

STATE OF ALABAMA
COUNTY OF ETOWAH

RESOLUTION OF ETOWAH COUNTY COMMISSION

**Promulgating Rules and Regulations for the Operation of
Charitable Machine Bingo in Etowah County**

WHEREAS, pursuant to the authority granted in Amendment Number 506 to the Constitution of Alabama of 1901, the Etowah County Commission ("Commission"), for the welfare and benefit of the citizens of Etowah County ("County") and the State of Alabama, desires to ensure that all forms bingo made lawful in Etowah County by Amendment Number 506, Constitution of Alabama, 1901 (designated in the official recompiled Constitution of Alabama of 1901 as Local Amendments to the Constitution of Alabama of 1901, Etowah County § 1) shall be regulated according to law;

WHEREAS, Amendment Number 506 to the Constitution of Alabama, 1901, ("Amendment 506") provides that

The operation of bingo games for prizes or money by certain nonprofit organizations for charitable or educational purposes shall be legal in Etowah County, subject to the provisions of any resolution by the county commission. The county commission shall have the authority to promulgate rules and regulations for the issuance of permits or licenses and for operation of bingo games.

WHEREAS, on December 1, 2004, Alabama Attorney General Troy King ("Attorney General") announced the findings from his unprecedented, hands-on evaluation and review of gambling occurring in Alabama ("A.G. Review");

WHEREAS, the Attorney General states in the findings of his A.G. Review that, notwithstanding his personal opposition to gambling, *"It is not my job as Attorney General, however, to determine whether Alabama will allow gambling. It is not my personal belief on a public policy matter that controls my actions as Attorney General, but, instead, it is the law and my duty to faithfully enforce it that must guide me;"*

WHEREAS, the Attorney General in his A.G. Review states that *"Alabama is a state with an unusual provision in her constitution that allows for the enactment of constitutional amendments affecting less than the whole state;"*

WHEREAS, Amendment 506 is one of eighteen different local constitutional amendments authorizing some form of bingo in a given city or county within the State of Alabama;

WHEREAS, the Attorney General notes that *"[t]he use of the word bingo is the source of much of the debate regarding what type of gambling is allowed in Alabama."* He

went on to describe what is meant by the term “bingo” under Alabama law as follows:

Bingo evolved from a game that has been played in Italy since 1530. The game made its way across Europe and to the United States some time in the 1920s under the name 'beano.' It is a game played on a grid consisting of five horizontal and five vertical squares containing numbers that are covered up as numbers are randomly drawn and that is won when a preordained pattern is covered on the card, There are believed to be over 1.4 million variations of the 'bingo' card. This is a game that must be played against other players and not played as a house banked game.

*Bingo has evolved from its origins hundreds of years ago to cards where the numbers are covered by buttons or other markers, to sheets of paper where the numbers are **daubed** with a paint pen, to laptop computer-like devices where multiple cards can be played simultaneously, to video consoles where the bingo game is simulated using computer chips.*

The games played on these video consoles must have certain important features to be bingo. First, the game must incorporate the typical features of traditional bingo, including, but not limited to, a grid of five horizontal and five vertical squares, numbers randomly selected, and a preordained winning pattern. Spinning wheels and other video graphics must not affect game play. Second, just as in traditional bingo halls, players on the machines must compete against one another. Consequently, the electronic machines must be linked so that players are competing against each other to permit the machines to comply with the constitutional requirement of "bingo." For example, such a machine might depict a bingo card in the upper left hand corner of the machine, and as the game play commences, balls containing numbers begin to fall. When a number depicted on the card is dropped, it would be marked on the cards of those playing and players would win prizes in the same manner that they win prizes in traditional bingo halls. If the machines at any facility should ever be determined to be operating independently or hosting games for single participants, then these facilities would be operating outside the bounds of the constitutional grant and would be subject to the appropriate legal action.

WHEREAS, the Attorney General, in his A.G. Review, recognizes the impact of technology upon the game of “bingo” as he addresses the confusion that may ensue from the appearance or form of today's technologically advanced and computer generated “media” bingo games. The Attorney General states that

It cannot be concluded, as some have, that just because the game is being played on video consoles, it is not 'bingo.' Just as no one would contend that e-mails are any less a form of correspondence than are letters written with a quill pen, but instead represent a technological evolution in correspondence, similarly, bingo games that are depicted on a video console can still be bingo — albeit a technologically advanced form of bingo — but bingo nonetheless.

