



Municipal Clerks Guide to Bingo and Games of Chance Licensing

I. Bingo

Local Law or Ordinance Required

Bingo shall only be conducted in a municipality which has enacted a bingo local law or ordinance, pursuant to Sections 477 and 478 of Article 14-H of the General Municipal Law (“GML”).

Bingo is regulated pursuant to Article 14-H of the GML, Article 19-B of the Executive Law and the New York State Gaming Commission (“Commission”) Bingo Rules and Regulations (Title 9 Executive E, Codes, Rules and Regulations (“Rules”).

Procedures for Registration and Issuance of a Bingo Identification Number

1. The initial step is for the applicant organization to file Form 1A (Application for Registration and Identification Number) with the Commission (see Part 4810.1 of the Rules).
2. If an identification number is issued, the Commission will send a copy of the approved Form 1A to the municipal clerk and the organization, along with a notice containing the identification number assigned to the authorized organization.

Note: Any authorized organization which possesses an identification number, but has not been licensed to conduct bingo for a period of one year, must file a new form 1A prior to applying for a license (see 4810.1 of the Rules).

Procedures for Issuing Bingo Licenses

1. Forms BC-2 (Application for Bingo License), BC-2A (Officers and Directors of the Organization; Members in Charge of Games; Affiliated Organizations Assisting at Games; Assistants to Members in Charge of Games) and Form BC-2B (Dates, Hours and Rent of all license periods to be held; expenses) are filed in triplicate by the applicant authorized organization with the municipal clerk (see Section 480 of the GML and Section 4811.4 of the Rules). The applicant organization is urged to keep a copy of the application for its own files.
2. No application shall be accepted by the municipal clerk unless it bears the identification number assigned to the organization by the Commission, and is accompanied by the license fee (see Section 4811.5 of the Rules). The municipal clerk retains one (1) copy of the application, forwards one (1) copy to the local law enforcement agency, and forwards one (1) copy to the Commission.
3. The municipal clerk shall make an investigation of the qualifications of each applicant and the merits of each application, with due expedition after the filing of the application, in accordance with Section 481 of the GML. The clerk records the findings and determinations on Form BC-4 (Findings and Determinations for Bingo License). (See Section 4812.4 of the Rules). At least seven (7) days must elapse between the time the original application is filed with the clerk and the time when the clerk completes the Form BC-4 (see Section 4812.2 of the Rules).
4. If the organization qualifies for licensure, the municipal clerk issues a license by completing Form BC-5, License to Conduct Bingo, in its entirety (see Section 4812.5 of the Rules, and Sections 480 and 481.1(a) of the GML). The municipal clerk completes and issues the license (Form BC-5) in triplicate. The original license (Form BC-5) is provided to the applicant organization. A copy of the license and application package (which includes Forms BC-2, BC-2A, BC-2B and a copy of Form BC-4) is forwarded to the local law enforcement agency; one (1) copy of the license and the original application is retained by the clerk; and one (1) copy of the application package is forwarded to the Commission, at least five (5) days prior to the date of the first licensed period (see Section 4812.4 of the Rules).

