



City of Carson

Report to Mayor and City Council

October 7, 2014
New Business Discussion

SUBJECT: CONSIDERATION OF ORDINANCE NO. 14-1533 AMENDING CERTAIN BINGO PROVISIONS OF THE CARSON MUNICIPAL CODE

Trini H. Catbagan
Submitted by Trini Catbagan
Finance Officer

Nelson Hernandez
Approved by Nelson Hernandez
City Manager

I. SUMMARY

Per the request of the Bingo Committee (Councilmembers Davis and Robles), the City Council is asked to consider amending certain bingo provisions of the Carson Municipal Code (CMC). The significant changes are: (1) adding the word "calendar" to Section 6702 to clarify the term of the license. (2) Adding subsection (j) to Section 6706, requiring as a condition of issuing a bingo license, a policy of general liability insurance in the amount of \$1,000,000.00 per occurrence and in the aggregate, and naming the City as an additional insured. (3) Revising Section 6711(a)(2), changing the date for submitting audited reports by general bingo licensees to the City by March 1st or, if March 1st falls on a weekend or holiday, the reports are due the next business day. (4) Adding Section 6721.1, establishing a complaint resolution process.

The ordinance is attached as Exhibit No. 1 (clean version) and Exhibit No. 2 (blue-lined version). Article VI, Chapter 7 of the CMC is attached as Exhibit No. 3.

II. RECOMMENDATION

WAIVE further reading and INTRODUCE Ordinance No. 14-1533, "AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA AMENDING CERTAIN SECTIONS OF ARTICLE VI, CHAPTER 7, OF THE CARSON MUNICIPAL CODE, RELATING TO BINGO FOR CHARITABLE PURPOSES."

III. ALTERNATIVES

1. DO NOT introduce the ordinance.
2. TAKE another action the City Council deems appropriate.

IV. BACKGROUND

On March 6, 2014, April 23, 2014, and October 1, 2014, the Bingo Committee meeting met with general bingo permittees to discuss proposed changes to the CMC Chapter 7 - Bingo for Charitable Purposes. Following staff's presentation and comments from general bingo organizations, the Bingo Committee voted to recommend the following changes to the CMC:

26

1. Section 6702 - Application for License, add “calendar” to the following sentence. “The recreational bingo license and general bingo license issued shall be for a term of one calendar year from date of issuance, subject to renewal as provided for in this Chapter.”
2. Section 6711(a)(2) - Renewal, change the due date for general bingo licensees to submit audited reports from October 31st (i.e., 60 days prior to the renewal date) to March 1st or, if March 1st falls on a weekend or holiday, the audited reports are due the next business day.
3. Section 6706(j) - Issuance and Contents of License - Posting - Modifications, add as a requirement to a bingo permit, a policy of general liability insurance in the amount of \$1,000,000.00 per occurrence and in the aggregate, and name the City of Carson as an additional insured.
4. Section 6721.1 - Complaint Resolution Process, add the following:

“If, at any time, a complaint or dispute arises that has not been resolved, the complainant must immediately notify the bingo manager to document their concern. If the complaint is not resolved to the complainant’s satisfaction by the bingo manager, the complainant may file a completed Bingo Complaint Form with the Revenue Division within five (5) business days of the dispute. In addition to the bingo complaint, the complainant is required to pay \$250.00. After the Revenue Manager reviews the complaint and finds it properly completed, an administrative hearing shall be scheduled within fourteen (14) business days to provide the complainant an opportunity to present oral and witness testimony regarding the facts of the claim. Eyewitness testimony is encouraged. The bingo manager will be required to submit a written statement describing how their decision was reached.

Within fourteen (14) business days of the hearing, an appeal panel comprised of the Revenue Manager and two other City employees designated by the City Manager shall issue a written decision. If the appeal panel’s decision is upheld, the City shall refund \$250.00 to the complainant, and the bingo organization shall pay the prize amount claimed to the bingo complainant. All decisions of the appeal panel and shall be sent to the complainant and the bingo organization.”

In addition, several minor administrative changes were also made to the proposed bingo amendment.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Ordinance No. 14-1533 (clean version). (pgs. 4-9)
2. Ordinance No. 14-1533 (blue-lined version). (pgs. 10-15)
3. Article VI, Chapter 7 of Carson Municipal Code (pgs. 16-36)

Prepared by: Boris Sztorch, Revenue Manager

TO: Rev09-25-2014

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council	
Date _____	Action _____

ORDINANCE NO. 14-1533

**AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA,
AMENDING THE CARSON MUNICIPAL CODE, ARTICLE VI,
CHAPTER 7 REGARDING BINGO FOR CHARITABLE
PURPOSES**

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Article VI, Chapter 7, Section 6702, Application for License, of the Carson Municipal Code is hereby amended to read, in its entirety, as follows:

“Section 6702 Application for License.

Eligible organizations desiring to obtain such license, and licensed organizations desiring to renew such license, shall file an application in writing therefor in the office of the Director of Administrative Services on a form to be provided by the Director of Administrative Services. Such application shall be accompanied by the license fee provided for in CMC 6710(a). The Recreational Bingo License or General Bingo License issued shall be for a term of one (1) calendar year from the date of issuance, subject to renewal as provided for in this Chapter. The Temporary Bingo License issued shall be valid for one (1) day. If the application is denied one-half (1/2) of the application fee shall be refunded.

Notwithstanding any other provision of this Chapter 7, and to the limited extent permitted by Section 326.5 of the Penal Code, the City Council may, by the affirmative vote of three-fifths (3/5) of the members of the City Council, waive in whole or in part, the qualifications and requirements of CMC 6701(b), 6701(c), 6706(c), 6710, 6711(a)(2), and 6721, for any applicant which the City Council finds is affiliated with or operates in support of a program or activity which is officially sponsored, sanctioned, or conducted by the City of Carson. A license granted pursuant to this paragraph will also be subject to any special limits or conditions imposed in the sole discretion of the City Council which are consistent with Section 326.5 of the Penal Code.”

Section 2. Article VI, Chapter 7, Section 6706, Issuance and Contents of License – Posting – Modifications, of the Carson Municipal Code is hereby amended to read, in its entirety, as follows:

“Section 6706 Issuance and Contents of License – Posting – Modifications.

(a) Subject to the provisions of subsection (c), if the Director of Administrative Services determines that the applicant is legally qualified to conduct bingo games in the City, and if the investigating City departments submit to the Director of Administrative Services their written findings that the property whereon the applicant proposes to conduct bingo games fully satisfies all applicable requirements, the Director of Administrative Services shall take one (1) of the following actions: (1) if the application is for a Recreational Bingo License, the Director of Administrative Services shall issue a license to said applicant; (2) if the application is for a General Bingo License or a Temporary Bingo License, the Director of Administrative Services shall forward the application to the City Council for approval in accordance with subsection (b) of this Section 6706.



(b) The City Council shall hold a hearing on an application for a General Bingo License or a Temporary Bingo License within thirty (30) days after the application is forwarded by the Director of Administrative Services and shall cause the applicant to be given at least ten (10) days' written notice of such hearing. At the hearing any person, including the applicant, shall have the right to present evidence and written or oral argument, or both, with respect to the merits of the application. The determination of the City Council shall be final.

(c) The City Council has determined that excessive proliferation or concentration of bingo games in the City of Carson is contrary to the public peace, health, safety and welfare. Therefore, licenses to conduct bingo games in the City shall be issued in accordance with the following standards:

(1) Not more than fifteen (15) Recreational Bingo Licenses shall be issued, and not more than six (6) General Bingo Licenses shall be issued. There is no limit on the number of Temporary Bingo Licenses which may be issued.

(2) Not more than one (1) Recreational Bingo License or General Bingo License shall be issued per organization.

(3) Not more than one (1) Temporary Bingo License shall be issued per organization per calendar year.

(4) A license shall not be granted or renewed if the applicant is affiliated with an organization which is either: (i) in possession of a valid Recreational Bingo License or General Bingo License, or (ii) which has been issued a Temporary Bingo License within twelve (12) months prior to the application.

(5) After April 1, 1994, a license shall not be granted or renewed (or, if already in effect, shall be revoked) if the applicant is operating bingo in another jurisdiction.

(6) Not more than one (1) General Bingo License shall be issued per location.

(d) All bingo licenses issued pursuant to this Chapter shall contain the following information:

(1) The name and nature of the organization to whom the license is issued.

(2) The address where bingo games are authorized to be conducted.

(3) The occupancy capacity of the room in which bingo games are to be conducted as determined by the Fire Department in accordance with applicable laws and regulations.

(4) The hours during which bingo may be played.

(5) The date of expiration of such license.

(6) Any restrictions on the number of players which may attend any bingo game.

(7) Any restrictions on the value of prizes which may be awarded and/or the time and frequency of bingo sessions.

