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TO: All Bingo Distributors and Charitable Organizations Licensed for Instant Bingo

RE: Instant Bingo Ticket Dispensers and Type III Instant Bingo at a Retail Establishment

This letter serves as a reminder of the Attorney General's position on issues related to the conduct of Type III instant bingo at a retail establishment and the sale, lease, and use of instant bingo ticket dispensers.

- 1. A charitable organization that is licensed to conduct instant bingo other than at a bingo session is permitted to lease instant bingo ticket dispensers from a licensed distributor.**

A charitable organization that has a license to conduct instant bingo, other than at a bingo session, "may purchase, lease, or use instant bingo ticket dispensers to sell instant bingo tickets or cards." R.C. 2915.091(B). Some confusion may have existed, because R.C. 2915.09(A)(1) requires a charity to "own all of the *equipment* used to conduct bingo" or to lease that equipment from another licensed charity or the landlord of the premises. However, instant bingo ticket dispensers are a "bingo supply," not bingo "equipment." *See* R.C. 2915.01(Z). Therefore, the restriction in R.C. 2915.091(A)(1) does not apply to instant bingo ticket dispensers. Instead, a licensed charitable organization is specifically allowed to lease instant bingo ticket dispensers from a licensed distributor under R.C. 2915.091(B).

- 2. A charitable organization is required to receive and collect the full gross profit from the sale of instant bingo tickets or cards prior to providing the tickets to the owner or lessor of a location.**

Payments pursuant to R.C. 2915.093(D) between retail establishment owners or lessors and charitable organizations should be separate in time. The payment of full gross profit to the charitable instant bingo organization should be a separate transaction from the charitable organization's reimbursement of the retail establishment for its expenses.

Revised Code 2915.093(D) and the contract described in R.C. 2915.093(B) together prescribe the way that charities interact with retail establishments (places like bars or restaurants that sell instant bingo tickets under a charity's bingo license for the benefit of the charity). Both the statute and the contract require that the retail establishment pay the "full gross profit" of the "deal" of instant tickets in exchange for receiving those tickets from the charity. A deal of tickets comes with a predetermined prize structure, so the retail establishment knows what the expected gross profit will be.

The statute and contract then require the charity to "reimburse" the retail establishment for certain expenses, up to 6% of the "total gross receipts" of the deal. R.C. 2915.093(D). A reasonable

reading of the statute requires separate transactions, particularly given the use of the term “reimburse”. In other words, the retail establishment may not “deduct” its expenses from the gross profit from the deal before paying the charity. The reimbursement must occur in a separate transaction.

3. Discounts on deals of tickets for use in a retail establishment must run to the charity rather than the retail establishment.

Distributors that offer discounts on deals of instant bingo tickets must apply the discount to the charity. As stated above, retail establishments must pay the “full gross profit” in exchange for a deal of tickets, and are only entitled to “reimbursement” for “expenses” up to six percent of the “total gross receipts”. Retail establishments may not be reimbursed for expenses they do not incur.

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The Attorney General reserves all rights to suspend, place limits, restrictions, or probationary conditions on, or revoke any license or endorsement issued under R.C. Chapter 2915 and the rules adopted thereunder, where appropriate.

Please contact the Charitable Law Section with any questions or concerns.

Very respectfully yours,
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