

961 CMR: STATE LOTTERY COMMISSION

961 CMR 3.00: BEANO REGULATIONS

Section

- 3.01: General Regulations
- 3.02: Definitions
- 3.03: Licensing
- 3.04: Conduct of Games
- 3.05: Reporting and Record Keeping
- 3.06: Hearings
- 3.07: Senior Citizens Beano

3.01: General Regulations

- (1) Authority. 961 CMR 3.00 is established by the Massachusetts State Lottery Commission by authority conferred in M. G. L. c. 10, § 38, for the conduct of the game commonly called Beano or substantially the same game under another name.
- (2) Use of Proceeds. The entire Net Proceeds of all games of Beano must be devoted to one or more Lawful Purposes as defined in 961 CMR 3.02(7). Failure to comply with 961 CMR 3.01(2) shall result in suspension or revocation of the right to conduct Beano.

3.02: Definitions

As used in 961 CMR 3.00, the following terms shall have the following meanings.

Bazaar means a place maintained by a Licensed Organization for disposal of merchandise or cash awards by means of chance; provided that the awarding of cash prizes in excess of the amount allowed by M.G.L. c. 271, § 7A or any successor thereto is expressly prohibited.

Extra Regular and Bonus Cards.

- (a) Extra Regular Cards means such cards as afford additional opportunities to play in all regular games.
- (b) Bonus Cards mean a card or cards that increase the prize in direct relation to the cost of said card or cards, said increase shall not exceed 100% of the maximum amount of the prize permitted by the Beano Law.

Gross Receipts means receipts from the sale of any right to participate in any Beano game in any manner as well as from the sale of supplies and all other miscellaneous receipts.

Lawful Purpose means one or more of the following charitable, religious or educational purposes:

- (a) Those which benefit needy or deserving persons, indefinite in number: by enhancing their opportunity for religious, social or educational advancement, by relieving them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded and increasing their loyalty to their nation.
- (b) Those which initiate, perform or foster worthy public works or enable or further the construction or maintenance of public structures.
- (c) Those which lessen the burdens of government or which are voluntarily undertaken by an authorized organization to augment or supplement services which are usually rendered by government such as the equipment or maintenance of an authorized volunteer, non-profit fire company or similar organization furnishing public fire protection or the equipment and maintenance of an authorized volunteer, non-profit organization furnishing a public ambulance or rescue service.
- (d) None of the preceding purposes shall include the construction, acquisition, improvement, maintenance or repair of any real or personal property beyond that portion of the use or occupancy thereof determined by the Director to be devoted to one or more Lawful Purpose as herein defined.

961 CMR: STATE LOTTERY COMMISSION

3.02: continued

Licensed Organization means the organization and its auxiliaries qualified under the Beano Law to conduct Beano and named on the license issued under 961 CMR 3.03.

Local Licensing Authority means in the case of a city, other than the city of Boston, the majority of the city council and the mayor; in a town, the board of selectmen; and in the city of Boston, the licensing board; of the municipality where the licensee conducts Beano.

Net Proceeds means Gross Receipts less taxes, prizes and reasonable and necessary expenses ordinarily incidental to the conduct of Beano games.

Occasion means a single session within the same calendar day during which a series of Beano games whether regular or special is played.

Principal Officer means the officer of the qualified organization duly authorized to act on the organization's behalf according to its written constitution, charter, articles of organization, by-laws, or a resolution duly adopted by the organization.

Raffle means an arrangement for raising money by the sale of tickets, certain among which, as determined by chance after sale, entitle the holders to prizes. In any event, Beano or a similar game under another name shall not constitute a Raffle as herein defined.

Regular Beano Game means a game played on a card or cards issued to a player upon payment of the admission charge specified in 961 CMR 3.04(5)(a).

Special Beano Game means any game other than as defined in 961 CMR 3.02(1) and for which players pay an additional charge to participate.

The Beano Law means M.G.L. c. 10, §§ 37 through 41.

The Commission means the Massachusetts State Lottery Commission or its duly designated agent.

The Director means the Director of the Massachusetts State Lottery Commission or his duly appointed representative except as otherwise required by law.

(Wherever they appear defined terms are capitalized.)

3.03: Licensing

(1) Application.

