol contained in a collection of numbers or symbols used for playing the game; (iii) numbers or symbols are selected by a procedure or mechanism entirely or predominately governed by chance and, as such number or symbols are

selected during the playing of a particular game, the same numbers or symbols, if they are present on one or more of the squares on any grid in play, are covered or otherwise marked on such grid; (iv) the winner or winners of a particular game are the players of those grids for which a previously designated pattern or arrangement is first covered or marked; (v) one or more players must compete against one or another for prizes; (vi) monetary wagers may be collected from the players of bingo for the opportunity to participate in the game, and such wagers may vary in amount to reflect the value of the prize for winning a particular game, whether the wager is for participation in the whole game or a particular phase thereof, and other factors reflecting the interplay of the amount wagered, the size of the prize and the probability of winning; and (vii) the prizes for winning the game can be money or anything of value without limit as to amount. To the extent that the foregoing elements are present in the game of bingo, it can be played with different kinds of equipment varying from one end of the spectrum, where traditional cards displaying the playing grids are used with tokens to cover the designated squares on the cards, to the technologically advanced end of the spectrum, where electronic devices perform the operations of the game using computers or micro-processors and interact with the human players by means of an electronic console. If the game of bingo is played on electronic devices which determine and signal the winner, such devices shall be electronically linked to ensure that multiple players are competing against each other. The prizes or evidence thereof for winning bingo games may be disbursed by the electronic devices or consoles used in playing such games at the time each game is won or on different schedules that reflect a record of wins and losses involving multiple games. The entertaining capabilities of electronic devices and consoles used in playing bingo may be enhanced by spinning reels and other video or mechanical displays, but such displays and the apparatus used to produce them may not affect the play or outcome of the game.

- (b) "Bingo Equipment and Supplies" shall mean any electronic or mechanical equipment, machine or device, or computer or other technologic hardware or device, (i) which is installed, or is to be installed, at a bingo facility and (ii) which is used, or can be used, to play Bingo as herein defined. Bingo Equipment and Supplies includes any machine, device or hardware that assists a player or the playing of Bingo Games, broadens the participation levels in a common game and includes all of the ancillary Bingo supplies. Examples of Bingo Equipment and Supplies include, but are not limited to, dispensers, readers, electronic player stations, player terminals, central computer servers containing random number generators and other processing capabilities for remote player terminals, electronic consoles capable of providing game results in different display modes, telephones and telephone circuits, televisions, cables and other telecommunication circuits, and satellites and related transmitting and receiving equipment. Bingo Equipment shall not be deemed to be for any purpose a "gambling device" or "slot machine" within the meaning of the Code of Alabama 1975, Sections 13A-12-

20(5) and (10) or any other provision of law, whether now in effect or hereafter enacted. The playing of bingo at any facility and all equipment and facilities relating thereto shall comply with the "Americans with Disabilities Act."

- (c) "Bingo Expenses" shall mean all expenses incurred in connection with the holding, operating and conducting of Bingo Games, including but not limited to, the following expenses: rental of Bingo Equipment, the payment of services necessary for the repair of Bingo Equipment, payment of prizes, rental for the Location, money paid to Bingo workers and employees whether directly paid or paid to an employee leasing company, utilities, janitorial services, security services, banking services, permit fees, taxes and license fees, insurance premiums, professional services and maintenance.
- (d) "Bingo Session" shall mean a consecutive period of time up to twenty-four consecutive hours during which Bingo is played on as many as seven (7) days in a given week. A holder of a Class A Bingo License or a Class B Bingo License shall not be limited in the number of Bingo Sessions it operates during any twenty-four (24) hour period.
- (e) "Class A Bingo License" shall mean a license issued to an applicant who desires to operate only paper card Bingo at a Class A Qualified Location.
- (f) "Class B Bingo License" shall mean a license issued to an applicant who desires to operate any and all games of Bingo at a Class B Qualified Location.
- (g) "Class A Qualified Location" for the holder of a Class A Bingo License shall mean a Location which has been inspected and recommended for approval by the Prichard Bingo Commission for the conduct of Bingo Games.
- (h) "Class B Qualified Location" for the holder of a Class B Bingo License shall mean a Location which has a minimum of one thousand (1000) bingo machines and has been inspected and recommended for approval by the Prichard Bingo Commission for the conduct of Bingo Games and other lawful activities and for which the holder of a Class B Bingo License or Operator has submitted satisfactory evidence that the Location has in place, at all times that any Bingo Games are being conducted or operated, the following: (i) liability insurance in an amount not less than \$1,000,000; (ii) liquor liability insurance in the amount required by State of Alabama; (iii) adequate parking for patrons and employees; (iv) onsite security as reasonably recommended by the Prichard Bingo Commission; (v) onsite first aid personnel as reasonably recommended by the Prichard Bingo Commission; (vi) such accounting procedures, controls and security monitoring as are reasonably necessary to preserve and promote the integrity of the operation of Bingo Games and the protection of the Nonprofit Organization and the patrons of the Bingo Games; and (vii) satisfactory evidence that the Location is fully compliant with the Americans with Disabilities Act.