(8) If the applicant is exempt from the payment of taxes pursuant to Section 23701(d) of the Revenue and Taxation Code and intends to contribute fifty (50) percent or more of the proceeds of bingo games to one (1) charity, after deducting



authorized overhead expenses, prizes and other lawful expenses, the license shall specify the name of that charity.

(9) Such other information including conditions as may be necessary or desirable for the enforcement of the provisions of this Chapter.

(e) The bingo license, a copy of the rules and regulations provided by the Director of Administrative Services and Licensee's rules and regulations shall at all times be conspicuously posted at the public entrance to the room in which bingo is played. The posted rules shall be legible and accessible to all participants.

(f) In determining whether to grant a request for a change in days or hours of operation, the Director of Administrative Services shall consider whether the change will adversely impact other operators or the City and whether it will impair the City's ability to enforce this Chapter 7, provided, however, that the ultimate decision of whether to grant the request will be left to the sole discretion of the Director of Administrative Services.

(g) Should the licensee find that any information which he provided to the City pursuant to CMC 6704 was incorrect, or should such information subsequently change, the licensee shall notify the Director of Administrative Services within ten (10) calendar days of such finding or date of change. Requests for changes in days or hours of operation must be submitted in writing.

(h) An applicant shall be presumed to be affiliated with an organization within the meaning of subsection (c) of this Section if there is evidence of any one (1) of the following: any common employees; any common memberships on boards of directors or other governing bodies; any common partners or shareholders; any common use of office space; any common ownership; or any subsidiary or parent organizational relationship. As used in this subsection, employees includes, without limitation, secretarial, administrative, and managerial employees, whether employed directly, as independent contractors, but shall not include the use of common volunteers provided such volunteers, and the organization(s) with whom such volunteers are associated, receive no compensation, in cash or in kind, from the bingo operator. An applicant may rebut the presumption that it is affiliated with another organization only by the presentation of clear and convincing evidence establishing that the application of these presumptive tests to the applicant results in a clearly erroneous determination.

(i) An applicant shall be presumed to be operating a bingo game in another jurisdiction within the meaning of CMC 6706(c) if any of the following circumstances exist:

(1) The applicant directly or indirectly operates a bingo game in another jurisdiction.

(2) The applicant directly or indirectly receives a significant amount of money which is directly or indirectly derived from the operation of a bingo game in another jurisdiction, whether or not the applicant operates the bingo game in the other jurisdiction.

(3) The applicant is affiliated with an organization which operates a bingo game in another jurisdiction as evidenced by any one (1) of the following: any common employees; any common memberships on boards of directors or other governing bodies; any common partners or shareholders; any common use of office space; any common ownership; or any subsidiary or parent organizational relationship. As



used in this subsection, employees includes, without limitation, secretarial, administrative, and managerial employees, whether employed directly, as independent contractors, or as volunteers.

An applicant may rebut the presumption that it is operating a bingo game in another jurisdiction only by the presentation of clear and convincing evidence establishing that the application of these presumptive tests to the applicant results in a clearly erroneous determination.

(j) As a condition of issuance of a bingo license, every applicant must procure and maintain in full force and effect during the term of the license, a policy (or policies) of insurance from an insurance company licensed to do business in California, which policy (or policies) names the City, its officers, volunteers, employees and agents as additional insured's insuring against any and all liability of applicant in connection with bingo activities and applicants obligations and liability under its bingo license, any other regulations contained in this Code and its indemnities, including, but not limited to, commercial general liability insurance on an "occurrence" basis against claims for personal injury, including death, bodily injury or property damage liability and in an amount not less than \$1,000,000.00 per occurrence and in the aggregate for general liability, or other amounts the Director deems necessary to provide adequate coverage under the circumstances. Proof of insurance in a form acceptable to the City's Risk Manager shall be submitted to the City in advance of the issuance of the license."

Section 3. Article VI, Chapter 7, Section 6711, Renewal, of the Carson Municipal Code is hereby amended to read, in its entirety, as follows:

"Section 6711 Renewal.

(a) A recreational bingo license or a general bingo license issued pursuant to this Chapter shall be renewable, in the absence of revocation or grounds for revocation, during the period October 1st through October 31st, for the next calendar year. The licensee shall apply for renewal as follows:

(1) Submit a completed recreational bingo license or general bingo license application form provided by the Director of Administrative Services pursuant to CMC 6702 during the period October 1st through October 31st.

(2) Submit an audit prepared by a certified public accountant on a standard form prepared by the Director of Administrative Services for the twelve (12) calendar month period or portion thereof on or before March 1st of the following year. If March 1st shall fall on a weekend or holiday, the audit shall be due on the next business day. Such audit shall include examination of all receipts, evidence of disbursements and other documents which relate to and account for all aspects of the licensee's administrative and other costs, and all receipts, evidence of disbursements and other documents, including the forms submitted pursuant to CMC 6726(b), which relate to and document the licensee's charitable contributions. If such audit is not submitted or, if submitted, is incomplete or is otherwise unacceptable, the license will be automatically canceled and no further license will be issued unless and until the licensee applies for a new license and furnishes an acceptable audit for the required period. The audit required of any organization that operates its bingo games under a recreational bingo license may be prepared by an accountant or the financial officer of the organization. The exception set forth in the previous sentence does not apply to organizations that meet the requirements of Revenue and Taxation Code Section 23701(d).



Upon receipt of the completed renewal application and the audit, the Director of Administrative Services shall refer the application to interested departments of the City as provided in CMC 6705 and 6706. This Section does not apply to a temporary bingo license.

(b) If the Director of Administrative Services finds that there are grounds to revoke the license other than the failure to furnish an audit as required in subsection (a)(2) of this Section, the Director of Administrative Services may deny renewal of the license; provided, however, that the procedure for such denial shall be the revocation procedures specified in CMC 6708. A license not so renewed shall expire automatically at the end of its annual term.”

Section 4. Article VI, Chapter 7, Section 6712.1, Complaint Resolution Process, of the Carson Municipal Code is hereby added to read as follows:

“Section 6712.1 Complaint Resolution Process.

If, at any time, a complaint or dispute arises that has not been resolved, the complainant must immediately notify the bingo manager to document their concern. If the complaint is not resolved to the complainant’s satisfaction by the bingo manager, the complainant may file a completed Bingo Complaint Form with the Revenue Division within five (5) business days of the dispute. In addition to the bingo complaint, the complainant is required to pay \$250.00. After the Revenue Manager reviews the complaint and finds it properly completed, an administrative hearing shall be scheduled within fourteen (14) business days to provide the complainant an opportunity to present oral and witness testimony regarding the facts of the claim. Eyewitness testimony is encouraged. The bingo manager will be required to submit a written statement describing how their decision was reached.

Within fourteen (14) business days of the hearing, an appeal panel comprised of the Revenue Manager and two other City employees designated by the City Manager shall issue a written decision. If the appeal panel upheld, the City shall refund \$250.00 to the complainant, and the bingo organization shall pay the prize amount claimed to the bingo complainant. All decisions of the appeal panel and shall be sent to the complainant and the bingo organization.”

Section 5. All other provisions within the Carson Municipal Code for the regulating and licensing of bingo remain unchanged unless herein modified.

Section 6. If any subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, sentence, clause, and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

Section 7. The City Clerk shall certify to the passage and adoption of this ordinance, and shall make a minute of the passage and adoption thereof in the records of and the proceedings of the City Council at which the same is passed and adopted. This ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) days after its final passage, the City Clerk shall cause it



to be published in a newspaper of general circulation and shall post the same at the City Hall, the Civic Center building and the United States Post Office, Carson Branch.

PASSED, APPROVED, and ADOPTED this ____ day of October, 2014.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney



ORDINANCE NO. 14-1533

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AMENDING THE CARSON MUNICIPAL CODE, ARTICLE VI,
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CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Article VI, Chapter 7, Section 6702, Application for License, of
the Carson Municipal Code is hereby amended to read, in its entirety, as follows:

“Section 6702 Application for License.

Eligible organizations desiring to obtain such license, and licensed organizations desiring
to renew such license, shall file an application in writing therefor in the office of the
Director of Administrative Services on a form to be provided by the Director of
Administrative Services. Such application shall be accompanied by the license fee
provided for in CMC 6710(a). The Recreational Bingo License or General Bingo License
issued shall be for a term of one (1) calendar year from the date of issuance, subject to
renewal as provided for in this Chapter. The Temporary Bingo License issued shall be
valid for one (1) day. If the application is denied one-half (1/2) of the application fee
shall be refunded.

