

CITY OF PRICHARD ORDINANCE NO. 1971

AN ORDINANCE TO AMEND ORDINANCE 1969 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, 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 rulings of the Supreme Court of Alabama interpreting same;

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, 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, 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, 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, the Alabama Supreme Court has announced the legal definition of Bingo in the form of a six factor test;

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 person, firm association, corporation or 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 any person, firm, association, corporation or 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 operation or advertising of a bingo game in which said non-profit 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) The entire net proceeds of any game of bingo, as determined under Section 12 (EXPENSES) of this ordinance, shall be devoted exclusively to charitable; educational; or other lawful purposes. None of the said proceeds shall be expended for fraternal or social purposes.
- (h) An accurate accounting record shall be maintained for each paper bingo session showing the gross amount of money taken in from a fee, sale of game packs, sale of game sheets and other bingo paraphernalia during each paper bingo session; the total number of winners for each paper bingo game and the amount received by each winner of a game; the total amount that was given away during each paper bingo session and the net amount of each bingo session to be deposited in the organization's bingo checking account. A required accurate accounting record for Media/Automated/Electronic Bingo is automated software that provides computerized server reports for all bingo terminal accounting which includes and requires bingo activities proceeds in a standard accounting format every 24 hour period. The net amount shall be deposited in the

organization's checking account within four (4) days after a completed 24 hour period of bingo operations. If bingo sessions are held on the same day as provided in said ordinance, then the accounting records can be for all sessions in that 24 hour period. The above accounting records and a copy of each deposit slip shall be attached to the Bingo Financial Statements that are required to be submitted to the Prichard Bingo Commission.

(i) All organizations licensed under this ordinance to play bingo shall be required to maintain a separate checking account for bingo operations, into which all bingo funds are deposited and from which all bingo disbursement checks are written. The bingo checking account is in addition to any other checking or savings accounts maintained by the organization.

(j) No member of any organization granted a bingo license under this ordinance, which manages, calls or helps conduct any bingo game during a session shall be allowed to play bingo at any bingo game during such session.

(k) No person who has been convicted of any gambling offense or of any crime involving moral turpitude, under the laws of Alabama, the laws of the United States, the laws of any other state, or the ordinances of any municipality shall be involved in the operation of any licensed bingo game within the corporate limits of the City of Prichard. No organization licensed to conduct bingo games under the provisions of this ordinance shall conduct any bingo game at a building, hall or facility which is owned or under the control of any person who has been convicted of any gambling offense or any crime involving moral turpitude under the laws of Alabama, the laws of the United States, the law of any other state, or the ordinances of any municipality.

(l) No person, firm, association, corporation or organization licensed to operate bingo games shall permit any other person, firm, association, corporation or organization to sell or to undertake any other type of fund raising activity of any kind whatsoever on the day or days of any bingo session at the location of the bingo game.

(m) All payments of any kind made by any person, firm, association, corporation or organization from the proceeds of any bingo game, except for cash prizes awarded during any bingo game, must be made by check from the organization's bingo checking account. Copies of all canceled checks (both sides of each check), all deposit slips and monthly bank statements must be attached to and submitted to the Prichard Bingo Commission with any financial statement required by this ordinance.

(n) No license shall be issued for operation of bingo by any non-profit within 1 highway mile of any other licensed bingo facility except for those licenses at before the adoption of this ordinance.

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.

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 commonly known as bingo, including any bingo game permitted by federal law, (whether or not electronic, computer, or other technologic aids are used in connection therewith) which is played for prizes including monetary prizes with cards bearing numbers or other designations, and which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards. Nothing herein is intended to prohibit the award of interim or consolation prizes. Electronic, computer or other technologic aids include any machine or device that assists a player or the playing of a bingo game; broadens the participation levels in a common game; facilitates communication between and among bingo locations; or allows players to play a game with or against other players rather than with or against a machine. Examples of electronic, computer or other technologic aids include, but are not limited to, dispensers, readers, telephones, cables, televisions, screens, satellites, bingo blowers, electronic player stations, electronic cards for participants in bingo games, player terminals, central servers containing random number generators with a common ball draw for remote player terminals, supporting user friendly video displays providing game results in different game theme modes. The results of the electronic bingo card must always be available to the player at the end of the bingo game. A finite bingo table is not allowed and is considered as a gambling device unlawful in the State of Alabama. Further the game of Bingo will meet the following six point characteristics.