(a) Form for Application. Application for a license to conduct the game of Beano shall be made on form B.C.I. which is hereby adopted. The application must be complete in all details and must be approved by the Local Licensing Authority. All applications must be accompanied by the appropriate fee in the form of a check payable to the Massachusetts State Lottery Commission. The application shall be signed by the proposed member in charge of Beano and the head of the organization who shall be: in the case of a religious organization or an affiliate thereof, the Rabbi, Pastor, Rector, or Superior or the President or Chairman of the Board of Directors of the Congregation or the chief executive officer; in the case of a veterans organization, by the Commander; in the case of an organization of volunteer firemen, by the President; in the case of a fraternal organization, by the duly elected head of the organization; in the case of a non-profit organization furnishing ambulance service, by the President or Director; in the case of a corporation organized under the provisions of M.G.L. c. 180 by the Principal Officer. Notwithstanding the above, it is the intent of 961 CMR 3.03 that the legally responsible official of the applicant organization shall sign in his or her representative capacity.

(b) Information to be Furnished. In addition to the information required to be furnished on the application, every organization desiring to conduct Beano may be required, by either the Local Licensing Authority or by the Director, to furnish such information as is considered necessary to satisfy the Director that the applicant organization is fully qualified and eligible

3.03: continued

for a Beano license. This information, if so required and deemed necessary by the Local Licensing Authority and/or the Director, may include such information as: copy of the corporate charter, statement of purpose, copy of organizational charter, articles of organization, by-laws and evidence to the Local Licensing Authority's satisfaction that the organization was in existence for at least five years immediately prior to the date of application. The applicant, upon request of either the Local Licensing Authority or the Director, may be required to furnish a statement as to whether the organization has engaged in serving one or more of the Lawful Purposes as defined in 961 CMR 3.02(7) for a period of at least five years immediately prior to the date of making application for such license. Notwithstanding the above, it is the intention of 961 CMR 3.03(1) that no license application be forwarded to the Commission for its approval until the Local Licensing Authority is certain that the applicant organization is fully qualified under the Beano Law.

(c) Issuance of License. Unless specifically requested to do otherwise by the Local Licensing Authority, the Commission will send licenses issued on approved applications to the licensee.

(d) Denial of Application. The Director may deny the application in which case the fee will be returned with the denial to the Applicant.

(2) Lists Required to Be Kept: Membership List. Each licensee must maintain a list of its current membership which shall be kept available for inspection at all reasonable times. The Director or the Local Licensing Authority may require any applicant organization to file a list of its current members, officers and directors with the Commission or Local Licensing Authority and may further require filing of supplementary lists of additions, deletions and changes required to keep the original list up to date.

(3) Joint Licenses. No joint license for the conduct of Beano shall be issued except at the discretion of the Director and then only to two organizations both of which are qualified under the statute governing Beano.

(4) Premises.

(a) Operation Restricted to One Premises. Each licensee (or in the case of a joint license, joint-licensees) shall be licensed to conduct Beano and sell Charity Game Tickets only on the premises listed on the face of its license. For the purposes of the sale of Charity Game Tickets, premises shall include the premises listed on the face of the license, as well as the address of the Licensed Organization provided said address is not a residential address, should they be different.

(b) Use of Premises Restricted. Beano shall be conducted on premises owned by the Licensee Organization or owned by another Licensee Organization and indicated as the Beano Occasion address on the application for license. The Director may authorize in writing the use of premises other than those specified in the preceding sentence, and may specify the terms, including rent, on which such premises may be used provided that the approval of the Local Licensing Authority and the Chief of Police has been obtained.

(5) Denial of Original or Renewal Application for License.

(a) Grounds for Denial. The Director may deny any application of any organization, even though approved by the Local Licensing Authority. Denial of said application may be based on but is not limited to:

1. Revocation of a license previously held under the Beano law by said organization or its predecessor,
2. Non-conformance with the Beano Law,
3. Non-conformance with 961 CMR 3.00,
4. The public interest.

(b) Hearing. Any organization denied a license under 901 CMR 3.03 shall be entitled to hearing held pursuant to 961 CMR 3.06.

(6) Revocation or Suspension of License.

(a) Grounds for Revocation or Suspension. The license of any organization or organizations issued pursuant to the Beano Law may be suspended or revoked by the Director. Grounds for suspension or revocation shall include but are not limited to:

3.03: continued

1. Violation of any provision of the Beano Law, regardless of whether any criminal charges are brought or conviction results;
 2. Violation of 961 CMR 3.00 or any other directives of the Director;
 3. The request of the Local Licensing Authority;
 4. The public interest.
- (b) Hearing. Any organization whose license is suspended or revoked shall be entitled to a hearing held pursuant to 961 CMR 3.06.
- (c) Surrender of License on Suspension or Revocation. Any organization whose license is suspended or revoked under 961 CMR 3.03(6) shall surrender its license to the Commission on or before the effective date of said suspension or revocation.

