## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

No. 169

Session of 2009

INTRODUCED BY SOLOBAY, CALTAGIRONE, BELFANTI, BEYER, BRENNAN, BUXTON, CARROLL, DALEY, FABRIZIO, FRANKEL, GALLOWAY, GEORGE, GRELL, GRUCELA, HALUSKA, HARKINS, HORNAMAN, KOTIK, KULA, LONGIETTI, MAHONEY, MANN, MELIO, PALLONE, PETRARCA, ROCK, SIPTROTH, SWANGER, VULAKOVICH, WHITE, YOUNGBLOOD, D. COSTA, GIBBONS, KORTZ, GEIST, GOODMAN, KAUFFMAN, DeLUCA, SAINATO, MARSICO, M. KELLER, M. SMITH, HOUGHTON, DELOZIER, MARSHALL, BARBIN, FARRY, BENNINGHOFF, SEIP, YUDICHAK AND HELM, MARCH 4, 2009

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 27, 2010

## AN ACT

- Amending the act of December 19, 1988 (P.L.1262, No.156), entitled, as amended, "An act providing for the licensing of 2 eligible organizations to conduct games of chance, for the 3 licensing of persons to distribute games of chance, for the 5 registration of manufacturers of games of chance, and for suspensions and revocations of licenses and permits; 6 requiring records; providing for local referendum by 7 electorate; and prescribing penalties," further providing for 8 definitions, for permitted games of chance, for prize limits, 9 for insured games, for limited sales, for recordkeeping, for 10 eligible organizations' use of locations for conducting small 11 games of chance, for separate individual prize limitations, 12 for enforcement and for advertising. 13 14 The General Assembly of the Commonwealth of Pennsylvania
- 15 hereby enacts as follows:
- 16 Section 1. The definitions of "daily drawing" and "games of
- 17 chance" in section 3 of the act of December 19, 1988 (P.L.1262,
- 18 No.156), known as the Local Option Small Games of Chance Act,
- 19 amended December 19, 1990 (P.L.812, No.195) and October 18, 2000

- 1 (P.L.602, No.79), are amended and the section is amended by
- 2 adding definitions to read:
- 3 Section 3. Definitions.
- 4 The following words and phrases when used in this act shall
- 5 have the meanings given to them in this section unless the
- 6 context clearly indicates otherwise:
- 7 \* \* \*
- 8 "Daily drawing." A game in which a bona fide member selects
- 9 or is assigned a number for a chance at a prize with the winner
- 10 determined by [a] random drawing to take place on the eligible
- 11 organization's premises [during the same operating day]. The
- 12 term includes games commonly known as "member sign-in lotteries"
- 13 and "half-and-half lotteries." Nothing in this act shall be
- 14 construed to prohibit the carrying over of a jackpot where the
- 15 winning number has not been entered in the game on a particular
- 16 operating day. Daily drawing winners may be determined with the
- 17 aid of a passive selection device or reference to drawings
- 18 conducted by the department pursuant to the act of August 26,
- 19 1971 (P.L.351, No.91), known as the State Lottery Law. Daily
- 20 drawing chances may not be sold for an amount in excess of \$1,
- 21 and no more than one chance per individual may be sold [to an
- 22 individual during the same operating day.] per drawing. Nothing
- 23 <u>in this definition shall restrict an eligible organization from</u>
- 24 conducting more than one drawing per day.
- 25 \* \* \*
- "Games of chance." Punchboards, daily drawings, weekly
- 27 drawings, monthly drawings, raffles, vertical wheel games and
- 28 pull-tabs, as defined in this act, provided that, except for
- 29 vertical wheel games, no such game shall be played by or with
- 30 the assistance of any mechanical or electrical devices or media