1. Each player uses one or more cards or electronic with spaces arranged in five columns and five rows, with an alphanumeric or similar designation assigned to each space.
2. Alphanumeric or similar designations are randomly drawn and announced one by one.
3. In order to play, each player must pay attention to the values announced; if one of the values matches a value on one or more of the player's cards, the player must physically act by marking his or her card accordingly.
4. A player can fail to pay proper attention or to properly mark his or her card, and thereby miss an opportunity to be declared a winner.

5. A player must recognize that his or her card has a 'bingo,' i.e., a predetermined pattern of matching values, and in turn announce to the other players and the announcer that this is the case before any other player does so.
 6. The game of bingo contemplates a group activity in which multiple players compete against each other to be the first to properly mark a card with the predetermined winning pattern and announce that fact.
- (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 which it takes to complete one bingo game. This bingo session requires a minimum of two players in one game session requiring a common ball draw for all players. In the bingo session all players will compete against each other for a common set of prizes. A license holder shall not be limited in the number of low stakes bingo sessions in a week based on Amendment No. 440.

- (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 as a Master Charity at a Class B Qualified Location.
- (g) "Class C Bingo License" shall mean a license issued to operate any and all games of Bingo as a sub-charity at a Class B Qualified location.
- (h) "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.
- (I) "Class B Qualified Location" for the holder of a Class B 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 and other lawful activities and for which the holder of a Class B Bingo License or Operator has submitted satisfactory evidence that the Location is in place.

After the completion of the facility for the operation for the Bingo Games the licensee shall provide 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, if applicable; (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.

- (j) "License holder" shall mean any non-profit organization which has been issued a bingo license by the Prichard Bingo Commission and City Council pursuant to these Regulations.
- (k) "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.
- (l) "Non-profit organization" shall mean a bona fide charitable, religious, educational, service, senior citizens', fraternal, veterans organization or other

operation for any lawful purpose which operates without profit to its members and/or which has been classified by the Internal Revenue Service as a tax exempt organization. This term includes a volunteer fire department and volunteer rescue squad. Such organization shall have been in existence for at least 12 months immediately prior to issuance of the permit and/or license.

- (m) "Person" shall mean any human being, corporation, partnership, business organization, association or legal entity of any kind whatsoever.
- (n) "Master-Charity" Responsible Charity licensed by the City or County that provides all Accounting and Structure for bingo support during bingo operations for each Sub-Charity license holder, under State and County and City regulatory requirements. This said Accounting from Master Charity will have an independent professional auditing company, the independent Auditing services which will be donated by Master Vender of machine rentals. Master Charity will lease Bingo Hall to Sub-Charity as to not lend its name during Sub-Charities bingo operations as per required under state amendment.
- (o) "Sub-Charity" Charity that will be in charge of all operations during a Bingo period under leased facilities from Master Charity. Sub-Charity is designated and appointed through approval of Master Charity, which will require a license from the Prichard Bingo Commission and City Council to operate at same address.
- (p) "Master-Vendor" Outsource provider for Master-Charity/Sub-charities for Electronic/ Paper Rentals and Bingo personnel for operation of bingo facilities by Charity; Master-Vendor cannot provide personnel for operations of bingo games.
- (q) "Qualified location" for the holder of a Bingo License shall mean a location, as defined above, which has been inspected and approved by the Prichard Bingo Commission for the conduct of bingo games and for which the license applicant shall submit satisfactory evidence that the location has in place the following at all times that any bingo games are being conducted or operated: (i) public liability insurance (including any umbrella policy) in an amount not less than \$2,000,000; (ii) if liquor is served, liquor liability insurance in the amount of not less than \$1,000,000; (iii) adequate parking for patrons and employees; (iv) onsite security as prescribed by the Prichard Bingo Commission; (v) onsite first aid personnel as prescribed by the Prichard Bingo Commission; (vi) such accounting procedures, controls and security monitoring as necessary to preserve and promote the integrity of the operation of bingo games and to ensure the protection of the charitable license holder and its patrons; (vii) satisfactory evidence that the location is fully compliant with the Americans with Disabilities Act ("ADA"); and (viii) As long as non-profit organizations are operating the bingo games, the