5. If the application is denied, the municipal clerk, after consulting with the municipal attorney, shall give due notice to the applicant, in writing, of a hearing to be held upon the qualification of the applicant organization and the merits of its application. A copy of such notice shall also be sent to the Commission (see GML Section 482, and Section 4812.3 of the Rules). A copy of the hearing determination must be forwarded to the Commission. Appeals of municipal determinations to the Commission are conducted pursuant to Part 4830 of the Rules.
6. Once licensed, organizations may amend a license using Form BC-6 (Application to Amend Bingo License), pursuant to Section 4813.1 of the Rules.
7. Financial statements of Bingo operations must be filed with the clerk of the municipality and the Commission. The rules regarding such are set forth in Part 4821 of the Rules. Some of the highlights are illustrated below:
 - a) Each licensed authorized organization shall execute and file an original of the form BC-7 (and in the case of limited period bingo, on form BC-9) with the clerk of the municipality within seven days after the conclusion of each bingo occasion. Form BC-7 does **not** need to be filed with the Commission.
 - b) The Commission requires every licensee to attach and file with its form BC-7 an additional statement (form BC-7B), setting forth each item of receipt relating to the sale of bingo opportunities, the names of the workers charged with such sales, bingo supplies sold and rent received (see 4821.2 of the Rules).
 - c) Upon filing form BC-7 and 7B, the licensee shall pay to the clerk of the municipality as an additional license fee a sum in the amount of three per cent (3%) of the reported net proceeds, if any, for the occasion covered by such statement (see Section 4821.3 of the Rules).
 - d) Within 15 days after the end of each calendar quarter during which there has been any occasion of bingo, a summary financial statement shall be filed on form BC-7Q. The licensee shall execute and file the original of the quarterly report with the Commission and a copy with the clerk of the municipality. The licensee shall retain a copy of each report for its permanent records (see Section 4821.1 of the Rules).
 - e) The municipal governing body shall not issue a further license to an authorized organization found to be delinquent in filing its BC-7 or BC-7Q. Upon such finding or upon notification to the municipal governing body by the Commission, the municipal governing body shall forthwith suspend any existing license and cancel the unexpired term thereof. If a licensee fails to file a BC-7 or BC-7Q as required within five days after notification by the municipal governing body or the Commission of their delinquency, their license shall be suspended pending the filing of the BC-7 or BC-7Q (see Section 4821.5 of the Rules).
 - f) If the BC-7 or BC-7Q filed by a licensed authorized organization is not properly verified, or not fully, accurately and truthfully completed, no further license shall be issued, and any existing license shall be suspended until the default has been corrected (see Section 4821.6 of the Rules).

Miscellaneous Bingo Requirements

1. Each licensed authorized organization shall maintain a bingo account which shall be designated the "special bingo account" and which shall be in the form of a regular checking account. Into this account shall be deposited all and only monies received by the licensed authorized organization from the conduct of its bingo operations, such as profits from the sale of admission cards, regular bingo cards, extra regular bingo cards, special game cards, limited period bingo cards, supplies, rentals of premises for the conduct of bingo, if any, and all other receipts derived from the conduct of bingo, less the amount awarded in cash prizes. Deposits shall be made intact into the "special bingo checking" account no later than the next business day following the date of a bingo occasion. (See 4821.8 of the Rules).
2. All expenditures of bingo funds shall be made payable to persons or entities providing goods or services by check drawn on the "special bingo account" and such checks shall not be made payable to "cash." All monies derived from the conduct of bingo must be deposited and kept in banks located within the boundaries of New York State.
3. A licensed authorized organization may deposit bingo proceeds into an interest-bearing account or federally insured money market account, provided such an account shall be designated the "special bingo savings account." All deposits into such an account shall be made by check drawn on the "special bingo account." All withdrawals from a "special bingo savings account" shall be deposited into the "special bingo account" and disbursed in accordance with the Rules.

4. Every licensee shall designate its president or chief officer to receive from the bank the monthly bank statements, cancelled checks of the special bingo account and the records of all other bingo accounts who shall verify and reconcile the BC-7's, BC-7Q's, original bank deposit slips, books and records with the treasurer at least monthly. (See Section 4821.16 of the Rules).
5. Bingo games conducted on commercial premises, or premises leased from other than another licensed bingo organization, require that the lessor be licensed as a commercial lessor. Municipal clerks approached by authorized organizations or commercial entities interested in leasing their premises for the conduct of bingo, are urged to contact the Commission for assistance (see Part 4814 of the Rules).
6. Lease agreements between two licensed authorized organizations, and the rental fees to be charged, require prior Commission approval. The rules describing the general conduct of Bingo are set forth in Part 4820 of the Rules.

II. Games of Chance

Local Law or Ordinance Required

Games of chance, which include raffles, bell jar tickets and casino/carnival games using cards, dice and wheels, shall only be conducted in a municipality which has enacted a games of chance local law or ordinance, pursuant to Sections 187 and 188 of the GML. Games of Chance are regulated pursuant to the Article 9-A of the GML and the New York State Gaming Commission Games of Chance Rules and Regulations.

