

A public hearing will be held by the Office of Attorney General Mike DeWine on Tuesday, December 29, 2015 at 10:30 a.m. in the B-1 Hearing Room of the Rhodes State Office Tower, located at 30 East Broad Street, Columbus, Ohio 43215.

The purpose of the hearing is to solicit comment on amended rules 109:1-1-03 & 109:1-3-02.

109:1-1-03 Group or consolidated registration.

- (A) A charitable trust, which is required to register with the attorney general under section 109.26 of the Revised Code and is the central organization which has been issued ~~included within~~ a group exemption letter ~~issued~~ by the internal revenue service and which files a group return for federal tax purposes, may file a ~~singlegroup~~ registration form through the attorney general's on-line registration and filing system ~~with the attorney general~~, and thereafter a ~~singlegroup~~ annual report., for any charitable trust that is included as a subordinate organization within the group exemption letter and also required to register under 109.26.
- (B) Yearly, Aa charitable trust which files a ~~singlegroup~~ registration form ~~for a group that is within a group exemption letter issued by the internal revenue service~~ shall also provide a list of all chapters or charitable trusts that are included as subordinate organizations within the group exemption letter issued by the internal revenue service and ~~in the group exemption letter~~ that ~~have assets or a majority of the governing body located within the state of Ohio~~are incorporated or otherwise organized in Ohio, filed a return or other document with the internal revenue service indicating that the chapter or charitable trust is located in Ohio , conduct program services in Ohio or have assets in Ohio, ~~together with~~and include the employer identification number of each individual chapter or charitable trust in the group. For the purpose of this paragraph, "assets" includes cash, inventory, equipment, real estate, securities, investments, financial accounts and any other property.
- (C) A community trust or community foundation, which is required to register with the attorney general under section 109.26 of the Revised Code, and which files a ~~single consolidated~~ return for federal tax purposes, may file a ~~singleconsolidated~~ registration form through the attorney general's on-line registration and filing system ~~with the attorney general~~ and thereafter a ~~singleconsolidated~~ annual report., for any charitable trust that is included as a component fund within the consolidated return and also required under section 109.26.

109:1-3-02 **Requirements for charitable bingo license application for charitable organizations previously licensed to play bingo games.**

A charitable organization ~~that~~ ~~which~~ has previously been licensed to conduct charitable bingo games shall apply for a license ~~to conduct bingo~~ in accordance with Chapter 2915. of the Revised Code and shall provide the following information with its bingo license application ~~by completing an application form prescribed by the attorney general. The application form may require, in addition to the information required pursuant to rule 109:1-3-01 of the Administrative Code, the following information for the one year period ending October thirty-first of the year immediately preceding the year for which the license is sought:~~

(A) The bingo license number of the charitable organization and the most recent year in which the organization filed a comprehensive bingo license application.

~~(B)~~(A) The charitable organization shall provide the following information regarding charitable distributions ~~on the application:~~

- (1) The name of each and every recipient;
- (2) The complete address of each recipient;
- (3) The amount of proceeds donated to each recipient.;
- (4) The net proceeds available for charitable purposes;
- (5) The total charitable distributions made.

~~(C)~~(B) The charitable organization shall provide the following ~~financial~~ information from all bingo conducted as defined in 2915.01(O)(1) of the Revised Code ~~on the application:~~

- (1) The total number of bingo sessions ~~or games~~ conducted;
- (2) The average attendance at ~~the bingo sessions~~, which figure shall be derived by totaling the number of people who attended each and every session ~~or game~~ and dividing that number by the total number of sessions ~~or games~~ conducted;
- (3) Pursuant to 2915.10(C) of the Revised Code, ~~The~~ the charitable organization shall deposit gross profits from each bingo session or game into a ~~maintain a bank account for its bingo operations~~ separate and distinct checking account devoted exclusively to the bingo session or game. For all such checking accounts, ~~from other bank accounts of the charitable organization. For all financial institutions in which the charitable organization has placed proceeds generated from bingo,~~ the following information shall be provided:

- (a) The name and address of each financial institution;
- (b) The type of account;
- (c) The number of the account;
- (d) A copy of the bank statement which includes the last day of the reporting period.

(4) A statement of the revenues generated during ~~all of the~~ bingo sessions conducted by the charitable organization, which shall include:

- (a) The gross receipts from bingo games as defined in section 2915.01(O)(1)(S)(1) of the Revised Code;
- (b) The gross receipts from raffles;
- (c) The revenue ~~gross receipts~~ from the sale of supplies ~~at the bingo sessions~~;
- (d) Any other revenue ~~income~~ generated during ~~the~~ bingo sessions.

