# How to Apply for a Bingo License

This brochure is for general informational purposes only, to assist in compliance with current bingo laws and rules. In case of inconsistency or omission, the Arizona Revised Statutes and/or the Arizona Administrative Code will prevail over the language in this publication.

## THE GAME OF BINGO

Bingo is a game of chance. Players pay to play in the hope of winning a prize. Anyone who conducts games of bingo with prizes and charges players to play bingo must obtain a bingo license.

The purpose of this brochure is to provide the basic information you will need to apply for and obtain a bingo license.

Bingo is legal in the State of Arizona for recreational purposes or to allow certain types of nonprofit organizations to generate funds to support their activities.

Special laws govern the way bingo is to be conducted. These laws are enforced by the Arizona Department of Revenue Bingo Section. Failure to comply with bingo laws and rules could lead to the loss of the license to conduct games. Because criminal charges could result from non-compliance, prospective licensees are encouraged to obtain copies of the bingo laws and rules and become familiar with the requirements.

A copy of the Arizona Revised Statutes and Arizona Administrative Codes that govern Bingo are available on the Departments' website: www.azdor.gov. From the homepage menu, click on "Business", then click on "Bingo". After reviewing this material, contact the Bingo Section to discuss any questions you have. The Bingo Section will help identify the type of license for which you qualify. All of the forms and instructions needed to apply for a Bingo license can be located on the website or will be furnished to you as requested.

## THREE TYPES OF BINGO LICENSES

A new bingo license applicant may apply for either a Class A, Class B, or Class C license.

### Class A License

1. The Class A license is designed for people who wish to play bingo primarily for recreational purposes.
2. While the Class A license is not intended for profit, there is no stipulation that you may not make a profit.
3. Any person or group may apply for a Class A license.
4. The Class A licensee is restricted to gross sales of $15,600 per year or less. This limitation on the gross receipts represents an average of $300 per week.
5. A Class A licensee has no membership or organizational requirements.
6. Bingo games may not be conducted with rented bingo equipment.
7. Licensing fees include a one-time fee of $5 payable to the local governing body (such as a city or county) and an annual $10 license fee payable to the Arizona Department of Revenue.
8. Class A licensees file an annual financial report and pay a tax of 2.5% on the amount of money left after paying bingo prizes.

### Class B License

1. The Class B license is designed to allow qualified organizations to generate funds to help support their lawful activities.
2. Gross receipts may range up to $300,000 per year. If a licensee finds that they are going to exceed $300,000 gross receipts in a year, they must apply for Class C license.
3. The Class B license may be obtained only by qualified organizations. Qualified organization is defined as a homeowner's association or any bona fide charitable, social, fraternal, religious, veterans or volunteer fire fighters organization, or nonprofit ambulance service. A qualified organization must be non-profit.
4. Applicant organizations must have been in existence in Arizona continuously for two years immediately preceding the application for the license.

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5. All persons who participate in any manner in conducting games of bingo must be members of that organization.
6. Bingo games may not be conducted with rented bingo equipment.
7. Bingo funds may not be mixed with any other organization's funds and must be kept in a special bingo checking account.
8. Prize amounts are limited to $1,000 for a single game and $3,000 for the entire occasion unless a Special Bonus Game license has been obtained first.
9. Licensing fees include a one-time fee of $25 payable to the local governing body and an annual $50 license fee payable to the Arizona Department of Revenue.
10. Class B licensees file quarterly financial reports and pay 1.5% of their gross receipts as a bingo tax.

### Class C License

A Class C license is required if the annual gross receipts exceed $300,000; otherwise, all information is the same as for a Class B license except that the annual license fee payable to the Arizona Department of Revenue is $200.

Qualified organizations applying for a new bingo license are urged to apply for a Class B license instead of a Class C license. This saves the organization money on its license and bingo tax. If the bingo operation grows sufficiently to require a Class C license, there is a simple procedure for upgrading the license at that time.

For further information or assistance, write or call the Bingo Section.

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# CONDUCTING GAMES OF BINGO

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### Conducting Games of Bingo

1. The maximum prize amount for a single game may not exceed $1,000.
2. The maximum prize amount for an occasion may not exceed $3,000, except with a Special Bonus Game.
3. The total value of any inducements offered may not exceed $250 per occasion.
4. A copy of the bingo statutes and rules must be available if requested.
5. A qualified supervisor must be present during the entire occasion.
6. All bingo equipment must be in good working order.
7. Licensees are to verify that all bingo balls are present in the receptacle and in good condition. This is to be accomplished in the presence of one or more bingo players.
8. Cards may not be taken to the playing area until they have been paid for.
9. Cards may not be reserved for or by players.
10. Duplicate bingo cards are not allowed.
11. The prize amount and the required pattern are to be announced prior to the beginning of each game.
12. If the machine is turned off, the next ball to be called must be secured.
13. Each winning card shall be verified in front of a disinterested player.
14. Only one winning pattern can be verified per bingo card per game.
15. The caller shall officially close each game.
16. All checks are to be signed by the supervisor or an officer of the organization.
17. Licensees are to maintain a sufficient balance in their bingo account to cover all checks written.
18. Cash prize winners are to sign for prizes awarded.
19. Except for Class A Licensees, workers who participate in conducting of a bingo occasion may not play bingo during that occasion.
20. Players are to be at least 18 years of age.
21. It is unlawful to conduct a lottery or raffle within a twelve hour period before or after a bingo occasion, except the official state lottery.
22. Licensees are to maintain a record of cards sold and the money received.

### Posting Requirements

1. The bingo license and any license amendments are to be conspicuously displayed during the bingo occasion.
2. If applicable, the Special Bonus Game license is to be conspicuously displayed during the bingo occasion.
3. Admission fees, the cost for bingo cards and any other charges for services or privileges are to be posted prior to the sale of any bingo cards.
4. A notice must be posted which describes the exact amount of each prize awarded. If a prize is a "Split-the-pot" or "Winner-take-all," post it as such. A statement to the effect that, in case of multiple winners, the prize will be equally divided among the verified winners is to be posted.
5. A notice stating that "bingo rules and statutes are available upon request" must be posted.

### Prize Limitations

1. The prize limit for an individual game of bingo is $1,000 except for a Class B or Class C licensee that has been issued a Special Bonus Game license.
2. The prize limit for each bingo occasion is $3,000 except for a Class B or Class C licensee that has been issued a Special Bonus Game license.
3. The Special Bonus Game license is available upon application by Class B and Class C licensees. The Special Bonus Game is a weekly consecutive game with a prize limit of $12,000 per quarter.
4. All prizes of $150 or more are to be paid by check.
5. All cash prizes under $150 are to be signed for by the winner(s) of the prize.
6. An alcoholic beverage may not be given as a bingo prize.
7. If there are multiple winners of a prize, the prize amount is to be divided equally among the

winners. The licensee has the option of rounding fractional dollars to the next higher dollar.

8. If the prize to be awarded is an item other than cash and the designated prize cannot be divided, the licensee is to award substitute merchandise prizes that have the same value in the aggregate as the original prize.
9. Merchandise prizes may not be redeemed or converted into cash.
10. A licensee may establish minimum prizes.

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