

Chapter 464

1987 REPLACEMENT PART

Games

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ADMINISTRATION

464.250 Powers and duties of Department of Justice. The Department of Justice shall have the following powers and duties relating to the regulation of the lottery known as bingo, lotto or raffles

(1) To authorize and regulate the operation of lottery games commonly known as bingo, lotto and raffles permitted under ORS 167 117 (4)(d) and (11) and to adopt rules in accordance with applicable provisions of ORS 183 310 to 183 550 for the performance of the department's duties

(2) To issue and renew licenses and permits for operation of bingo, lotto and raffle games and to adopt license and permit fees. Licenses and permits shall be valid for a period of one year unless renewed. The department shall set fees at an amount sufficient to cover all costs incurred by the department in its activities. License fees shall consist of an initial payment, which shall be in an amount established by rule, prior to issuance or renewal of the license, together with a monthly payment constituting a percentage of the licensee's monthly gross income from the operation each month thereafter. An applicant for a license or a permit shall submit with the application a sum adequate to pay the required initial fee payment. If the application is later withdrawn by the applicant or if it is denied by the department, the department shall retain such portion of the amount submitted to it as will pay the reasonable costs expended for processing and investigating the application. In a particular case, if the fee adopted by the department is less than the actual expenses of the department to investigate that particular application, the department may

charge to that particular applicant an additional fee to repay the department for those costs. The department may refuse to proceed with its investigation or to issue a license until the department has been fully paid for those costs.

(3) To prescribe the manner and method of payment of all moneys to be paid to or collected by the department.

(4) To adopt requirements as to what information an applicant must provide to the department. However, each license applicant must provide, and the department shall require, the names and addresses of all persons having a management or ownership interest in the bingo, lotto or raffle operation or in the premises on which the operation is conducted and the names and addresses of all officers and directors of the applicant organization. The department shall also require the names and addresses of all persons employed in bingo, lotto or raffle operations. An applicant shall certify, under oath, that the persons named on the application are all of the persons known by the applicant to have an interest in the bingo, lotto or raffle operation or the premises on which the operation is conducted including all officers and directors of the applicant organization. The department may require fingerprints, a photograph, a handwriting sample and background checks on any person seeking a license from it or any person holding an interest in any bingo, lotto or raffle operation or in the premises on which it is conducted. The department may also require fingerprints or background checks of any manager or other employe of such a bingo, lotto or raffle operation.

(5) To adopt record keeping requirements for licensees of the department and the submission of reports to the department as the department determines necessary. The department may require licensees to record and report income from bingo, lotto, raffle, concessions and other related operations, the amounts received from each player, the costs and expenses of operations, the nature and value of prizes and the fact of distribution of such prizes to the winners thereof.

(6) To regulate and establish maximum limits on income derived by licensees from bingo, lotto or raffles. However, in establishing limits, the department shall take into account

(a) The nature, character and scope of the activities of the licensee,

(b) The sources of other income to the licensee, and

(c) The percentage or extent to which income derived from bingo, lotto or raffles is used for

charitable purposes, as distinguished from non-profit purposes other than charity

(7) To regulate the manner of operation of bingo, lotto and raffle games conducted by licensees

(8) To cooperate with state and local law enforcement agencies in investigating matters within the scope of the department's duties and responsibilities

(9) To establish maximum limits on compensation paid to persons employed by licensees, for the purpose of conducting licensed games not to exceed 150 percent of the federal minimum wage standard and to establish maximum limits for other expenses connected with such operations. In establishing these limits, the department shall consider the amount of income received, or expected to be received, by the organization from the bingo, lotto, raffle, concessions and other related operations and the amount of money the operation could generate for the organization's purposes absent such expenses. The department may also take into account other factors, including but not limited to whether charitable purposes are benefited by the activities

(10) The department shall not require persons working as volunteers in a bingo, lotto or raffle operation conducted by a bona fide charitable, fraternal or religious organization to obtain permits for such work if the persons do not receive compensation of any kind from the organization other than reimbursement for actual or reasonable expenses, or have any managerial or supervisory responsibility in connection with it. The department may require that bingo, lotto and raffle operators employing unlicensed volunteers submit to the department periodically the names, addresses and dates of birth of the volunteers. The department may adopt reasonable character standards for volunteers, and if a volunteer does not meet the standards, the department may require that the licensee not allow the volunteer to work for the licensee

(11) Subject to ORS 167 118 (4), the Department of Justice by rule may establish value limits for prizes awarded at bingo, lotto or raffle games and may regulate or prohibit the giving to patrons any other thing of value to promote attendance at the games [1987 c 914 §4]