Types of Games of Chance

1. Casino-nights/Las Vegas Nights

Commonly known as "Las Vegas Nights," these games of chance events are conducted under a one-day license between the hours of noon and midnight on Sunday through Thursday, and from noon until 2:00 a.m. the following day on Friday, Saturday. (No games of chance shall be conducted on Christmas Day and Easter Sunday, pursuant to Section 195 of the GML). Games of chance are also conducted frequently at field days and carnivals. The general conduct of games of chance is outlined in Part 4622 of the Rules.

The single prize at such events cannot exceed \$300, excluding merchandise wheels, in which a single prize awarded cannot exceed \$250. The series of prizes awarded during a games of chance licensed period cannot exceed \$2,000, excluding merchandise wheels, in which the series of prizes awarded cannot exceed \$10,000 per wheel. (For more information concerning prize limits and operating starting banks for games of chance, see Sections 4622.12, 4622.13 and 4622.22 of the Rules).

Only bona fide members for one year or more of the licensed organization or a bona fide member for one year or more of an organization that is an auxiliary of the licensed organization and has obtained a games of chance identification number from the Commission, may conduct or assist in the conduct of Las Vegas Nights and Bell Jar games of chance (see Section 4622.3 of the Rules).

Municipalities with police departments are required under Section 194 of the GML to exercise rigid controls over licensed games of chance and, in accordance with Section 195-f of the GML, collect an additional license fee in the amount of five percent (5%) of the licensed organizations' net profits derived from the games to help defray the cost of administering the law, such as making on-site inspections. Municipalities have the option of delegating that authority to the county sheriff. In municipalities that do not have a police department, the local law shall designate the county sheriff as the Chief Law Enforcement Officer ("CLEO"). When the county sheriff is delegated the CLEO, the additional license fee shall be remitted to the county fiscal officer, to defray the cost of the sheriff's administration of the Games of Chance Licensing Law (see Section 4624.3 of the Rules).

2. Raffles

There are two categories of raffles:

The first raffle category, which is licensed by a municipality utilizing the standard games of chance licensing procedures, is one in which an authorized organization intends to derive net proceeds from a single raffle that will meet or exceed \$5,000, or net proceeds from a series of raffles during a calendar year in which the cumulative net proceeds will meet or exceed \$30,000 per calendar year.

An organization applying to conduct a **Category One** raffle with net proceeds over \$30,000 must:

- 1) Apply for and obtain a Games of Chance Identification Number from the Commission;
- 2) File a Games of Chance License application with their municipal clerk using forms GC-2, GC-2A, and GC-2B, along with a \$25.00 annual license fee;
- 3) Obtain a Games of Chance License issued by the municipal clerk on Form GC-5;
- 4) Maintain a special raffle checking account into which all raffle proceeds will be deposited, and from which such funds will be lawfully disbursed in accordance with Section 4624.21 of the Commission's Rules and Regulations;
- 5) File a financial statement of raffle operations on Form GC-7R with the municipal clerk and the Commission by January 30th of the following year; and
- 6) Remit an additional license fee to the municipality, if applicable assessed at two percent (2%) of the net profits over \$30,000. (Note: There is no additional license fee paid on the first \$30,000 derived in net profits).

If the net proceeds derived from a single raffle will be between \$5,000 to \$29,999 an authorized organization must:

- 1) Apply for and obtain a Games of Chance Identification Number from the Commission;
- 2) File a verified statement with the municipal clerk and the Commission on Form GCVS-1 attesting that the cumulative net proceeds for all raffles conducted during that calendar year will be between \$5,000 to \$29,999;

Note: If, during that calendar year licensed period the cumulative net proceeds derived from the conduct of raffles reach or exceed \$30,000, the authorized organization shall, as outlined above, apply for a license, file a GC-7R financial statement, and remit an additional license fee.

The second raffle category, conducted pursuant to Section 190-a of the GML, is one in which the net proceeds derived from a single raffle will be less than \$5,000 and the cumulative net proceeds for all raffles conducted during a calendar year will be less than \$30,000. The second raffle category is one in which an authorized organization intends to derive net proceeds from a single raffle that will not meet or exceed \$5,000, or net proceeds from a series of raffles during a calendar year in which the cumulative net proceeds will be less than \$30,000 per calendar year.

