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DATE: June 17, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **INTRODUCTION OF AN ORDINANCE INCREASING THE TOTAL VALUE OF PRIZES AWARDED DURING A BINGO GAME TO FIVE HUNDRED DOLLARS**

**SYNOPSIS**

Staff recommends that the City Council introduce an Ordinance of the City of Oceanside amending Chapter 15 Section 57 of the Oceanside City Code increasing bingo limitations for a single bingo game prize from two hundred and fifty dollars to a maximum of five hundred dollars.

**BACKGROUND**

In an effort to assist charitable organizations, the State of California adopted SB 1369 which became effective January 1, 2009. One part of this legislative update allowed for increasing the prizes awarded for a single bingo game to a maximum of five hundred dollars. Other more sweeping changes authorized remote-caller bingo.

**ANALYSIS**

The State of California enacted legislation that would allow charitable organizations conducting bingo operations to increase their ability to attract players, operate more efficiently and use the latest technology to maximize revenue during these tough economic times. Much of the legislation is targeted at establishing remote-caller bingo which requires local governments to adopt ordinances regulating a gaming practice that was not previously allowed. The League of California Cities has been working to draft an ordinance for the local governments as a template.

In the meantime, charitable organizations in Oceanside have requested that while the complexities of the new ordinance are being reviewed and developed, the City adopt the increased prize amounts. This request is a simple update to the current ordinance allowing the organizations running bingo games to increase the maximum amount of the prize which is expected to attract players and maintain and/or increase revenue.

**FISCAL IMPACT**

No fiscal impact.

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

**RECOMMENDATION**

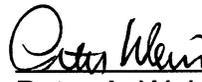
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PREPARED BY:



Sheri Brown  
Revenue Manager

SUBMITTED BY:



Peter A. Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Teri Ferro, Financial Services Director



Attachment: Ordinance



1 Such profits shall be used only for charitable purposes. With respect to other organizations  
2 authorized to conduct games pursuant to the article, all proceeds derived from a bingo game  
3 shall be kept in a special fund or account and shall not be commingled with any other fund or  
4 account. Such proceeds shall be used only for charitable purposes, except as follows:

5 (1) Such proceeds may be used for prizes

6 (2) A portion of such proceeds, not to exceed twenty (20) percent of the proceeds  
7 before the deduction for prizes, or one thousand dollars (\$1,000.00) per month, whichever is  
8 less, may be used for rental of property, overhead, including the purchase of bingo equipment,  
9 administrative expenses, security equipment and security personnel.

10 Within thirty (30) days after any bingo game is held, the licensee shall file with the city  
11 business license division a full and complete financial statement of all monies collected and  
12 disbursed and the amount remaining for charitable purposes, or if the licensee conducts bingo  
13 games on an ongoing basis, the licensee may file such a statement every three (3) months. The  
14 business license division shall have the power to inspect all books, records and papers of the  
15 eligible organization which pertain to the operation of said bingo games.

16 (g) No person shall be allowed to participate in a bingo game unless the person is  
17 physically present at the time and place in which the bingo game is being conducted.

18 (h) The total value of prizes awarded during the conduct of any bingo game shall not  
19 exceed five hundred dollars (\$500.00) in cash or kind, or both, for each separate game which is  
20 held.

21 (i) No bingo game shall be conducted between the hours of 2:00 a.m. and 8:00 a.m.

## 22 SECTION 2. Severability.

23 If any section, sentence, clause or phrase of this Ordinance is for any reason held to be  
24 invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision  
25 shall not only affect the validity of the remaining portions of the Ordinance it shall also render  
26 null and void Ordinance number 02-OR674-1 section 15.57 in its entirety: adopted by the City  
27 Council on October 9, 2002. The City council hereby declares that it would not have passed  
28 this Ordinance and adopted this Ordinance nor would it have passed and adopted Ordinance 02-

1 OR0674-1 unless all of the provisions, sections, sentences, clauses and phrases were fully  
2 enforceable. Nothing in this section is intended to amend, modify, or otherwise affect Section  
3 15.61 of Chapter 15 entitled "Non-severability".

4 SECTION 3. The City Clerk of the City of Oceanside is hereby directed to publish this  
5 ordinance, or the title hereof as a summary, pursuant to state statute, once within fifteen (15)  
6 days after its passage in the North County Times, a newspaper of general circulation published  
7 in the City of Oceanside.

8 SECTION 4. This ordinance shall take effect and be in force on the thirtieth (30<sup>th</sup>) day  
9 from and after its final passage.

10 INTRODUCED at a regular meeting of the City Council of the City of Oceanside,  
11 California, held on the \_\_\_ day of \_\_\_\_\_, 2009, and, thereafter,

12 PASSED AND ADOPTED at a regular meeting of the City Council of the City of  
13 Oceanside California, held on the \_\_\_ day of \_\_\_\_\_, 2009, by the following vote:

14 AYES:

15 NAYS:

16 ABSENT:

17 ABSTAIN:

18 MAYOR OF THE CITY OF OCEANSIDE

19  
20 ATTEST:

APPROVED AS TO FORM:

21  
22 \_\_\_\_\_  
CITY CLERK

23   
24 \_\_\_\_\_  
CITY ATTORNEY

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27  
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