

**RULES
OF
THE TENNESSEE DEPARTMENT OF STATE
DIVISION OF BUSINESS AND CHARITABLE ORGANIZATIONS**

**CHAPTER 1360-03-03
PROCEDURES FOR OPERATING CHARITABLE GAMING EVENTS**

TABLE OF CONTENTS

1360-03-03-.01	Definitions	1360-03-03-.10	Criminal Background Checks
1360-03-03-.02	Application Sliding Fee Scale	1360-03-03-.11	Accounting Procedures
1360-03-03-.03	Applications for Authorization to Hold an Annual Gaming Event – Time to Submit Applications	1360-03-03-.12	Proof that Event Proceeds Were Used for a Charitable Purpose
1360-03-03-.04	Proof of Active and Continuous Existence	1360-03-03-.13	Disqualifications/Civil Penalties
1360-03-03-.05	Proof of § 501(c)(3) Tax Exempt Status and Purpose(s)	1360-03-03-.14	Cooperation with Other State Agencies
1360-03-03-.06	Action by Board of Directors	1360-03-03-.15	Management and Control of Bingo Events
1360-03-03-.07	Application Correction and Amendment Process	1360-03-03-.16	Types of Bingo Games Permitted
1360-03-03-.08	Sale of Tickets, Shares, Chances or Other Similar Records	1360-03-03-.17	Conduct of Bingo Games
1360-03-03-.09	Conduct of the Games	1360-03-03-.18	Bingo Method of Play
		1360-03-03-.19	Bingo Prizes
		1360-03-03-.20	Verification of Bingo Winner/Multiple Winners

1360-03-03-.01 DEFINITIONS.

- (1) “Amended annual event application” means those items of information submitted to the Secretary for the purpose of revising, correcting, adding to, or otherwise supplementing an annual event application in order to meet the requirements of the Tennessee Nonprofit Gaming Law.
- (2) “Conformed copy” A conformed copy is a copy that agrees with the original and all amendments to it. If the original document required a signature, the copy shall contain the signatures and dates as shown on the originals. A certificate of incorporation shall be date stamped and show approval by an appropriate state official.
- (3) “Compensation” for purposes of T.C.A. § 3-17-103(a)(5)(A)(i)(b) means anything of value received as a result of work performed on behalf of a § 501(c)(3) organization, including, but not limited to, tips, reductions, and waivers of fees.
- (4) “Directors or officers of the organization” for purposes of T.C.A. § 3-17-104(a)(12) means the entire slate of members of the governing body of an organization. An executive committee or subcommittee of a governing board shall not qualify as the directors or officers of the organization, unless the organization’s by-laws authorize an executive committee to act on behalf of the full board.
- (5) “Fair market value” means a price at which an unrelated buyer and seller would agree to a transaction; a valuation that is reasonable to all parties involved in a transaction, none of which are under a compulsion to buy or sell while having a reasonable knowledge of the relevant facts.
- (6) “Games of chance associated with casinos” includes casino night parties (also known as “Vegas Nights,” “Las Vegas Nights,” “Monte Carlo Nights”).
- (7) “Notice,” unless otherwise indicated, shall mean a written communication forwarded by U.S. mail, certified return receipt requested.

(Rule 1360-03-03-.01, continued)

- (8) "Operate" means
- (a) To run or control, directly or indirectly, the functioning of an annual gaming event;
 - (b) To bring about a desired or proper effect including, but not limited to, planning, promoting, advertising, marketing, authorizing or entering into agreements, purchasing supplies, telephone services, gaming records or devices, buying or leasing services, facilities or locations, printing of materials and tickets, shares, chances or similar records and the transporting of such records and other devices;
 - (c) To conduct the affairs of an event including, but not limited to, on-site or off-site management;
- (9) "Organizational document" shall mean the record that establishes the organization as a legal entity and shall include, but not be limited to, a certified copy of the Articles of Incorporation (or charter), constitution, or trust agreement.
- (10) "Physical presence" means an organization has a tangible office established and located within the state of Tennessee where regular business within the organization's stated mission is transacted. The existence of a post office mailing address or drop box location is not sufficient to create a physical presence.
- (11) "Pull-tab" means gaming pieces used in a game of chance that are made completely of paper or paper products with concealed numbers or symbols which must be exposed by the player to determine wins or losses. Pull tabs may also be known as break-opens, hard cards, banded tickets, jar tickets, pickle cards, Lucky Seven Cards, Nevada Club tickets, instant bingo cards.
- (12) "Secretary" means the Secretary of State or the Secretary's authorized representative.
- (13) "Bingo event" means a specific game of chance conducted in a single gathering or session in which participants use cards or paper sheets divided into horizontal and vertical spaces, each of which is designated by a letter and a number, and prizes are awarded on the basis of the letters and numbers on the card conforming to a predetermined and preannounced configuration of letters and numbers selected at random.
- (14) "Progressive jackpot bingo" means a series of bingo games in which the prize is carried over to the succeeding game if no player wins a game within a specified number of calls.
- (15) "Regular bingo card" means a card issued to a person upon payment of a fee which affords a person the opportunity to participate in a game or session of games played at a bingo event.
- (16) "Regular bingo game" means a bingo game in which a person, upon payment of a fee, is issued a single regular bingo card and may purchase or rent extra regular cards.
- (17) "Special bingo card" means a disposable, specially marked bingo card which affords a person the opportunity to participate in a special bingo game, such as a progressive jackpot bingo, to be played at a bingo occasion.
- (18) "Special bingo game" means any bingo game which is not a regular bingo game, and which is played with special bingo cards.
- (19) "Session" means a series of bingo games conducted contemporaneously or consecutively.

