

**Enrolled**  
**House Bill 2398**

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Attorney General Ellen Rosenblum)

CHAPTER .....

AN ACT

Relating to charitable gaming; creating new provisions; and amending ORS 464.250 and 464.310.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 464.250 is amended to read:

464.250. (1) The Department of Justice has the following powers and duties relating to the regulation of bingo, lotto or raffle games or Monte Carlo events:

(a) To authorize and regulate the operation of bingo, lotto and raffle games and Monte Carlo events permitted under ORS 167.117 and to adopt rules in accordance with applicable provisions of ORS chapter 183 for the performance of the department's duties.

(b) To issue and renew licenses and permits for operation of bingo, lotto and raffle games and Monte Carlo events, including the manufacturers and suppliers of equipment and supplies necessary for the operation of the games and events and escrow agents holding money or property to be awarded as a prize, and to adopt license and permit fees. Licenses and permits are valid for one year unless renewed. The department shall set fees at an amount sufficient to cover all costs incurred by the department in its activities. License fees consist of an initial payment, in an amount established by rule, prior to issuance or renewal of the license, together with a monthly payment constituting a percentage of the licensee's monthly gross income from the operation each month thereafter. An applicant for a license or a permit shall submit with the application a sum adequate to pay the required initial fee payment. If the applicant later withdraws the application or the department denies the application, the department shall retain the portion of the amount submitted to it that will pay the reasonable costs expended for processing and investigating the application. If the fee adopted by the department is less than the actual expenses of the department to investigate an application, the department may charge to the applicant an additional fee to repay the department for those costs. The department may refuse to proceed with its investigation or to issue a license until the department has been fully paid for those costs. The department shall create at least two classes of licenses for each activity regulated under this section. The licensing and operational requirements for licensees and the extent to which background checks are conducted under paragraph (d)(B) of this subsection must be commensurate with the size of the licensee's bingo, lotto, raffle or Monte Carlo event operations. The department shall adopt rules exempting from licensing any organization that would otherwise qualify for a license and that is engaged in minimal bingo, lotto or Monte Carlo event activity.

(c) To prescribe the manner and method of payment of all moneys to be paid to or collected by the department.

(d) To adopt requirements as to what information an applicant must provide to the department. However, each license applicant must provide, and the department shall require, the names and addresses of all persons having a management or ownership interest in the bingo, lotto, raffle or Monte Carlo event operation or in the premises on which the operation is conducted and the names and addresses of all officers and directors of the applicant organization. The department shall also require the names and addresses of all persons employed in bingo, lotto, raffle or Monte Carlo event operations. The following apply to applications under this paragraph:

(A) An applicant shall certify, under oath, that the persons named on the application are all of the persons known by the applicant to have an interest in the bingo, lotto, raffle or Monte Carlo event operation or the premises on which the operation is conducted including all officers and directors of the applicant organization.

(B) The department may require fingerprints, a photograph, a handwriting sample and background checks, including state and nationwide criminal records checks under ORS 181A.195, on any person seeking a license from it or any person holding an interest in any bingo, lotto, raffle or Monte Carlo event operation or in the premises on which it is conducted. The department may also require fingerprints or background checks, including state and nationwide criminal records checks under ORS 181A.195, of any manager or other employee of such a bingo, lotto, raffle or Monte Carlo event operation.

(e) To adopt record keeping requirements for licensees of the department and the submission of reports to the department as the department determines necessary. The department may require licensees to record and report income from bingo, lotto, raffle, Monte Carlo events, concessions and other related operations, the amounts received from each player, the costs and expenses of operations, the nature and value of prizes and the fact of distribution of such prizes to the winners thereof. The department may adopt internal financial and inventory control requirements under this paragraph that are based on and commensurate with the size of a licensee's bingo, lotto, raffle or Monte Carlo event operations.

(f) To regulate and establish maximum limits on income derived by licensees from bingo, lotto, raffles or Monte Carlo events. However, in establishing limits, the department shall take into account:

(A) The nature, character and scope of the activities of the licensee;

(B) The sources of other income to the licensee; and

(C) The percentage or extent to which income derived from bingo, lotto, raffles or Monte Carlo events is used for charitable purposes, as distinguished from nonprofit purposes other than charity.