(5) A statement of ~~all deductions from gross receipts and revenues~~ ~~the expenses~~ incurred in the conduct ~~of all of the~~ bingo sessions ~~conducted~~ by the charitable organization, which shall include:

- (a) The total prizes awarded for bingo games as defined in section 2915.01(O)(1)(S)(1) of the Revised Code;
- (b) The total prizes awarded from raffles;
- (c) The total amount paid to security personnel;
- (d) The total amount paid for rental of the bingo premises or total amount retained by the charitable organization as consideration for the use of its own premises;
- (e) The total amount paid for advertising ~~the~~ bingo games;
- (f) The total amount paid for bingo supplies;
- (g) The total amount paid for bingo equipment;
- (h) The total amount paid for electronic bingo aids;
- (i) The total amount paid for tables and chairs;
- (j) The total amount paid for audit or accounting services;
- (k) The total amount paid for safes and cash registers;
- (l) The total amount paid for bank fees ~~and service charges~~;
- (m) The total amount paid for maintenance and operation of the charitable organization's facilities;
- (n) The total amount paid for the organization's ~~type-I~~ bingo license fee.;
- (o) The total amount paid for real property taxes and assessments only for the parcel where bingo is conducted.

~~(6) A reconciliation of the income and expenses from the bingo sessions, which shall include:~~

- ~~(a) The total of the revenues listed pursuant to paragraph (C)(4) of this rule;~~
- ~~(b) The total of the expenses listed pursuant to paragraph (C)(5) of this rule;~~
- ~~(c) The net proceeds available for charitable purposes;~~

~~(d) The total charitable distributions made;~~
~~(e) The net proceeds undistributed at the end of the period;~~
~~(f) The balance at the beginning of the period;~~
~~(g) The balance at the end of the period, which shall be the sum of the figures set forth in paragraphs (C)(6)(e) and (C)(6)(f) of this rule. If this balance does not match the amount set forth on the bank statement submitted pursuant to paragraph (C)(3)(d) of this rule, then the charitable organization shall provide a reconciliation or other explanation as to why these two figures do not match in accordance with paragraph (D) of this rule.~~

~~(D) If the balance at the end of the period required by paragraph (C)(6)(g) of this rule does not match the amount set forth on the bank statement submitted pursuant to paragraph (C)(3)(d) of this rule, then the charitable organization shall provide the following information regarding this bank account on schedule B-4(a) of the application:~~

~~(1) The amount set forth on the bank statement submitted pursuant to paragraph (C)(3)(d) of this rule;~~

~~(2) The following additions:~~

- ~~(a) If income from concessions was deposited in the same account as the bingo income, the amount set forth for net concessions income submitted pursuant to paragraph (E)(3) of this rule;~~
- ~~(b) The amount and date of each separate deposit made prior to October thirty first, but not yet appearing on the bank statement, and the total of these deposits;~~
- ~~(c) The total amount of interest earned on the account during the year;~~
- ~~(d) A complete explanation of any other additions to the account.~~

~~(3) A subtotal of all the additions set forth in paragraph (D)(2) of this rule;~~

~~(4) The following subtractions:~~

- ~~(a) The amount and date of each separate check and other withdrawal made prior to October thirty first, but not yet appearing on the bank statement, and the total of these checks and other withdrawals;~~
- ~~(b) The total amount of service charges paid during the year;~~
- ~~(c) A complete explanation of any other subtractions from the account.~~

~~(5) A subtotal of all the subtractions set forth in paragraph (D)(4) of this rule;~~

~~(6) The reconciled bank statement balance, reflecting the net effect of the additions and subtractions from paragraphs (D)(2) and (D)(4) of this rule;~~

~~(7) If the reconciled bank statement balance does not match the balance at the end of the period from paragraph (C)(6)(g) of this rule, then the charitable organization shall provide a detailed explanation of the discrepancy.~~

~~(E)~~ The charitable organization shall provide the following information regarding concessions on the application:

- ~~(1) The gross proceeds from the sale of concessions at the bingo sessions;~~
- ~~(2) The total expenses for the sale of concessions at the bingo sessions;~~
- ~~(3) The net concessions, which shall be derived by subtracting the figure set forth in paragraph (E)(2) of this rule from the figure set forth in paragraph (E)(1) of this rule;~~
- ~~(4) A statement as to whether income from concessions was deposited into the same account in which the charitable organization deposited its income from bingo;~~
- ~~(5) If the charitable organization deposited income from concessions into the same account in which the charitable organization deposited its income from bingo, a statement of the total amount deposited into this account;~~
- ~~(6) If the charitable organization deposited the income from concessions into a different account from the one in which it deposited its income from bingo, the following information shall be provided:
 - ~~(a) The name of the account;~~
 - ~~(b) The name and address of the bank in which this account is located;~~
 - ~~(c) The account number;~~
 - ~~(d) The type of account;~~
 - ~~(e) The net amount deposited in this account from the sale of concessions;~~
 - ~~(f) The balance of this account as of the last day of the reporting period.~~~~

~~(F)~~(C) A charitable organization shall provide a statement of whether any of the following information has changed in the preceding year, and if so, a written explanation of each change:

- ~~(1) The charitable organization's tax exempt status;~~
- ~~(2) The charitable organization's articles of incorporation or other governing document;~~
- ~~(3) The charitable organization's charitable purpose or mission, or the manner in which the charitable organization accomplishes its charitable purpose or mission;~~
- ~~(4) The charities, causes, or organizations supported by the charitable organization;~~
- ~~(5)~~(4) The parent organization of the charitable organization;
- ~~(6)~~(5) The charitable organization's standing with its parent organization.

~~(G)~~(D) A charitable organization other than a veteran's, fraternal, or sporting organization shall provide the following information regarding its conduct of instant bingo, including instant bingo conducted at a bingo session and other than at a bingo session:

- (1) For each location at which the organization conducts instant bingo during a bingo session, the organization shall provide:
 - (a) The total gross receipts for instant bingo ~~from all locations~~;

- (b) The total instant bingo prizes ~~from all locations~~;
- (c) The total gross profit from instant bingo ~~at all locations~~;
- (d) The total amount paid for instant bingo ~~tickets supplies at all locations~~;
- (e) The net profit from the proceeds of the sale of instant bingo ~~at all locations~~.

(2) For each location at which the organization conducts instant bingo other than at a bingo session, the organization shall provide:

- (a) The address of the location;
- (b) The gross receipts from instant bingo;
- (c) The total amount of instant bingo prizes;
- (d) The gross profit from instant bingo;
- (e) The total amount paid for instant bingo ~~tickets supplies~~;
- (f) The net profit from the proceeds of the sale of instant bingo.;
- (g) The expenses, as defined in section 2915.093(D) of the Revised Code, paid to the owner or lessor of the location.

~~(H)~~(E) A veteran's, fraternal, or sporting organization shall provide the following information regarding its conduct of instant bingo, including instant bingo conducted at a bingo session and other than at a bingo session:

(1)

- (a) The total gross receipts for instant bingo from all locations;
- (b) The total instant bingo prizes from all locations;
- (c) The gross profit from instant bingo at all locations;
- (d) The total amount paid for instant bingo ~~tickets supplies~~ at all locations;
- (e) The net profit from the proceeds of the sale of instant bingo at all locations.;

(2) The total amount of the net profit from the proceeds of the sale of instant bingo distributed pursuant to section 2915.101(A)(1)(a) of the Revised Code, the name of each organization that received such distributions, and the amount distributed to each organization.;

(3) The total amount of the net profit from the proceeds of the sale of instant bingo distributed pursuant to section 2915.101(A)(1)(b) of the Revised Code, the name of each organization ~~and~~ ~~or~~ purpose for which such distributions were made, and the amount distributed to each organization ~~and~~ ~~or~~ for each purpose.;

(4) A statement of the total amount of the net profit from the proceeds of the sale of instant bingo that were distributed for the organization's expenses in the conduct of instant bingo and the amounts paid for each of the following:

- (a) The total amount paid for the organization's type II **and/** or type III annual license fee;
- (b) The total amount paid for bank fees, service charges;
- (c) The total amount paid for audit and accounting services;
- (d) The total amount paid for safes and cash registers;
- (e) The total amount paid for security personnel;
- (f) The total amount paid for bingo advertising;
- (g) The total amount paid for tables and chairs;
- (h) The total amount paid for the maintenance and operation of the organization's facilities-;
- (i) The total amount paid for real property taxes and assessments only for the parcel where bingo is conducted.

All interested parties are invited to attend the hearing and present oral and/or written testimony. Written comments may also be submitted prior to the hearing to the attention of Amber Aimar, Policy and Public Affairs Section, Office of the Ohio Attorney General Mike DeWine, 30 East Broad Street, Columbus, Ohio 43215, or Amber.Aimar@OhioAttorneyGeneral.gov no later than Monday, December 28, 2015 by close of business.