Notwithstanding any other provision of this Chapter 7, and to the limited extent permitted
by Section 326.5 of the Penal Code, the City Council may, by the affirmative vote of
three-fifths (3/5) of the members of the City Council, waive in whole or in part, the
qualifications and requirements of CMC 6701(b), 6701(c), 6706(c), 6710, 6711(a)(2),
and 6721, for any applicant which the City Council finds is affiliated with or operates in
support of a program or activity which is officially sponsored, sanctioned, or conducted
by the City of Carson. A license granted pursuant to this paragraph will also be subject to
any special limits or conditions imposed in the sole discretion of the City Council which
are consistent with Section 326.5 of the Penal Code.”

Section 2. Article VI, Chapter 7, Section 6706, Issuance and Contents of License
– Posting – Modifications, of the Carson Municipal Code is hereby amended to read, in
its entirety, as follows:

“Section 6706 Issuance and Contents of License – Posting – Modifications.

(a) Subject to the provisions of subsection (c), if the Director of Administrative Services
determines that the applicant is legally qualified to conduct bingo games in the City, and
if the investigating City departments submit to the Director of Administrative Services
their written findings that the property whereon the applicant proposes to conduct bingo
games fully satisfies all applicable requirements, the Director of Administrative Services
shall take one (1) of the following actions: (1) if the application is for a Recreational
Bingo License, the Director of Administrative Services shall issue a license to said
applicant; (2) if the application is for a General Bingo License or a Temporary Bingo
License, the Director of Administrative Services shall forward the application to the City
Council for approval in accordance with subsection (b) of this Section 6706.



(b) The City Council shall hold a hearing on an application for a General Bingo License or a Temporary Bingo License within thirty (30) days after the application is forwarded by the Director of Administrative Services and shall cause the applicant to be given at least ten (10) days' written notice of such hearing. At the hearing any person, including the applicant, shall have the right to present evidence and written or oral argument, or both, with respect to the merits of the application. The determination of the City Council shall be final.

(c) The City Council has determined that excessive proliferation or concentration of bingo games in the City of Carson is contrary to the public peace, health, safety and welfare. Therefore, licenses to conduct bingo games in the City shall be issued in accordance with the following standards:

(1) Not more than fifteen (15) Recreational Bingo Licenses shall be issued, and not more than six (6) General Bingo Licenses shall be issued. There is no limit on the number of Temporary Bingo Licenses which may be issued.

(2) Not more than one (1) Recreational Bingo License or General Bingo License shall be issued per organization.

(3) Not more than one (1) Temporary Bingo License shall be issued per organization per calendar year.

(4) A license shall not be granted or renewed if the applicant is affiliated with an organization which is either: (i) in possession of a valid Recreational Bingo License or General Bingo License, or (ii) which has been issued a Temporary Bingo License within twelve (12) months prior to the application.

(5) After April 1, 1994, a license shall not be granted or renewed (or, if already in effect, shall be revoked) if the applicant is operating bingo in another jurisdiction.

(6) Not more than one (1) General Bingo License shall be issued per location.

(d) All bingo licenses issued pursuant to this Chapter shall contain the following information:

(1) The name and nature of the organization to whom the license is issued.

(2) The address where bingo games are authorized to be conducted.

(3) The occupancy capacity of the room in which bingo games are to be conducted as determined by the Fire Department in accordance with applicable laws and regulations.

(4) The hours during which bingo may be played.

(5) The date of expiration of such license.

(6) Any restrictions on the number of players which may attend any bingo game.

(7) Any restrictions on the value of prizes which may be awarded and/or the time and frequency of bingo sessions.

(8) If the applicant is exempt from the payment of taxes pursuant to Section 23701(d) of the Revenue and Taxation Code and intends to contribute fifty (50) percent or more of the proceeds of bingo games to one (1) charity, after deducting



authorized overhead expenses, prizes and other lawful expenses, the license shall specify the name of that charity.

(9) Such other information including conditions as may be necessary or desirable for the enforcement of the provisions of this Chapter.

(e) The bingo license, a copy of the rules and regulations provided by the Director of Administrative Services and Licensee's rules and regulations shall at all times be conspicuously posted at the public entrance to the room in which bingo is played. The posted rules shall be legible and accessible to all participants.

(f) In determining whether to grant a request for a change in days or hours of operation, the Director of Administrative Services shall consider whether the change will adversely impact other operators or the City and whether it will impair the City's ability to enforce this Chapter 7, provided, however, that the ultimate decision of whether to grant the request will be left to the sole discretion of the Director of Administrative Services.

(g) Should the licensee find that any information which he provided to the City pursuant to CMC 6704 was incorrect, or should such information subsequently change, the licensee shall notify the Director of Administrative Services within ten (10) calendar days of such finding or date of change. Requests for changes in days or hours of operation must be submitted in writing.

(h) An applicant shall be presumed to be affiliated with an organization within the meaning of subsection (c) of this Section if there is evidence of any one (1) of the following: any common employees; any common memberships on boards of directors or other governing bodies; any common partners or shareholders; any common use of office space; any common ownership; or any subsidiary or parent organizational relationship. As used in this subsection, employees includes, without limitation, secretarial, administrative, and managerial employees, whether employed directly, as independent contractors, but shall not include the use of common volunteers provided such volunteers, and the organization(s) with whom such volunteers are associated, receive no compensation, in cash or in kind, from the bingo operator. An applicant may rebut the presumption that it is affiliated with another organization only by the presentation of clear and convincing evidence establishing that the application of these presumptive tests to the applicant results in a clearly erroneous determination.

(i) An applicant shall be presumed to be operating a bingo game in another jurisdiction within the meaning of CMC 6706(c) if any of the following circumstances exist:

(1) The applicant directly or indirectly operates a bingo game in another jurisdiction.

(2) The applicant directly or indirectly receives a significant amount of money which is directly or indirectly derived from the operation of a bingo game in another jurisdiction, whether or not the applicant operates the bingo game in the other jurisdiction.

(3) The applicant is affiliated with an organization which operates a bingo game in another jurisdiction as evidenced by any one (1) of the following: any common employees; any common memberships on boards of directors or other governing bodies; any common partners or shareholders; any common use of office space; any common ownership; or any subsidiary or parent organizational relationship. As

used in this subsection, employees includes, without limitation, secretarial, administrative, and managerial employees, whether employed directly, as independent contractors, or as volunteers.

An applicant may rebut the presumption that it is operating a bingo game in another jurisdiction only by the presentation of clear and convincing evidence establishing that the application of these presumptive tests to the applicant results in a clearly erroneous determination.

(j) As a condition of issuance of a bingo license, every applicant must procure and maintain in full force and effect during the term of the license, a policy (or policies) of insurance from an insurance company licensed to do business in California, which policy (or policies) names the City, its officers, volunteers, employees and agents as additional insured's insuring against any and all liability of applicant in connection with bingo activities and applicants obligations and liability under its bingo license, any other regulations contained in this Code and its indemnities, including, but not limited to, commercial general liability insurance on an "occurrence" basis against claims for personal injury, including death, bodily injury or property damage liability and in an amount not less than \$1,000,000.00 per occurrence and in the aggregate for general liability, or other amounts the Director deems necessary to provide adequate coverage under the circumstances. Proof of insurance in a form acceptable to the City's Risk Manager shall be submitted to the City in advance of the issuance of the license."

Section 3. Article VI, Chapter 7, Section 6711, Renewal, of the Carson Municipal Code is hereby amended to read, in its entirety, as follows:

"Section 6711 Renewal.

(a) A recreational bingo license or a general bingo license issued pursuant to this Chapter shall be renewable, in the absence of revocation or grounds for revocation, during the period October 1st through October 31st, for the next calendar year. The licensee shall apply for renewal as follows:

(1) Submit a completed recreational bingo license or general bingo license application form provided by the Director of Administrative Services pursuant to CMC 6702 during the period October 1st through October 31st.

(2) Submit an audit prepared by a certified public accountant on a standard form prepared by the Director of Administrative Services for the twelve (12) calendar month period or portion thereof on or before March 1st of the following year ending sixty (60) days prior to the renewal date. If March 1st shall fall on a weekend or holiday, the audit shall be due on the next business day. Such audit shall include examination of all receipts, evidence of disbursements and other documents which relate to and account for all aspects of the licensee's administrative and other costs, and all receipts, evidence of disbursements and other documents, including the forms submitted pursuant to CMC 6726(b), which relate to and document the licensee's charitable contributions. If such audit is not submitted or, if submitted, is incomplete or is otherwise unacceptable, the license will be automatically canceled and no further license will be issued unless and until the licensee applies for a new license and furnishes an acceptable audit for the required period. The audit required of any organization that operates its bingo games under a recreational bingo license may be prepared by an accountant or the financial officer of the organization. The exception set forth in the previous sentence does not

apply to organizations that meet the requirements of Revenue and Taxation Code Section 23701(d).

Upon receipt of the completed renewal application and the audit, the Director of Administrative Services shall refer the application to interested departments of the City as provided in CMC 6705 and 6706. This Section does not apply to a temporary bingo license.