3.04: Conduct of Games

- (1) Workers.
- (a) Member in Charge. Every Licensed Organization shall designate a *bona fide*, active member of the Licensee to be in charge of and primarily responsible for all occasions. The member in charge shall be a member in good standing of the Licensed Organization. The member in charge shall supervise all activities and be responsible for the conduct of all Beano games including the preparation and timely filing of the Financial Report required by 961 CMR 3.05(1). The member in charge or his or her qualified designee shall be present on the premises continually during the Occasion and shall be familiar with the provisions of the Beano Law, applicable ordinances and local laws, 961 CMR 3.00 and the terms of the license.
- (b) List of Beano Workers. At the location where Beano is conducted, each licensee must keep available to the Commission, the Local Licensing Authority and duly constituted law enforcement agencies, a list of persons authorized to conduct or assist in the conduct of Beano. All persons appearing on such list must be members in good standing of the Licensed Organization, members in good standing of a recognized auxiliary of the Licensed Organization, or an immediate family member at least 18 years of age of said members in good standing. Any person whose name does not appear on such list shall not otherwise be allowed to conduct or assist in the conduct of any Beano game in any manner.
- (c) Participation as Worker Restricted. No person shall assist in the conduct of Beano except an active member of the Licensed Organization whose name appears on the lists required by 961 CMR 3.03(2) and 3.04(1)(b) or an immediate family member who is at least 18 years of age and whose name appears on the list as set forth by 961 CMR 3.04(1)(b). No person shall assist in the conduct of Beano on behalf of more than four Licensed Organizations in any calendar year, except as authorized in writing by the director.
- (d) Identification Required. The member in charge and those assisting him in any capacity shall possess and display such identification as may be specified by the Director.
- (e) Member responsible for Gross Receipts. The Head of the Licensed Organization, as defined in 961 CMR 3.03(1)(a), or his/her designee shall be in full charge of and primarily responsible for the lawful use and disposition of all Gross Receipts. Said member's name shall appear on the list required under 961 CMR 3.03(2).
- (f) Payment of Workers Prohibited. No commission, salary, compensation in any form or gift shall be paid or given to any person in any manner conducting or assisting in the conduct of Beano either directly or indirectly. No person shall solicit or receive any gift or donation of cash or merchandise on the premises during the conduct of an occasion of Beano.
- (g) Compensation of Bookkeepers and Accountants. Bookkeepers and Accountants may receive reasonable compensation for necessary services ordinarily incidental to the operation of Beano games. Except as authorized by the Director in writing, any bookkeeper or accountant receiving any compensation under 961 CMR 3.04 shall be present during the conduct of Beano and shall not participate or assist in any other capacity under this or any other section of 961 CMR 3.00.
- (h) Workers Participating as a Player. No worker whose name appears on the list required under 961 CMR 3.04(1)(b) may participate as a player in any game on any occasion conducted by the licensee on whose list his or her name appears except as authorized by the Director in writing.