Authority: T.C.A. §§ 3-17-101, 3-17-102(A), 3-17-102(8)(A), 3-17-102(9)(A), 3-17-103(a)(3)(B)(i), 3-17-103(a)(5)(A)(i)(a), 3-17-103(a)(5)(B)(i), 3-17-103(d)(1)(B), 3-17-104(a)(12), 3-17-105(d)(2)(B), and 3-17-

(Rule 1360-03-03-.01, continued)

115(a), (b), and (c). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Emergency rules filed August 5, 2021; effective through February 1, 2022. Emergency rules expired effective February 2, 2022, and the rules reverted to their previous statuses. Amendments filed December 27, 2021; effective March 27, 2022. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.02 APPLICATION SLIDING FEE SCALE.

An application to hold an annual gaming event shall be submitted with an initial application fee of fifty dollars (\$50). An organization authorized by the General Assembly to operate an annual event shall file within ninety (90) calendar days following the actual event date, a financial accounting pursuant to Tenn. Code Ann. § 3-17-106(a)(1) along with the remaining application fee due according to the organization’s gross revenue for the annual event based on the following scale:

Event Gross Revenue	Filing Fee
\$0.00 to \$5,000	\$100
\$5,000.01 to \$10,000	\$250
\$10,000.01 to \$20,000	\$400
Over \$20,000.01	\$550

Authority: T.C.A. §§ 3-17-104, 3-17-106, 3-17-115, and 3-17-115(a); and Chapter 207, § 14, of the Public Acts of 2005. **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Emergency rules filed March 29, 2018; effective through September 25, 2018. Amendments filed June 12, 2018; effective September 10, 2018.

1360-03-03-.03 APPLICATIONS FOR AUTHORIZATION TO HOLD AN ANNUAL GAMING EVENT – TIME TO SUBMIT APPLICATIONS.

- (1) Application Period. An application for authorization to hold an annual gaming event shall be submitted beginning July 1 each year and ending January 31 preceding the annual event period.
- (2) Last Date to File. When the first or last day to file an application is a non-business day (e.g., weekend, holiday), the first or last day to file is the first business day immediately following the date established by statute. (Example: July 1, the first day to file an application, is a Sunday. The first filing day is the first business day following Sunday.)
- (3) Timely Filing. The postmark date on the annual event application shall determine whether an amendment is timely filed. An application submitted beyond the time set forth in the Act shall be automatically rejected.
- (4) Incomplete Application. An application that does not comply with the provisions of the Act shall be rejected. The Secretary shall notify the applicant of the reasons for rejection of the application. Corrections to a deficient application shall be submitted no later than February 25. If this date falls on a non-business day, the last day to file an amendment shall be 12:00 noon the last business day preceding the deadline date.

Authority: T.C.A. §§ 3-17-103(a)(1), 3-17-104(a), 3-17-105(a)(1), 3-17-105(d)(2)(B), and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment to rule filed January 14, 2009; effective May 29, 2009. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 9, 2015; effective September 7, 2015. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.04 PROOF OF ACTIVE AND CONTINUOUS EXISTENCE.

- (1) **Acceptable Proof.** In addition to the requirements set out in Tennessee Code Annotated §§ 3-17-101 et seq., an organization may submit as proof of its continuous and active existence, a copy of the last three (3) annual Forms 990, 990-EZ, 990-N, or 990-PF filed with the Internal Revenue Service for the three (3) year period preceding the event date listed in an annual event application.
- (2) If an organization is not required to file a Form 990, 990-EZ, 990-N, or 990-PF with the Internal Revenue Service, an organization may submit as proof of its continuous and active existence, the following types of information:
 - (a) A copy of the charter or bylaws of the organization; and
 - (b) A copy of the exemption determination letter received from the Internal Revenue Service stating that the organization is not required to file a Form 990.
- (3) **Multiple Forms of Proof.** An organization required to file a Form 990, 990-EZ, 990-N or 990-PF with the Internal Revenue Service may submit a copy of its exemption determination letter received from the Internal Revenue Service as a substitution of one (1) of the three (3) annual Forms 990, 990-EZ, 990-N, or 990-PF filed with the Internal Revenue Service as required in subdivision (1), provided that the documents cover the three (3) year period immediately preceding the event date listed in an annual event application.
- (4) **Authentic Documents.** Acceptable documents must be authentic, genuine or bona fide documents. Copies of documents must be conformed copies.