- 1 other than a dispensing machine or passive selection device and
- 2 further provided that the particular chance taken by any person
- 3 in any such game shall not be made contingent upon any other
- 4 occurrence or the winning of any other contest, but shall be
- 5 determined solely at the discretion of the purchaser. This
- 6 definition shall not be construed to authorize any other form of
- 7 gambling currently prohibited under any provision of Title 18 of
- 8 the Pennsylvania Consolidated Statutes (relating to crimes and
- 9 offenses). Nothing in this act shall be construed to authorize
- 10 games commonly known as "slot machines" or "video poker."
- 11 <u>"General operating expenses."</u> The following operating
- 12 expenses associated with the real property owned or leased by an
- 13 eligible organization and used for public interest purposes or
- 14 for conducting small games of chance:
- 15 <u>(1) Real property taxes.</u>
- 16 (2) Utilities.
- 17 (3) Heating and air conditioning.
- 18 (4) Water and sewer.
- 19 <u>(5) Property insurance.</u>
- 20 (6) Liability insurance.
- 21 (7) Mortgage payments.
- 22 (8) Interior and exterior repairs, including parking lot
- 23 repairs.
- 24 (9) New facility construction.
- 25 (10) Any other expense as provided in regulations
- 26 promulgated by the department.
- 27 The term shall not include wages, alcohol purchases or payment
- 28 of any fine levied against the eligible organization.
- 29 \* \* \*
- 30 "Monthly drawing." A game in which a bona fide member

- 1 <u>selects or receives a number or numbers for chance at a prize</u>
- 2 with the winner determined by a random drawing to take place on
- 3 the eligible organization's premises during any operating month.
- 4 Nothing in this act shall be construed to prohibit the carrying
- 5 over of a jackpot where the winning number has not been entered
- 6 <u>in the game in a particular month. Monthly drawing winners may</u>
- 7 <u>be determined with the aid of a passive selection device or</u>
- 8 reference to drawings conducted by the Department of Revenue
- 9 pursuant to the act of August 26, 1971 (P.L.351, No.91), known
- 10 as the State Lottery Law. Monthly drawing chances may not be
- 11 sold for an amount in excess of \$1.
- 12 \* \* \*
- 13 <u>"Vertical wheel game." A game in which a participant places</u>
- 14 <u>a coin or chip on a color, number or word or purchases a ticket</u>
- 15 <u>containing a color, number or word and watches a spinning</u>
- 16 <u>vertical wheel until the pointer of the wheel rests on a section</u>
- 17 of the wheel designating a winner.
- 18 \* \* \*
- 19 Section 2. Section 4 of the act, amended December 19, 1990
- 20 (P.L.812, No.195), is amended to read:
- 21 Section 4. Games of chance permitted.
- 22 Every eligible organization to which a license has been
- 23 issued under the provisions of this act may conduct games of
- 24 chance for the purpose of raising funds for general operating
- 25 expenses and for public interest purposes. [All proceeds of
- 26 games of chance shall be used exclusively for public interest
- 27 purposes or for the purchase of games of chance as permitted by
- 28 this act.] Proceeds of games of chance shall be used as follows:
- 29 <u>(1) Fifty-five SIXTY percent of proceeds shall be used</u>
- 30 for public interest purposes.

- 1 (2) Forty percent of proceeds shall be used for general
- 2 <u>operating expenses.</u>
- 3 <u>(3) Five percent of proceeds shall be remitted to the</u>
- 4 <u>department headquarters of the eligible organization.</u>
- 5 Section 3. Section 5 of the act, amended December 19, 1990
- 6 (P.L.812, No.195) and October 18, 2000 (P.L.602, No.79), is
- 7 amended to read:
- 8 Section 5. Prize limits.
- 9 (a) Individual prize limit. -- [The] Except as provided for in
- 10 <u>subsection (j), the</u> maximum cash value which may be awarded for
- 11 any single chance shall be [\$500] \$1,000.
- 12 (b) Weekly limit. -- No more than [\$5,000] \$25,000 in cash or
- 13 merchandise shall be awarded by any eligible organization in any
- 14 seven-day period. Payouts of less than \$26 shall not be counted
- 15 toward the weekly limit.
- 16 (c) Limit on raffles.--No more than \$5,000 in cash or
- 17 merchandise shall be awarded in raffles in any calendar month.
- 18 (d) Exception. -- An eligible organization may conduct a
- 19 raffle and award a prize or prizes valued in excess of [\$500]
- 20 \$1,000 each only under the following conditions:
- 21 (1) The licensing authority has issued a special permit
- for the raffle under section 11.
- 23 (2) Eligible organizations shall be eligible to receive
- 24 no more than [two] three special permits in any licensed year
- 25 [except that volunteer fire, ambulance and rescue
- 26 organizations shall be eliqible to receive no more than three
- 27 special permits in any licensed year].
- 28 (3) Only one raffle may be conducted under each special
- 29 permit.
- 30 (4) The total cash value of all prizes shall be no more