(g) To regulate the manner of operation of bingo, lotto and raffle games and Monte Carlo events conducted by licensees, including the approval of which games may be played and the equipment to be used. The department shall regulate the types of equipment, rules and methods of play to ensure the integrity and fairness of the games.

(h) To cooperate with state and local law enforcement agencies in investigating matters within the scope of the department's duties and responsibilities.

(i) To establish maximum limits on compensation paid to persons employed by charitable, fraternal or religious licensees, for the purpose of conducting licensed games, not to exceed 200 percent of the [*federal minimum wage standard*] **applicable Oregon minimum wage rate under ORS 653.025**, or, for a person who supervises a bingo, lotto, raffle or Monte Carlo event operation for a charitable, fraternal or religious organization and is subject to the limitations of ORS 464.340, 300 percent of the [*federal minimum wage standard*] **applicable Oregon minimum wage rate under ORS 653.025**, and to establish maximum limits for other expenses connected with such operations. In establishing these limits, the department shall consider the amount of income received, or expected to be received, by the organization from the bingo, lotto, raffle, Monte Carlo events, concessions and other related operations and the amount of money the operation could generate for the organization's purposes absent such expenses. The department may also take into account other factors, including but not limited to whether charitable purposes are benefited by the activities.

(2) The department may not require a person working as a volunteer in a bingo, lotto, raffle or Monte Carlo event operation conducted by a bona fide charitable, fraternal or religious organization to obtain a permit for such work if the person does not receive compensation of any kind from the organization, other than reimbursement for actual or reasonable expenses, or have any managerial or supervisory responsibility in connection with it. The department may require that bingo, lotto, raffle and Monte Carlo event operators employing unlicensed volunteers submit to the department periodically the names, addresses and dates of birth of the volunteers. The department may adopt reasonable character standards for volunteers, and if a volunteer does not meet the standards, the department may require that the licensee not allow the volunteer to work for the licensee.

(3) Subject to ORS 167.118, the department *[by rule]* may establish **by rule** value limits for prizes awarded at bingo, lotto or raffle games or Monte Carlo events and may regulate or prohibit the giving to patrons of any other thing of value to promote attendance at the games.

(4) The department *[by rule]* may establish **by rule** a maximum amount that a person may wager at a Monte Carlo event.

**SECTION 2.** ORS 464.310 is amended to read:

464.310. (1) A licensee of the Department of Justice under ORS 167.117 and 167.118 and this chapter, or an applicant for a license under ORS 167.118, 464.250 to 464.380, 464.420 and 464.450 to 464.530, without approval of the department, *[shall]* **may** not knowingly permit any person to participate in the management or operation of any bingo, lotto or raffle game or Monte Carlo event for which a license from the department is required if that person:

(a) Has been convicted of or forfeited bond upon, or has been granted diversion upon a charge:

(A) Involving forgery, theft, willful failure to make required payments or reports to a government agency at any level, or filing false reports to *[such an]* **a government** agency, or of any similar offense, *or*;

(B) Of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, *]; or*

(C) Of any crime, whether a felony or a misdemeanor, involving any gambling activity or physical injury to any person, or involving moral turpitude; *or*

(b) Has violated, failed to comply with, or refused to comply with provisions, requirements, conditions, limitations or duties imposed by ORS 167.118, 464.250 to 464.380, 464.420 and 464.450 to 464.530 or the rules of the department.

(2) *[No]* **A** person other than a member or employee of a licensed organization, or any other person authorized under the rules of the department *[of Justice]*, may **not** participate in the management or operation of a licensed bingo, lotto, raffle or Monte Carlo event operation. *[No]* **A** person who participates in the management or operation of any such bingo, lotto, raffle, Monte Carlo event, concession or related operation may concurrently participate in the management or operation of any other operation *[unless such]* **if the** participation is approved by the department. *[The department shall adopt rules authorizing concurrent participation on a temporary basis in response to emergency circumstances.]*

**SECTION 3.** The amendments to ORS 464.250 by section 1 of this 2019 Act apply to compensation for events held on or after the effective date of this 2019 Act.

**Passed by House February 18, 2019**

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate April 25, 2019**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2019

**Approved:**

.....M,....., 2019

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2019

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Bev Clarno, Secretary of State