(b) If the Director of Administrative Services finds that there are grounds to revoke the license other than the failure to furnish an audit as required in subsection (a)(2) of this Section, the Director of Administrative Services may deny renewal of the license; provided, however, that the procedure for such denial shall be the revocation procedures specified in CMC 6708. A license not so renewed shall expire automatically at the end of its annual term.”

Section 4. Article VI, Chapter 7, Section 6712.1, Complaint Resolution Process, of the Carson Municipal Code is hereby ~~amended~~ added to read, ~~in its entirety~~, as follows:

“Section 6712.1 Complaint Resolution Process.

If, at any time, a complaint or dispute arises that has not been resolved, the complainant must immediately notify the bingo manager to document their concern. If the complaint is not resolved to the complainant’s satisfaction by the bingo manager, the complainant may file a completed Bingo Complaint Form with the Revenue Division within five (5) business days of the dispute. In addition to the bingo complaint, the complainant is required to pay \$250.00. After the Revenue Manager reviews the complaint and finds it properly completed, an administrative hearing shall be scheduled within fourteen (14) business days to provide the complainant an opportunity to present oral and witness testimony regarding the facts of the claim. Eyewitness testimony is encouraged. The bingo manager will be required to submit a written statement describing how their decision was reached.

Within fourteen (14) business days of the hearing, an appeal panel comprised of the Revenue Manager and two other City employees designated by the City Manager shall issue a written decision. If the appeal is upheld, the City shall refund \$250.00 to the complainant, and the bingo organization shall pay the prize amount claimed to the bingo complainant. All decisions of the appeal panel and shall be sent to the complainant and the bingo organization.”

Section 5. All other provisions within the Carson Municipal Code for the regulating and licensing of bingo remain unchanged unless herein modified.

Section 6. If any subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, sentence, clause, and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

Section 7. The City Clerk shall certify to the passage and adoption of this ordinance, and shall make a minute of the passage and adoption thereof in the records of

and the proceedings of the City Council at which the same is passed and adopted. This ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) days after its final passage, the City Clerk shall cause it to be published in a newspaper of general circulation and shall post the same at the City Hall, the Civic Center building and the United States Post Office, Carson Branch.

PASSED, APPROVED, and ADOPTED this ____ day of October, 2014.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney



CHAPTER 7 BINGO FOR CHARITABLE PURPOSES*

Sections:

- § 6700 Definitions.
- § 6701 Organizations Eligible for City License to Conduct Bingo Games.
- § 6702 Application for License.
- § 6703 Applicant Must Be Qualified.
- § 6704 Information for Application for License.
- § 6705 Investigation of Applicant.
- § 6706 Issuance and Contents of License – Posting – Modifications.
- § 6707 Summary Suspension of License Pending Opportunity for Hearing – Misdemeanor to
Continue After Suspension – Revocation.
- § 6708 Revocation of License – Alternative Procedure.
- § 6709 Appeal of Revocation to City Council.
- § 6709.1 Appeal of License Issuance to City Council – Revocation.
- § 6710 License Fees.
- § 6711 Renewal.
- § 6712 Maximum Amount of Prize.
- § 6713 Accountability for Receipts – Separate Fund or Account.
- § 6714 Financial Interest in Licensee Only.
- § 6715 Exclusive Operation by Licensee.
- § 6716 Bingo Games Open to Public.
- § 6717 Attendance Limitations.
- § 6718 Bingo Games Conducted Only on Licensee's Property.
- § 6719 Minors Not to Participate.
- § 6720 Intoxicated Persons Not to Participate.
- § 6721 Operation.
- § 6722 Participant Must Be Present.
- § 6723 Receipt of Profit by a Person a Misdemeanor Under State Law.
- § 6724 Determination of Profits by Organizations Exempt From Tax by Section 23701(d) of the
Revenue and Taxation Code and Suspension of License for Cessation of
Designated Charity.
- § 6725 Use of Proceeds by Other Licensees.

§ 6726 Use for Charitable Purposes.

§ 6727 City May Enjoin Violation.

§ 6728 Any Violation of This Chapter Is a Misdemeanor.

§ 6729 Severability.

*Editor's Note: Prior ordinance history: Ords. 77-405 and 78-435.

6700 Definitions.

As used in this Chapter, the following definitions shall apply:

(a) "Bingo" means a game of chance in which prizes are awarded on the basis of designated numbers or symbols on a card which conforms to numbers or symbols selected at random. The game of bingo shall include cards having numbers or symbols which are concealed and pre-printed in a manner providing for distribution of prizes. The winning cards shall not be known prior to the game by any person participating in the playing or operation of the bingo game.

(b) "Recreational bingo license" means a license to conduct bingo games issued to a mobile home park association or senior citizens organization subject to the following limitations: (i) attendance shall not exceed one hundred sixty (160) persons, (ii) no bingo session shall exceed a total of five (5) hours, and (iii) the licensee shall not conduct more than two (2) bingo sessions in any seven (7) day period.

(c) "General bingo license" means a license to conduct bingo games with attendance exceeding seventy-five (75) persons; provided, that: (i) no bingo session shall exceed a total of six (6) hours; and (ii) the licensee shall not conduct more than two (2) bingo sessions in any seven (7) day period.

(d) "Temporary bingo license" means a general bingo license which is valid for only one (1) day. (Ord. 87-776, § 1; Ord. 96-1099, § 1; Ord. 97-1118, § 1; Ord. 09-1432, § 1; Ord. 13-1513, § 1)

6701 Organizations Eligible for City License to Conduct Bingo Games.

(a) Corporations, community chests or trusts organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes or to foster national or international amateur sports competition (but only if no part of the activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, as more particularly described in Section 23701(d) of the California Revenue and Taxation Code, labor, agricultural or horticultural organizations described in Section 23701(a) of said Code, fraternal beneficiary societies, orders or organizations described in Section 23701(b) of

said Code, business leagues, chambers of commerce, real estate boards or boards of trade described in Section 23701(e) of said Code, civic leagues or organizations described in Section 23701(f) of said Code, pleasure clubs described in Section 23701(g) of said Code and domestic fraternal societies, orders or associations operating under the lodge system, described in Section 23701(l) of said Code, each of which is exempt by said sections and by Section 23701 of said Code from taxes imposed by Part 11 of Division 2 of the Revenue and Taxation Code, and mobile home park associations and senior citizens organizations are eligible to apply to the City for a license to conduct bingo games in the City under the provisions of this Chapter and Section 326.5 of the California Penal Code.

(b) Notwithstanding the foregoing, an organization shall not be eligible to apply to the City for a license to conduct bingo games unless such organization has maintained an office or place for the performance of the purposes for which it was organized in the City of Carson for a period of at least one (1) year immediately preceding the date of application. Mobile home park associations shall consist of members who are residents of a mobile home park in the City of Carson. Senior citizens organizations shall consist of members the majority of whom are residents of the City of Carson.

(c) Notwithstanding any other provision of this Section, an organization exempt from the payment of taxes pursuant to Revenue and Taxation Code Section 23701(d) which contributes fifty (50) percent or more of the proceeds of bingo games to one (1) charity, shall not be eligible to maintain or renew a license to conduct bingo games unless such charity receives at least twenty-five (25) percent of its total operating revenue from sources other than from the proceeds of bingo games. (Ord. 87-776, § 1; Ord. 94-1028, § 1; Ord. 94-1049, § 1)

6702 Application for License.

Eligible organizations desiring to obtain such license, and licensed organizations desiring to renew such license, shall file an application in writing therefor in the office of the Director of Administrative Services on a form to be provided by the Director of Administrative Services. Such application shall be accompanied by the license fee provided for in CMC 6710(a). The recreational bingo license or general bingo license issued shall be for a term of one (1) year from the date of issuance, subject to renewal as provided for in this Chapter. The temporary bingo license issued shall be valid for one (1) day. If the application is denied one-half (1/2) of the application fee shall be refunded.

