

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 18, 2011
POSITION: Neutral
SPONSOR: California Association of Nonprofits

BILL NUMBER: SB 340
AUTHOR: L. Wolk

BILL SUMMARY: Remote Caller Bingo

Existing law authorizes "remote caller bingo" as a game that would allow nonprofit and charitable organizations to use audio or video technology to remotely link designated in-state facilities to cosponsor live bingo games.

Under current law, the California Gambling Control Commission (Commission) is required to regulate remote caller bingo, including but not limited to, licensure, operation, and the development of regulations. The Commission is also required to approve equipment used for remote caller bingo, to monitor the operation of the transmission and other equipment used for remote caller bingo, and to monitor the game. The Commission is also required to license persons that manufacture, distribute, supply, vend, lease or otherwise provide card-minding devices or other supplies, equipment or services related to card-minding devices for remote caller bingo and "traditional" bingo. The Department of Justice (DOJ) is required to conduct background investigations and field enforcement.

This bill, an urgency measure, would streamline the Remote Caller Bingo Program and allow the program to be regulated by local jurisdictions. Specifically, this bill would:

- Eliminate the Commission's regulatory responsibilities related to remote caller bingo, including the licensure of remote caller bingo, the approval of remote caller bingo equipment, and the approval of bingo card-minding devices.
Require organizations eligible to conduct remote caller bingo to register annually with the DOJ.
Provide that DOJ must require any licensed organization contracted by any other licensed organization to conduct a remote caller bingo to register any local bingo license with DOJ. DOJ may charge an annual filing fee of \$200 to cover the actual costs to administer and enforce the registration requirement.
Authorize local licensing entities to recognize Commission-issued licenses, work permits, and approvals that are in effect on June 30, 2011 until June 1, 2012, to ensure continuity of the program.

FISCAL SUMMARY

Finance estimates this bill would have no state General Fund impact. The bill would eliminate the Commission's workload related to the Remote Caller Bingo Program (program) and would result in cost savings to the California Bingo Fund of approximately \$104,000 per year, in FY 2011-12, and annually thereafter. There will also be insignificant, absorbable annual costs to the Commission to receive 5 percent of the gross revenues of each remote caller bingo game played from charitable organizations and deposit these funds into the Indian Gaming Special Deposit Fund (SDF) towards the repayment of a \$1.7 million SDF loan made to the program.

Analyst/Principal Date Program Budget Manager Date
(0762) C. Hill Mark Hill

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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SB 340

This bill would result in insignificant revenue losses to the California Bingo Fund associated with the Commissions fees for the Program, estimated to be under \$5,000 in 2011-12 and annually thereafter.

**COMMENTS**

Finance notes the following with regard to this bill:

- By streamlining the program, the bill would make it easier for organizations to conduct remote caller bingo games and potentially result in additional revenues to charities.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP	2011-2012		2012-2013		2013-2014		
	RV	98	FC	FC	FC	FC	FC		
0855/GamblCtlComm	SO	No	-----	See Fiscal Summary	-----	-----	-----	0366	
0855/GamblCtlComm	SO	No	-----	See Fiscal Summary	-----	-----	-----	0367	
0855/GamblCtlComm	SO	No	-----	See Fiscal Summary	-----	-----	-----	0567	
0855/GamblCtlComm	SO	No	-----	See Fiscal Summary	-----	-----	-----	3131	

<u>Fund Code</u>	<u>Title</u>
0366	Indian Gaming Revenue Share Trust Fund
0367	Indian Gaming Special Distribution Fund
0567	Gambling Control Fund
3131	Bingo Fund, California