- (i) "License Holder" shall mean any holder of a Class A Bingo License or Class B Bingo License.
- (j) "Premises" shall mean a building, hall, enclosure, room, location, grounds and/or outdoor area that complies with all federal, state and local laws and applicable building and fire codes.
- (k) "Nonprofit Organization" shall mean a bona fide organization for charitable, educational, or other lawful purposes which operates without profit to its members (if any) which has been in existence for at least 12 months prior to the issuance of the permit or license.
- (l) "Person" shall mean any human being, corporation, partnership, business organization, association or legal entity of any kind whatsoever.

Section 2 Prichard Bingo Commission

- (a) There is established within the City of Prichard a Commission to be known as the Prichard Bingo Commission.

Composition; investigation, term of office, removal

- (b) (1) The Commission shall be composed of five (5) members who shall be appointed by the City Council. The members of the Commission shall select, by a majority vote, one of their number to act as Chairman.

(2) (A) Except as provided in subparagraph (B), the term of office of the members of the Commission shall be five years.

(B) The initial members of the commission shall be designated by the Council to serve for terms of one, two, three, four and five years, respectively, from the date of their appointment. Thereafter, the term of office shall be five years.

- (3) No individual shall be eligible for any appointment to, or to continue service on, the Commission, who –

(A) has been convicted of a felony or gaming offense;

(B) has any financial interest in, or management responsibility for, any gaming activity

- (4) A Commissioner may be removed from office at will by the City Council.

- (c) Vacancies occurring on the Commission shall be filled in the same manner as the original appointment. A member may serve after the expiration of his term of office until his

successor has been appointed, unless the member has been removed under subsection (b)(4) of this section.

- (d) Three members of the Commission shall constitute a quorum.
- (e) The Commission shall select, by majority vote, one of the members of the Commission to serve as Vice Chairman. The Vice Chairman shall serve as Chairman during meetings of the Commission in the absence of the Chairman.
- (f) The Commission shall meet at the call of the Chairman or a majority of its members, but shall meet at least once every 4 months.
- (g) All members of the Commission shall be reimbursed for the reasonable and necessary expenses incurred by them in the performance of their duties.

(h) Powers of Chairman

(a) The Chairman, on behalf of the Commission, shall have power, subject to an appeal to the Commission, to –

- (1) preside at all meetings of the Commission and shall be a voting member;
- (2) issue orders of temporary closure of gaming activities as provided in the bingo rules and regulations;
- (3) the Chairman shall have such other powers as may be delegated by the City Council of the City of Prichard.

(i) Powers of Commission

(a) Budget approval; fees; The Commission shall have the following powers -

- (1) By an affirmative vote of not less than 3 members, to recommend to the City Council approval of Bingo Locations and the issuance of Bingo Licenses;
- (2) Subject to the recommendation of the Mayor and approval of the Council, to propose an annual budget of the Commission;
- (3) By an affirmative vote of not less than 3 members, to recommend a change in the license and application fees as provided in the bingo rules and regulations;
- (4) Monitoring; inspection of premises; investigations; access to records; mail; contracts; hearings; oaths; regulations The Commission –

- (a) shall monitor bingo operations in Prichard on a continuing basis;
- (b) shall inspect and examine all premises where bingo is located and conducted and make reports of such inspection to the Mayor and City Council;
- (c) shall conduct or cause to be conducted such background investigations as may be reasonable necessary;

(b) To inspect at any time without notice all bingo facilities and to inspect, examine, photocopy, and audit all papers, books, and records necessary to carry out the duties of the Commission.