Notwithstanding any other provision of this Chapter 7, and to the limited extent permitted by Section 326.5 of the Penal Code, the City Council may, by the affirmative vote of three-fifths (3/5) of the members of the City Council, waive in whole or in part, the qualifications and requirements of CMC 6701(b), 6701(c), 6706(c), 6710, 6711(a)(2), and 6721, for any applicant which the City Council finds is affiliated with or operates in support of a

program or activity which is officially sponsored, sanctioned, or conducted by the City of Carson. A license granted pursuant to this paragraph will also be subject to any special limits or conditions imposed in the sole discretion of the City Council which are consistent with Section 326.5 of the Penal Code. (Ord. 87-776, § 11; Ord. 94-1049, § 2; Ord. 96-1099, § 2; Ord. 13-1513, § 2)

6703 Applicant Must Be Qualified.

No license shall be issued to any organization unless such applicant is an eligible organization under CMC 6701 and its application conforms to the requirements, terms and conditions of this Chapter. (Ord. 87-776, § 1)

6704 Information for Application for License.

An application for a license shall contain the following:

- (a) The name of the applicant organization and a statement that the applicant is an eligible organization under CMC 6701.
- (b) A statement as to whether the applicant is applying for a recreational bingo license, a general bingo license, or a temporary bingo license.
- (c) The names and signatures of at least two (2) officers, including the presiding officer of a corporation or community chest and the trustee of any trust and the chairperson or presiding officer of any other organization.
- (d) The particular property within the City, including the street number, where bingo games will be conducted, together with the occupancy capacity of such place. Said property must be used by the applicant for an office or for performance of the purposes for which the applicant is organized and must be either owned or leased by the applicant or be property the use of which is donated to applicant. Property used to conduct bingo games under a temporary bingo license must be property which has previously been inspected and approved by the City for the conduct of bingo games.
- (e) Proposed days of week and hours of day for the conduct of bingo games.
- (f) A statement that the applicant agrees to conduct bingo games in strict adherence to the provisions of Section 326.5 of the California Penal Code, this Chapter and all applicable regulations approved by the City Council, as they may be amended from time to time, and agrees that the license to conduct bingo games may be revoked by the Director of Administrative Services upon violation of any such provisions.

(g) A supplement to the application for bingo permit – the organization disclosure statement – in the form prescribed by the Director of Administrative Services.

(h) If applicable to the applicant, a certificate of Determination of Exemption or a letter of good standing from the Exemption Division of the Franchise Tax Board in Sacramento, showing exemption under said Section 23701(a), (b), (d), (e), (f), (g), or (l).

(i) If applicable to the applicant, copies of applicant's IRS Form 990 as filed with the IRS for the preceding three (3) years shall also be submitted for review. The copies of the IRS forms shall be returned to the applicant upon approval or withdrawal of the application.

(j) If the application is for a recreational bingo license or a temporary bingo license, a statement whether the applicant seeks to conduct bingo games on City property pursuant to CMC 6718(b).

(k) If the applicant is exempt from the payment of taxes pursuant to Section 23701(d) of the Revenue and Taxation Code and intends to contribute, or in the case of a renewal application has contributed, fifty (50) percent or more of the proceeds of bingo games to one (1) charity, after deducting authorized overhead expenses, prizes, and other lawful expenses, the applicant shall specify the name and address of that charity.

(l) The signature under penalty of perjury of a duly authorized officer (or trustee if applicant is a trust) of the applicant on both the application and the supplement to the application for the bingo permit – organization disclosure statement. The submission of any false or materially misleading statement or information as part of the application or supplemental organization disclosure statement is a violation of this Chapter and shall subject the license to summary suspension and revocation. (Ord. 87-776, § 1; Ord. 94-1028, § 2; Ord. 96-1099, § 3; Ord. 13-1513, § 3)

6705 Investigation of Applicant.

Upon receipt of the completed application and of the license fee, the Director of Administrative Services shall refer the application to interested departments of the City, including, but not limited to, the City Manager, City Attorney, Department of Community Services, and the Department of Community Development, for investigation to determine whether all the statements in the application are true and whether the property of the applicant, if used to conduct bingo games, would satisfy all fire, building, occupancy, zoning, and other applicable restrictions. (Ord. 87-776, § 1; Ord. 13-1513, § 4)

6706 Issuance and Contents of License – Posting – Modifications.



(a) Subject to the provisions of subsection (c) of this Section, if the Director of Administrative Services determines that the applicant is legally qualified to conduct bingo games in the City, and if the investigating City departments submit to the Director of Administrative Services their written findings that the property whereon the applicant proposes to conduct bingo games fully satisfies all applicable requirements, the Director of Administrative Services shall take one (1) of the following actions: (1) if the application is for a recreational bingo license, the Director of Administrative Services shall issue a license to said applicant; (2) if the application is for a general bingo license or a temporary bingo license, the Director of Administrative Services shall forward the application to the City Council for approval in accordance with subsection (b) of this Section.

(b) The City Council shall hold a hearing on an application for a general bingo license or a temporary bingo license within thirty (30) days after the application is forwarded by the Director of Administrative Services and shall cause the applicant to be given at least ten (10) days' written notice of such hearing. At the hearing any person, including the applicant, shall have the right to present evidence and written or oral argument, or both, with respect to the merits of the application. The determination of the City Council shall be final.

(c) The City Council has determined that excessive proliferation or concentration of bingo games in the City of Carson is contrary to the public peace, health, safety and welfare. Therefore, licenses to conduct bingo games in the City shall be issued in accordance with the following standards:

(1) Not more than fifteen (15) recreational bingo licenses shall be issued, and not more than six (6) general bingo licenses shall be issued. There is no limit on the number of temporary bingo licenses which may be issued.

(2) Not more than one (1) recreational bingo license or general bingo license shall be issued per organization.

(3) Not more than one (1) temporary bingo license shall be issued per organization per calendar year.

(4) A license shall not be granted or renewed if the applicant is affiliated with an organization which is either: (i) in possession of a valid recreational bingo license or general bingo license, or (ii) which has been issued a temporary bingo license within twelve (12) months prior to the application.

(5) After April 1, 1994, a license shall not be granted or renewed (or, if already in effect, shall be revoked) if the applicant is operating bingo in another jurisdiction.

(6) Not more than one (1) general bingo license shall be issued per location.

(d) All bingo licenses issued pursuant to this Chapter shall contain the following information:

(1) The name and nature of the organization to whom the license is issued.

(2) The address where bingo games are authorized to be conducted.

(3) The occupancy capacity of the room in which bingo games are to be conducted as determined by the Fire Department in accordance with applicable laws and regulations.

(4) The hours during which bingo may be played.

(5) The date of expiration of such license.

(6) Any restrictions on the number of players which may attend any bingo game.

(7) Any restrictions on the value of prizes which may be awarded and/or the time and frequency of bingo sessions.

(8) If the applicant is exempt from the payment of taxes pursuant to Section 23701(d) of the Revenue and Taxation Code and intends to contribute fifty (50) percent or more of the proceeds of bingo games to one (1) charity, after deducting authorized overhead expenses, prizes and other lawful expenses, the license shall specify the name of that charity.

(9) Such other information including conditions as may be necessary or desirable for the enforcement of the provisions of this Chapter.

(e) The bingo license, a copy of the rules and regulations provided by the Director of Administrative Services and licensee's rules and regulations shall at all times be conspicuously posted at the public entrance to the room in which bingo is played. The posted rules shall be legible and accessible to all participants.

(f) In determining whether to grant a request for a change in days or hours of operation, the Director of Administrative Services shall consider whether the change will adversely impact other operators or the City and whether it will impair the City's ability to enforce this Chapter 7; provided, however, that the ultimate decision of whether to grant the request will be left to the sole discretion of the Director of Administrative Services.

(g) Should the licensee find that any information which he provided to the City pursuant to CMC 6704 was incorrect, or should such information subsequently change, the licensee shall notify the Director of Administrative Services within ten (10) calendar days of such finding or date of change. Requests for changes in days or hours of operation must be submitted in writing.

(h) An applicant shall be presumed to be affiliated with an organization within the meaning of subsection (c) of this Section if there is evidence of any one (1) of the following: any common employees; any common memberships on boards of directors or other governing bodies; any common partners or shareholders; any common use of office space; any common ownership; or any subsidiary or parent organizational relationship. As used in this subsection, employees includes, without limitation, secretarial, administrative, and managerial employees, whether employed directly, as independent contractors, but shall not include the use of common volunteers, provided such volunteers, and the organization(s) with whom such volunteers are associated, receive no compensation, in cash or in kind, from the bingo operator. An applicant may rebut the presumption that it is affiliated with another organization only by the presentation of clear and convincing evidence establishing that the application of these presumptive tests to the applicant results in a clearly erroneous determination.

(i) An applicant shall be presumed to be operating a bingo game in another jurisdiction within the meaning of CMC 6706(c) if any of the following circumstances exist:

- (1) The applicant directly or indirectly operates a bingo game in another jurisdiction.
- (2) The applicant directly or indirectly receives a significant amount of money which is directly or indirectly derived from the operation of a bingo game in another jurisdiction, whether or not the applicant operates the bingo game in the other jurisdiction.
- (3) The applicant is affiliated with an organization which operates a bingo game in another jurisdiction as evidenced by any one (1) of the following: any common employees; any common memberships on boards of directors or other governing bodies; any common partners or shareholders; any common use of office space; any common ownership; or any subsidiary or parent organizational relationship. As used in this subsection, employees includes, without limitation, secretarial, administrative, and managerial employees, whether employed directly, as independent contractors, or as volunteers.