WHEREAS, the Attorney General has concluded *"that, as a matter of law, machines that operate in the manner described above are permissible"* in counties *"operating under a valid constitutional amendment;"*

WHEREAS, Amendment 506 as adopted by the Legislature and approved by vote of the people is a valid constitutional amendment which provides that Charitable Bingo *"shall be legal in Etowah County, subject to any resolution or ordinance by the county commission as provided by law regulating the operation of bingo;"*

WHEREAS, Alabama Attorney General Opinion Number 97-072 held that once a valid constitutional amendment makes Charitable Bingo legal within the limits of a city or county, the city or county *"does not have the authority to decline to permit bingo operations by qualified organizations, but that its power is limited to the authority to regulate bingo operations."*

WHEREAS, Amendment 506 related to Charitable Bingo in Etowah County does not contemplate the impact of the technological evolution in computer technology upon the game of "bingo" and current "media" forms of "bingo" that have emerged from said technological advances;

WHEREAS, it is the intent of the Etowah County Commission that all forms of the game known as "bingo", including but not limited to, "machine" forms of "bingo" shall be subject to licensure and regulation in Etowah County;

WHEREAS, Amendment Number 506 to the Constitution of Alabama, 1901, also requires that the county commission shall, pursuant to Amendment 506, insure compliance with the following minimum requirements:

(a) No person under the age of 19 shall be permitted to play any game or games of bingo, unless accompanied by a parent or guardian; nor shall any person under the age of 19 be permitted to conduct or assist in the conduct of any game of bingo;

(b) No bingo permit or license shall be issued to any nonprofit organization, unless such organization shall have been in existence for at least 5 years immediately prior to the issuance of the permit or license except the tax-exempt Etowah County Council on Aging is exempt from the time requirement;

(c) Bingo games shall be operated only on the premises owned or leased by the nonprofit organization operating the bingo game. If the premises are leased, the rate or rental shall not be based on a percentage of receipts or profits resulting from the operation of bingo games;

(d) No nonprofit organization shall enter into any contract with any individual, firm, association or corporation to have said individual or entity operate bingo games or concessions on behalf of the nonprofit organization, nor shall said nonprofit organization pay consulting fees nor any compensation nor salary to any individual or entity for any services performed in relation to the operation or conduct of a bingo game;

(e) A nonprofit organization shall not lend its name or allow its identity to be used by any other person or entity in the operating or advertising of a bingo game in which said nonprofit organization is not directly and solely operating said bingo game;

(f) Prizes given by any qualified nonprofit organization for the playing of bingo games shall not exceed the cash amount or gifts of equivalent value set by the legislature during any bingo session. The legislature shall set a maximum amount for any calendar week.

(g) No person or organization, by whatever name or composition thereof, shall take any expenses for the operation of a bingo game except as permitted by law.

NOW, THEREFORE, BE IT RESOLVED as follows:

The following Rules and Regulations for the Permitting and Operation of Machine Bingo Games in Etowah County (hereinafter sometimes referred to as “Rules”, “Regulations” or “Rules and Regulations”) are hereby promulgated by the Etowah County Commission to regulate the issuance of permits for and the operation of Machine Bingo Games by certain Nonprofit Organizations and/or Qualified Organizations in Etowah County, Alabama pursuant to Amendment No. 506 to the Constitution of Alabama 1901.