- than \$100,000 per calendar year.
- 2 (e) Limit on daily drawings. -- Daily drawings shall be
- 3 governed by the prize [limitations] <u>limitation</u> contained in
- 4 [subsections (a) and (b)] <u>subsection (a)</u>. [An eligible
- 5 organization shall not conduct daily drawings during a period
- 6 when a weekly drawing is taking place.]
- 7 (f) Exception. -- The prize limitation contained in
- 8 [subsections (a) and (b)] subsection (a) may be exceeded by a
- 9 daily drawing under the following circumstances: a daily drawing
- 10 may award a prize where the cash value is in excess of [\$500]
- 11 \$1,000 if such prize is the result of a carryover of a drawing
- 12 or drawings which resulted from the winning number in such
- 13 drawing or drawings not being among the eligible entrants in
- 14 such drawings. Nothing contained herein shall authorize the
- 15 prize [limitations] <u>limitation</u> as contained in [subsections (a)
- 16 and (b)] subsection (a) to be exceeded as a result of a failure
- 17 to conduct a drawing on an operating day during which chances
- 18 were sold for a daily drawing or for a daily drawing for which
- 19 chances were sold in excess of \$1 or for which more than one
- 20 chance was sold to an eligible participant.
- 21 (q) Daily drawing and weekly drawing exception. --When a
- 22 daily drawing or weekly drawing is set up or conducted in such a
- 23 manner as to pay out or award 100% of the gross revenues
- 24 generated from such drawing, the limitations contained in
- 25 subsection (b) shall not apply.
- 26 (h) Limit on weekly drawings. -- Weekly drawings shall be
- 27 governed by the prize limitations contained in subsection (b).
- 28 The prize limitation contained in subsection (b) may be exceeded
- 29 by a weekly drawing under the following circumstances: a weekly
- 30 drawing may award a prize where the cash value is in excess of

- 1 [\$5,000] \$25,000 if such prize is the result of a carryover of a
- 2 drawing or drawings which resulted from the winning number or
- 3 numbers in such drawing or drawings not being among the eligible
- 4 entrants in such drawings. Nothing contained in this act shall
- 5 authorize the prize limitations as contained in subsection (b)
- 6 to be exceeded as a result of a failure to conduct a drawing for
- 7 a week during which chances were sold for a weekly drawing or
- 8 for a weekly drawing for which chances were sold in excess of
- 9 \$1. [An eligible organization shall not conduct weekly drawings
- 10 during a period when a daily drawing is taking place.]
- 11 (i) Limit on monthly drawings. -- No more than \$50,000 in cash
- 12 or merchandise may be awarded in any calendar month except under
- 13 the following circumstances: a monthly drawing may award a prize
- 14 where the cash value is in excess of \$50,000 if the prize is the
- 15 result of a carryover of a drawing or drawings that resulted
- 16 from the winning number or numbers in the drawing or drawings
- 17 not being among the eligible entrants in the drawing. Nothing
- 18 contained in this act shall authorize the prize limitations to
- 19 be exceeded as a result of a failure to conduct a drawing for a
- 20 month during which chances were sold for a monthly drawing or
- 21 for a monthly drawing for which chances were sold in excess of
- 22 \$1.
- 23 <u>(j) Progressive games AUTHORIZATION.--Progressive games</u>
- 24 shall be permitted with a maximum cash value of \$5,000.
- 25 Contributions to the pot shall be counted against the limit for
- 26 the week in which the contribution is made except that when the
- 27 <u>limit is reached the amount awarded shall be counted toward the</u>
- 28 limit only to the extent it was not previously counted toward a
- 29 prior week's limit. For the purpose of this section, progressive
- 30 games are those in which a winning ticket awards the ticket