Note Sections 27 and 30 chapter 914, Oregon Laws 1987, provide

Sec 27 (1) Except as provided in subsection (2) of this section sections 3 to 24 of this Act become operative on January 1 1988

(2) The Department of Justice may adopt rules and take any other action before the operative date of this Act that is

necessary to enable the department to exercise, on and after the operative date of this Act, all the duties, functions and powers conferred on the department by this Act. Before November 1, 1987, the department shall have established licensing and permit procedures and shall, not later than that date begin accepting and processing applications for licenses and permits. The expiration date of licenses and permits issued before the operative date set forth in subsection (1) of this section shall be computed as if the licenses and permits had been issued on the operative date [1987 c 914 §27]

Sec 30 The authority of the Department of Justice under ORS 167 117 and 167 118 and this chapter is terminated on June 30, 1991 [1987 c 914 §30]

464.270 Licensing requirements. (1) The Department of Justice shall not issue a license to conduct bingo, lotto or raffle games to any organization unless

(a) The organization is exempt from payment of federal income taxes as a charitable, fraternal or religious organization, and

(b) The organization has held such tax exempt status for at least one year preceding its application to the department for a license and during which time the organization engaged primarily in its charitable, fraternal or religious purpose

(2) An application for a license must be accompanied by a certificate of the organization's exemption from payment of income taxes as a charitable, fraternal or religious organization and by such other evidence of the organization's status under subsection (1) of this section as the department may require

(3) If an organization loses its tax exempt status after having applied for or having received a license, the organization shall promptly notify the department of the change in status. A license issued by the department shall cease to be valid whenever the organization to which it is issued loses its tax exempt status [1987 c 914 §11]

464.280 Burden to establish qualifications; applications; liability of persons who supply information. (1) The burden is upon holders of bingo, lotto or raffle licenses and permits and applicants for such licenses or permits to establish the qualifications required of such license or permit holders or applicants, by clear and convincing evidence. The burden is also upon the licensee or license applicant to establish by clear and convincing evidence the qualifications of the premises in which the licensed activity will be conducted

(2) Application for a license to operate a bingo, lotto or raffle game must be accompanied by

(a) A written consent to the inspections authorized under ORS 167 118, 464 250 to

464 380, 464 420 and 464 450 to 464 530 and under such rules as the department may adopt, and

(b) A written waiver of potential liability claims against the State of Oregon, its agencies, employes and agents for any damages resulting from any disclosure or publication of any information acquired by the department during any of its investigations, inquiries or hearings

(3) All license and permit holders and persons having any financial, management or employment interest in bingo, lotto or raffle licensees, including but not limited to employes and agents of such licensees, shall have a duty to inform the department or its staff of any act or omission which they believe would constitute a violation of state law or department rules relating to the operation of bingo, lotto or raffle games. No person who so informs the department or its staff shall be discriminated against by a licensee because of supplying such information. If a licensee or an officer or director thereof, upon request from the department or its designee, fails to produce requested information, evidence or testimony, relating to a bingo, lotto or raffle operation, the department may suspend or revoke the license of the licensee

(4) Any written or oral statement made in the course of an official investigation or other proceeding of the department by any member, employe or agent of the department, or by any witness testifying under oath, which is relevant to the investigation or proceeding is absolutely privileged and shall not be the source of liability for slander, libel or defamation, or constitute any grounds for recovery in a civil action [1987 c 914 §20]

464.290 Eligibility for license requires independent control by organization. An organization shall not be eligible to obtain or retain a license to conduct a bingo, lotto or raffle operation if it does not exercise, or if it ceases to exercise, independent control over its activities and budget. However, an organization shall not be ineligible for a license merely because it is chartered by or affiliated with another organization, so long as it exercises independent control over its activities and budget [1987 c 914 §9]

464.300 Temporary license. The Department of Justice may specially license, in such manner as it finds appropriate, the conduct of a temporary bingo, lotto or raffle operation whenever the operation is to be for a limited period of time not exceeding 30 days. A license shall be granted under this section for unique or occasional events subject to such record keeping

and reporting requirements as the department shall require of such operations [1987 c 914 §7]

464.310 Eligibility to participate in management or operation of games. (1) A licensee of the Department of Justice under ORS 167 117 and 167 118 and this chapter, or an applicant for a license under ORS 167 118, 464 250 to 464 380, 464 420 and 464 450 to 464 530, without approval of the department, shall not knowingly permit any person to participate in the management or operation of any bingo, lotto or raffle game for which a license from the department is required if that person

