

Municipal Clerks Guide to Bingo and Games of Chance Licensing

1. 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, 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 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 determination on Form BC-4 (Findings and Determinations for Bingo License). 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 Games 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, and BC-2B and copy of Form BC-4) is forwarded to the local law enforcement agency; one (1) copy of the license and the organization 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 game authorized (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 4831.3 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 (7) 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 Section 4821.2 of the Rules).
 - c. Upon filing Forms BC-7 and BC-7B, the licensee shall pay to the clerk of the municipality as an additional license fee, a sum in the amount of three (3) per cent 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 a BC-7Q as required within five (5) 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 the licensed authorization 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 such time as 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 the other receipts derived from the conduct of bingo, less the amount awarded in cash prizes. Deposits shall be made intact into the “special bingo account” no later than the next business day following the date of a bingo occasion (See Section 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 withdraws 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 (see Part 4814 of the Rules). Municipal clerks contacted by authorized organizations or commercial entities interested in leasing their premises for the conduct of bingo, are urged to contact the Commission for assistance.
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.
7. No person under the age of eighteen years shall be permitted to play any game or games of bingo (see GML Section 486).

2. 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 Section 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

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 am the following day on Friday, Saturday, and on holiday eves, excluding Christmas Day, New Year’s Eve and the evening before Easter Sunday. (No games of chance shall be conducted on Christmas Eve and Easter Sunday according 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.

Unlike unlicensed “Monte Carlo Night Type” event, where bets are wagered and paid in “scrip” or chips that are later “bid-on” for prize in an auction licensed games of chance are all “house-banked “games in which except for merchandise wheels, players wager cash (or chips redeemable for cash) are paid in cash (or chips redeemable for cash) according to predetermined posted odds payoffs.

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 of the licensed organization or bona fide member of an organization that is an auxiliary of the licensed organization that has obtained a games of chance identification number from the Commission may conduct or assist in the conduct of any game 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 licensee fee in the amount of five percent of the licensed organizations' net profits derived from the games to help defray the cost of administering the law, such as making onsite 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 to 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:

Category 1A raffles, which is licensed by a municipality utilizing the standard games of chance licensing procedures, is one in which the cumulative net proceeds for all raffles conducted during the calendar year will meet or exceed \$30,000.

An organization applying to conduct a **Category 1A** raffle 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 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 assessed at 2% of the net profits of \$30,000 or more. (Note: there is no additional license fee paid on the first \$29,999 derived in net profits).

The raffle Category 1B 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 seeking to conduct a **Category 1B** raffle 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 less than \$30,000 and;
3. File a verified statement with the municipal clerk and the Commission at the end of the calendar year on Form GCVS-2 attesting that the cumulative net proceeds for all raffles conducted during that calendar year were less than \$30,000 and that such proceeds have been 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.

Category 2 raffles, 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 and conducted during a calendar year will be less than \$30,000.

An organization wishing to conduct a **Category 2** 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.
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. 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. 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 or verified statement 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 Section 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 the 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 onsite inspections. When an organization is licensed through a verified statement and the applicant derives less than \$30,000 (thirty thousand dollars) during that calendar year, there is no additional license fee remitted at the end of the licensed period (see Section 4624.3 of the Rules);
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, or in municipalities which have passed a local law ordinance or resolution in accordance with section 187 and 188 of the GML that are located in the county in which the municipality issuing the license is located and in the counties which are contiguous to the county in which the municipality issuing the raffle license is located provided the licensee 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 (5) 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 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 only on the premises of a licensed authorized organization, on the premises where it conducts its licensed casino-night or carnival games of chance, and on the premises in which it conducts its leased bingo games (see Section 4620.19(b)(12) of the Rules).

Only bona fide members of the licensed organization or a bona fide member 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 and Category Two Raffles

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

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 Expenses; and Types of Games) are filed by the application authorized organization with the municipal clerk (see Section 190 of the GML and Section 4601.1 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 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 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 (1) copy of the application forms, forwards (1) copy to the Chief Law Enforcement Officer (“CLEO”), 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 finds and determinations in duplication 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 of the original application is filed with the clerk and the time when the clerk completes the findings and determinations (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 Section 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, and GC-2B and a copy of Form GC-4) is forwarded to the CLEO; 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-7R is the financial statement filed by organizations licensed to conduct raffles that derive more than \$30,000 per calendar year from the conduct of such games. An additional license fee, set at 2% of the net proceeds for each licensed period (calendar year), shall be remitted to the municipality or county fiscal officer, as warranted. 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 only submit a verified statement to the municipality and the Commission attesting to the fact signed by the licensee’s chief officer, using Form GC-VS2.

Form GC-7Q is the financial statement filed by organizations licensed to conduct bell jar ticket operations, 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 notifications by 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, faxed or emailed to the attention of Division of Charitable Gaming. 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.

For more information, the Division of Charitable Gaming may be contacted at:

New York State Gaming Commission

Division of Charitable Gaming

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