Authority: T.C.A. §§ 3-17-102(6), 3-17-104(a)(6), 3-17-104(e), and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendments filed August 12, 2020; effective November 10, 2020. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.05 PROOF OF § 501(C)(3) TAX EXEMPT STATUS AND PURPOSE(S).

- (1) **Chapters or Affiliates.** An organization which is a chapter or affiliate operating under a Section 501(c)(3) group exemption must have its own federal employer identification number and shall submit the following documents in support of its tax exempt status:
 - (a) The Letter of Determination of the parent organization assigned by the Internal Revenue Service which includes the group's 4-digit tax exemption number;
 - (b) A list of all chapters and affiliates under the group exemption as submitted by the parent organization to the Internal Revenue Service, including the federal tax identification number and physical address of each chapter or affiliate;
 - (c) A written statement from the parent organization that the applicant is in good standing with the parent organization;
 - (d) A properly executed Affidavit of the organization's 501(c)(3) status [Secretary of State Form SS-6060]; and,
 - (e) A copy of the organizational document.
- (2) **Recognition Prior to 1969.** An organization recognized as exempt from federal income taxation by the Internal Revenue Service prior to October 9, 1969, that would otherwise qualify as a 501(c)(3) organization shall, in addition to the requirements of T.C.A. § 3-17-103,

(Rule 1360-03-03-.05, continued)

submit the following documents in lieu of IRS form 1023 in support of its tax exempt status/purpose(s):

- (a) A detailed narrative of all of the activities of the organization. List each activity in order of importance based on the relative time and resources devoted to the activity. Indicate the percentage of time for each activity; and
- (b) A Statement of Revenue and Expenses for the three (3) years immediately preceding the period under consideration.

Authority: T.C.A. §§ 3-17-102(1), 3-17-102(6), 3-17-104(a)(6), 3-17-104(e), and 3-17-115(a); and Internal Revenue Code § 501. **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment filed January 14, 2009; effective May 29, 2009. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.06 ACTION BY BOARD OF DIRECTORS.

The board of directors of an organization must authorize an annual event application to be filed. If the organization's bylaws authorize an executive committee to act on behalf of the full board, approval by the executive committee shall suffice.

Authority: T.C.A. §§ 3-17-102(6), 3-17-105(e), and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment filed January 14, 2009; effective May 29, 2009. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 6, 2015; effective September 7, 2015.

1360-03-03-.07 APPLICATION CORRECTION AND AMENDMENT PROCESS.

- (1) Application Correction. For annual event applications submitted prior to twelve o'clock (12:00) noon central standard time (CST) on January 31 each year, the Division will notify each organization of any deficiencies in the application by February 15. The organization must correct any deficiencies in or make any changes to the application by February 25. Pursuant to T.C.A. § 3-17-105(d), the Secretary does not have authority to accept an annual event application change after February 25 of the annual event period.
- (2) Amendment Process. After February 15 of each year, the organization may amend its application in the following manner and circumstances.
 - (a) Date Changes. To change an annual event date, the organization must file an Amendment Form, SS-6065, with the Division requesting the new date of the annual event. Pursuant to T.C.A. § 3-17-103(d)(1)(A), the new date must be within twenty-eight (28) days of the original date listed on the application. The twenty-eight (28) day period may be counted prior to or after the event date listed in the approved application.
 - (b) Location Changes. If an organization's approved location listed in the event application becomes unavailable on the event date, the organization may change the location of the event by filing an Amendment Form, SS-6065, with the Division stating the reason for unavailability and the address of the new location.
 - (c) Price Changes. To modify the actual dollar amount at which a ticket, share, chance or other similar record shall be sold, the organization must file an Amendment Form, SS-6065, with the Division stating the new dollar amount. If an organization was approved to sell tickets, shares, chances or other similar records at different value levels or tiers, the organization may amend the dollar amount at which each value level or tier is to be

(Rule 1360-03-03-.07, continued)

sold. Pursuant to T.C.A. § 3-17-103(d)(3), only one such modification shall be made prior to the sale of any ticket, share, chance, or other similar record and only in an amount within fifty dollars (\$50.00) of the actual dollar amount or amounts listed in the approved application.