Section 1 - Definitions:

As used herein the following words shall have the following meanings as described herein, unless the context clearly indicates otherwise:

(a) “Bingo” or “Bingo Games” shall mean any game of chance known as bingo, including any game defined as such by state or federal law (whether or not electronic, computer or other technologic aids are used in connection therewith), which incorporates the following elements:

(i) the game must be played on a grid of five (5) horizontal rows intersected by five (5) contiguous squares contained within the grid;

(ii) each square in a grid must be designated by a number or other symbol contained in a collection of numbers or symbols used for playing the game;

(iii) numbers or symbols are selected by a procedure or mechanism entirely or predominately governed by chance and, as such number or symbols are selected during the playing of a particular game, the same numbers or symbols, if they are present on one or more of the squares on any grid in play, are covered or otherwise marked on such grid;

(iv) the winner or winners of a particular game are the players of those grids for which a previously designated pattern or arrangement is first covered or marked;

(v) one or more players must compete against one or another for prizes;

(vi) money may be collected from the players of bingo for the opportunity to participate in the game, and such monetary amounts may vary to reflect the value of the prize for winning a particular game, whether for participation in the whole game or a particular phase thereof, and other factors reflecting the interplay of the amount collected from each player, the size of the prize and the probability of winning; and

(vii) the prizes for winning the game can be money or anything of value with limits as to amount. To the extent that the foregoing elements are present in the game of bingo, it can be played with different kinds of equipment varying from one, end of the spectrum, where traditional cards displaying the playing grids are used with tokens to cover the designated squares on the cards, to the technologically advanced end of the spectrum, where electronic devices perform the operations of the game using computers or micro-processors and interact with the human players by means of an electronic console. If the game of bingo is played on electronic devices which determine and signal the winner, such devices shall be electronically linked to ensure that multiple players are competing against each other. The prizes or evidence thereof for winning bingo games may be disbursed by the electronic devices or consoles used in playing such games at the time each game is won or on different schedules that reflect a record of wins and losses involving multiple games.

(b) “Machine Bingo Game” shall mean any electronic or mechanical equipment, machine or device, or computer or other technologic hardware or device,

(i) which is installed, or is to be installed at a Machine Bingo Location and

(ii) which is used, or can be used, to play Bingo as herein defined. Machine Bingo Games includes any machine, device or hardware that assists a player or the playing of Bingo Games, broadens the participation levels in a common game and includes all of the ancillary Bingo supplies. Examples of Machine Bingo Equipment and Supplies include, but are not limited to, dispensers, readers, electronic player stations, player terminals, central computer servers containing random number generators and other processing capabilities for remote player terminals, electronic consoles capable of providing game results in different display modes, telephones and telephone circuits, televisions, cables and other telecommunication circuits, and satellites and related transmitting and receiving equipment. Machine Bingo Games shall not be deemed to be for any purpose a “gambling device” or “slot machine” within the meaning of the Code of Alabama 1975, Sections 13A-1220(5) and (10), or any other provision of law, whether now in effect or hereafter enacted. Traditional bingo played utilizing paper cards and any devices to assist in the paying of traditional bingo utilizing paper cards shall be exempt under this definition.

(c) “Machine Bingo Permit” shall mean a Permit, **other than an Interim Machine Bingo Permit**, issued to an applicant who desires to operate any and all games of Machine Bingo Games at a Machine Bingo **Qualified** Location.

(d) “Machine Bingo **Qualified** Location” for the holder of a Machine Bingo Permit shall mean a Location which has been inspected and approved by the Sheriff of the county for the conduct of Machine Bingo Games and other lawful activities and for which the holder of a Machine Bingo Permit or Operator has submitted satisfactory evidence that the Location has in place at all times that any Machine Bingo Games are being conducted or operated the following:

- (i) liability insurance in an amount not less than \$2,000,000;
- (ii) liquor liability insurance in the amount of not less than \$500,000;
- (ii) adequate parking for patrons and employees;

- (iv) onsite security as reasonably prescribed by the Sheriff of the county;
- (v) onsite first aid personnel as reasonably prescribed by the Sheriff of the county;

(vi) such accounting procedures, controls and security monitoring as are reasonably necessary to preserve and promote the integrity of the operation of Machine Bingo Games and the protection of the Nonprofit Organization or Qualified Organizations and the patrons of the Machine Bingo Games; and