Section 3 Operation of Bingo Games in the City of Prichard, Alabama. Pursuant to Amendment No. 440 to the Constitution of Alabama 1901, the operation of Bingo Games for prizes or money by Nonprofit Organizations shall be allowed in the City of Prichard, provided that the Nonprofit Organization shall first obtain a Class A Bingo License or Class B Bingo License. The holder of a Class A Bingo License or a Class B Bingo License shall be authorized to conduct Bingo Games and pay Bingo Expenses in accordance with these Rules and Regulations and Amendments Number 440 and 797 to the Constitution of Alabama 1901.

Section 4 Bingo License Required. No Nonprofit Organization shall be allowed to operate a Bingo Game unless the City Council of the Prichard first authorizes the issuance of a license to said organization authorizing it to do so. The license described herein shall be in a form designated by Prichard City Council. It shall be legal for multiple qualified organizations to participate in bingo at a single facility, including, but not limited to, sharing of costs, and revenue, so long as representatives of all organizations participate in management. A holder of a Class A Bingo License or a Class B Bingo License may hold only one license, and that license shall be valid for only one Location in the City of Prichard, Alabama. A license is not assignable or transferable without the express, written consent of the Prichard City Council and shall become automatically void upon the dissolution of the License Holder. If a Nonprofit Organization changes its name, the Prichard City Council shall issue an amended license bearing such name and such Nonprofit Organization shall not be required to comply with the license amendment provisions set forth herein.

Section 5 Application for License; Submission; Form Contents.

- (a) Any nonprofit charity desiring to obtain a license to operate Bingo Games hereunder shall in its individual capacity make application to the Prichard Bingo Commission on forms prescribed by the Prichard City Council and shall pay an application fee of \$250.00 for a Class A Bingo License and \$1,000.00 for a Class B Bingo License. Such license shall be valid for a period of ten (10) years. A holder of a Class A Bingo License shall pay, in addition to the application fee, an annual fee of \$250.00. A holder of a Class B Bingo License shall pay, in addition

to the application fee, an annual fee of \$1,000.00 in order to retain said licenses. Renewal applications shall be filed with the Prichard Bingo Commission at least forty-five (45) days prior to expiration of any license term and shall be on forms prescribed by the Prichard City Council. Renewal applications shall be subject to the same application fee as provided for an original application.

- (b) The Prichard Bingo Commission shall refuse to recommend the granting of a Bingo License or renewal to any applicant qualified hereunder unless and until the applicant fully provides the information required hereunder, such being provided in a form and in sufficient detail to satisfy the Prichard Bingo Commission of its validity and sufficiency. The Prichard Bingo Commission may require any reasonable confirming documentation as to any information required hereunder and shall have a reasonable time to check or confirm by any available method the accuracy or validity of any information provided hereunder.
- (c) Each application for a Bingo License or renewal thereof shall contain the following information and exhibits:
 - (i) The date of incorporation or other evidence of inception showing existence by the Nonprofit Organization for at least twelve (12) months prior to the issuance of the permit.
 - (ii) A certified copy of the charter, certificate of incorporation, by-laws, or other evidence of legal existence of the Nonprofit Organization or Operator.
 - (iii) A copy of the letter ruling or tax-exempt determination letter from the Internal Revenue Service, or other proof deemed acceptable by the Prichard Bingo Commission verifying the tax-exempt status of the Nonprofit Organization named in the application or the parent organization of which the same is a qualified branch, chapter, lodge, or post.
 - (iv) The names and residence addresses of each of the officers and directors of the Nonprofit Organization as well as the names and residence addresses of the individuals working for the Nonprofit Organization who are responsible for the operation or have control over the operation or promotion of Bingo Games by the Nonprofit Organization.
 - (v) The exact physical Premises at which the applicant will conduct the Bingo Games, and proof that such Premises is either owned or leased by the Nonprofit Organization which is conducting (or on whose behalf is being conducted) Bingo Games. If such Premises is not owned by such Nonprofit Organization, the application shall include the names and addresses of the owners thereof and a copy of all rental, lease, consulting,

or other agreements with the said owners regarding the use of the premises for the operation of Bingo Games.