- (d) Notifying Law Enforcement. The organization must notify the Tennessee Bureau of Investigation, and the district attorney general for the judicial district in which the event is conducted. The organization must also provide sufficient public notice in accordance with T.C.A. § 3-17-103(d)(1)(B).

Authority: T.C.A. §§ 3-17-103(a)(3)(C), 3-17-103(a)(3)(C)(i)–(iii), 3-17-103(d), 3-17-103(d)(1) and (3), 3-17-104(e), 3-17-105(b), and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment filed January 14, 2009; effective May 29, 2009. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Amendment filed June 9, 2015; effective September 7, 2015. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.08 SALE OF TICKETS, SHARES, CHANCES OR OTHER SIMILAR RECORDS.

- (1) Tickets, shares, chances or other similar records may be sold at a single price or at different value levels or tiers. All tickets, shares, chances or other similar records must contain the name of the organization on whose behalf the event is being conducted.
- (2) If tickets, shares, chances or other similar records are sold at different value levels or tiers, the organization must keep a record of each sale, which must include the name, the amount paid, the mailing address, and the contact information of the purchaser for the purpose of issuing refunds if a cancellation of the annual event occurs.
- (3) If a different value level or tiered pricing annual event is cancelled, any refund shall be for either the actual amount received by the organization from any individual, or if there is no record of each sale, the refund shall be equal to the highest value level or tiered price charged on a per ticket, share, chance or other similar record basis.

Authority: T.C.A. §§ 3-17-103(d)(3), 3-17-106(f)(1)(B), 3-17-110(a) and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment filed January 14, 2009; effective May 29, 2009. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 9, 2015; effective September 7, 2015.

1360-03-03-.09 CONDUCT OF THE GAMES.

- (1) Advertising. Nothing in the act shall be construed as prohibiting an organization from accepting donations of advertising services. For purposes of the Act and these rules, however, granting permission to post flyers for an event on the premises of a vendor shall not be construed as donating advertising services.
- (2) Ticket Sales and Sale of Similar Records. Persons under the age of eighteen (18) are prohibited from selling or purchasing tickets and similar records for charitable gaming activities.
- (3) Officer(s) Responsible for Gross Receipts. The authorized organization shall duly designate an officer/officers of said organization to be in full charge and primarily responsible for the proper accounting, use and disposition of all gaming event receipts. The name of each officer shall appear on the list required under T.C.A. § 3-17-104(e).

(Rule 1360-03-03-.09, continued)

- (4) **Payment of Workers Prohibited.** No commission, salary, compensation, reward, recompense, reimbursement of expenses, or gift or other consideration shall be paid directly or indirectly, to any person for conducting or assisting in the conduct of any annual gaming event except as hereinafter provided for bookkeepers or accountants who assist by rendering their professional services. No tip, gratuity or gift or other consideration shall be given or accepted by any person conducting or assisting in the conduct of an annual gaming event either directly or indirectly.

Authority: T.C.A. §§ 3-17-103(a)(5)(A)(i)(a) and (b), 3-17-103(a)(5)(B)(i), 3-17-104(a)(20)–(21), 3-17-104(e), 3-17-115(a), 39-17-602, and 39-17-603. **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 9, 2015; effective September 7, 2015. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.10 CRIMINAL BACKGROUND CHECKS.

- (1) **Effective Date.** Beginning July 1, 2005, criminal background checks conducted by the TBI may be required by the Secretary.
- (2) **Persons Subject to Criminal Background Checks.** Fingerprint-based criminal background checks may be required of officers, directors, trustees, staff and any person operating an annual event on behalf of a 501(c)(3) organization. Persons who do not receive any compensation for their duties associated with the 501(c)(3) organization shall not be subject to criminal background checks.
- (3) **Criteria for Requiring Criminal Background Checks.** Upon a determination by the Secretary that a criminal background check is required of a person in connection with an annual gaming event held by a 501(c)(3) organization, the application of such organization shall not be considered until such background check has been completed and the results of the background check are received in the office of the Secretary of State. In the event that information is revealed in the background check which would be a violation of a provision of the Act, the Secretary shall give notice to the affected organization and allow them an opportunity to cure the disqualifying situation by disassociating such person or persons from taking any action on behalf of such organization. The organization shall submit to the Secretary, an affidavit, signed by the chief operating officer and the treasurer of the organization, setting forth what action has been undertaken by the organization to disassociate the individual/individuals.
- (4) **Procedure for Obtaining Criminal Background Checks.** Upon notification by the Secretary that a criminal background check is required, the person notified shall take immediate steps to secure the background check. Persons who receive a request from the Secretary to submit to a criminal background check shall contact the then current state of Tennessee fingerprinting service to obtain information on the proper location and procedure for having the background check run. Persons must provide identifying information, the reason for being printed and name of the "Division of Business and Charitable Organizations, Charitable Gaming Section" as the entity for whom the prints are requested.

