

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1075

By: Representative Lendall

For An Act To Be Entitled

"AN ACT TO AUTHORIZE BINGO GAMES BY RELIGIOUS ORGANIZATIONS,  
VETERAN'S ORGANIZATION, CIVIC CLUBS AND FRATERNAL  
ORGANIZATIONS; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. The conduct of bingo games is hereby authorized and may be conducted in all political subdivisions of the State of Arkansas, but only by religious organizations, civic clubs, veterans' organizations and fraternal organizations of this state which are members of or affiliated with the above organizations either chartered or sponsored as indicated in the United States of America, and only if all proceeds from such games are used for charitable purposes.

SECTION 2. Any religious organization, veterans' organization, civic club or fraternal organization existing on the effective date of this act shall be permitted to operate a bingo game. Any religious organization, veterans' organization, civic club or fraternal organization formed after the effective date of this act shall be permitted to operate a bingo game when it has been a chartered organization or duly sponsored religious organization for five (5) consecutive years and has at least one hundred (100) members.

SECTION 3. Churches, civic clubs, veterans' organizations and fraternal organizations permitted to operate bingo games shall be limited to not more than two (2) sessions per week. Prize money or related prize merchandise will be limited to not more than two thousand dollars (\$2,000) per game. Any individual who promotes or operates a bingo game on behalf of a church, civic club, veterans' organizations, or fraternal organization shall not be permitted to receive more than ten percent (10%) of the net profit for the

session (single session) that individual is the promoter operator.

SECTION 4. Each organization desiring to conduct bingo games as authorized herein shall make application for and obtain from the county judge a permit to do so. The application for each bingo permit shall be accompanied by such information as the county judge may reasonably require to assure that the applicant is eligible to conduct bingo games under the provisions of this act. Each application for such permit shall be accompanied by a one time permit fee of five hundred dollars (\$500).

SECTION 5. Each organization authorized to conduct bingo games under the provisions of this act shall pay a tax in the amount of ten percent (10%) of the net proceeds derived from the bingo games. The tax levied hereunder shall be due and payable on the first day of each month to the Director of the Department of Finance and Administration upon forms prescribed and furnished by him.

SECTION 6. Each organization authorized to conduct bingo games under the provisions of this act shall annually file with the county judge an audit of the bingo activities of the organization prepared by a certified public accountant. Such audit shall show all gross proceeds derived from bingo by the organization and the purpose for which such funds were expended.

SECTION 7. All laws and parts of laws in conflict with any of the provisions of this act are hereby expressly declared not to apply to any person participating in any manner and form in bingo games as herein authorized.

SECTION 8. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 9. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 10. EMERGENCY. It is hereby found and determined by the General

Assembly that the Internal Revenue Service of the United States has determined that bingo games constitute an "unrelated trade or business" of religious organizations, veterans' organizations, civic clubs, and fraternal organizations and are subject to taxation, unless they meet certain qualifications, one of which is that the conducting of a bingo game does not violate any state or local law; that in order to clarify and protect such organizations which conduct bingo games in the State of Arkansas, it is necessary that this act become effective immediately. Therefore, an emergency is hereby declared to exist, and this act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.