



House of Representatives

General Assembly

File No. 242

January Session, 2003

House Bill No. 6527

House of Representatives, April 8, 2003

The Committee on Education reported through REP. GIANNAROS of the 21st Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING BAZAARS AND RAFFLES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-172 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) No bazaar or raffle may be promoted, operated or conducted in
4 any municipality after the adoption of the provisions of sections 7-170
5 to 7-186, inclusive, as amended by this act, unless it is sponsored and
6 conducted exclusively by (1) an officially recognized organization or
7 association of veterans of any war in which the United States has been
8 engaged, (2) a church or religious organization, (3) a civic or service
9 club, (4) a fraternal or fraternal benefit society, (5) an educational or
10 charitable organization, (6) an officially recognized volunteer fire
11 company, (7) a political party or town committee thereof, or (8) a
12 municipality acting through a committee designated to conduct a
13 celebration of the municipality's founding on its hundredth
14 anniversary or any multiple thereof. Any such sponsoring

15 organization, except a committee designated pursuant to subdivision
16 (8) of this [section] subsection, shall have been organized in good faith
17 and actively functioning as a nonprofit organization within the
18 municipality that is to issue the permit for a period of not less than six
19 months prior to its application for a permit under the provisions of
20 said sections. The promotion and operation of a bazaar or raffle shall
21 be confined solely to the qualified members of the sponsoring
22 organization, provided a committee designated pursuant to
23 subdivision (8) of this [section] subsection may promote or operate
24 through its members and any officially appointed volunteers. No such
25 member or officially appointed volunteer in the case of a raffle held
26 pursuant to subdivision (8) of this [section] subsection may receive
27 remuneration in any form for time or effort devoted to the promotion
28 or operation of the bazaar or raffle. No person under the age of
29 eighteen years may promote, conduct, operate or work at a bazaar or
30 raffle and no person under the age of sixteen years may sell or promote
31 the sale of any raffle tickets, nor shall any sponsoring organization
32 permit any person under the age of eighteen to so promote, conduct or
33 operate any bazaar or raffle or any person under the age of sixteen to
34 sell or promote the sale of such tickets. Any sponsoring organization
35 having received a permit from any municipality may sell or promote
36 the sale of such raffle tickets in that municipality and in any other
37 town, city or borough which has adopted the provisions of sections 7-
38 170 to 7-186, inclusive. All funds derived from any bazaar or raffle
39 shall be used exclusively for the purpose stated in the application of
40 the sponsoring organization as provided in section 7-173.

41 (b) Notwithstanding the provisions of subsection (a) of this section,
42 a bazaar at which games of chance may be played by students and
43 guests of such students may be sponsored at a public or nonpublic
44 secondary school by such school, a group of parents of students
45 attending school or by the teachers or administrators of such school
46 provided (1) such students are members (A) of the senior class
47 graduating in the calendar year in which the bazaar at which the
48 games are played is held, or (B) of the junior class graduating in the
49 calendar year following the calendar year in which such bazaar is held;

50 (2) such guests are sixteen years of age or older; (3) the bazaar is
51 supervised and the games are operated by parents, teachers or school
52 administrators; (4) the purpose of the bazaar at which such games are
53 played is strictly social and no charge in any form is made to play such
54 game and no wagering is permitted which involves anything of value,
55 provided (A) the sponsor may charge a nominal admission fee to cover
56 the costs of equipment, prizes or refreshments, and (B) the sponsor
57 may provide door prizes; (5) the bazaar is solely for such students,
58 faculty or the families of such students and the guests of such persons,
59 and the sponsor does not advertise or otherwise hold the bazaar open
60 to members of the general public; (6) no more than two such bazaars
61 for such students may be held during any calendar year, provided
62 such bazaars shall be held in connection with the senior or junior prom
63 or graduation activities; and (7) no alcoholic beverages of any kind are
64 served at the bazaar. Such school or group of parents, teachers or
65 administrators shall be deemed to be an organization for purposes of
66 sections 7-170 to 7-181, inclusive, as amended by this act, 7-184 to 7-
67 186, inclusive, as amended by this act, and shall be exempt from the
68 provisions of sections 7-182 and 7-183.

69 Sec. 2. Section 7-185a of the general statutes is amended by adding
70 subsection (h) as follows (*Effective from passage*):

71 (NEW) (h) Notwithstanding the provisions of sections 7-170 to 7-
72 186, inclusive, as amended by this act, and the regulations adopted
73 thereunder, a public or nonpublic secondary school or a group of
74 parents of students attending such a school or of the teachers or
75 administrators of such a school may conduct the bazaar if the
76 municipality in which the bazaar is to be conducted has adopted the
77 provisions of sections 7-170 to 7-186, inclusive, as amended by this act,
78 and the chief executive officer of such municipality has approved such
79 bazaar in writing.