An organization wishing to conduct a **Category Two** raffle must:

- 1) Following an examination of its charter, certificate of incorporation or constitution, the organization's principal officers must make a self-determination in good faith that the organization meets the qualifications of an "authorized organization" as that term is defined in Section 190-a (2) of the GML;
- 2) All proceeds derived from the conduct of raffles shall be deposited into a bank account to be disbursed only for the lawful expenditures permitted under Section 4624.21 of the Commission's Rules and Regulations; and
- 3) Pursuant to Article I, Section 9 of the New York State Constitution, the Games of Chance Licensing Law and the Commission's Rules and Regulations, all proceeds derived from games of chance, including raffles, must be disbursed solely for lawful purposes in accordance with Section 4624.21 of the Commission's Rules and Regulations.

The following apply to all raffle categories:

- 1) No single prize awarded in a raffle shall exceed the sum or value of \$300,000 (three hundred thousand dollars);
- 2) The aggregate fair market value of all prizes to be offered or awarded by a licensee in raffles in any one calendar year (license period) shall not exceed \$3,000,000 (three million dollars);
- 3) The value of merchandise to be awarded as a raffle prize shall be the fair market value of the merchandise at the time of submission of an application for a raffle license;

- 4) Alcoholic beverages, real estate or an interest therein, bonds, shares of stock, securities or evidence of indebtedness or merchandise refundable in any of the foregoing shall not be awarded as a raffle prize (see Sections 4620.22 and 4622.16 of the Rules);
- 5) Municipalities with police departments are required under Section 194 of the GML to exercise rigid controls over licensed games of chance and, in accordance with Section 195-f of the GML, collect an additional license fee set by the Commission at two percent of the licensed organizations' net profits derived from the games to help defray the cost of administering the law, such as conducting criminal background investigations and making on-site inspections.
- 6) Municipalities have the option of delegating that authority to the county sheriff, or in municipalities that do not have a police department, the local law shall designate the county sheriff as the CLEO. When the county sheriff is designated the CLEO, the additional license fee, if any, shall be remitted to the county fiscal officer, to defray the cost of the sheriff's administration of the games of Chance Licensing Law (see Section 4624.3 of the Rules);
- 7) No ticket shall be sold in conjunction with any raffle, including raffles in which winning tickets are scheduled to be drawn on multiple dates, more than 180 days prior to the date scheduled for the drawing of the last ticket in that raffle;
- 8) Raffle ticket drawings can be conducted on the premises of an authorized organization, as well as during its licensed casino night or carnival games of chance events, during its licensed bingo occasions, and on municipal property, in accordance with Section 4620.22(b)(5) of the Rules;
- 9) Raffle tickets, as authorized under Section 4620.22(b)(6), may also be sold to the public outside the premises of an authorized organization or an authorized games of chance lessor, in municipalities which have passed a local law, ordinance or resolution in accordance with sections 187 and 188 of the GML, that are located in the county in the municipality where the organization is domiciled, and in the counties which are contiguous to the county in the municipality where the organization is domiciled, provided the organization has received written approval, on a Raffle Consent Form prescribed by the Commission (Form GC-RCF), from each municipality to sell raffle tickets therein;
- 10) Only persons eighteen years of age or older shall purchase raffle tickets, sell raffle tickets, or conduct or assist in the conduct of a raffle drawing;
- 11) No commission, salary, compensation, reward or recompense shall be paid or given to any person for the sale or assisting with the sale of raffle tickets;
- 12) Raffle tickets can be sold by a member of an authorized organization licensed to conduct raffles, and may also be sold by any person with a blood relationship or affinity with a member of an authorized organization licensed to conduct a raffle, pursuant to Section 4620.22(b)(5) of the Rules;
- 13) The method of drawing and determining the winning ticket(s) shall be clearly announced and described prior to drawing a ticket; and each drawing shall be conducted openly and in plain view of the ticket purchasers present.

3. **Bell Jar Tickets**

Commonly known as pull-tabs or break-open tickets, bell jar tickets are cards bearing covered numbers, colors or symbols which, when uncovered by the purchasing player, may reveal that the ticket wins a cash or merchandise prize.

Licensed bell jar tickets, which also include the games coin boards, seal cards and merchandise boards, are regulated solely by the Commission. For that reason, the five percent additional license fees (based on the licensees' net profits) are remitted solely to the Commission (see Section 4620.24(3) of the Rules).