Background checks will include data from a dual TBI & FBI search. At the time of the printing, the person must provide identification to verify his/her identity. A driver's license, passport, military ID or similar identification should be provided. The applicant shall be responsible for paying all costs associated with obtaining a criminal history background check.

The results of the background search will be provided directly to the Secretary of State's Division of Business and Charitable Organizations, Charitable Gaming Section. Results of

(Rule 1360-03-03-.10, continued)

background checks may be challenged by contacting the TBI. A form is available for download from the TBI web site at www.tn.gov/tbi or by contacting the TBI directly.

- (5) Information from Law Enforcement Agency. The Secretary may require a criminal background check on any person based upon information received from a local, state or federal law enforcement agency indicating a violation of the law involving theft, misappropriation of funds, or any matter which would impact the legitimate operation of an annual gaming event. For purposes of this provision, law enforcement agency shall include the Internal Revenue Service.
- (6) Denial of Application to Conduct Annual Gaming Event. The Secretary may deny an application to operate an annual gaming event based upon the results of a criminal background check. In addition, the Secretary may impose a civil penalty if the background check shows a violation of the Tennessee Nonprofit Gaming Law. Penalties shall be determined based upon the rules for disqualification located below at section 1360-03-03-.13.

Authority: T.C.A. §§ 3-17-114(a)–(c), 3-17-114(e)(1)–(2), and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment filed January 14, 2009; effective May 29, 2009. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 9, 2015; effective September 7, 2015. Amendments filed December 27, 2021; effective March 27, 2022. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.11 ACCOUNTING PROCEDURES.

- (1) Records:
 - (a) Record Keeping. Accurate records shall be kept by each authorized organization in a manner which shows in detail the amount and source of gross receipts, the expenses incurred and the name and address of each person receiving a prize over fifty (\$50.00) dollars and the value of the prize. Prize information shall be reported on Form SS-6066 or Form SS-6070.
 - (b) Access to Records. The Secretary of State, the Attorney General and Reporter and the Tennessee Bureau of Investigation or their authorized agents or representatives shall at all times have access to all books and records of any authorized organization for the purpose of examining and checking them.
 - (c) Period of Retention of Records. All records, books of account, bank statements and all other papers related to the operation of an annual gaming event shall be retained and available for inspection by the Secretary of State and the Tennessee Bureau of Investigation or their authorized agents or representatives for a period of at least five (5) years after the date of the annual gaming event to which they relate.
 - (d) Payment of Allowable Expenses. Money for reasonable and necessary expenses may be paid from gross receipts only by checks having preprinted consecutive numbers drawn on the organization's account. Said checks must be made payable to the specific person providing the goods or rendering the service which gives rise to the expense item and at no time may checks be payable to "cash" or "bearer."
 - (e) Prizes, Donated Prizes, Goods, or Services. The organization shall disclose the fair market value of all prizes, goods and services as revenue (cash or in-kind) on the Financial Accounting form (SOS Form SS-6066).
- (2) Reporting. All organizations must file a financial accounting with the Division on forms approved by the Division along with the remainder fee due pursuant to Tenn. Code Ann. § 3-

(Rule 1360-03-03-.11, continued)

17-106(a)(1) and Rule 1360-03-03-.02. If the organization generates over seventy-five thousand dollars (\$75,000) in gross revenue, the organization must also complete an audit of the annual event in accordance with Tenn. Code Ann. § 3-17-106(c).

Authority: T.C.A. §§ 3-17-103(a)(5)(B)(i), 3-17-106, 3-17-106(a), 3-17-106(b)(1)–(4), 3-17-106(c)(1)–(4), 3-17-108(a)(1)–(2), 3-17-115, and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment filed January 14, 2009; effective May 29, 2009. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 9, 2015; effective September 7, 2015. Emergency rules filed March 29, 2018; effective through September 25, 2018. Amendments filed June 12, 2018; effective September 10, 2018. Amendments filed December 27, 2021; effective March 27, 2022. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.12 PROOF THAT EVENT PROCEEDS WERE USED FOR A CHARITABLE PURPOSE.

Documentation to prove that event proceeds were used for a charitable purpose may include:

- (1) Cancelled checks which state the purpose of the payment and which are endorsed by and identify the payee shall be one form of acceptable documentation;
- (2) Signed and attested board minutes;
- (3) A copy of the organization's balance sheets and monthly statements should be provided to substantiate that funds have been earmarked.

Authority: T.C.A. §§ 3-17-104(a)(19), 3-17-106(c)(2), and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Amendment filed January 14, 2009; effective May 29, 2009. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 9, 2015; effective September 7, 2015.