An applicant may rebut the presumption that it is operating a bingo game in another jurisdiction only by the presentation of clear and convincing evidence establishing that the application of these presumptive tests to the

applicant results in a clearly erroneous determination. (Ord. 87-776, § 1; Ord. 93-1004, § 1; Ord. 94-1028, § 3; Ord. 94-1049, § 3; Ord. 96-1099, § 4; Ord. 10-1450, §§ 1, 2; Ord. 13-1513, § 5)

6707 Summary Suspension of License Pending Opportunity for Hearing – Misdemeanor to Continue After Suspension – Revocation.

(a) Whenever it appears to the Director of Administrative Services that the licensee is conducting a bingo game in violation of any of the provisions of California Penal Code Section 326.5, the provisions of this Chapter, any rules or regulations approved or promulgated by the City Council, or any condition of the license, or that the license was obtained by fraudulent representations, the Director of Administrative Services shall have the authority to summarily suspend the license and order the licensee to immediately cease and desist any further operation of any bingo game.

(b) The order issued under subsection (a) of this Section shall also notify the licensee that it shall have ten (10) days from the date of such order to request a hearing before the Director of Administrative Services to determine whether such license shall be revoked. Failure to request, in writing, such hearing before the Director of Administrative Services within said ten (10) day period shall result in a revocation of the license. Requests by mail shall be made by certified letter deposited in the United States mail within ten (10) days of such order.

(c) Upon such request by the licensee whose license has been suspended under subsection (a) of this Section for a hearing to determine whether such license shall be revoked, the Director of Administrative Services shall provide such hearing within ten (10) days after receipt of such request at which hearing the suspended licensee may appear before the Director of Administrative Services for the purpose of presenting evidence why the license should not be revoked. No license shall be revoked under this Section unless notice of the time and place of such hearing shall have first been given at least five (5) days before the hearing thereof by depositing in the United States mail a notice directed to said suspended licensee at the address given in the application. The notice shall set forth a summary of the ground advanced as the basis of the suspension and revocation.

(d) Not later than five (5) days following the hearing, the Director of Administrative Services shall render a decision. Written notice of the decision of the Director of Administrative Services shall be given to the licensee within five (5) days of such decision.

(e) Any person who conducts, manages, or participates in the running of any bingo game for any organization after the summary suspension of that organization's bingo license under subsection (a) of this Section, or the revocation of its bingo license under subsection (c) of this Section, shall be deemed guilty of a misdemeanor

and, upon conviction thereof, shall be punishable by a fine not exceeding \$500.00 or by imprisonment in the County jail for a period not exceeding six (6) months, or by both such fine and imprisonment. (Ord. 87-776, § 1; Ord. 13-1513, § 6)

6708 Revocation of License – Alternative Procedure.

(a) Subject to the procedures set forth in this Section 6708, the Director of Administrative Services may revoke the license whenever it appears to the Director of Administrative Services that any of the following is taking or has taken place:

- (1) The licensee is conducting bingo games in violation of any of the provisions of the California Penal Code, the provisions of this Chapter, any rules or regulations approved or promulgated by the City Council;
- (2) The license was obtained by fraudulent representation and no summary suspension is ordered under CMC 6707;
- (3) The manner in which the bingo games are being operated interferes with the use and enjoyment of adjacent or nearby properties;
- (4) The licensee fails to account for or pay the additional fees provided for in CMC 6710(b);
- (5) The manner in which the bingo games, or other activities conducted in connection with the bingo games, are being operated creates a public nuisance or is an endangerment to the public; or
- (6) The manner in which activities conducted, by the licensee or anyone else, on the same premises as the bingo games are being operated creates a public nuisance or is an endangerment to the public; provided, however, that in instances when such activities create imminent danger to the public health or safety, the Director of Administrative Services may suspend the bingo license pending the hearing provided pursuant to this Section 6708.

(b) The licensee may appear before the Director of Administrative Services at the time fixed by the Director of Administrative Services for the purpose of presenting evidence why the license should not be revoked. No license shall be revoked under this Section unless written notice shall have first been given at least five (5) days before the hearing thereof by depositing in the United States mail, registered and postage prepaid, a notice directed to said licensee and addressed to the address given in the application. The notice shall set forth

a summary of the basis of the revocation. The Director of Administrative Services may attach conditions to the license to make the conduct of the bingo games compatible with the adjacent and nearby properties as an alternative to revocation.

(c) Not later than five (5) days following the hearing, the Director of Administrative Services shall render a decision. Written notice of the decision of the Director of Administrative Services shall be given to the licensee within five (5) days of such decision.

(d) Any person who conducts, manages, or participates in the running of any bingo game for any organization after the revocation of that organization's bingo license under subsection (a) of this Section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punishable by a fine not exceeding \$500.00 or by imprisonment in the County jail for a period not exceeding six (6) months, or by both such fine and imprisonment. (Ord. 87-776, § 1; Ord. 93-1004, § 2; Ord. 13-1513, § 7)

6709 Appeal of Revocation to City Council.

(a) Any holder of a license whose license is revoked or conditioned under this Chapter shall have the right, within ten (10) days after receiving notice in writing of the revocation or conditions, to file a written appeal to the City Council. Such appeal shall set forth the specific ground or grounds on which it is based. The City Council shall hold a hearing on the appeal within thirty (30) days after its receipt by the City, or at a time hereafter agreed upon and shall cause the appellant to be given at least ten (10) days' written notice of such hearing. At the hearing the appellant or its authorized representative shall have the right to present evidence and written or oral argument, or both, in support of its appeal. The determination of the City Council on the appeal shall be final. In the event that the City Council's determination is anything other than a complete reversal of the decision to suspend or revoke the license, the licensee shall reimburse the City for all direct and indirect costs incurred in connection with processing the appeal.

(b) Any organization whose license is finally revoked may not apply for a license to conduct bingo games in the City for a period of one (1) year from the date of such revocation; provided, however, if the ground for revocation is cancellation of the exemption granted under Section 23701 of the Revenue and Taxation Code, such organization may again apply for a license upon proof of reinstatement of said exemption. (Ord. 87-776, § 1; Ord. 93-1004, § 3)

6709.1 Appeal of License Issuance to City Council – Revocation.

(a) Any person shall have the right, within thirty (30) days after the issuance of a Recreational Bingo License under CMC 6706, to file a written appeal to the City Council with the City Clerk. Such appeal shall set forth the

specific ground or grounds on which it is based. The City Council shall hold a hearing on the appeal within thirty (30) days after its receipt by the City Clerk and shall cause the licensee and the appellant to be given at least ten (10) days' written notice of such hearing. The license shall continue in full force and effect, subject to the provisions of this Chapter 7, during the pendency of the appeal.

(b) At the hearing any person, including the appellant and the licensee, shall have the right to present evidence and written or oral argument, or both, with respect to the merits of the appeal. If the City Council rejects the appeal, the license shall continue in full force and effect subject to the provisions of this Chapter 7. If the City Council upholds the appeal, the license is thereupon revoked effective immediately unless otherwise provided by the City Council. The determination of the City Council on the appeal shall be final.

(c) Any organization whose license is revoked pursuant to this Section may not apply for a license to conduct bingo games in the City for a period of one (1) year from the date of such revocation; provided, however, if the sole ground for revocation is failure of the organization to hold one (1) of the required exemptions under Section 23701 of the Revenue and Taxation Code, such organization may again apply for a license upon proof of the granting of a required exemption to the organization. (Ord. 94-1049, § 4; Ord. 96-1099, § 5)

6710 License Fees.

(a) Except as hereinafter provided, a license fee of \$50.00 is hereby fixed and imposed upon each applicant upon application for a General Bingo License or a Temporary Bingo License. Such license fee shall not be apportioned or prorated for any period of less than a year. A license fee shall not be required in connection with an application for a Recreational Bingo License.

(b) Commencing January 1, 1997, an additional fee for law enforcement and public safety costs incurred by the City that are directly related to bingo activities is hereby fixed and imposed on each licensee for each month or portion thereof during which a license shall be effective pursuant to this Chapter. The amount of such fee shall be determined by resolution of the City Council but shall not exceed the actual costs incurred in providing the service. Said additional fee shall be paid monthly to the City on or before the fifteenth day of each month, as part of the written statement required by CMC 6713(f). Failure to pay such fee with the written statement shall subject the licensee to the penalties provided by CMC 6713(g).