No single prize may be awarded as a bell jar prize exceeding \$1,000, and no series of bell jar prizes may exceed \$6,000, in accordance with Sections 4620.19(a)(3) and (4), Section 4622.12 and Section 4622.13 of the Rules.

Bell jar tickets may be sold on the premises of a licensed authorized organization, on the premises of a licensed games of chance lessor and where it conducts its licensed casino-night or Las Vegas Night games of chance, and on the premises in which it conducts its licensed bingo games (see Section 4620.19(b)(12) of the Rules).

Only bona fide members of one year or more of the licensed organization, or a bona fide member of one year or more of an organization that is an auxiliary of the licensed organization and has obtained a games of chance identification number from the Commission, may conduct or assist in the conduct of bell jar ticket operations, in accordance with Section 4622.3 of the Rules.

Procedures For Registration and Issuance of An Identification Number For “Casino-Type” Games of Chance, Bell Jar Tickets and Category One Raffles over \$30,000

The applicant organization files Form 1A (Application for Registration and Identification Number) with the Commission (see Part 4601 of the Rules).

If an identification number is issued, the Commission will send a copy of the approved Form 1A to the municipal clerk, along with a notice containing the identification number assigned to the organization.

Note: Any organization which possesses an identification number but has not been licensed to conduct at least one of the three types of games of chance for a period of one year must file a new Form 1A prior to applying for a license (see 4601.1 of the Rules).

Procedures for Issuing Licenses for “Casino-Type” Games of Chance, Bell Jar Tickets and Category One Raffles over \$30,000

Forms GC-2 (Application for Games of Chance License), GC-2A (Officers and Directors of the Organization; Members in Charge of Games; Affiliated Organizations Assisting at Games; Assistants to Members in Charge of Games) and Form GC-2B (Dates, Hours and Rent of all license periods to be held; expenses; and types of games) are filed by the applicant authorized organization with the municipal clerk (see Section 190. of the GML and Section 4602.1 of the Rules). These forms must be filed in triplicate with the municipal clerk (see Section 4602.3 of the Rules). The applicant organization is urged to keep a copy of the application for its own files.

No application shall be accepted by the municipal clerk unless it bears the identification number assigned to it by the Commission and is accompanied by the license fee of \$25.00 for each scheduled games of chance license period (see Section 4602.4 of the Rules).

Important Note: Only those applicants that derive net profits in an amount over \$30,000 per calendar year from the conduct of **raffles** are required to file the GC-2, 2A and 2B and pay the \$25.00 license fee. In the case of applicants that intend to conduct **raffles** that derive a net profit in an amount less than \$30,000 per calendar year, the license is issued through the filing of a verified statement (Form GC-VS1) with the municipal clerk and the Commission. There is **no raffle license fee** when the license is in the form of a verified statement (see Section 4602.1 of the Rules).

The municipal clerk retains one (1) copy of the application forms, forwards one (1) copy to the Chief Law Enforcement Officer (“CLEO”), the police chief or county sheriff, and forwards one (1) copy to the Commission (see Section 4602.3 of the Rules).

The municipal clerk shall make an investigation of the qualifications of each applicant and the merits of each application, with due expedition after the filing of the application, in accordance with Section 191 of the GML. The clerk records the findings and determinations in duplicate on Form GC-4, Findings and Determinations for Games of Chance License. (See Section 4603.1 of the Rules.) At least seven (7) days must elapse between the time the original application is filed with the clerk and the time when the clerk completes the findings and determinations form. (See Section 4603.2 of the Rules.)

If the organization qualifies for licensure, the municipal clerk issues a license by completing Form **GC-5**, License to Conduct Games of Chance, in its entirety (see Section 4603.3 of the Rules, and Sections 190 and 191(1)(a) of the GML). The municipal clerk completes and issues the license (Form GC-5) in quadruplicate. The original license (Form **GC-5**) is provided to the applicant organization.

A copy of the license and application package (which includes Forms GC-2, GC-2A, GC-2B and a copy of Form GC-4) is forwarded to the C.L.E.O. (the police chief or county sheriff); one (1) copy of the license and the original application is retained by the clerk; and one (1) copy of the license and the application package is forwarded to the Commission at least five (5) days prior to the date of the first licensed period (see Section 4603.6 of the Rules).