(vii) Satisfactory evidence that the Location is fully compliant with the Americans with Disabilities Act. No Machine Bingo Permit, with the exception of an Interim Machine Bingo Permit, shall be issued with respect to a Location which is not part of a mixed- or multi-use development that incorporates a hotel, restaurants, dinner theaters, other entertainment- and amusement related retail space and an entertainment venue with the capacity for at least 3,000 persons to view live entertainment such as music. (“Multi-use Development”). In addition to the foregoing, in order for a location to qualify as a Machine Bingo Location, the Commission shall first have made a specific finding that said Location and the overall development to be situated thereon, aids, is beneficial to or otherwise assists the County in its efforts to promote industry and economic development, develop trade and further the utilization of agricultural products as well as the natural and human resources of the State of Alabama and Etowah County. Any Machine Bingo Permit for the operation of Charitable Machine Bingo Games at a Machine Bingo Location shall at a minimum require the following preconditions to the actual operation or playing of Charitable Machine Bingo Games:

- (1) A branded franchise hotel shall either be constructed or substantially completed as a condition precedent to the conduct of and charitable Machine Bingo operations;
- (2) A development agreement between the Commission and the developer describing in detail the scope, elements and planning of the master planned multi-use development with conditions and assurances reasonably required by the Commission to assure the intent of the Rules and Regulations is effectuated.
- (3) A capital investment in the Multi-use Development of a minimum of 200 million dollars.
- (4) Employment at the Multi-use Development of a minimum of at least 10 citizens per million dollar investment, of which, 70% must be residents of Etowah County.

(e) “Person” shall mean any human being, corporation, partnership, business organization, association or legal entity of any kind whatsoever.

(f) “Location” shall mean a building, hall, enclosure, room, premises, grounds and/or outdoor area that comply with all federal, state and local laws and applicable building

and fire codes.

(g) “Nonprofit or Qualified Organization” shall mean a bona fide organization for charitable, service, educational, or other lawful purposes which operates without profit to its members (if any) and/or which have been classified by the Internal Revenue Service as a 501(c) tax-exempt organization. **The organization must have been in existence in Etowah County (5) five years prior to the application date and owned real property in Etowah County (5) five years prior to the application date.**

(h) “Permit fees” shall mean a fee of \$500.

(i) “Machine License Stamp” (Stamp) shall mean a stamp issued by the county commission with a cost of \$1,000 per stamp.

(j) “End User Bingo Machine” shall mean any Bingo Machine Game designed to be utilized interactively and individually by the patron(s) of the Machine Bingo Location.

(k) “Interim Machine Bingo Permit” shall mean a permit of limited time and application as prescribe by these rules.

(l) “Machine Bingo Expenses” shall mean reasonable business, overhead and customary expenses directly associated with the operation of Machine Bingo Games.

Section 2 - Bingo Permit Required:

No Nonprofit Organization or Qualified Organization shall be allowed to operate a Machine Bingo Game unless the Sheriff of the county first issues a **Machine Bingo or Interim Machine Bingo** Permit to said organization authorizing it to do so. The **Machine and Interim Machine Bingo** Permit described herein shall be in a form designated by the Sheriff. Each **Machine Bingo** Permit issued hereunder, **with the exception of an Interim Machine Bingo Permit**, shall be issued to a specific qualified organization to conduct Machine Bingo Games at a Machine Bingo Qualified Location in Etowah County, Alabama. A **Machine or Interim Machine Bingo** Permit is not assignable or transferable and shall become automatically void upon **the change in ownership of a stock corporation, change in ownership interest of a limited liability corporation or the addition or withdrawal of a partner to a partnership.**

Section 3 - Machine Stamp Required.

No Nonprofit Organization or Qualified Organization shall be allowed to operate a Machine Bingo Game unless there is a current calendar year Machine Bingo Stamp affixed to each End User Bingo Machine. The Stamps fees are assessed against the owners of the Machine Bingo Games. Stamps are renewable January 1 of each year. Stamps acquired during a calendar year will be prorated on the acquisition month. The full acquisition month

will be included in the calculation. All monies collected by the Commission in issuance of Stamps shall be maintained as a separate account, and deposited within three business days of the collection of said fees. All expenses incurred by the commission in the administration and enforcement hereof shall be paid from this account, 50% of the balance shall be paid to the Sheriff's Law enforcement fund to be used for law enforcement purposes, the remaining 50% shall be paid the County's General Fund to be utilized for any lawful purposes. To the extent allowed by law, in the public interest, the said account shall be subject to audit by the State of Alabama Examiners of Public Accounts. Organization or Qualified Organizations utilizing End User Bingo Machines without current and valid Stamps affixed, will subject their Machine Bingo Permit or Interim Machine Bingo Permit to revocation.