961 CMR: STATE LOTTERY COMMISSION

3.04: continued

- (i) Qualifications of Caller and Assistant to the Caller. No person shall participate in any Beano game as caller or assistant to the caller as defined in 961 CMR 3.04(6)(a) unless he or she meets the requirements of 961 CMR 3.04(1)(c), is of good moral character and has not been convicted of a crime, other than a traffic violation, during the past five years.
- (2) Certain Persons Prohibited from Participation in the Conduct of Beano. Except as specifically authorized by the Director in writing, no person directly or indirectly connected with the manufacture, sale or distribution of Beano equipment or supplies, or the agents, servants or employees of such person, shall conduct, participate, advise or assist in the conduct of Beano or render any service to anyone conducting, participating or assisting in the conduct of Beano including the preparation of any form relating to Beano. Licensed Organizations receiving such assistance shall be in violation of 961 CMR 3.04(2).
- (3) Facilities.
- (a) Premises Required to Be Open for Inspection. The premises where any game of Beano is conducted or where it is intended that any game of Beano be conducted or that any Beano equipment be used shall be at reasonable times open to inspection by the Commission and the Local Licensing Authority or its duly appointed representatives.
- (b) Visibility of Drawing. The receptacle, the person removing the objects or balls from the receptacle and the caller, shall each be visible to the majority of the players at all times.
- (c) Accommodations to Be Furnished Players. Each player must be furnished, at no extra charge, a chair and place with sufficient room to play. The area must be free of hazards to safety with means of egress clearly designated.
- (d) Certain Notices Required to Be Posted. The Licensed Organization shall conspicuously post within that portion of the premises where Beano is played and Charity Game Tickets are sold one or more notices as required by the Director containing certain designated rules governing the conduct of Beano. The notice shall be in the form prescribed and may be provided by the Commission.
- (e) Licensed Organizations may retain the services of a police officer of the city or town where the Occasion is conducted. The police officer may be compensated under 961 CMR 3.05(4)(a) at the rate not to exceed the rate currently prevailing for such services in said city or town and shall not participate or assist in any other capacity under this or any other section of 961 CMR 3.00.
- (4) Equipment and Cards.
- (a) Ownership of Equipment. The Licensed Organization shall conduct Beano games only with equipment owned by it or which a lessor undertakes to provide by the terms of a written lease which lease shall be approved by the Director. The rental fee contained in such a lease shall be a sum certain and shall be approved by the Commission or its Representative. Use of equipment for which the Licensed Organization pays consideration directly or indirectly or under the guise of a service charge is prohibited except as allowed by the previous sentence. No Licensed Organization shall agree to purchase its supplies in consideration of receiving the use of any equipment, goods or supplies without charge.
- (b) Equipment. Equipment used in the conduct of Beano must be maintained in good repair and sound working condition. Equipment shall be used, and play operated, so that each player is given an equal opportunity to win. The objects or balls to be drawn must be essentially the same as to size, color, shape, weight, balance and all other characteristics so as to be at all times during the conduct of Beano equally agitated and circulated within the receptacle. All seventy-five objects or balls must be present in the receptacle before each game is begun. Numbers must be announced so that they can be heard clearly by all players of that game.
- (c) Price of Cards or Beano Opportunities. All opportunities to play, admission, Extra Regular Cards, Bonus Cards and Special Game cards must be assigned specific prices and may be sold only for the specified price. The set price may not be varied during a Beano Occasion and a list of all prices must be posted where admissions are sold. No cards may be sold other than within the premises where Beano is held. The sale of any Beano opportunity or combination of opportunities at a reduced price or a price other than the posted price is prohibited.

3.04: continued

(d) Sale of Cards or Beano Opportunities.

1. Beano games or opportunities may be printed only on one side of a card. In instances when hard cards are sold, the face or printed side of the card must be invisible and undisclosed to either the buyer or seller. When selling paper strips, the face or printed side of the strip may be visible to either the buyer or seller. No player may be given any opportunity to select any particular Beano card or paper strip on the basis of the numbers on the card, strip or otherwise. Additional cards may be sold as allowed by 961 CMR 3.04(4)(d) and cards may be exchanged at the discretion of the Licensee.

2. The Licensed Organization shall keep an accurate count in separate categories of the number of admissions sold, the number of Extra Regular Cards sold, the number of Bonus Cards sold and the number of Special Game cards sold. This information must be available at the close of the occasion. With the exception of paper strips, the admissions, Extra Regular Cards and Bonus Cards shall be distinctively marked and readily distinguishable.

(e) Inventory of Supplies. Accurate records detailing the number of Beano cards owned by the Licensed Organization are required. The Licensed Organization is required to possess and furnish on request proof of ownership for all equipment and cards in its possession. All Licensed Organizations are subject to inventory by representatives of the Commission at any reasonable time. Failure to comply with 961 CMR 3.04(4) shall be grounds for suspension or revocation of the Licensed Organization's right to conduct Beano.

(5) Charges and Fees.

(a) Admission Charge. No less than one dollar shall be charged for admission to the premises where a Beano Occasion is to be conducted. Payment of the admission fee entitles a person to a card or cards permitting him to participate in all Regular Beano Games played during the Occasion. The Director may, in writing, permit any individual Licensed Organization to combine for sale to the players, in addition to the Regular Game Cards received at admission, packages which may include Regular Beano Game Cards, Extra Regular Cards, and/or Special Beano Game Cards.

(b) Admission Charge Required. No person who has not paid the Admission Charge may play in any game or purchase raffle tickets as allowed by 961 CMR 3.04(9)(a). Under no circumstances shall a person play more than one admission.

(c) Admissions Announced. Prior to the start of the second half of the format, each Licensee shall announce, accurately, the number of players in attendance.

(6) Operation of Games.

(a) Drawing of Numbers. The caller shall remove the object or ball from the receptacle, observe the number, display the object or ball to the players with the numbers visible and then call out the letter and number. The numbers must be called accurately and in such a manner as to be heard by all players. Once removed, no object or ball may be returned to the receptacle until after the conclusion of the game. If Beano is claimed after the object or ball is removed from the receptacle but prior to both the calling of the letter and number, the Caller must not continue and the object or ball that was removed from the receptacle but not completely called shall not count towards the determination of the winner(s) of that game. If Beano is claimed after the object or ball is removed from the receptacle and while the Caller is calling the number or any portion of the number, then the Caller must continue calling the number in its entirety and that object or ball shall count in the determination of the winner(s) of that game.