bingo facility may be owned or operated by an in-state or out-of-state domiciled individual, partnership or for profit business entity.

- (r) Laboratory Report: A gaming software laboratory that has the ability to review all aspects of written code in media bingo game software and prove that said software bingo game meets all bingo rules subject to the jurisdiction of where the bingo game will be operated in a written report that includes a "Check Sum" test.
- (s) "Prize Limits" shall mean those limits as set forth in Act 93-710.

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 members to act as Chairman.
 - (2) The term of office of the members of the Commission shall be five (5) 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 (3) 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 three (3) 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 for the Commission; Application fees; The Commission shall have the following powers –

- (1) By an affirmative vote of not less than three (3) members, to recommend to the City Council approval of Bingo Locations and the issuance of Bingo Licenses;
- (2) Subject to the recommendation of Mayor and approval of the Council, to propose an annual budget of the Commission;
- (3) By an affirmative vote of not less than three (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 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 City of 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. Multiple qualified organizations shall be permitted to participate in bingo at a single facility, not allowing sharing of cost and revenue. 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.

Under written consent from the City of Prichard a qualified organization shall be permitted to lease to another qualified organization at a single bingo facility, but not allowing the lending to a qualified organizations of its name to any other entity. Qualified organization shall not be allowed to share of costs and bingo proceeds. Qualified organizations cannot operate bingo games at same period in same bingo facility. Qualified organizations can sub-lease bingo facilities after acquiring temporary bingo permit from City of Prichard to operate bingo games, but qualified organizations cannot operate bingo games at same time at same bingo facilities.

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 Bingo Commission. 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 addresses of each of the officers and directors of 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 physical Premises at which the applicant will conduct the Bingo Games, shall be owned or leased by the nonprofit organization(s) which

are conducting 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 the lease and sub-lease if applicable 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 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 appropriate 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.
- (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.
- (c) A Class B Bingo License shall be issued to an applicant who desires to operate all forms of bingo as a Master Charity at a Class B Bingo Location. Due to limited public safety resources, only one Class B Bingo License shall be issued initially. One year thereafter a second Class B Bingo License may be issued and one year thereafter a third Class B Bingo license may be issued. Notwithstanding the foregoing, only three (3) Class B Bingo locations may be issued by the Prichard City Council, and be active at any given time.
- (d) A class C Bingo License shall be issued to an applicant who desires to operate all forms of Bingo as a sub-charity at a Class B Qualified Location.

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 permit 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 funds 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 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 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 for license A, which shall include all receipts derived from the sale of Bingo cards and for license B a total of gross bingo proceeds in a 24 hr period, which is derived from the operation of bingo game sessions which is considered as gross profit from playing media/automated bingo. An itemized list for 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 Expenses. No item of expense shall be incurred or paid in connection with the holding, operating or conducting of any game of bingo under any license, except those reasonable expenses that are necessarily expended for bingo supplies and equipment rentals, prizes, maintenance contracts, R&D software contract, IT bingo network support contract,

Human Resource Recruiting Services, Bookkeeping or accounting services, janitorial services, security services, trash pick-up (dumpster) services, and utilities, if any, and license fees. The fees for accounting services, janitorial services, security services, trash pick-up and utilities shall be paid out of bingo proceeds only at a pro-rata share of the total monthly bill or charges for such expenses, reflecting the percentage resulting from dividing the number of days the facility was open (for any reason) into the number of bingo games or bingo sessions were conducted at the facility from charities. All allowable expenses shall be paid for by check from the organization's bingo checking account.