Section 4 - Application for Permit; Submission; Form Contents:

(a) Any Nonprofit Organization or Qualified Organization desiring to obtain a **Machine or Interim Machine Bingo** Permit to operate Machine Bingo Games hereunder shall make application to the Sheriff on forms prescribed by the Sheriff and shall pay such Permit Fee and other fees as may be provided by these regulations. A Machine Bingo Permit shall be valid for a period of up to thirty (30) years. Renewal applications shall be filed with the Sheriff at least forty-five (45) days prior to expiration of any Machine Bingo Permit term and shall be on forms prescribed by the Sheriff. Renewal applications shall be subject to the same Permit Fee as provided for an original application.

(b) The Sheriff shall refuse to grant a **Machine or Interim Machine** Bingo Permit or renewal to any applicant qualified hereunder unless and until the applicant fully provides the information required hereunder, such being provided in a form and in sufficient detail to satisfy the Sheriff of the county of its validity and sufficiency. The Sheriff may require any reasonable confirming documentation as to any information required hereunder and shall have a reasonable time to check or confirm by any available method the accuracy or validity of any information provided hereunder.

(c) Each application for a **Machine or Interim Machine** Bingo Permit or renewal thereof shall contain the following information and exhibits:

(i) The date of incorporation or other evidence of inception showing existence by the Nonprofit Organization or Qualified Organization for at least five (5) years and proof of real property owned in the county for at least five (5) years immediately preceding the application, or a copy of the tax-exempt determination letter from the Internal Revenue Service indicating 501(c) status of the Nonprofit Organization, or a copy of the application for such status or evidence of the County Commissions determination that it would qualify for such status, and/or other proof deemed acceptable by the Sheriff verifying the qualified club status.

(ii) A certified copy of the charter, certificate of incorporation, by-laws, or other evidence of legal existence of the Nonprofit Organization or Qualified Organization.

(iii) The names and residence addresses of each of the officers and

directors of the Nonprofit Organization as well as the names and residence addresses of the individuals working for the Nonprofit Organization or Qualified Organization who are responsible for the operation of Machine Bingo Games by the Nonprofit Organization or Qualified Organization.

(iv) The exact physical Location at which the applicant will conduct the Machine Bingo Games, and proof that such Location is either owned or leased by the Nonprofit Organization or Qualified Organization which is conducting (or on whose behalf is being conducted) Machine Bingo Games. If such Location is not owned by such Nonprofit Organization or Qualified Organization, the application shall include the names and addresses of the owners thereof and a copy of all rentals, lease, consulting, or other agreements with the said owners regarding the use of the premises for the operation of Machine Bingo Games.

(v) A statement listing all convictions, if any, for criminal offenses, other than minor traffic offenses, of each of the Persons for whom names are required in subsections (iii) and (iv) above.

Section 5 - Issuance of Permit:

Upon receipt of a fully completed and documented application for a Machine **or Interim Machine** Bingo Permit meeting all of the requirements set out herein, the Sheriff shall make such investigation as the Sheriff may deem necessary or proper of the qualifications of each applicant as required herein and the truth and veracity of the information contained or attached to the application. After making such investigation and after being satisfied that all qualifications and requirements as set out herein have been fulfilled, the Sheriff shall issue such Machine Bingo **or Interim Machine** Permit to said applicant upon the terms and conditions herein set forth. As part of said investigation, any Person named in paragraphs (iii) and (iv) of Section 4(c) herein may be required to furnish a consent for background and criminal history check.

Section 6 - Amendments; Applications; Permits:

(a) An applicant may amend an application filed hereunder to correct or complete the information contained therein or to change said information to comply with a change in circumstances at any time prior to the denial thereof by the Sheriff or the issuance of a Machine **or Interim Machine** Bingo Permit thereon, provided that said amendment is made in or on a form satisfactory to the Sheriff and the applicant pays a substitution or amendment fee of \$50.00 per amendment.