(a) Has been convicted of or forfeited bond upon, or has been granted diversion upon a charge involving forgery, theft, wilful failure to make required payments or reports to a government agency at any level, or filing false reports to such an agency, or of any similar offense, or of bribing or otherwise unlawfully influencing a public official or employe of any state or the United States, or of any crime, whether a felony or a misdemeanor, involving any gambling activity or physical injury to any person, or involving moral turpitude, or

(b) Has violated, failed to comply with, or refused to comply with provisions, requirements, conditions, limitations or duties imposed by ORS 167 118, 464 250 to 464 380, 464 420 and 464 450 to 464 530 or the rules of the department

(2) No person other than a member or employe of a licensed organization, or any other person authorized under the rules of the Department of Justice, may participate in the management or operation of a licensed bingo, lotto or raffle operation. No person who participates in the management or operation of any such bingo, lotto, raffle, concession or related operation may concurrently participate in the management or operation of any other operation unless such participation is approved by the department [1987 c 914 §§17 (1), 21]

464.340 Limitation on time spent administering or operating games. After January 1, 1988, the department by rule shall prohibit any licensee from allowing any person to spend more than 20 hours in any one week administering the games, or operating the games, or both [1987 c 914 §5]

464.350 Limitation on number of hours games may be operated. The Department of Justice by rule may establish limits on the number of hours per day and days per week that organizations licensed by the department may operate games of bingo or lotto. After January 1, 1988, the department, by its rules, shall not

permit the operation of such games by any licensee for more than 15 hours in any one week nor for more than three days in any one calendar week [1987 c 914 §8]

464.360 Limitation on number of games for which organization can be licensed. An organization may, at any one time, be licensed to conduct only one bingo or lotto operation. The license shall authorize the organization to conduct its operation within only one county which shall be a county designated by the licensee at the time of application for the license. The license shall authorize the organization to conduct its games at a designated location which shall not vary except upon authorization of the department [1987 c 914 §10]

464.380 Variations depending on number, frequency or gross income authorized. (1) In adopting rules for the licensing of bingo, lotto or raffle operations, the Department of Justice may impose, to the extent it finds practicable, more or fewer requirements upon such operations on the basis of the number of games, the frequency of raffles or the gross income of the operation

(2) As used in subsection (1) of this section, "gross income" means the total amount of money or other thing of value bet, less a deduction therefrom of the amount returned to players as prizes [1987 c 914 §6]

464.390 Exceptions. When the Department of Justice determines that there is a compelling community need for the charitable activities funded by a bingo operation, and that funding will be seriously reduced by the operation of ORS 167 117 and 167 118 and this chapter, then the department may grant exceptions to ORS 167 118 (3)(a), 464 250 (9), 464 340 and 464 350 for any bingo licensee that was operating a bingo game in January 1987. Such exceptions, if granted, shall be reviewed by the department not less than once per year [1987 c 914 §28]

LOCAL REGULATION

464.420 Local regulation. A county or city may prohibit the operation of the lottery known as bingo, lotto or raffles. If the county or city does not prohibit the operation of bingo, lotto or raffles, then such games shall be regulated only as provided under state law [1987 c 914 §23]

464.430 Scope of local regulation; suspension of operation; civil penalties. A political subdivision in this state may, by ordinance, impose regulations on the operation of bingo, lotto or raffle games by charitable, fraternal or

religious organizations that are more strict than the regulations imposed by ORS 167 118, 464 250 to 464 380, 464 420 and 464 450 to 464 530 or by rule of the Department of Justice and may temporarily or permanently suspend operation of a bingo, lotto or raffle game or impose civil penalties not to exceed \$10,000 for violation of the provisions of such ordinance [Formerly 465 100]

FINANCE

464.450 Oregon Gaming Account; uses.

(1) There is hereby created in the General Fund of the State Treasury an account known as the Oregon Gaming Account

(2) The Department of Justice shall pay into the State Treasury all moneys received by the department under ORS 167 117 and 167 118 and this chapter. The State Treasurer shall deposit the moneys in the General Fund to the credit of the Oregon Gaming Account. The moneys in the Oregon Gaming Account are continuously appropriated to the department to pay its expenses in administering and enforcing its rules and in otherwise performing its lawful duties under ORS 167 117 and 167 118 and this chapter [1987 c 914 §16]