(b) Winning Combination. Before any game is begun, the amount of the prize and the arrangement of numbers required to win must be announced clearly in a manner audible to all players. If a game is divided into multiple prizes, the winning arrangements and amount of each prize shall be announced audibly immediately prior to each such game.

(c) Permissible Winning Combinations. No arrangement of numbers shall be required to be covered in order to win a game other than those authorized in writing by the Director.

(d) Verification of Numbers Drawn. Any player may request a verification of the numbers drawn at the time a winner is determined and a verification of the objects or balls remaining in the receptacle and not drawn. Verification shall take place in the immediate presence of the member-in-charge, one or more players other than the winner, and at his or her option the player requesting the verification.

3.04: continued

(e) Verification of Winning Cards. The numbers appearing on the winning card must be verified at the time the winner is determined in order to insure that the numbers on the card in fact have been drawn from the receptacle. This verification shall be done in the immediate presence of one or more players at a table or location other than the winner(s).

(f) Multiple Winners. When more than one player is determined to be a winner on the call of the same number, the designated prize shall be divided equally to the nearest dollar. When equal division of a merchandise prize is not possible, substitute prizes of equal value, but not in excess of the designated prize in total value, shall be awarded.

(g) Standard of Conduct of Games. Every Licensed Organization is responsible for the supervision, regulation and conduct of all Beano games conducted under the authority of its license and is required to so supervise, regulate and conduct all games in accordance with the Beano Law and 961 CMR 3.00. All players must be given an equal opportunity to win and the Licensed Organization is required to eliminate any influence which has or may have as its effect the predetermination or selection of any winner or winners.

(h) Progressive Jackpot Games. In structuring a so-called progressive jackpot game, a Licensed Organization must incorporate one of the following elements to the game:

1. the jackpot must incrementally increase from occasion to occasion until said jackpot reaches the amount specified as the maximum amount permissible under the Beano Law for the progressive jackpot game; or
 2. the number of required calls to win the game must increase. Each Licensed Organization must announce the rules of each progressive jackpot game prior to the beginning of such game. A Licensed Organization may not change the rules after the beginning of the Jackpot game and prior to the winning of the jackpot; but may change such rules of the progressive jackpot game after the jackpot has been won and prior to the start of the next progressive jackpot game.
- (i) Last Number Called. It is required that the player(s) obtain the required arrangement to win the game, but not that the required arrangement be obtained on the last number called.

(7) Restrictions.

Hours of Operation. Beano may be conducted only during the hours specified in the Beano Law.

(8) Prizes.

(a) Regular and Special Game or Prizes.

1. Bonus or Additional Prizes. On Regular Games, a bonus or additional prize may be awarded on the basis of the purchase of a bonus card or cards. The prize shall increase in direct relation to the cost of said bonus cards. No bonus or additional prize shall increase the prize of the games by more than 100% of the amount specified in the Beano Law as the maximum permissible prize for that game.
2. Progressive Jackpot Game. A Licensed Organization may conduct progressive jackpot games at each occasion as long as the number of these games does not exceed the maximum number of times permitted by the Beano Law. The prize in said game must be carried over from occasion to occasion in accordance with the rules announced by the Licensed Organization at the beginning of each progressive jackpot game and in accordance with 961 CMR 3.06. The prize for the progressive jackpot game shall not exceed the amount specified in the Beano Law as the maximum permissible prize a Licensed Organization is empowered to give in cash or merchandise for a single progressive jackpot game.
3. Winner-Take-All Games. The prize for the winner-take-all game shall be equal to the total receipts for said games less a ten percent deduction to cover the cost of supplies for that games and the taxes due pursuant to the Beano Law. Licensed Organizations must deduct the costs of said game from the total receipts up to an amount equal to five percent of total receipts. The prize for said games shall not exceed the amount specified in the Beano Law as the maximum permissible prize a Licensed Organization is empowered to give in cash or merchandise for a single game.

(b) Maximum Value of Prizes Afforded. No prize shall exceed the amount specified in the Beano Law as the maximum permissible prize a Licensed Organization is empowered to give in cash or merchandise for a single game and the total prizes for a single Occasion may not exceed that figure allowed by operation of the Beano Law and 961 CMR 3.00.

