

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Matthew Fertal	From:	Thomas F. Nixon
Dept:	City Manager	Dept:	City Attorney
Subject:	ORDINANCE AMENDING CITY BINGO REGULATIONS TO ALLOW REMOTE CALLER BINGO GAMES	Date:	September 27, 2011

**OBJECTIVE**

To obtain approval of an ordinance allowing eligible organizations to lawfully conduct remote caller bingo games in the City in accordance with state law.

**BACKGROUND**

Under Chapter 50 "Bingo Games" of the Garden Grove Municipal Code, tax-exempt organizations may lawfully conduct bingo games in the City subject to certain licensing requirements and limitations. Recently enacted legislation (Cal. Penal Code § 326.3) allows cities to enact ordinances authorizing "remote caller" bingo games. Remote caller bingo allows multiple off-site locations to engage in the same bingo game without all participants being at the location where the bingo letters and numbers are called. A number of local groups currently operating traditional bingo games have expressed their desire to conduct remote caller bingo games.

The proposed ordinance would amend Chapter 50 to Title 8 of the Garden Grove Municipal Code to allow remote caller bingo games pursuant to Penal Code Section 326.3.

Pursuant to this proposed municipal code amendment, organizations desiring to conduct remote caller bingo would be subject to the same license application, eligibility and fee requirements currently applicable to traditional bingo games. As with traditional bingo games, remote caller bingo games must be open to the public, and may only be operated and staffed by members of the licensed organization. Minors are prohibited from participating in any remote caller bingo game.

Additionally, an organization desiring to conduct remote caller bingo games must have been incorporated or in existence for three years or more. No more than 750 players may participate in a remote caller bingo game in a single location.

FISCAL IMPACT

Potentially minor costs associated with issuance of bingo licenses to organizations that do not already possess a bingo license.

RECOMMENDATION

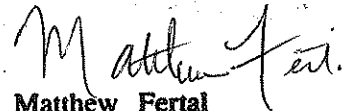
It is recommended that the City Council introduce and conduct the first reading of the ordinance allowing eligible organizations to lawfully conduct remote caller bingo games in the City.



THOMAS F. NIXON  
City Attorney

Attachment: Proposed Ordinance

**Recommended for Approval**



**Matthew Ferial**  
City Manager

ORDINANCE NO.: \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE AMENDING CHAPTER 50 OF TITLE 8 OF THE GARDEN GROVE MUNICIPAL CODE TO AUTHORIZE REMOTE CALLER BINGO GAMES

City Attorney's Summary

*This ordinance amends portions of Chapter 50 of Title 8 of the Garden Grove Municipal Code regarding bingo games in order to allow Remote Caller Bingo Games pursuant to California Penal Code Section 326.3.*

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA FINDS AS FOLLOWS:

WHEREAS, the Legislature of the State of California has recently authorized local agencies to adopt ordinances authorizing remote caller bingo games; and

WHEREAS, the City Council of the City of Garden Grove wishes to authorize remote caller bingo games to be conducted by authorized non-profit organizations, mobilehome park associations, senior citizen associations and charitable organizations in accordance with State and City regulations.

Now, therefore, the City Council of the City of Garden Grove hereby ordains as follows:

SECTION 1. Legislative Authorization

Chapter 50 of Title 8 of the Garden Grove Municipal Code is authorized pursuant to Section 19 of Article IV of the California Constitution, as implemented by Sections 326.3, 326.4 and 326.5 of the California Penal Code.

SECTION 2. Code Amendment.

A. Section 8.50.010 of the Garden Grove Municipal Code is hereby amended to read in its entirety as follows:

**"8.50.010 License – Eligible Organizations**

Organizations which are (i) exempted from the payment of the bank and corporation tax by Sections 23701(a), 23701(b), 23701(d), 23701(e), 23701(f), 23701(g), 23701(k), 23701(w), and 23701(l) of the Revenue and Taxation Code, (ii)

mobilehome park associations, (iii) senior citizens organizations, and (iv) charitable organizations affiliated with a school district are eligible to apply to the city for a license to conduct bingo games in the city in accordance with the provisions of Sections 326.3 and 326.5 of the California Penal Code and provisions of this chapter, provided that the receipts of those games are used only for charitable purposes."