(b) A Machine **or Interim Machine** Bingo Permit, once issued, may be amended only upon resubmission of a new, completed application satisfactory to the Sheriff and payment of a new application fee by the **Machine or Interim Machine Bingo** Permit Holder. The Sheriff may deny amendments for any reason for which an original application may be denied. If such amendment is approved, a new **Machine or Interim Machine Bingo** Permit will be issued in place of the **Machine Bingo or Interim Machine** permit being amended. **Machine or Interim Machine Bingo Permits will not be eligible for amendments due to the change in ownership of**

a stock corporation, change in ownership interest of a limited liability corporation or the addition or withdrawal of a partner to a partnership.

Section 7 - Contents and Display of Permits:

(a) Each Machine or Interim Machine Bingo Permit shall contain the name and address of the Machine or Interim Machine Bingo Permit Holder, the Location at which the Machine or Interim Machine Bingo Permit Holder is permitted to conduct Bingo Games, the days of the week on which the Machine or Interim Machine Bingo Permit Holder is permitted to conduct Bingo Games, and the date on which the Machine or Interim Machine Bingo permit was issued and upon which it expires.

(b) The Machine or Interim Machine Bingo Permit Holder shall display the permit conspicuously at the Location where Machine Bingo is being conducted at all times during the conduct of a Machine Bingo Game.

Section 8 - Fee Proceeds:

All monies collected by the Sheriff hereunder shall be paid to Etowah County which shall be maintained as a separate Bingo account, and deposited within three business days of the collection of said fees. All expenses incurred by the Sheriff in the administration and enforcement hereof shall be paid from this account, with the balance, if any, in said account to be paid to the Sheriff's Law enforcement fund to be used for law enforcement purposes. To the extent allowed by law, in the public interest, the said account shall be subject to audit by the State of Alabama Examiners of Public Accounts.

Section 9 - General Regulations; Prizes:

(a) The holder of a Machine or Interim Machine Bingo Permit shall be authorized to conduct Machine Bingo Games and pay Machine Bingo Expenses in accordance with these Rules and Regulations and Amendment Number 506 to the Constitution of Alabama 1901.

(b) No Person under the age of nineteen (19) years shall be permitted to play any Machine Bingo Game, nor shall any Person under the age of nineteen (19) years be permitted to conduct or assist in the operation of any game of Machine Bingo.

(c) No Machine Bingo or Interim Machine Permit shall be issued to any Nonprofit Organization or Qualified Organization unless the organization shall have been in existence at least five (5) years and owned real property in the county for five (5) years immediately prior to the issuance of the Machine or Interim Machine Bingo permit.

(d) Machine Bingo Games may be operated only at Locations owned or leased by the Nonprofit Organization or Qualified Organization operating the Machine Bingo Games. The Nonprofit Organization or Qualified Organization may lease the Location from any Person, provided that the rate of rental for the Location shall not be calculated based on a percentage of receipts or profits earned by the operation of Machine Bingo Games. The

Nonprofit Organization or Qualified Organization may lease Machine Bingo Equipment from any Person at the reasonable rate of rental for said Machine Bingo Games.

(e) A Nonprofit Organization or Qualified Organization may not enter into any contract with any individual, firm, association or corporation, to have the individual or entity operate Machine Bingo Games or concessions on behalf of the Nonprofit Organization or Qualified Organization. A Nonprofit Organization or Qualified Club may not pay consulting fees, compensation, or salary, to any individual or entity for any services performed in relation to the operation or conduct of a Machine Bingo Game.

(f) A Nonprofit Organization or Qualified Organization may not lend its name or allow its identity to be used by another Person in the operating or advertising of a Machine Bingo Game in which the Nonprofit Organization or Qualified Organization is not directly and solely operating the Machine Bingo Game.

(g) Prizes given by any Nonprofit Organization or Qualified Organization for the playing of Machine Bingo Games shall not exceed the cash amount or gifts of equivalent value set by the Legislature for bingo and these Rules and Regulations. For the purposes of these Rules and Regulations, prizes given by any Nonprofit Organization or Qualified Organization, or on its behalf for the playing of Machine Bingo Games, shall not be less than 50 percent of the gross receipts in cash or equivalent value during any Machine Bingo game.