If the application is denied, the municipal clerk, after consulting with the municipal attorney, shall give due notice to the applicant, in writing, of a hearing to be held upon the qualification of the applicant organization and the merits of its application. A copy of such notice shall also be sent to the Commission (see GML Section 192, and Section 4603.3 of the Rules). Appeals of municipal determinations to the Commission are conducted pursuant to Part 4626 of the Rules.

Once licensed, organizations may amend a license using Form GC-6 (Application to Amend Games of Chance License), pursuant to Section 4604.1 of the Rules.

The types of authorized games of chance and the rules outlining the conduct of each authorized game are set forth in Part 4620 of the Rules.

The rules describing the general conduct of games of chance licensed periods are set forth in Part 4622 of the Rules.

Financial statements of games of chance operations must be filed with the municipality and the Commission. The rules regarding such are set forth in Part 4624 of the Rules.

Form GC-7 Financial Statement of Games of Chance Operations, required under Section 195-f of the GML, must be filed by authorized organizations conducting “casino-type” games of chance license periods. Form GC-7b (Cash Control Report) is prepared in conjunction with Form GC-7. Copies of the GC-7 and GC-7b must be forwarded to the Commission.

Form GC-7R is the financial statement filed by organizations licensed to conduct raffles that derive \$30,000 or more per calendar year from the conduct of such games. An additional license fee, set at 2% of the net proceeds for each license period (calendar year), shall be remitted to the municipality or county fiscal officer, as warranted for proceeds over \$30,000. Organizations licensed by verified statement (Form GC-VS1) that, in fact, derive less than \$30,000 per calendar year from the conduct of raffles, need not submit any additional documentation.

Form GC-7Q is the financial statement filed by organizations licensed to conduct bell jar ticket operations, which is filed with the Commission. Since all regulatory duties related to bell jar ticket operations are performed by the Commission, the additional license fees (totaling 5% of the net profits from the conduct of bell jar tickets) are remitted directly to the Commission, without exception.

The municipal governing body shall not issue a further license to an authorized organization found to be delinquent in filing its financial statement of games of chance operations or financial statement of bell jar operations. If a licensee fails to submit a financial statement of games of chance operations or financial statement of bell jar operations within five days after written notification by the municipal governing body or the Commission of such delinquency, its license may be suspended pursuant to the provisions of Part 4626 of the games of chance rules and regulations (see Section 4624.5 of the Rules).

If the financial statement of games of chance operations or financial statement of bell jar operations filed by a licensee is not properly verified, or not fully, accurately and truthfully completed, no further license shall issue to it, and any existing license may be suspended pursuant to the provisions of Part 4626 of this Title (see Section 4624.6 of the Rules).

Miscellaneous Requirements

Municipal clerks are required to complete and return to the Commission, an Annual Report which requests information regarding bingo and/or games of chance activity during the previous calendar year. The **Annual Report on Bingo and Games of Chance Activities** form may be found on the Commission’s website at www.gaming.ny.gov. The form may be completed and mailed or faxed to the attention of the Division of Charitable Gaming at (518) 347-1469. If your municipality has no reportable activity for the past year, please write “**No Activity**” on the form and return it to the Division of Charitable Gaming. Reporting “**No Activity**” is essential because it allows the Commission to track statewide trends in charitable gaming.

Organizations wishing to disburse bingo and/or games of chance funds for certain purposes are required to submit their request to the Commission using Form 317, Application for Permission to Disburse Net Proceeds. The authorized organization must receive written approval from the Commission prior to disbursing such funds. For more information on lawful expenditures, please see Part 4624 of the games of chance rules and regulations.

Each licensee shall maintain a single-entry bookkeeping system for the purpose of recording all receipts, expenditures and disbursements of the net proceeds of the games of chance (see Rule 4821.13 for bingo, and Rule 4624.13 for games of chance).

Mandates concerning the control and close supervision of bingo and games of chance are set forth in Sections 484 and 194 of the GML respectively, as are details concerning the suspension or revocation of a license, following a hearing.

For guidance pertaining to revocations and suspensions of license, refer to Part 4830 of the bingo rules and Part 4626 of the games of chance rules.