80 Sec. 3. (NEW) (*Effective from passage*) Any public or nonpublic
81 secondary school or a group of parents of students attending such a
82 school or of the teachers or administrators of such a school may

83 operate and conduct bingo under a Class B permit at which bingo
84 games may be played by such students and by the guests of such
85 students provided (1) such students are members (A) of the senior
86 class graduating in the calendar year in which the bingo at which the
87 bingo games are played is held, or (B) of the junior class graduating in
88 the calendar year following the calendar year in which such bingo is
89 held; (2) such guests are sixteen years of age or older; (3) the bingo is
90 supervised and the games are operated by parents, teachers or school
91 administrators; (4) the purpose of the bingo at which such bingo games
92 are played is strictly social and no charge in any form is made to play
93 such bingo games and no wagering is permitted which involves
94 anything of value, provided (A) the sponsor may charge a nominal
95 admission fee to cover the costs of equipment, bingo cards or sheets,
96 prizes or refreshments, and (B) the sponsor may provide door prizes;
97 (5) the bingo is solely for such students, faculty or the families of such
98 students and the guests of such persons, and the sponsor does not
99 advertise or otherwise hold the bingo open to members of the general
100 public; (6) no more than two such bingo events shall be held in
101 connection with the senior or junior prom or graduation activities; and
102 (7) no alcoholic beverages of any kind are served at the bingo. Such
103 school or group of parents, teachers or administrators shall be deemed
104 to be an organization for the purposes of subsections (a) to (g),
105 inclusive, and subsection (k) of section 7-169 of the general statutes,
106 and shall be exempt from the provisions of subsections (h) and (j) of
107 section 7-169 of the general statutes.

108 Sec. 4. Section 53-278c of the general statutes is amended by adding
109 subsection (g) as follows (*Effective from passage*):

110 (NEW) (g) Any firm or corporation that is engaged in the business
111 of conducting legal games of chance in other states may store gambling
112 devices in this state for use outside of the state, provided such firm or
113 corporation has obtained approval for the storage and transportation
114 of such devices from the Commissioner of Public Safety. The
115 commissioner shall adopt regulations, in accordance with the
116 provisions of chapter 54, to implement the provisions of this

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Type | FY 04 \$ | FY 05 \$ |
|------------------------|-------------------|----------|----------|
| Spec. Revenue, Div. of | GF - Revenue Gain | Minimal | Minimal |
| Public Safety, Dept. | GF - None | None | None |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 04 \$ | FY 05 \$ |
|------------------------|--------------|----------|----------|
| Various Municipalities | Revenue Gain | Minimal | Minimal |

Explanation

The bill is anticipated to result in a minimal revenue gain (less than \$1,000 per year) to the state and municipalities as a result of permitting high school students and their guests to play bingo or games of chance at school or parent sponsored events. The estimated revenue gain to the state and municipalities is based on approximately 60 school or parent sponsored events held per year (the annual number games of chance permits (Las Vegas Nights) issued to school and parent sponsored organizations prior to its repeal).

The Division of Special Revenue (DSR) issues bingo permits and local police chiefs (first selectman in towns without police departments) issue bazaar and raffle permits which the municipalities and state share the permit fees.

The bill also allows firms or corporations that engage in the business of conducting legal games of chance in other states to store gambling devices in Connecticut for use outside of the state. The bill requires the Commissioner of the Department of Public Safety (DPS) to adopt the necessary regulations for this activity such that these entities can

obtain approval for the storage and transportation. Passage of the bill is not anticipated to result in any fiscal impact to DPS.

OLR Bill Analysis

HB 6527

AN ACT CONCERNING BAZAARS AND RAFFLES**SUMMARY:**

This bill allows high school seniors and juniors, and their guests who are at least age 16, to play games of chance at school- or parent-sponsored bazaars held in connection with prom or graduation activities. It allows bingo for these students under the same circumstances.

By law, bazaars and bingo may be conducted only in towns that vote to approve such activities. The bill requires municipal chief executive officers to approve school bazaars in writing as well. It requires organizations sponsoring school bazaars or bingo to meet most of the requirements that apply to qualified organizations sponsoring or conducting these activities in other circumstances under existing law.

The bill allows firms or corporations engaged in the business of conducting legal games of chance in other states to store gambling devices in Connecticut for out-of-state use if the public safety commissioner gives approval to store and transport them. He must adopt implementing regulations for this provision.

EFFECTIVE DATE: Upon passage

RESTRICTIONS ON PROM AND GRADUATION BAZAARS AND BINGO

The bill allows high school parent groups, teachers, or administrators to sponsor bazaars with games of chance for students and their guests under the following circumstances:

1. the students are members of the senior graduating class in that calendar year or the junior class graduating in the calendar year following the calendar year in which the bazaar is conducted;
2. the guests are at least age 16;

3. parents, teachers, or administrators supervise the event and operate the games;
4. the event is strictly social and does not involve wagering anything of value or a charge beyond a nominal admission fee to pay for equipment, prizes, or refreshments, except that the event sponsor may provide door prizes;
5. the event is not advertised or open to the public;
6. only two of these events are held each year for the same students, and they are held in connection with the senior or junior prom or graduation activities; and
7. no alcoholic beverage is served.