(h) One hundred percent of the net revenues derived from operating Machine Bingo Games shall be designated and expended for charitable, service or educational purposes.

(i) No person or organization, by whatsoever name or composition thereof, shall take any expense for the operation of Machine Bingo Games except as permitted by Amendment No. 506 to the Constitution of Alabama 1901 and the Rules and Regulations set forth herein.

(j) No Person who has been convicted of a felony offense, and whose civil rights have not been restored by law, shall conduct or in any way participate in the operation of any Machine Bingo Game permitted hereunder, nor shall any Person who has been convicted of any gambling offense be permitted to conduct or in any way participate in the operation of any Machine Bingo Game permitted hereunder within twelve (12) months of the conviction.

Section 10 - Records and Accounting:

Each holder of a Machine or Interim Machine Bingo Permit shall keep and maintain the following records and accounts pertaining to each Machine Bingo Game for at least three (3) years from the date of each operation of said Machine Bingo Game: Clarified that section applies to machine bingo permit number, operations times and charity name, which shall include all receipts derived from the separate operation of each Machine Bingo Game, Machine Bingo Location entrance fees, donations, or from any other source whatsoever pertaining to the operation of such Machine Bingo Game.

(b) An itemized list of all Machine Bingo Expenses, costs and disbursements, other than prizes paid or given as a result of the operation of any Machine Bingo Game, together with the name and address of each Person to whom said Machine Bingo Expenses, disbursements or consideration was paid or given; a receipt or invoice for all items purchased and for all services rendered; and such other records as will adequately reflect the amount and nature of such expenses, costs and disbursements.

(c) All records, receipts, accounts and/or lists required to be kept and maintained hereunder shall be furnished to the Sheriff or its authorized agents or representatives and the county commission or its authorized agents or representatives each calendar quarter, no later than the 15th of the ending calendar quarter's preceding month. All Locations at which Machine Bingo Games are being held by a **Machine or Interim Machine Bingo** Permit Holder, or at which a **Machine or Interim Machine Bingo** Permit Holder intends to conduct Machine Bingo Games, shall be open to the Sheriff, or its authorized representatives, during all times at which Machine Bingo Games are being conducted and during all other reasonable business hours.

Section 11 - Enforcement and Supervision; Rules:

The Sheriff shall be charged with the duty to and shall enforce and supervise the administration and enforcement of all of the rules, regulations and reporting required hereunder. In addition to these Regulations, the Sheriff shall enforce all applicable criminal and civil laws of the State of Alabama to prevent and discourage any illegal activity.

Section 12 - Revocation of Permits; Appeal:

The Sheriff, for good cause shown, may revoke any **Machine or Interim Machine Bingo** permit issued pursuant hereto if the **Machine or Interim Machine Bingo** Permit Holder violates any of the material Regulations herein promulgated, provided, however, that no **Machine or Interim Machine Bingo** permit may be revoked without complying with the following procedures: The Sheriff must first deliver to any Person named in the **Machine or Interim Machine Bingo** permit application pursuant to Section 4, subsections (c)(iii) and (c)(iv) hereunder ninety (90) days' written notice of its intention to revoke said permit and the grounds therefore in specific detail to allow the **Machine or Interim Bingo Machine** Permit Holder to cure any alleged violation of any of the Regulations herein provided. In curing any alleged violation, the Sheriff may require a **Machine or Interim Bingo Machine** Permit Holder to post a bond for an amount which will ensure that additional violation will not occur. If the **Machine or Interim Bingo Machine** Permit Holder cures any alleged violation within the ninety-day notice period, no revocation shall be effective. In the event that the Sheriff does not, in good faith, consider the violation cured within the ninety-day notice period, it shall give additional notice to the **Machine or Interim Bingo Machine** Permit Holder, in the manner set forth above, that it intends to proceed with revocation and give the **Machine or Interim Bingo Machine** Permit Holder the opportunity to pursue an appeal of such decision to the Circuit Court of Etowah County. The **Machine or Interim Bingo Machine** Permit Holder may request a trial by jury. Pending appeal to the Circuit Court hereunder, the **Machine or Interim Bingo Machine** permit shall remain in full force and effect. If the Circuit Court shall order the **Machine or Interim Bingo Machine** permit revoked, the Circuit Court shall, at the request of the **Machine or Interim Bingo Machine** Permit Holder, stay the revocation and shall set a reasonable bond pending any and all appeals. Only when all

appeals are exhausted may the stay be lifted and the **Machine or Interim Bingo Machine** permit revoked.