1360-03-03-.13 DISQUALIFICATIONS/CIVIL PENALTIES.

- (1) Any violation of the Tennessee Nonprofit Gaming Law shall be a basis for disqualification or the imposition of civil penalties. Civil penalties may be assessed for the violation of either civil or criminal provisions of the Act.
- (2) Upon concluding that an organization violated any provision of T.C.A. §§ 3-17-101 et seq., pursuant to T.C.A. § 3-17-113(a), the Secretary of State shall notify the registrant of his intent to disqualify the organization or assess a civil penalty. The notification shall contain the reasons for the action and shall inform the organization of its right to request an administrative hearing within thirty (30) days of receipt of the notification. The disqualification or penalty shall become effective thirty (30) days after receipt of the notification unless a request for an administrative hearing is received by the Secretary of State before the expiration of the thirty (30) days. If a hearing is requested and the disqualification or penalty is upheld, the action shall become effective upon the service of the final administrative decision on the organization.
- (3) The hearing shall be held before an administrative law judge from the Administrative Procedures Division of the Tennessee Department of State and conducted pursuant to the Uniform Administrative Procedures Act, T.C.A. §§ 4-5-101 et seq. and Rule 1360-04-01-.14, Uniform Rules of Procedure for Contested Cases of State Agencies.
- (4) An organization that loses its tax exempt status shall be ineligible to hold an annual gaming event. The years for which the tax exempt status was not in effect shall not be countable as part of the period of active and continuous operation. If the Internal Revenue Service revokes

(Rule 1360-03-03-.13, continued)

an organization's tax exempt status and the revocation is made retroactive, the period of retroactivity will not be countable as part of the period of active and continuous operation.

- (5) A period of disqualification shall run from the date of application, the date of discovery of the violation or the date of imposition of the disqualification, whichever is later.

Authority: T.C.A. §§ 3-17-101, 3-17-111, 3-17-111(a)–(b), 3-17-113(a), and 3-17-115(a). **Administrative History:** Original rule filed October 7, 2005; effective February 28, 2006. Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to its previous status. Repeal and new rule filed June 9, 2015; effective September 7, 2015. Amendments filed January 8, 2024; effective April 7, 2024.

1360-03-03-.14 COOPERATION WITH OTHER STATE AGENCIES.

- (1) All information submitted to the Division of Business and Charitable Organizations, Charitable Gaming Section shall be available to federal, state or local agencies for the purpose of assisting in carrying out the provisions of T.C.A. §§ 3-17-102 et seq. and T.C.A. § 39-16-702 and T.C.A. § 39-16-703 and T.C.A. Title 39, Chapter 17 Parts 5 and 6, T.C.A. § 39-17-502(b), T.C.A. § 39-17-505, T.C.A. § 39-17-506(a), T.C.A. § 39-17-601, T.C.A. §§ 39-17-651 et seq. and Title 3, Chapter 15, or any provision of federal law.
- (2) The Secretary shall assist and cooperate with the Tennessee Bureau of Investigation and/or the Internal Revenue Service in the conduct of any investigation.

Authority: T.C.A. §§ 3-17-111, 3-17-113(a)–(b), and 3-17-115(a). **Administrative History:** Emergency rule filed August 8, 2014; effective through February 4, 2015. Emergency rule expired effective February 5, 2015, and the rule reverted to a reserved status. Original rule filed June 9, 2015; effective September 17, 2015.

1360-03-03-.15 MANAGEMENT AND CONTROL OF BINGO EVENTS.

- (1) An authorized annual bingo event shall be managed, conducted, and operated only by directors, officers, volunteers, or employees of the charitable organization hosting the event. No person shall receive any compensation for working at an annual event conducting bingo.
- (2) In accordance with T.C.A. § 3-17-103(a)(5), no outside parties shall be employed, contracted with, or otherwise utilized to conduct annual bingo gaming events. Charitable organizations are prohibited from using any management company, consultant or other entity to manage, conduct, or operate any aspect of an annual bingo gaming event.
- (3) A qualified organization shall conduct only bingo games listed on a game program for that event, and that program must be disseminated prior to the beginning of the event. The program shall list all prize amounts.
- (4) The charitable organization shall designate a game manager who is an officer or director of the organization. The game manager shall be the person responsible for the operation of the bingo game during a particular session and shall be present at all times when the bingo game is conducted.
- (5) Bingo cards and monies must be kept under the control of the game manager until disseminated to game participants. Each card constitutes a ticket, share or chance as defined by these rules. The cards must be numbered, and the total number of cards must match the number of tickets, shares or chances in the organization's gaming event application filed with the Secretary of State. Regular bingo cards and special bingo cards should be numbered separately. The cards must also be marked with the name of the organization conducting the gaming event and date of that event. The organization must

(Rule 1360-03-03-.15, continued)

create a record of the total type and amount of each card present at the beginning and end of the bingo gaming event. Records related to the accounting of bingo cards must be kept by the charitable organization for a period of five (5) years from the annual gaming event.