Section 13 Statement of Receipts, Expenses, Etcetera. Within thirty-one days after the conclusion of any annual period (January 1 through December 31), the authorized organization which conducted a bingo game or games, and its members who were in charge thereof, shall each furnish to the City Clerk-Treasurer a statement, in a format approved and provided by the City Clerk-Treasurer, subscribed by the member in charge and affirmed by him/her as true, under the penalties of perjury, showing the amount of the gross receipts derived therefrom and each item of expense incurred, or paid, and each item of expenditure made or to be made, with a description of the merchandise purchased or the services rendered therefore; a list of prizes offered and given, with the respective values thereof; the net proceeds derived from such game or games, and the use to which such proceeds have been or are to be applied; and it shall be the duty of each licensee to maintain and keep such books and records as may be necessary to substantiate the particulars of each such statement for all bingo proceeds and expenditures. A copy of all bingo checking account monthly bank statements shall be attached to the financial statement required by this ordinance.

Section 14 Examination of Books and Records; Examination of Managers; Etcetera;

Disclosure of Information. The City Clerk-Treasurer or any officer designated by him shall have power to examine or cause to be examined the books and records of any licensed organization so far as they may relate to bingo operations, including the maintenance, control and disposition of net proceeds derived from bingo or from the use of its premises for bingo, and to examine any manager, officer, director, agent, member or employee thereof under oath in relation to the conduct of any such game under any such license or the use of its premises for bingo, as the case may be. Failure to cooperate with the City Clerk-Treasurer in the exercise of his or her authority under this section shall constitute a violation of this ordinance.

Section 15 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 16 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 17 Revocation of Licenses; Appeal. The Prichard Bingo Commission, for good cause shown, may revoke any license issued pursuant hereto and/or levy 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 (90) 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 18 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 19 Appeal of Denial of License. Any Person whose application for a license hereunder shall be denied 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.

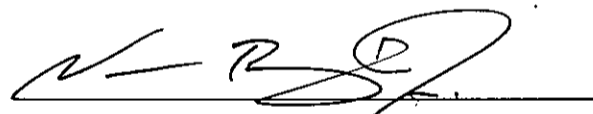
Section 20 Amendments to Regulations. If the City of Prichard should make any amendment to these Regulations, such amendment shall not be retroactive to any license holder. However, any change shall apply to all licensees prospectively.

Section 21 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.

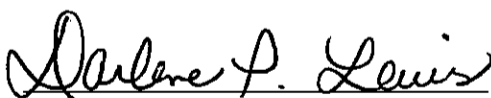
Section 22 Affirmative Action. The City of Prichard and the Prichard Bingo Commission shall at all times comply with Ala. Code §11-43c-92.

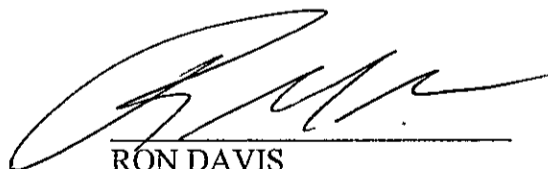
Section 23 Conclusion. Since the federal and state governments have cut back on the amount of money they contribute to charitable programs, some organizations have focused more intensely on fundraising options such as charity gaming. Proper control of the bingo games by the officers of the charitable organizations is essential if the charities are to realize their appropriate profit. The officers of the charity should monitor their games as closely as possible to prevent instances of embezzlement. Instead of just assuming that the volunteers are doing an adequate job, the officers should determine how much money is being realized from the gaming activity. The detailed software system of internal controls should be established to safeguard the revenues from the bingo terminals.

Section 24 Effective Date. Approved and adopted by the City Council of the City of Prichard this 11th day of March, 2010.


NAPOLEON BRACY, Council President

ATTEST:


DARLENE LEWIS
City Clerk


RON DAVIS
Mayor

APPROVED this the 11th day of March, 2010