Section 13 - Effect of Revocation:

A **Machine or Interim Bingo Machine** Permit Holder whose permit is revoked as herein set out shall return such **Machine or Interim Bingo Machine** permit to the Sheriff on or before the effective date of such revocation and whether returned or not such **Machine or Interim Bingo Machine** permit shall be void and not valid beyond the effective date of revocation. A **Machine or Interim Bingo Machine** Permit Holder whose **Machine or Interim Bingo Machine** permit is revoked in consequence of a violation of any rule or regulation promulgated herein shall be ineligible to apply for or have issued to it another **Machine or Interim Bingo Machine** permit hereunder for a period of three months after the effective date of such revocation. Nor shall any **Machine or Interim Bingo Machine** permit be issued to any Person which is directed or controlled by Persons listed in the application for **Machine or Interim Bingo Machine** permit filed pursuant to Section 4, subsections (c)(iii) and (c)(iv) hereof, in regard to the revoked permit or to any organization of which the membership is substantially the same as any organization whose **Machine or Interim Bingo Machine** permit has been revoked hereunder, for a period of three (3) months after the effective date of such revocation.

Section 13.5 - Alternative Permitting Process for Machine Bingo Permits.

Notwithstanding the foregoing, an applicant for a **Machine Bingo Permit** may request an **Interim Machine Bingo Permit** directly from the Etowah County Sheriff. The Sheriff shall be authorized to issue an **Interim Machine Bingo Permit** with the **additional** following conditions: (1) a development agreement must be executed between the developers of the machine bingo location and the County Commission prior to the issuance of the Interim **Machine Bingo Permit**; (2) the development agreement must add the Commission as additional insured on Performance Bonds for each phase of the development. Performance bonds are required to be issued by an insurance company with an A.M. Best rating of A or above. The **Interim Machine Bingo Permit** shall be valid for a period not to exceed (3) three years and will **be subject to an extension as approved by the county Commission.**

Section 14 - Appeal of Denial of Permit:

Any Person whose application for a **Machine Bingo** permit hereunder shall be denied by the Sheriff of the county pursuant to these Regulations shall have the right to appeal such denial to the Etowah County Commission and to the Circuit Court in the same manner as an appeal of revocation of a **Machine Bingo** permit issued hereunder may be appealed pursuant hereto provided, however, that such Person shall not operate any Machine Bingo Game until such application shall have been granted, and a permit issued, pursuant to any order of the said Etowah County Commission or Circuit Court.

Section 15 - Amendments to Regulations:

If the Etowah County Commission should make any amendment to these Regulations, such amendment shall not be applicable to any **Machine Bingo** Permit Holder for the term of

such **Machine Bingo** permit, unless the **Machine Bingo** Permit Holder should voluntarily choose to be subject to such amendment by submission of a written notification to the Etowah County Commission.

Section 16 - Severability:

The provisions hereto and the Regulations promulgated hereunder are severable. If any part hereof shall be declared invalid or unconstitutional, such declaration shall not affect any parts hereof which shall remain.

Section 17- Repeal of Conflict Resolutions or Ordinances:

All resolutions or ordinances or parts of resolutions or ordinances heretofore adopted by the Commission which conflict with this Resolution are hereby **repealed**.

The above and foregoing Resolution is adopted and approved on this the 7th day of July, 2008, by the Etowah County Commission.

We, the members of the Etowah County Commission, do hereby certify that the above is a true and correct copy of a resolution adopted at a Special Called meeting on July 7, 2008, and the same appears in the minutes of said meeting.

Jimmy L. McKee, Commissioner, District 1

Perry W. Gwin, Commissioner, District 2

Larry V. Payne, Commissioner, District 3

Jeff Overstreet, Commissioner, District 4

Willie F. Brown, President, Commissioner, District 5

Tim N. Choate, Commissioner, District 6

ATTEST:

J. Patrick Simms, CCA
Chief Executive Officer