(c) If any additional fee accruing to the City pursuant to subsection (b) is not paid when due, it shall become delinquent and a penalty of ten (10) percent of the amount due shall be added thereto. For each calendar month's delinquency thereafter an additional penalty of ten (10) percent of the additional fee shall be added in the same manner; provided however that not more than fifty (50) percent of the original amount of the fee shall

be added as penalty. The amount of any license fee and penalty imposed by this Chapter shall be a debt to the City, for which the licensee shall be liable in an action brought by the City in any court of competent jurisdiction. Nonpayment shall also constitute grounds for the revocation of the license. (Ord. 87-776, § 1; Ord. 96-1099, § 6; Ord. 97-1118, § 2)

6711 Renewal.

(a) A recreational bingo license or a general bingo license issued pursuant to this Chapter shall be renewable, in the absence of revocation or grounds for revocation, during the period October 1st through October 31st, for the next calendar year. The licensee shall apply for renewal as follows:

(1) Submit a completed recreational bingo license or general bingo license application form provided by the Director of Administrative Services pursuant to CMC 6702 during the period October 1st through October 31st.

(2) Submit an audit prepared by a certified public accountant on a standard form prepared by the Director of Administrative Services for the twelve (12) month period or portion thereof ending sixty (60) days prior to the renewal date. Such audit shall include examination of all receipts, evidence of disbursements and other documents which relate to and account for all aspects of the licensee's administrative and other costs, and all receipts, evidence of disbursements and other documents, including the forms submitted pursuant to CMC 6726(b), which relate to and document the licensee's charitable contributions. If such audit is not submitted or, if submitted, is incomplete or is otherwise unacceptable, the license will be automatically canceled and no further license will be issued unless and until the licensee applies for a new license and furnishes an acceptable audit for the required period. The audit required of any organization that operates its bingo games under a recreational bingo license may be prepared by an accountant or the financial officer of the organization. The exception set forth in the previous sentence does not apply to organizations that meet the requirements of Revenue and Taxation Code Section 23701(d).

Upon receipt of the completed renewal application and the audit, the Director of Administrative Services shall refer the application to interested departments of the City as provided in CMC 6705 and 6706. This Section does not apply to a temporary bingo license.

(b) If the Director of Administrative Services finds that there are grounds to revoke the license other than the failure to furnish an audit as required in subsection (a)(2) of this Section, the Director of Administrative Services

may deny renewal of the license; provided, however, that the procedure for such denial shall be the revocation procedures specified in CMC 6708. A license not so renewed shall expire automatically at the end of its annual term. (Ord. 87-776, § 1; Ord. 93-1004, § 4; Ord. 96-1099, § 7; Ord. 09-1432, § 1; Ord. 13-1513, § 8)

6712 Maximum Amount of Prize.

The total value of prizes awarded for any separate bingo game conducted pursuant to a recreational bingo license shall not exceed \$160.00 in cash or kind, or both. The total value of prizes awarded for any separate bingo game conducted pursuant to a general bingo license or a temporary bingo license shall not exceed \$500.00 in cash or kind, or both. The prize awarded for any separate bingo game shall be disbursed prior to the commencement of any subsequent game during that bingo session, as that term is used in CMC 6721. In no event shall the total value of prizes awarded during each bingo session exceed ninety (90) percent of gross revenues from that session. (Ord. 87-776, § 1; Ord. 93-1004, § 5; Ord. 94-1028, § 4; Ord. 96-1099, § 8; Ord. 09-1432, § 1; Ord. 10-1449, § 1)

6713 Accountability for Receipts – Separate Fund or Account.

(a) At least two (2) members or officers of the licensee shall jointly count all bingo proceeds. Such proceeds shall be deposited in a bank in a special bingo fund or account the next banking day.

(b) Licensees which are exempt from payment of the bank and corporation tax by Section 23701(d) of the Revenue and Taxation Code shall keep all profits derived from bingo games in a special fund or account and such profits shall not be commingled with any other fund or account. Such profits shall be used only for charitable purposes.

(c) All other licensees, including organizations exempt from payment of the bank and corporation tax by Section 23701(a), (b), (e), (f), (g) or (l) of the Revenue and Taxation Code, mobile home park associations and senior citizens organizations shall keep all proceeds derived from bingo games in a special fund or account and such proceeds shall not be commingled with any other fund or account. "Proceeds" means all receipts of bingo games conducted by such organizations.

(d) The licensee shall keep full and accurate records of the income and expenses received and disbursed in connection with its operation, conduct, promotion, supervision and any other phase of bingo games which are authorized by this Chapter. The records shall include, for each winner (including multiple winners of a shared prize) of \$100.00 or more in cash or in kind, the amount or value of the prize, what the prize consists of (if other than cash), the date of the prize, the name of the winner and the signature of the winner. The City, by and

through its authorized officers, shall have the right to examine and audit such records at any reasonable time and the licensee shall fully cooperate with the City by making such records available.

(e) All disbursements from the special bingo fund or bank account shall be by consecutively numbered checks signed by two (2) authorized officers of the licensee and shall be payable to a specific individual or organization. There shall be written on each check the nature of the expenditure for which the check is drawn. No check shall be drawn to "cash" other than for the purpose of depositing such cash in a petty cash fund established and maintained for the payment of incidental bingo expenses. Such checks shall in that event be marked "for the petty cash fund." Such petty cash fund shall not at any time contain more than \$25.00 and a receipt shall be obtained for each disbursement, indicating the amount of cash disbursed, the individual or organization receiving the cash disbursement and the purpose for which the disbursement is made.

(f) On or before the fifteenth day of each month, a licensee which has held one (1) or more bingo games during the preceding calendar month shall submit a written statement showing the gross receipts derived by the licensee from all bingo games held during the preceding calendar month. Such statement shall be verified by an officer of the licensee. The City Manager may prescribe the form for such written statements.

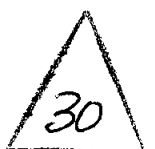
(g) If any statement required to be submitted by this Chapter is not filed when due, it shall become delinquent and a penalty of \$200.00 shall incur to the licensee. For each calendar month's delinquency thereafter an additional penalty of \$200.00 shall be added in the same manner; provided, however, that not more than \$1,000 shall be added as a penalty. The amount of any penalty imposed by this Chapter shall be a debt to the City, for which the licensee shall be liable in an action brought by the City in any court of competent jurisdiction. Nonpayment shall also constitute grounds for the revocation of the license.

(h) The Director of Administrative Services shall have the authority to adopt and enforce any additional rules and regulations pertaining to the financial record keeping of licensees which the Director deems to be helpful or necessary in implementing the provisions of this Chapter. (Ord. 87-776, § 1; Ord. 93-1004, § 6; Ord. 96-1099, § 9; Ord. 13-1513, § 9)

6714 Financial Interest in Licensee Only.

No individual, corporation, partnership, or other legal entity except the licensee shall hold a financial interest in the conduct of any bingo game conducted by the licensee. (Ord. 87-776, § 1)

6715 Exclusive Operation by Licensee.



Except as provided below in this Section 6715, a bingo game shall be operated and staffed only by members or officers of the licensee. Such members or officers shall not receive a profit, wage, or salary from any bingo game. Only the licensee shall operate such game or participate in the promotion, supervision or any other phase of such game. The licensee shall designate a member or officer of the licensee as a "bingo manager" and two (2) other members or officers of the licensee as "alternates." The licensee shall notify the City in writing of the name of each bingo manager and alternate so designated and shall notify the City in writing of any criminal history that each such person may have. No person may begin serving in such a capacity without the Director of Administrative Service's prior, written approval. The Director of Administrative Services may consider any relevant criminal history in determining whether or not to give such approval. The bingo manager or, in the event of the bingo manager's absence, one (1) of the alternates, shall be responsible for the conduct and operation of each bingo game and for compliance with California Penal Code Section 326.5, the provisions of this Chapter 7 and all rules and regulations promulgated thereunder. The bingo manager or one (1) of the alternates shall be present at all times during the playing of any bingo games and the licensee shall maintain a record of each bingo manager and alternate (as well as any other volunteer personnel) in attendance on each date of operation. Bingo managers and alternates shall not serve in that capacity for more than one (1) organization.

Notwithstanding the foregoing, the licensee may employ security personnel who are not members of the licensee. (Ord. 87-776, § 1; Ord. 93-1004, § 7; Ord. 13-1513, § 10)

6716 Bingo Games Open to Public.

All bingo games shall be open to the public, not just to the members of the licensed organization. (Ord. 87-776, § 1)

6717 Attendance Limitations.

Notwithstanding that bingo games are open to the public, attendance at any bingo game shall not exceed the occupancy capacity of the room in which such game is to be conducted as set forth in the license pursuant to CMC 6706(d)(3). Additionally, attendance at any bingo game conducted pursuant to a recreational bingo permit shall not exceed one hundred sixty (160) persons. (Ord. 87-776, § 1; Ord. 96-1099, § 10; Ord. 97-1118, § 3; Ord. 09-1432, § 1)

6718 Bingo Games Conducted Only on Licensee's Property.

(a) Except as hereinafter provided, a licensee shall conduct a bingo game only on property owned or leased by it, or on property whose use is donated to licensee and which property is used by such organization for an

office or for performance of the purposes for which the organization is organized. The license issued under this Chapter shall authorize the holder thereof to conduct bingo games only on such property, the address of which is stated in the application. In the event the described property ceases to be used as an office or as a place for performance of the purposes for which the license is organized, the license shall be summarily suspended pursuant to CMC 6707(a) until such time as the licensee obtains the lawful right to utilize a new location and the license is amended to reflect the new location. If the licensee does not obtain the lawful right to utilize a new location within ninety (90) days from the date the property described on the license ceases to be used by licensee, the licensee shall be deemed to be in violation of this Chapter and the license shall be subject to revocation pursuant to the provisions of CMC 6708. In the event of revocation, the former licensee may reapply for a license, in accordance with the requirements of this Chapter, when the former licensee obtains the right to use property for the purposes for which the organization is organized. However, the former licensee's new application will be acted upon only after any other applications that have been submitted prior to such new application have been considered and acted upon.