DISCIPLINE

464.470 Grounds for denial or refusal to renew license; civil penalty. (1) The Department of Justice may deny an application for or refuse to renew a bingo, lotto or raffle license or permit, and it may suspend or revoke any license or permit, for grounds stated in this section. Grounds for denial, renewal, suspension, revocation or civil penalty include, but are not limited to, cases in which the applicant, licensee or permit holder, or any person with an interest in the bingo, lotto or raffles operation or proposed operation of the license applicant or licensee

(a) Has continued to operate bingo, lotto or raffles after losing the tax exempt status of the licensee or ceases to exercise independent control over its activities or budget as required under ORS 167 117

(b) Has violated or has failed or refused to comply with ORS 167 117 to 167 162, 464 270 to 464 380, 464 420 or 464 450 to 464 530, or has violated a rule adopted by the department, or has allowed such a violation to occur upon premises over which the applicant, licensee or interested person has substantial control

(c) Has knowingly caused, aided or abetted, or conspired with another to cause, any person to fail or refuse to comply with the provisions,

requirements, conditions, limitations or duties imposed by ORS 167 117 to 167 162, 464 270 to 464 380, 464 420 or 464 450 to 464 530, or to fail or refuse to comply with a rule adopted by the department

(d) Has obtained a license or permit by fraud, misrepresentation or concealment, or through inadvertence or mistake

(e) Has been convicted of or forfeited bond upon, or has been granted diversion upon a charge involving forgery, theft, wilful failure to make required payments or reports to a government agency at any level, or filing false reports to a government agency, or any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employe of any state or the United States, or of any crime, whether a felony or misdemeanor, involving gambling activity, physical injury to individuals or moral turpitude

(f) Denies the department or its designee access to any place where a licensed game is conducted, denies such access by any law enforcement officer, or fails promptly to produce for inspection or audit any records or items it is required by law or by department rule to produce

(g) Fails to display the appropriate license on the premises where the licensed game is conducted at all times during the conduct of the game

(h) Misrepresents or fails to disclose to the department any material fact

(i) Fails to demonstrate to the department, by clear and convincing evidence, qualifications for the license or permit according to state law and the rules of the department establishing such qualifications

(j) Is subject to current prosecution or pending charges, or to a conviction regardless of whether it has been appealed, for any offense described in subsection (e) of this section. At the request of an applicant for an original license, the department may defer decision upon the application during the pendency of the prosecution or appeal

(k) Has pursued or is pursuing economic gain in a manner or context which violates criminal or civil public policy of this state and creates a reasonable belief therefor that the participation of such person in bingo, lotto or raffle operations would be inimical to the proper operation of a lawful bingo, lotto or raffle operation

(2) The department may also impose a civil penalty of not to exceed \$10,000 for any violation of any provision of subsection (1) of this section [1987 c 914 §12]

464.480 Procedure for suspension, revocation or denial of license. Whenever the Department of Justice proposes to suspend or revoke or refuse to issue or renew a license or permit, opportunity for a hearing shall be accorded as provided in ORS 183 310 to 183 550 [1987 c 914 §13]

464.490 Vacation of suspension upon payment of penalty. If the Department of Justice or its designee suspends any license for a period of 30 days or less, the order may provide that the suspension shall be vacated upon payment to the department of a monetary penalty as fixed in the order [1987 c 914 §14]

ENFORCEMENT

464.500 Enforcement authority of department; hearings. (1) In order to determine compliance with state law and rules of the department relating to the operation of bingo, lotto or raffles, the Department of Justice or its designee may

(a) Investigate whether a person has violated state law or rules of the department relating to the operation of bingo, lotto or raffle games

(b) Inspect the records of any person who lends money to, or in any other manner finances, any licensee or applicant for any license or who receives any income or profits from the use of the license

(2) The department or its designee may conduct investigations into the operation of any bingo, lotto or raffle game in this state. For that purpose, the department or its designee may subpoena witnesses, compel attendance, take depositions and testimony and require the production of material relevant to the investigation

(3) The department or its designee may hold contested case hearings which shall be subject to ORS 183 413 to 183 470, subject to review as provided under ORS 183.480 to 183 490

(4) Upon failure to obey a subpoena or to answer questions asked by the department's designee and upon reasonable notice to all persons affected, the department may apply to the circuit court for an order compelling compliance

(5) The department may appoint a hearings officer to conduct hearings regarding suspension, revocation or denial of bingo, lotto or raffle licenses or permits. The hearings officer may administer oaths and conduct the hearings as provided in ORS 183 413 to 183 470. Salaries and expenses of the hearings officer shall be as the department shall determine and shall be paid by the department [1987 c 914 §18]

464.510 Eligibility to participate in management or operation of games; regulation of rent; inspection of premises and records; reports. (1) The department may prohibit the operation of a licensed bingo, lotto or raffle operation if, in the determination of the department, the rent for the premises on which the operation is conducted is unreasonably high. Rent shall not be paid, either in whole or in part on the basis of a percentage of the receipts or profits derived from the bingo, lotto or raffle operation. The department may by rule establish additional standards of suitability for premises used in the conduct of bingo, lotto or raffles.