3.04: continued

(c) Merchandise Prizes. When merchandise is awarded as a prize in a game of Beano, its value for the purpose of 961 CMR 3.04(8)(b) shall be its cost to the Licensed Organization; or if donated, the fair market value. The fair market value of donated merchandise prizes may not be reported as an expenditure in any financial statement of Beano operations.

(d) Varying Value of Prizes Offered. Within the limits established in the Beano Law and 961 CMR 3.00 the prizes offered may be varied depending on the number of persons entitled to play present at the Occasion. If a Licensed Organization invokes 961 CMR 3.04(8)(d), an announcement must be made before any games are played of the number of persons entitled to play and the prizes to be awarded. If such option is invoked, it shall apply to all games played on that Occasion. Paid patrons must be offered refunds.

(e) Gifts Prohibited. Except as authorized by the Director in writing, no Licensed Organization may offer, distribute or give any service or thing of value or opportunity to play Beano without charge. Nothing in 961 CMR 3.04(8) or any other subsection shall prevent the offering of a door prize or prizes, the value of which shall not exceed two hundred dollars in aggregate value per an Occasion.

(f) Charity Game Prizes. Licensed Organizations may redeem winning Charity Game tickets for up to one year from the date of sale, only in the event tickets were sold by the Licensed Organization and then only if the serial number printed on said tickets is that assigned to the Licensed Organization by the Commission at the time of sale or issuance to the Licensed Organization by the Commission. The redemption or offering for redemption of any Charity Game ticket other than as described is specifically prohibited.

(9) Prohibited Acts.

(a) Certain Gaming Prohibited. Except as provided in 961 CMR 3.04(9)(a) and 3.04(8)(e) and in M.G.L. c. 10, § 37, no games of chance of any kind other than Beano, whether lawful or unlawful and whether any separate or additional charge or wager is required or not, shall be conducted or allowed on any Occasion when Beano is played. Licensed Organizations holding a valid raffle permit issued by the city or town clerk of their municipality may sell raffle tickets during the hours of Beano operation, but no cash (or the equivalent of cash) prizes shall be offered or awarded in such raffles. Except for the use of charity game tickets as raffle prizes, break-open tickets (such as Supreme Raffles, jar tickets and the like) shall not be employed in such raffles.

(b) Sale of Alcoholic Beverages Prohibited. No alcoholic beverages may be sold, dispensed, consumed or awarded as a prize on that portion of the premises used for Beano during an Occasion.

(c) Persons under Age 18. No person under 18 years of age shall be permitted on that portion of the premises used for Beano during an Occasion.

(d) Transportation of Patrons. No Licensed Organization shall directly or indirectly provide for transportation of players to or from the premises where any game of Beano is conducted unless prior written authorization is obtained from the Director. For the purposes of 961 CMR 3.04(9)(d), premises shall include the ways immediately adjoining the premises where the Occasion is to be held. Application to the Director for authorization under 961 CMR 3.04 must be in writing and state grounds sufficient to establish to the satisfaction of the Director that the Licensed Organization has good cause for such request. Any authorization granted under 961 CMR 3.04(9)(d) may be revoked or suspended at any time.

(e) Prohibition of Certain Sales. Except for the sale or offering for sale by the Licensed Organization of Beano supplies, raffle or lottery tickets authorized under 961 CMR 3.04(9)(a) and food or refreshments, no services, goods or merchandise may be sold or offered for sale on that portion of the premises used for Beano during an Occasion and for one hour before and after the Occasion.

(f) Transaction of Certain Business Prohibited. No person who is directly or indirectly connected with the manufacture, sale or distribution of Beano equipment or supplies or his agents, servants or employees may be present during conduct of Beano games for the transaction of business.

3.05: Reporting and Record Keeping

(1) Reports.

(a) Financial Report. A separate financial report form as specified by the Commission must be filed for each day for which the Licensed Organization is authorized to conduct Beano

3.05: continued

games, regardless of whether or not the Licensed Organization actually conducts Beano games on that day. This form must be complete in all respects when filed. Failure to adequately complete and file said form within ten days of the authorized day for which said report is required to be filed may result in suspension or revocation of the license to conduct Beano. Control sheets and other such records or forms used by the Licensed Organization to gather and support the information required to be reported must be retained by the Licensed Organization and be kept available for inspection at reasonable times by the Director.

(b) Any organization who does not conduct Beano for two consecutive occasions must notify the Commission in writing prior to resuming operations. Financial Reports must be filed for the authorized day in accordance with 961 CMR 3.05(1)(a).

(c) Annual Reports.