- (6) Individuals defined in T.C.A. § 3-17-109(a)(1)-(5) are not allowed to purchase bingo cards, participate in bingo games, nor win prizes. Additionally, any member of the immediate family (as defined in T.C.A. § 3-17-109(c)) of any person described in T.C.A. § 3-17-109(a)(1)-(2) or of any volunteer may not purchase bingo cards, participate in bingo games, or win prizes.

*Authority: T.C.A. §§ 3-17-103(a), 3-17-106(b)(4) and (c)(4), 3-17-115(a), and 3-17-115(c). **Administrative History:** Emergency rules filed August 5, 2021; effective through February 1, 2022. Emergency rules expired effective February 2, 2022, and the rules reverted to their previous statuses. New rules filed December 27, 2021; effective March 27, 2022. Amendments filed January 8, 2024; effective April 7, 2024.*

1360-03-03-.16 TYPES OF BINGO GAMES PERMITTED.

- (1) Special bingo games, including progressive jackpot bingo games, are permitted, provided that:
 - (a) The total number and price of special cards sold shall be reported on the annual event application.
 - (b) Each special bingo card shall be used for one game only and shall be indelibly marked by the player while in use so as to render it void and unusable thereafter.
 - (c) A different price or fee may be charged for each special bingo card.
 - (d) Progressive jackpot bingo may be played only on special bingo cards.
 - (e) Notwithstanding any other rules, cards for a game of progressive jackpot bingo may be sold up to the drawing of the first number of the progressive jackpot bingo game.
 - (f) Once started, progressive jackpot bingo shall be played at each succeeding bingo game until a player wins a game of progressive jackpot bingo, except that progressive jackpot bingo may be played only once per annual gaming event date as defined in 3-17-102(4).

*Authority: T.C.A. § 3-17-115(c). **Administrative History:** Emergency rules filed August 5, 2021; effective through February 1, 2022. Emergency rules expired effective February 2, 2022, and the rules reverted to their previous statuses. New rules filed December 27, 2021; effective March 27, 2022.*

1360-03-03-.17 CONDUCT OF BINGO GAMES.

- (1) Organizations may conduct a bingo session as an annual gaming event.
- (2) All bingo sessions conducted as annual gaming events shall be registered and conducted in accordance and consistent with T.C.A. §§ 3-17-104 et seq. and the rules set forth herein.
- (3) All bingo events must be conducted in person. Online and virtual bingo is expressly prohibited.
- (4) Each organization conducting a bingo session as an annual gaming event shall adopt "house rules" regarding conduct of the bingo games and the distribution of prizes. Such rules shall be consistent with the provisions of T.C.A. §§ 3-17-101 et seq. and these rules. "House rules" shall be conspicuously posted so that they are visible in every area in which bingo is played

(Rule 1360-03-03-.17, continued)

or printed on a game program that is distributed to every bingo player attending the annual gaming event.

- (5) Every bingo gaming event will have a set number of games announced in advance of the sale of any tickets, shares, or chances.
- (6) Each annual gaming event may not conduct more than 25 individual bingo games in a bingo session. A game shall be considered one in which a winner is called. A partially played game, or a portion of a progressive bingo game in which there is no winner called, shall not be considered a completed game toward the 25-game limit.
- (7) The prize for every bingo game of the event must be disclosed prior to the beginning of the first game of the event.
- (8) The specific combination or arrangement of marked spaces necessary to win each game must be announced prior to the drawing of the first number for that game.
- (9) No bingo cards may be sold after the first number is drawn for the first game of the event.

Authority: T.C.A. § 3-17-115(c). **Administrative History:** Emergency rules filed August 5, 2021; effective through February 1, 2022. Emergency rules expired effective February 2, 2022, and the rules reverted to their previous statuses. New rules filed December 27, 2021; effective March 27, 2022.

1360-03-03-.18 BINGO METHOD OF PLAY.