- (vi) A statement listing all convictions, if any, for criminal offenses, other than minor traffic offenses, of each of the Persons for whom names are required in subsections (iv) and (v) above.

Section 6 Issuance of License.

- (a) Upon receipt of a fully completed and documented application for a license meeting all of the requirements set out herein, the Prichard Bingo Commission shall make such investigation as it may deem necessary or proper of the qualifications of each applicant as required herein and the truth and veracity of the information contained or attached to the application. Upon determining that the issuance of the license is in the best interests of the City of Prichard and after making such investigation and after being satisfied that all qualifications and requirements as set out herein have been fulfilled, the Prichard Bingo Commission shall make a recommendation to the Prichard City Council to issue or deny the issuance of such license to said applicant upon the terms and conditions herein set forth. As part of said investigation, any Person named in paragraphs (iv) and (v) of Section 4(c) herein may be required to furnish a consent for background and criminal history check.
- (b) A Class A Bingo License shall be issued to an applicant who desires to operate paper card Bingo only at a Class A Qualified Location. A Class B Bingo License shall be issued to an applicant who desires to operate any and all games of Bingo, only at a Class B Qualified Location. Due to limited public safety resources, notwithstanding the foregoing, only three (3) Class B Bingo locations shall be issued by the Prichard City Council, and be outstanding, at any given time.

Section 7 Amendments; Applications; Licenses.

- (a) An applicant may amend an application filed hereunder to correct or complete the information contained therein or to change said information to comply with a change in circumstances at any time prior to the recommendation of the Prichard Bingo Commission to the Prichard City Council, provided, however, that said amendment is made in or on a form satisfactory to the Prichard Bingo Commission and the applicant pays a substitution or amendment fee of \$50.00 per amendment.
- (b) A license, once issued, may be amended only upon resubmission of a new, completed application satisfactory to the Prichard Bingo Commission and payment of a new application fee by the License Holder. The Prichard Bingo Commission may recommend the denial of amendments for any reason for which

an original application may be denied. If such amendment is approved, a new license will be issued in place of the license being amended.

Section 8 Contents and Display of Licenses.

- (a) Each Bingo License shall contain the name and address of the License Holder, the Location at which the License Holder is permitted to conduct Bingo Games, the days of the week on which the License Holder is permitted to conduct Bingo Games, and the date on which the license was issued and upon which it expires.
- (b) The License Holder shall display the license conspicuously at the Location where Bingo is being conducted at all times during the conduct of a Bingo Game.

Section 9 Fees and Fee Proceeds. A Class B location in addition to all other license application and renewal fees shall pay a location fee of \$1,250,000.00 Dollars per year per location. In addition, a Class B location shall pay the sum of \$100 per machine per month for all machines in excess of 1,000 machines. This permit fee is due the day when play begins and must be renewed every 12 months. All monies collected by the Prichard Bingo Commission for this fee shall be deposited immediately in an escrow account to be known as the Prichard Bingo Escrow Account whose signatories thereon shall be the same as on the general fund account for the City of Prichard. Each day, commencing on the day a Bingo Permit is issued, 1/365th of the location fee, the earned amount shall become the absolute property of the City of Prichard. The earned amount shall be deposited, at least once every thirty (30) days, into an account to be known as the General Bingo Account of the City of Prichard. In the event any Class B location is found to be in violation of any State or Federal laws and has to cease operation the remaining unearned fees for that calendar year minus 10% will be returned to the license holder.

All other monies (including those derived from fines, license fees, renewal fees, and device permit fees) once released to the Prichard Bingo Commission shall be deposited into the General Bingo Account of the City of Prichard. Upon the approval of the City Council, all expenses incurred by the Prichard Bingo Commission in the administration and enforcement hereof shall be paid from the General Bingo Account of the City of Prichard, with the balance, if any in said account to be transferred to the general fund of the City of Prichard to be used by the City of Prichard subject to the recommendation of the Mayor and approval of the City Council, for any purpose it so wishes, to the extent allowed by law, in the public interest. The said General Bingo Account shall be subject to audit by the State of Alabama Examiners of Public Accounts.