(b) A licensee operating pursuant to a Recreational Bingo License or a Temporary Bingo License may be permitted to conduct a bingo game on City property. (Ord. 87-776, § 1; Ord. 94-1028, § 5; Ord. 96-1099, § 11)

6719 Minors Not to Participate.

No person under the age of eighteen (18) years of age shall be allowed to participate in any bingo game, nor shall any person under eighteen (18) years of age be present during the time that bingo games are being conducted, except that persons under the age of eighteen (18) years may sell or serve food and beverages within the same room where bingo is being played. (Ord. 87-776, § 1)

6720 Intoxicated Persons Not to Participate.

No person who is obviously intoxicated shall be allowed to participate in a bingo game, nor shall any alcoholic beverages be sold, dispensed or consumed in the room or space where a bingo game is being conducted. (Ord. 87-776, § 1)

6721 Operation.

No bingo games operated under a general bingo license shall be conducted between the hours of 12:01 a.m. and 11:00 a.m. No more than one (1) bingo session per day shall be conducted at the authorized location, and bingo sessions shall not be conducted at any single licensed location in excess of twelve (12) hours per week. Such twelve (12) hours shall consist of no more than two (2) bingo sessions per calendar week, neither one of which shall exceed six (6) hours. No bingo games operated under a recreational bingo license shall be

conducted between the hours of 12:01 a.m. and 11:00 a.m. No more than one (1) bingo session per day shall be conducted at the authorized location, and bingo sessions shall not be conducted at any single licensed location in excess of thirty-five (35) hours per week. Such thirty-five (35) hours shall consist of no more than one (1) bingo session per day, with no individual bingo session exceeding five (5) hours.

A bingo session begins upon the earlier of the selling of bingo cards or other materials associated with the playing of bingo, or the actual running of a bingo game. Intermissions between bingo games, up to one (1) hour in the aggregate, shall not be included when calculating the length of a bingo session; any intermission times which exceed one (1) hour in the aggregate shall be deemed to be part of a bingo session. (Ord. 87-776, § 1; Ord. 96-1099, § 12; Ord. 09-1432, § 1; Ord. 13-1513, § 11)

6722 Participant Must Be Present.

No person shall be allowed to participate in a bingo game unless the person is physically present at the time and place in which the bingo game is being conducted. (Ord. 87-776, § 1)

6723 Receipt of Profit by a Person a Misdemeanor Under State Law.

It is a misdemeanor under Section 326.5(b) of the Penal Code of the State of California for any person to receive or pay a profit, wage, or salary from any bingo game authorized under this Chapter, a violation of which is punishable by a fine not to exceed \$10,000. This Section does not preclude the payment of compensation to security personnel within the limitations provided in this Chapter. (Ord. 87-776, § 1)

6724 Determination of Profits by Organizations Exempt From Tax by Section 23701(d) of the Revenue and Taxation Code and Suspension of License for Cessation of Designated Charity.

(a) In determining profits a licensee exempt from tax by Section 23701(d) of the Revenue and Taxation Code may deduct from gross receipts, expenditures for prizes within the limits provided in CMC 6712, rental of property, overhead, the purchase of equipment and materials related to the conduct of a bingo game, administrative expenses, security equipment and security personnel, provided, however, that no expenditure shall be deducted that is not authorized by this Chapter or that is not directly related to and necessary for the conduct of bingo games, and further provided that in no event shall all such expenditures for all purposes related to the conducting of bingo games (excluding expenditures for prizes) exceed a sum equal to twenty (20) percent of the remainder of the gross receipts from bingo operations after deducting from gross receipts a sum equal to the amount of prizes. Said limitation shall be applicable to each month, quarter and year of operation by the licensee. In addition, in no event shall expenditures for bingo operations in any one (1) month, including

payment of the City's one (1) percent monthly gross receipts fee and prizes awarded, exceed the gross receipts from bingo games in that same month.

(b) In the event the charity designated by the licensee to receive fifty (50) percent or more of the proceeds of bingo games, after deducting authorized overhead expenses, prizes and other lawful expenses, ceases to be operational or is dissolved, the license shall be summarily suspended pursuant CMC 6707. If such charity's operations were suspended by an enforcement action of a Federal, State, County or local government agency, the license of the bingo operator shall be suspended until such time as the enforcement agency determines to permanently order termination of the charity's operations or to allow the charity to recommence operations. If such charity is permanently precluded from recommencing operations by action of the enforcement agency, the license of the bingo operator shall be subject to revocation pursuant the provisions of CMC 6708. If the designated charity ceases to be operational or is dissolved for reasons other than a governmental enforcement action, the license of the bingo operator shall be summarily suspended pursuant to CMC 6707 until such time as the licensee designates another charity or charities to receive contributions and, if one (1) of the new charities will be receiving fifty (50) percent or more of such proceeds, the license is modified to reflect that new charity. If the licensee does not designate another charity or charities to receive the contributions formerly given to the charity designated on the license within ninety (90) days from the date the formerly designated charity ceased to exist, the licensee shall be deemed to be in violation of this Chapter and the license shall be subject to revocation pursuant to the provisions of CMC 6708. (Ord. 87-776, § 1; Ord. 94-1028, § 6)

6725 Use of Proceeds by Other Licensees.

All proceeds from bingo conducted by all licensees other than those exempt from tax under Section 23701(d) of the Revenue and Taxation Code shall be used only for charitable purposes, except as follows:

(a) The proceeds may be used for prizes.

(b) A portion of such proceeds, not to exceed twenty (20) percent of the gross proceeds before the deduction for prizes, or \$2,000 per month, whichever is less, may be used for the rental of property and for overhead, including the purchase of bingo equipment, administrative expenses, security equipment and security personnel.

(c) Such proceeds may be used to pay the license fees required by CMC 6710. (Ord. 87-776, § 1; Ord. 94-1049, § 5)

6726 Use for Charitable Purposes.

(a) All funds used for charitable purposes shall be utilized to benefit the residents of the City of Carson. This requirement is not satisfied by contribution of such funds to, or use by, a charitable organization which is established in Carson unless such funds are actually used for charitable purposes inside the City.

(b) A financial report form prepared by the Director of Administrative Services shall be submitted by the licensee to the beneficiary of such funds on each occasion that such a donation is made which form shall be completed by the beneficiary and copies returned to the licensee and to the Director of Administrative Services. The form shall contain the following:

(1) The name and address of the beneficiary.

(2) The amount of the contribution and the date on which it was received.

(3) A statement of the beneficiary's purpose, goal, nature or other consideration which justifies characterizing a donation to the beneficiary as charitable.

(4) A statement of the beneficiary's intended use of the donation; provided, further, that the form shall instruct the beneficiary to give written notification to the Director of Administrative Services if any disposition of the donation varies materially from the intended use. (Ord. 87-776, § 1; Ord. 13-1513, § 12)

6727 City May Enjoin Violation.

Licensee's premises may be inspected by the City at any time and from time to time for compliance with Section 326.5 of the California Penal Code, with this Chapter and with any rules and regulations approved or promulgated by the City Council. The City may bring an action in a court of competent jurisdiction to enjoin a violation of Section 326.5 of the California Penal Code or of this Chapter in addition to any other remedy available to City hereunder or pursuant to law. (Ord. 87-776, § 1)

6728 Any Violation of This Chapter Is a Misdemeanor.

Any person violating any provision of this Chapter or of any rules and regulations approved or promulgated by the City Council is guilty of a misdemeanor and upon conviction of an offense other than that specified in CMC 6723, shall be punishable by a fine not exceeding \$500.00 or by imprisonment in the County jail for a period not exceeding six (6) months, or by both such fine and imprisonment. (Ord. 87-776, § 1)

6729 Severability.

If any section, subsection or portion of this Chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Chapter. The City Council hereby declares that it would have adopted this Chapter and each section, subsection or portion thereof, irrespective of the fact that any one (1) or more sections, subsections or portion may be declared invalid or unconstitutional. (Ord. 87-776, § 1)