1. Required. Every Licensed Organization must file an annual report with the Commission before January 31st of each year, in such form as the Director prescribes, setting forth all monies expended for Lawful Purposes during the preceding calendar year. A copy of this report must be filed with the Local Licensing Authority. This report shall be a public record.

2. Penalty for Failure to File. Any Licensed Organization which does not file the reports required in 961 CMR 3.05(1)(a) and (c) may be required to show cause before the Commission why its license to conduct Beano should not be revoked.

(2) Records.

(a) Record Keeping. Accurate records and books shall be kept by each Licensed Organization in a manner prescribed by the Director showing in detail the amount and source of Gross Receipts and the expenses incurred.

(b) Access to Records. The Commission, the Local Licensing Authority or their duly authorized agents or representatives shall at all times have access to all books and records of any Licensed Organization, including, but not limited to, originals, for the purpose of examining and checking them.

(c) Period for Retention of Records. All records, books of account, bank statements, invoices and all other papers incidental to the operation of Beano games by the Licensed Organization shall be retained and available for inspection by the Commission or its duly authorized representatives for a period of three years from the close of the calendar year to which the records apply.

(3) Bank Accounts.

(a) Each Licensed Organization shall establish a separate Special Beano Bank Account. Proceeds from Beano shall be kept in the Special Beano Bank Account which shall be in the form of a checking account. All receipts from each Beano Occasion less the amount awarded as cash prizes for that Occasion shall be deposited in this special Beano account no later than the next business day following the date of the Beano Occasion. Money shall be withdrawn from this "Special Beano Account" for only the following purposes:

1. Payment of expenses in accordance with 961 CMR 3.05(4);
2. Disbursement from Net Proceeds for a Lawful Purpose as defined in 961 CMR 3.00.
3. Transfer to one or more interest bearing accounts pending disbursement under 961 CMR 3.05(3)(a)2. Any transfer from any interest bearing account can only be back into the "Special Beano Account" established by 961 CMR 3.05(3). Except as authorized by the Director in writing, the total of funds held in interest bearing accounts plus the total of unexpended Net Proceeds in the "Special Beano Account" shall not exceed \$50,000.

(b) Checks drawn on the Special Beano Bank Account shall be preprinted and consecutively numbered. The heading of each check shall contain the following information:

1. The title of the account along with the Licensed Organization's five digit identification number issued by the Commission on the first line;
2. The name of the Licensed Organization on the second line; and
3. The address of the Licensed Organization on the third and fourth lines.

(c) The commingling of any funds derived from the operation of Beano with any other funds of the Licensed Organization is prohibited.

3.05: continued

(d) In the event a Licensed Organization desires to terminate its license to conduct Beano it must, prior to termination, distribute all Net Proceeds pursuant to 961 CMR 3.05(3)(a). In the event a Licensed Organization fails to renew its license to conduct Beano it must, no later than 90 days following the expiration date of said license, distribute all Net Proceeds pursuant to 961 CMR 3.05(3)(a)1.

(e) Each licensed organization may retain the services of a police officer of the city or town where the occasion is conducted who may be in attendance from the time sale of cards or beano opportunities commences until Net Proceeds have been secured by deposit or otherwise. The police officer may be compensated under 961 CMR 3.05(4)(a) at a rate not to exceed the rate currently prevailing for such services in said city or town.

(4) Expenses.

(a) Payment of Expenses. Money for reasonable and necessary expenses ordinarily incidental to the conduct of Beano games may be paid from the Gross Receipts only by checks having preprinted consecutive numbers drawn on the special Beano bank account established pursuant to 961 CMR 3.05(3). Said checks must be made payable to the specific person or corporation providing the goods or rendering the service which gives rise to the expense item and at no time may checks be payable to cash.

(b) Nature of Expenses. Only those expenses which are reasonable and necessary and ordinarily incidental to the conduct of Beano games as provided for in the Beano Law may be paid from Gross Receipts or otherwise.

3.06: Hearings

(1) In General.

(a) Hearing Officer. Hearings before the Commission shall be conducted by the Director or a duly designated hearing officer, except as provided in 961 CMR 3.06(2).

(b) Time. Hearings shall be conducted within ten days of the receipt of a written request for a hearing signed by an officer of the Licensed Organization or the member in charge of Beano games.

(c) Open to Public. Hearings shall be open to the public.

(d) Notice of Hearing. Notice of hearing shall be sent by the Director by registered or certified mail to the Licensed Organization at the mailing address shown on the original or renewal application and the member in charge's home address not less than five days prior to the date set forth on said notice for the holding of said hearing unless the Director, in his discretion shall shorten the time fixed herein.