Section 10 General Regulations; Prizes.

- (a) No Person under the age of nineteen (19) years shall be permitted to play any Bingo Game, nor shall any Person under the age of nineteen (19) years be permitted to conduct or assist in the operation of any game of Bingo.
- (b) No Class A Bingo License or Class B Bingo License shall be issued to any Nonprofit Organization unless the organization shall have been in existence at

least twelve (12) months immediately prior to the issuance of the permit or license.

- (c) Bingo Games shall be operated only on the premises owned or leased by the nonprofit organization operating the bingo game. If the premises is leased, the rate of rental shall not be based on a percentage of receipts or profits resulting from the operation of bingo games. The nonprofit organization may lease the premises from any Person, including, but not limited to, the City of Prichard. The nonprofit organization may lease Bingo Equipment from any Person, and the rate of rental for said Bingo Equipment may be calculated based upon a percentage of receipts or profits earned by the operation of Bingo Games.
- (d) No nonprofit organization shall enter into any contract with any individual, firm, association or corporation to have said individual or entity operate bingo games or concessions on behalf of the nonprofit organization, nor shall said nonprofit organization pay consulting fees to any individual or entity for any services performed in relation to the operation or conduct of a bingo game.
- (e) A Nonprofit Organization shall not lend its name or allow its identity to be used by another Person in the operating or advertising of a Bingo Game in which the Nonprofit Organization is not directly and solely contracted with for the operating of the Bingo Game.
- (f) Prizes given by any qualified Nonprofit Organization for the playing of Bingo Games shall not exceed the cash amount or gifts of equivalent value set by the legislature, during any Bingo session. The legislature shall set a maximum amount for any calendar week.
- (g) No person or organization, by whatever name or composition thereof, shall take any expenses for the operation of a bingo game except for rent, utilities, security, and insurance unless otherwise expressly approved by the Commission.
- (h) No Person who has been convicted of a felony offense, and whose civil rights have not been restored by law, shall conduct or in any way participate in the operation of any Bingo Game permitted hereunder, nor shall any Person who has been convicted of any gambling offense be permitted to conduct or in any way participate in the operation of any Bingo Game permitted hereunder.

Section 11 Records and Accounting. Each holder of a Class A Bingo License and Class B Bingo License shall keep and maintain the following records and accounts pertaining to each Bingo Session conducted by it for at least three (3) years from the date of such session:

- (a) An itemized list of all gross receipts for each Bingo Session, which shall include all receipts derived from the sale of Bingo cards, entrance fees, donations, or from any other source whatsoever pertaining to the operation of such session.

- (b) An itemized list of all Bingo Expenses, costs and disbursements, other than prizes paid or given as a result of the operation of any Bingo Session, together with the name and address of each Person to whom said Bingo Expenses, disbursements or consideration was paid or given; a receipt or invoice for all items purchased and for all services rendered; and such other records as will adequately reflect the amount and nature of such expenses, costs and disbursements.
- (c) All records, receipts, accounts and/or lists required to be kept and maintained hereunder may be inspected by the Prichard Bingo Commission or its authorized agents or representatives at any time without notice. All Locations at which Bingo Games are being held by a License Holder, or at which a License Holder intends to conduct Bingo Games, may be inspected by the Prichard Bingo Commission, or its authorized agents or representatives, at any time without notice. On or before April 15th of each calendar year, each holder of a Class A Bingo License or Class B Bingo License who held a license for all or any part of the preceding calendar year shall file with the Prichard Bingo Commission a verified copy of all records, receipts, accounts, contracts and/or lists required to be kept or maintained hereunder relating to the operation of Bingo Games for said previous calendar year.

Section 12 Accountability and Transparency. All documents of the City of Prichard and the Prichard Bingo Commission generated as the result of the passage of the Ordinance shall be subject to review by the general public pursuant to the Alabama's Public Records Act. All business conducted in meetings of the City of Prichard and/or the Prichard Bingo Commission as the result of the passage of this Ordinance shall be subject to Alabama's Open Meetings Act.

