

1979 WL 43067 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

June 14, 1979

*1 Reverend Howard G. McClain
Executive Minister
Christian Action Council
4201 N. Main Street
Columbia, South Carolina 29230

Dear Howard:

Thank you for your letter of May 30.

I will endeavor to answer your questions as presented by you.

'Fraternal organizations' is not defined as fully as it possibly could be in the legislation but we feel it best to use that phrase as it is used in the constitutional provision rather than attempting to be more specific. I think that this is a workable procedure and the matter can be developed on a case-by-case basis, leaving it to the courts to determine in given circumstances whether a particular organization is or is not a 'fraternal organization.'

Additionally, my primary intent is to obtain some strict accountability of organizations which are legally authorized to conduct bingo games under the Constitution and it is best to start off with whatever minimal impositions can be imposed, leaving it to future legislation based on experience and problems encountered to close any needed gaps.

No attempt was made to limit the number of locations from which a single licensee might operate. This was considered but the same comments set forth in the preceding paragraph are applicable. The same conclusions apply to the ability of one single party to obtain a license to operate at several different places. This has not, so far as we have encountered, posed a problem, but I can see that future experience may dictate that it may. I think it is best not to include this at the present time.

The 60% figure for distribution of gross sales for awards is somewhat arbitrary but will, I think, serve as a median point for distribution, leaving 40% for payment of expenses and monies for eleemosynary purposes. I am not wedded to the 60% figure but I am probably more concerned with cutting down on the income that can be retained simply because the organizations with which I have been primarily occupied impress me as being those which are really not 'eleemosynary' corporations. The 60% figure was probably dictated by the reasoning that the profits should be restricted as much as possible. The discussions with individuals in this Office most familiar with the problem seem to indicate that about 10% of the gross sales was required for expenses, leaving 10% for 'profits,' with the remainder being distributed to the players. I am not firm on these figures and open to suggestions.

The annually license fee and the temporary fee may be insufficient but only administrative experience will indicate whether it is sufficient to raise the amount necessary for the regulation of bingo games.

I might add that there is probably little likelihood of the bill going through unless there is a concentrated effort to request its passage. If the 4% tax is imposed, it would probably be remanded back to the Appropriations Committee, which could be a burial ground. I may be the victim of police attitude but I am very much concerned with the regulation and

licensing of organizations and individuals which we have encountered operating under the guise of 'eleemosynary, non-profit' entities and they are showing strong evidence in the Legislature.

*2 I appreciate your letter very much.

With best wishes,
Cordially,

Daniel R. McLeod
Attorney General

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