The bill also allows high school parent groups, teachers, or administrators to conduct bingo under a class B permit under the same circumstances listed above. It allows them to charge a nominal fee for bingo, bingo cards, and bingo sheets as well.

The \$5-per-day Division of Special Revenue (DSR) permit allows the conduct of up to 40 and no fewer than 15 games per day for a maximum of 10 successive days.

Organizations Sponsoring School Bazaars and Bingo

Bazaars. Under the bill, organizations (parents, teachers, or administrators) sponsoring bazaars are subject to almost all the laws that apply to qualified organizations that sponsor bazaars under existing law. These include (1) a requirement for a municipal permit; (2) a penalty of up to \$1,000, imprisonment of up to one year, or both for violations of the pertinent laws or regulations, or for false statements in any permit application; and (3) permit revocation and suspension. But the organizations are exempt from the requirement to provide certified financial statements covering the events to the police chief (or first selectman, where appropriate).

Bingo. The bill subjects organizations conducting bingo to almost all the laws that apply to qualified organizations that conduct bingo under existing law. These include (1) a permit and registration

requirement and (2) a civil fine of up to \$200, or a criminal penalty of up to \$200 and up to 60 days imprisonment for violations. It explicitly exempts them from maintaining records of receipts and disbursements and a 5% DSR regulation fee calculated on gross receipts, less prizes, on each bingo session. But it is unclear whether they are subject to the provision governing prizes because the bill neither exempts nor explicitly subjects them to that provision.

BACKGROUND

Games of Chance

The permissible games of chance under DSR's existing bazaar and raffle regulations are: knock-a-block, dime pitches onto a flat surface, jar ticket games, straw games, lollipop games, duck pond games, 50-50 coupon games, teacup raffles, other games DSR approves (Conn. Agency Regs. § 7-185-10b). (The division is awaiting an attorney general's opinion on the legality of merchandise prize wheel games, which are also listed in the regulations.)

Bazaars

Qualified Organizations. The following organizations qualify for permits to promote and conduct bazaars and raffles: veterans', religious, civic, fraternal, educational, or charitable organizations; volunteer fire companies; political parties; and town committees. They may also be promoted and conducted in a town if sponsored by the town acting through a designated centennial celebration committee. Only an organization's qualified members may promote and operate bazaars and raffles, and they may not be remunerated. People under age 18 may not promote, conduct, or work at a bazaar or raffle, and people under age 16 may not sell raffle tickets or promote sales.

Permit Application Procedures. Bazaars and raffles may be conducted only in towns that have adopted the Bazaar and Raffles Act, and the organization sponsoring or conducting the event must get a permit from the police chief (or first selectman, where appropriate). To qualify for a permit, organizations, but not centennial committees, must have been organized in good faith and function actively as a nonprofit organization for at least six months before applying.

Prizes. The organization may award merchandise, tangible personal

property, tickets (including lottery tickets), coupons, or gift certificates as prizes. It may not award alcohol. And it may not award cash or anything redeemable for cash, except for cow-chip raffles and prizes totaling 50% of 50-50 coupon game sales for each coupon drawing conducted.

Reporting Requirements. Within one month after holding a bazaar or raffle, the organization must submit a verified financial report on it to the police chief or first selectman of the municipality where the activity was held. (One type of permittee submits directly to the DSR director.) The organization must keep any records that will substantiate the report for at least one year from the report's date.

Permit Suspension or Revocation. DSR may suspend or revoke permits for violations.

Penalties for Violations. DSR may impose a civil fine of up to \$200 for violations. In addition, violators of the bazaar and raffle laws or regulations are subject to a penalty of up to \$1,000, imprisonment for up to one year, or both.

Bingo

Bingo may be conducted only in towns that have voted to approve such games. The sponsoring organization must get a DSR permit and, as a prerequisite, must register with the agency. It must have been organized for at least two years before applying for the permit. Qualified organizations are veterans', religious, civic, fraternal, educational, or charitable organizations; volunteer fire companies; and granges. Only the sponsoring organization's qualified members may promote and operate bingo. But DSR may allow qualified members of another registered organization to help.

Prizes. The law allows the organization to award cash, merchandise, lottery tickets, or other personal property as prizes. The law includes restrictions on the value of prizes.

Regulatory Fee. An organization operating or conducting bingo must file a return with DSR and pay the state a fee of 5% of the gross receipts, less the prizes.

Records. Organizations must keep accurate records of receipts and

disbursements available for DSR inspection.

Permit Suspension or Revocation. DSR may suspend or revoke permits for violations.

Penalties for Violations. DSR may impose civil fines of up to \$200 for violations or false statements. People who promote or operate bingo games without a permit or violate the bingo laws or regulations may also be fined up to \$200, imprisoned for up to 60 days, or both.

COMMITTEE ACTION

Public Safety Committee

Joint Favorable Change of Reference

Yea 16 Nay 4

Education Committee

Joint Favorable Report

Yea 22 Nay 4