(e) Persons Who May Appear. Any person aggrieved by or interested in the action of the Commission may appear and be heard in person or by duly appointed representative and may produce under oath evidence relevant and material to the issue in question. A duly authorized representative of the Licensed Organization must appear in person on the date set forth in the notice of hearing and on all adjourned dates. The failure of a qualified representative of the Licensed Organization to appear will result in a forfeiture of the right to further proceedings under 961 CMR 3.06.

(f) Duties of Hearing Officer. The person conducting the hearings shall rule on matters of procedure and the introduction of evidence and shall otherwise conduct the hearing in such manner as to preserve fundamental concepts of fairness and to effectuate the purposes and provisions of the Beano Law. At the conclusion of the hearings conducted by a hearing officer, he shall make written findings in support of his decision. The Licensed Organization and the Commission shall be notified immediately in writing of the decision.

(g) Rules of Evidence Not Applicable. The rules of evidence governing proceedings in courts of the Commonwealth shall not be rigidly enforced in hearings held under 961 CMR 3.06(1).

(h) Immediate Suspension or Revocation Allowed. Nothing in 961 CMR 3.06(1) shall prevent the denial, suspension or revocation of any license at any time by the Commission or the Director prior to a hearing.

(2) Appeal. If the Licensed Organization is aggrieved by the decision rendered pursuant to 961 CMR 3.06, it may appeal to the Commission for a hearing pursuant to M. G. L. c. 30A.

3.07: Senior Citizens Beano

(1) Definitions

Amusement and Recreation means the activity of supplying entertainment and/or diversion in a light, playful or pleasant manner.

Beano Game means a game played on a card or cards, sometimes called Bingo or some other name, in connection with which a card or cards are issued to a player upon payment of a specified admission charge and whereby prizes are offered to be won by chance.

Beano Occasion means a single session within the same calendar day during which a series of Beano Games are played.

Commission means the Massachusetts State Lottery Commission.

Director means the Director of the Commission.

Identification Number means a number assigned by the Commission pursuant to M.G.L., c. 10, § 38 permitting the conduct of a Beano Occasion.

Organization means an association where members are at least sixty years of age who have organized together for social, cultural and/or recreational purposes, and, without limiting the generality hereof, are commonly referred to as senior citizens or golden age clubs; and which has applied for and received an Identification Number from the Commission.

(2) Conduct of Games

(a) A Beano Occasion may be conducted between the hours of 9:00 o'clock a.m. and 10:00 o'clock p.m. on any day during the week.

(b) No license shall be required for an Organization to operate or conduct a Beano Occasion under 961 CMR 3.07.

(c) No person other than an active member of the Organization or a handicapped person as defined in M.G.L. c. 151B, § 1 may participate in the conduct of a Beano Game. No person shall be paid for conducting or assisting in the conduct of a Beano Game.

(d) No person other than a member of the Organization shall participate as a player in any Beano Game.

(e) The Organization may charge a person a fee to participate at each Occasion provided that the charge does not exceed the maximum amount permitted under the Beano Law. Payment of the designated charge shall entitle a player to a card permitting him/her to participate in all Beano Games played on each Occasion.

(f) Beano Games shall be operated and conducted for the Amusement and Recreation of the members of the Organization. All funds received for the opportunity to participate in Beano Games shall be used for prizes and reasonable expenses incurred in the operation of the Occasion, it being the intent of these rules that no profit shall accrue to the Organization.

(g) No Organization shall conduct a Beano Occasion unless it has received an Identification Number from the Commission. Any Organization wishing to conduct a Beano Game shall file an application on an approved form with the Commission. The Commission shall, upon receipt of an application, determine whether the Organization meets the statutory requirements and if it so determines issue an Identification Number to the Organization.

(h) Prizes for each single Beano Game shall not exceed the maximum amount permitted under the Beano Law for this type of Organization .

(3) Miscellaneous Provisions

(a) No alcoholic beverages shall be served at any Occasion.

(b) Each Organization shall keep records for each Occasion of the number of players present, the amount of money paid by players to participate, and the amount of money paid out in prizes and such records shall be available to the Commission or its Representative for inspection at any reasonable and mutually agreeable time.

961 CMR: STATE LOTTERY COMMISSION

3.07: continued

(c) In the event the Commission denies a request for an Identification Number or revokes a previously issued Identification Number, the applicant may appeal in writing to the Director. The determination of the Director shall be final.

REGULATORY AUTHORITY

961 CMR 3.00: M.G.L. c. 10, § 38.