Section 13 Enforcement and Supervision; Rules; Bonds. Subject to the authority and powers of the Mayor and City Council, the Prichard Bingo Commission shall be charged with the duty to and shall enforce and supervise the administration and enforcement of all of the rules, regulations and reporting required hereunder. In addition to these Regulations, the Prichard Bingo Commission may seek to enforce all applicable criminal and civil laws of the State of Alabama to prevent and discourage any illegal activity.

Section 14 Revocation of Licenses; Appeal. The Prichard Bingo Commission, for good cause shown, may recommend the revocation of any license issued pursuant hereto and/or recommend the levy of a fine not to exceed the amount of \$500.00 if the License Holder violates any of the material Regulations herein promulgated, provided, however, that no license may be revoked without complying with the following procedures: The Prichard Bingo Commission must first deliver to any Person named in the license application pursuant to Section 4, subsections (c)(iv) and (c)(v) hereunder ninety (30) days' written notice of its intention to revoke said license and the grounds therefore to allow the License Holder to cure any alleged violation of any of the Regulations herein provided. In curing any alleged violation, the Prichard Bingo Commission may require a License Holder to post a bond for an amount which will ensure that additional violation will not occur. If the License Holder cures any alleged violation within the thirty-day

notice period, no revocation shall be effective but any imposed fine shall remain in effect. In the event that the Prichard Bingo Commission determines that the violation was not cured within the thirty-day notice period, it shall give additional notice to the License Holder, in the manner set forth above, that it intends to proceed with revocation and give the License Holder the opportunity to make a written request for a hearing as to such revocation to the City of Prichard City Council within ten (10) days of receipt of such notice. Upon such timely request for hearing, the City Council shall hold a hearing upon such revocation, subject to rules and regulations for the conduct of meetings and hearings before such City Council, at its next regularly scheduled meeting, or specially called meeting for the purpose of such hearing or as soon as practicable. Upon such hearing, the rendering of a decision adverse to the License Holder shall result in the immediate and final revocation of the subject license.

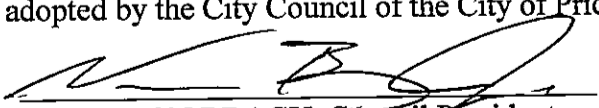
Section 15 Effect of Revocation. A License Holder whose license is revoked as herein set out shall return such license to the Prichard Bingo Commission on or before the effective date of such revocation and whether returned or not such license shall be void and not valid beyond the effective date of revocation. A License Holder whose license is revoked in consequence of a violation of any rule or regulation promulgated herein shall be ineligible to apply for or have issued to it another license hereunder for a period of one year after the effective date of such revocation. Nor shall any license be issued to any Person which is directed or controlled by Persons listed in the application for license filed pursuant to Section 4, subsections (c)(iv) and (c)(v) hereof, in regard to the revoked license or to any organization of which the membership is substantially the same as any organization whose license has been revoked hereunder, for a period of one year after the effective date of such revocation.

Section 16 Appeal of Denial of License. Any Person whose application for a license hereunder is recommended for denial by the Prichard Bingo Commission pursuant to these Regulations shall have the right to appeal such denial to the City of Prichard City Council in the same manner as an appeal of revocation of a license issued hereunder may be appealed pursuant hereto provided, however, that such Person shall not operate any Bingo Game until such application shall have been granted, and a license issued.

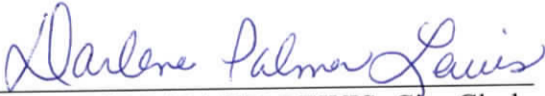
Section 17 Amendments to Regulations. If the City of Prichard should make any amendment to these Regulations, such amendment shall not be applicable to any License Holder for the term of such license, unless the License Holder should voluntarily choose to be subject to such amendment by submission of a written notification to the City of Prichard.

Section 18 Severability. The provisions hereto and the Regulations promulgated hereunder are severable. If any part hereof shall be declared invalid or unconstitutional, such declaration shall not affect any parts hereof which shall remain.

Section 19 Effective Date. Approved and adopted by the City Council of the City of Prichard this the 28th day of September, 2009.


NAPOLEON BRACY, Council President

ATTEST:


DARLESE PALMER LEWIS, City Clerk

APPROVED this the 28th day of September, 2009.


RONALD K. DAVIS, Mayor