- (1) The method of play in any bingo game and the utilization of bingo equipment and supplies shall be such that each player is afforded an equal opportunity to win.
- (2) The objects to be drawn to select numbers and letters to call shall be essentially equal in size, shape, weight, balance, and all other characteristics, so that at all times during the conduct of bingo, each object possesses the capacity for equal agitation with any other object within the receptacle.
- (3) All objects to be drawn shall be present in the receptacle at the beginning of each bingo game. Only manual object selection is allowed. No device may be used to select numbers electronically. This does not preclude hoppers which are turned via an electric motor or balls which are stirred with an electric fan and randomly sent into a chute.
- (4) The announcement of all numbers and letters drawn shall be clearly audible to all players present.
- (5) When more than one room is used for any one bingo game, the receptacle and the caller and any assistant shall be in the room where the greatest number of players are present; and all numbers and letters shall be announced in a manner clearly audible to all players in each room.
- (6) Once removed, no object shall be returned to the receptacle until after the conclusion of the game.
- (7) Immediately following the calling of each number and letter in a bingo game, the caller shall display that portion of the object which shows the number and letter to another individual who will announce and display the number and letter to the players.
- (8) The numbers appearing on the winning card at the time a winner is determined shall be verified in the immediate presence of at least one disinterested player.

(Rule 1360-03-03-.18, continued)

- (9) A number is not considered to have been called until the full articulation of the letter and number is completed. If the calling of a number is interrupted by a player's call of bingo after just the letter has been called, it is not a full call and should not be regarded as the last number called. The caller shall continue calling a number if the call is interrupted by a player's call of bingo on a previous number.
- (10) If the organization uses a video monitor, the caller must call both the letter and number before showing it on the screen. A ball or other object may not be placed in front of the camera before it has been called and shown.
- (11) All numbers drawn must be called even if they are not needed in the winning arrangement.
- (12) If the bingo caller mistakenly returns the numbers to the receptacle before the end of the game, the game manager may either void the game and start it over or determine which numbers had been already called by checking the cards of disinterested players and then remove those numbers from the receptacle.
- (13) If the caller mistakenly calls a wrong number, the caller should immediately announce the correction to the players and continue with the game. If the correction results in any player completing a bingo, that player must be awarded the prize, consistent with all applicable prize rules specified herein. A prize may not be awarded for a bingo which includes a number that was not drawn.
- (14) A bingo game should not be started over if it is possible to correct the error. However, if it is discovered during a game that one of the numbered objects is stuck in the receptacle, that game must be started over. All previously completed games, however, are valid and should not be replayed. If a game must be started over, all numbered objects must be returned to the receptacle. If the game is being played on disposable cards, all cards must be replaced at no cost to the players.
- (15) If the game which must be started over is a progressive jackpot bingo game only those portions of the game which were not previously completed should be continued.

Authority: T.C.A. § 3-17-115(c). **Administrative History:** Emergency rules filed August 5, 2021; effective through February 1, 2022. Emergency rules expired effective February 2, 2022, and the rules reverted to their previous statuses. New rules filed December 27, 2021; effective March 27, 2022.

1360-03-03-.19 BINGO PRIZES.

- (1) All prize payments must be made payable to a specific person. No payments may be made to "cash."
- (2) All prizes to be awarded during a bingo game or session must be identified in writing and announced prior to the beginning of any game or a session of games.
- (3) If the prize amounts are determined by attendance or at the end of a game, such as in a special or progressive jackpot bingo game, the game program shall list the attendance required for the prize amount or disclose that prizes shall be determined at the end of a game and the method for determining the prize amount. In such cases, the organization shall announce the prize amount at the end of the game.
- (4) The maximum prize amount that may be awarded in each individual regular bingo game, progressive jackpot bingo game or special bingo game is \$1,000, whether such prize is awarded in cash and/or cash equivalent goods or services.

(Rule 1360-03-03-.19, continued)

Authority: T.C.A. § 3-17-115(c). **Administrative History:** Emergency rules filed August 5, 2021; effective through February 1, 2022. Emergency rules expired effective February 2, 2022, and the rules reverted to their previous statuses. New rules filed December 27, 2021; effective March 27, 2022.

1360-03-03-.20 VERIFICATION OF BINGO WINNER/MULTIPLE WINNERS.

- (1) At the time a winner is determined, any player may call for a verification of all numbers and of the objects remaining in the receptacle and not yet drawn. This verification shall be made in the immediate presence of the game manager and at least one disinterested player.
- (2) When more than one player is found to be the winner on the call of the same number in the same bingo game, a cash prize shall be divided equally among the winners. The organization may elect to round off the prize to any amount between the next lower dollar and the next higher dollar. Any organization may elect to set a minimum prize of no more than \$10 for each winner. When equal division of a merchandise prize is not possible, identical substitute prizes whose aggregate retail value is approximately equal to that of the designated prize may be awarded or a cash prize equal to the retail value may be divided among the winners as provided in this subsection.

Authority: T.C.A. § 3-17-115(c). **Administrative History:** Emergency rules filed August 5, 2021; effective through February 1, 2022. Emergency rules expired effective February 2, 2022, and the rules reverted to their previous statuses. New rules filed December 27, 2021; effective March 27, 2022.