(2) Rent shall not be paid to a related taxpayer, as that term is defined in Section 1233 of the Internal Revenue Code of 1986, as amended.

(3) An organization conducting a bingo, lotto or raffle operation shall keep such records of the operation as required by the Department of Justice.

(4) The premises on which the operation is conducted and all records required by the department shall be subject to inspection and audit at any reasonable time, with or without notice, upon demand by the department or its designee or the district attorney for the county in which the operation is conducted or the district attorney's designee. The records shall be subject to inspection and audit also by the Superintendent of State Police or the superintendent's designee and by the sheriff of the county in which the operation is conducted or the chief of police of the city in which the operation is conducted, or the designee of either, for the purpose of determining compliance or noncompliance with state law and the rules of the department.

(5) As used in this section, "reasonable time" for inspection of records includes but is not limited to

(a) If the records are located anywhere upon premises a portion of which are regularly open to the public or to members and guests, anytime that the premises are open for business, whether or not bingo, lotto or raffles are being conducted at that time, and

(b) If the records are not located upon premises described in paragraph (a) of this subsection, then anytime between the hours of 8 a.m. and 9 p.m., Monday through Friday.

(6) The operator of a bingo, lotto or raffle operation shall provide to the department, at such reasonable intervals as the department may determine, reports detailing all receipts and disbursements in connection with the bingo, lotto or

raffle operation, together with such other reasonable information as the department may require in order to determine whether the operation complies with the provisions of state law and rules of the department relating to the operation of bingo, lotto or raffles [1987 c 914 §17(2) to (7)].

464.520 Injunctive relief; when other licenses may be voided; investigation of off-race course mutuel wagering applicant or licensee. (1) A bingo, lotto or raffle game conducted in violation of state gambling law or in violation of rules adopted by the Department of Justice may be enjoined in an action commenced by

(a) The department,

(b) The district attorney of the county in which the game is conducted,

(c) The governing body of any county in which the game is conducted, or

(d) The governing body of any city in which the game is conducted.

(2) When a violation of state law relating to the conduct of bingo, lotto or raffle games, or a violation of any rule of the department relating thereto, occurs on premises for which a license, permit or certificate issued by this state, or by a political subdivision or public agency of this state, is in effect, any such license, permit or certificate may be voided by the issuing authority. No license, permit or certificate so voided shall be issued or reissued for the premises for a period of at least 60 days thereafter.

(3) The Department of Justice or its designee may conduct investigations into the operation of any off-race course mutuel wagering applicant or licensee. For that purpose, the department may subpoena witnesses, compel attendance, take depositions and testimony and require the production of material relevant to the investigation [1987 c 914 §19].

464.530 Jurisdiction of Circuit Court for Marion County; liability of department personnel. (1) No trial court of the State of Oregon other than the Circuit Court of Marion County shall have jurisdiction over any action or proceeding against the Department of Justice or any employe of the department, for anything done, omitted to be done in or arising out of the performance of the duties of the department.

(2) Neither the department nor any employe thereof shall be personally liable in any action for damages sustained by any person because of any act done or omitted by the department, or any employe of the department, in the performance of the duties of the department [1987 c 914 §15].

464 990 [Repealed by 1967 c 344 §10]

PENALTIES

464.995 Penalties. (1) A person who, in applying for a license from the Department of Justice under ORS 167 118, 464 250 to 464 380, 464 420 and 464 450 to 464 530, or in any book or record required to be maintained by the department, or in any report required to be submitted to the department under ORS 167 117 and 167 118 and this chapter, makes any false or misleading statement or entry, or who wilfully fails to maintain or make any entry required to be maintained or made, or who wilfully refuses to produce for

inspection by the department or its designee, any book, record or document required to be maintained or made by federal or state law, commits a Class A misdemeanor

(2) Except as otherwise provided by law, violation of any provision of ORS 167 117 or 167 118 or this chapter or any rules of the Department of Justice adopted pursuant thereto, by any licensee or permit holder of the department, is a Class A misdemeanor and grounds for suspension or revocation of the license or permit of the violator [1987 c 914 §§22, 24]