**B. Application – Contents**

Section 8.50.040(h) of the Garden Grove Municipal Code is hereby amended to read in its entirety as follows:

"(h) The applicant shall submit, with its application, a certificate issued by the Franchise Tax Board certifying that the applicant is exempt from the payment of the taxes imposed under the Corporation Tax Law pursuant to Section 23701(a), 23701(b), 23701(d), 23701(e), 23701(f), 23701(g), 23701(k), 23701(w), or 23701(l) of the Revenue and Taxation Code. In lieu of a certificate issued by the Franchise Tax Board, the city may refer to the Franchise Tax Board's internet website to verify that the applicant is exempt from the payment of the taxes imposed under the Corporation Tax Law."

**C. Remote Caller Bingo**

Section 8.50.320 is hereby added to the Garden Grove Municipal Code to read in its entirety as follows:

**"8.50.320 Remote Caller Bingo**

(a) Remote caller bingo games may be lawfully played in the city only pursuant to and in full conformance with the provisions of California Penal Code Sections 326.3 and 326.4, as such sections may be periodically amended.

(b) Pursuant to Penal Code Section 326.3(u)(1), "remote caller bingo game" means a game of bingo, as defined in subdivision (o) of Penal Code Section 326.5, in which the numbers or symbols on randomly drawn plastic balls are announced by a natural person present at the site at which the live game is conducted, and the organization conducting the bingo game uses audio and video technology to link any of its in-state facilities for the purpose of transmitting the remote calling of a live bingo game from a single location to multiple locations owned, leased, or rented by that organization, or as described in subdivision (o) of Penal Code Section 326.3 of the Penal Code. The audio or video technology used to link the facilities may include cable, internet, satellite, broadband, or telephone technology, or any other means of electronic transmission that ensures the secure, accurate, and simultaneous transmission of the announcement of numbers or symbols in the game from the location at which the game is called by a natural person to the remote location or locations at which players may participate in the game. The drawing of each ball bearing a number or symbol by the natural person calling the game shall be visible to all players as the ball is drawn, including through a simultaneous live video feed at remote locations at which players may participate in the game.

(c) Remote caller bingo games may be conducted by any organization eligible to receive a traditional bingo license pursuant to section 8.50.010 if: (i) the organization possesses a valid bingo license issued pursuant to this chapter; and (ii) the organization has been incorporated or in existence for three years or more.

(d) Notwithstanding Section 8.50.230 and except as expressly authorized by Penal Code Section 326.3, no more than 750 players may participate in a remote caller bingo game in a single location.

(e) Any remote caller bingo license issued pursuant to this chapter shall be subject to the requirements and conditions contained in Sections 326.3 and 326.4 of the Penal Code, and each licensee shall comply with the requirements and conditions of those provisions.

(f) Each remote caller bingo license issued pursuant to this chapter shall be subject to the following additional conditions: (i) remote caller bingo games shall not be conducted by any licensee on more than two days during any week, except that a licensee may hold one additional game, at its election, in each calendar quarter; and (ii) the licensed organization shall be responsible for ensuring that the organization and its officers and members fully comply with the requirements and conditions of this chapter and Sections 326.3 and 326.4 of the Penal Code. A violation of any one or more of those requirements or conditions shall constitute cause for the revocation of the organization's license.

(g) All of the requirements and conditions of this chapter shall apply to remote caller bingo except to the extent of any conflict with the provisions of Penal Code Sections 326.3 and 326.4, in which case the provisions of Penal Code sections 326.3 and 326.4 shall govern."

SECTION 3. Severability. If any section, subsection, clause, phrase or word of this Ordinance or any part thereof is for any reason held to be invalid, unconstitutional or unenforceable by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of the Ordinance. The City Council declares that it would have passed each section, subsection, paragraph, sentence, clause, phrase or word thereof, irrespective of the fact that any one or more section, subsection, sentence, clause, phrase or word would be declared invalid, unconstitutional or unenforceable.

SECTION 4. Effective Date. This Ordinance shall take effect thirty (30) days after adoption.