

SOUTHEAST LAW INSTITUTE™

1200 Corporate Drive, Suite 107
Highway 280 - Meadow Brook Corporate Park
Birmingham, Alabama 35242

Telephone: (205) 408-8893
Facsimile: (205) 408-8894

E-mail: AEJ@SoutheastLawInstitute.org
www.southeastlawinstitute.org

December 2004

Dear Friends and Supporters,

As we approach the end of the year, beginning with the Thanksgiving season through Christmas, we always count our blessings. We are thankful for the many good things with which we have been blessed during the preceding year. SLI is grateful for your support and for the service we have been able to provide.

A reminder as we approach the end of the year, we need additional financial contributions so we can pay our current obligations and then prepare for the coming year. The end of the year is your last opportunity to make a tax-deductible contribution. We encourage you to make as generous a contribution as possible. Please remember, the Southeast Law Institute is a tax-exempt nonprofit organization. Your contributions to us are tax deductible to you and are not taxable to us. This has been a tough year. Many of you are faithful supporters, but even so, we are behind in the receipts necessary to do our job effectively.

We have several things to briefly report. We have provided advice to attorneys in north Alabama on two cases. One involves the rights of an athlete in a Christian high school and the other concerns an unlawful wet/dry referendum. We will give more complete reports as more develops. Gambling once again reared its ugly head in the recent special legislative session; see our report in this month's update. Finally, we expect the usual Christmastime problems in public schools. If you know of any problems, let us know right away. Please join us in praying that for any problems that arise this year, they can be resolved with the peace of the season.

SLI is thankful for the outcome of the recent elections. We believe many righteous godly men and women have been elected. As we often say, such people will make our job easier in the future. Proper laws make for fewer claims and lawsuits. Please be in prayer for them as they begin their duties.

We are also grateful that polls and other indicia clearly showed the election was based on values. The people of this country and of this state have sought to return moral, proper values to the public square. Some liberal pundits and commentators condemn what they call the values of "religious right" and that liberals have values, too. Sure they do; values that permit abortion, same-sex marriage, *etcetera*. Regardless of a label, scriptural values are our values. We believe in the values that made America what she is, not what men would like to make of her. Men with selfish motives have always tried to seduce the virtuous. We should all give thanks to God that the hearts of His people were not seduced.

In closing, please join us in thanking God for the birth of His Son, our Savior. My family (Jenni, Geoffrey, and Jennifer) join me in thanking you for your support and wish you a joyous Advent season. With glory to God in the highest and on earth, peace and good will toward men, we are,

The Southeast Law Institute

A. Eric Johnston
General Counsel

AEJ/pmm

**AN EDUCATIONAL UPDATE FROM
THE SOUTHEAST LAW INSTITUTE™, INC.**

To: SLI Supporters
Date: December 2004
From: A. Eric Johnston
Re: Charitable Bingo, A Sin Whose Time Has Come

For many years churches and other charitable organizations, such as local fire departments, have raised money through "charitable bingo." In times past, bingo at church was a pleasant pastime without the greed element. However, such bingo may become another form of legalized gambling in Alabama.

Governor Riley called the Alabama Legislature into session in the middle of November to address health insurance issues for state employees. A special session is limited only to what is included in the governor's call. Governor Riley did not include gambling, yet as you might expect, gamblers asked their minions in the Legislature to introduce bills to expand gambling. In this case, it was an effort to expand the play time and increase prize money under Mobile County's charitable bingo law.

Legal Background

The Alabama Constitution, Article IV, Section § 65, prohibits gambling in Alabama. Therefore, if any form of gambling is permitted, it must be done by constitutional amendment. Historically, constitutional amendments to allow limited "charitable" gambling in the form of bingo have been permitted. There are eighteen such amendments. While most people do not approve of any form of gambling, communities were allowed to have these games in order to raise funds for local charities. The laws have caps on the amount of money which may be won, a limitation on the number of days the games may be played, and restrictions that permit only the charity to operate the games. Proposals with these restrictions are then voted on by the people and if passed, become law. An example of charitable bingo is Amendment Number 440 passed in 1983 for Mobile County. Enabling legislation by the Legislature was passed in 1983 and amended in 1993. The limitations permitted play only two days a week, five hours per day, with a prize limitation of \$4,000 per day and \$8,000 per week for a player.

A Proposed Change

A bill was introduced that would have removed all caps on winnings and would have permitted seven days per week, seventeen hours per day games, including fourteen hours on Sundays. One stated purpose was to raise additional monies so the sheriff's office could be sure the games were legally operated. However, the real reason was that Mobile County was losing gamblers to the Biloxi casinos and Mobile County wanted to compete. In other words, the motivation was to expand gambling to the point that it became high stakes gambling and not a mere game to pass time or to raise a small amount of money for a church or fire hall. This bill, SB 19, passed the Senate with an understanding problems would be addressed in the House. The House bill, HB 23 was withdrawn, in the face of stiff opposition.

SLI was asked to interpret the provisions of the bill. Our analysis suggested to us that not only would the charitable fundraising type bingo in Mobile County become unlimited in its operations and therefore have a detrimental effect on individuals and families, but it would set a precedent for the other charitable bingo operations existing under other constitutional amendments. In other words, bingo halls would be operating almost around the clock in Mobile County. Other counties would then be requesting similar treatment. While these operations cannot really compete with the Mississippi casinos, they still would present a very detrimental and corrosive effect on Alabama communities.

Such expansion would not be unlike the expanded bingo permitted under HB 660, a bill passed in the 2003 Legislative Session and then approved as a constitutional amendment for Macon County. A representative in the House changed the language in an agreed upon bill (it included the protective limitations described above) and got the bill passed without anyone knowing of his subterfuge; the bill permitted unlimited bingo to be operated by gambling interests, not charities. That bingo is taking place at the Macon County dog track and was the subject of an attorney general's investigation. Bingo is an elusive term and the operations in Macon County are unlimited gambling to the benefit of gambling interests, not to charity. Since it is itself a constitutional amendment, it cannot be challenged as an unlawful form of gambling.

Conclusion

Charitable bingo could reach the magnitude of Macon County bingo. With unlimited cash winnings and virtually unlimited hours of operation, the impact will be significant enough to do damage to Alabama communities. Bingo is no longer played with paper, but electronic cards. It has great potential for expansion. While the Mobile County effort failed, it is likely there will be renewed efforts to expand this form of gambling. If money for law enforcement is necessary, a bill to provide strictly for that would address the problem. Such a bill would be in the spirit of the charitable nature of this type legislation. Otherwise, expanded gambling is the outcome of the effort. Charities must find other ways to raise the funds they need for operation. Preying on the weaknesses of some individuals is not the way to do good works.