- 1 holder an additional chance at another game or games.
- 2 (k) Emergency services fundraiser. -- Notwithstanding any
- 3 other provision of this section, an eligible organization that
- 4 performs emergency services shall be permitted to conduct one
- 5 drawing per year with an award of \$50,000 for the purpose of
- 6 raising funds to purchase emergency services equipment.
- 7 (L) DEFINITION.--AS USED IN THIS SECTION, THE TERM
- 8 "PROGRESSIVE GAME" MEANS A GAME OF CHANCE IN WHICH A WINNING
- 9 TICKET AWARDS THE TICKETHOLDER AN ADDITIONAL CHANCE AT ANOTHER
- 10 GAME OF CHANCE.
- 11 Section 4. The act is amended by adding a section to read:
- 12 <u>Section 5.1. Insured games.</u>
- 13 <u>Notwithstanding</u> (A) AUTHORIZATION. -- NOTWITHSTANDING any
- 14 provision of this act to the contrary, an eligible organization
- 15 may conduct small games of chance using insured games. Insured
- 16 games sold by a licensed distributor shall be backed INSURED by
- 17 a valid insurance contract issued by an insurance company
- 18 licensed to do business BY THE INSURANCE DEPARTMENT TO DO
- 19 BUSINESS AS AN INSURANCE COMPANY in this Commonwealth. Proof of
- 20 the insurance contract must be provided to the department prior
- 21 to the game being sold. The license of a distributor and an
- 22 insurance company issuing a contract for an insured game may be
- 23 suspended or revoked for failure to pay an award. For the-
- 24 purposes of this section, an insured game is a game in which the
- 25 distributor or other licensed third party quarantees making the
- 26 payment on a win of a jackpot.
- 27 (B) DEFINITION.--AS USED IN THIS SECTION, THE TERM "INSURED
- 28 GAME" MEANS A GAME OF CHANCE IN WHICH THE DISTRIBUTOR OR OTHER
- 29 LICENSED THIRD PARTY GUARANTEES MAKING THE PAYMENT ON A WIN OF A
- 30 JACKPOT.

- 1 Section 5. Section 6 of the act, amended December 19, 1990
- 2 (P.L.812, No.195), is amended to read:
- 3 Section 6. Sales limited.
- 4 No person shall sell, offer for sale or furnish games of
- 5 chance for use within this Commonwealth except to an eligible
- 6 organization or distributor licensed under this act. No game of
- 7 chance, other than a raffle, sold, offered for sale or furnished
- 8 for use within this Commonwealth shall contain, permit, depict
- 9 or designate a prize having a cash value in excess of [\$500]
- 10 \$1,000.
- 11 Section 6. Section 7 of the act is amended by adding a
- 12 subsection to read:
- 13 Section 7. Distributor licenses.
- 14 \* \* \*
- 15 (j) Tax surcharge. -- A licensed distributor shall pay a 1%
- 16 <u>surcharge on the amount of all games sales, to be paid directly</u>
- 17 to the General Fund.
- 18 Section 7 6. Section 9(b) of the act, amended December 19,
- 19 1990 (P.L.812, No.195), is amended to read:
- 20 Section 9. Regulations of department.
- 21 \* \* \*
- 22 (b) Limitation on recordkeeping requirements.--This section
- 23 shall not be construed to authorize the department to promulgate
- 24 regulations providing for recordkeeping requirements for
- 25 eligible organizations which require unreasonable or unnecessary
- 26 information or a repetitious listing of information. The
- 27 department shall strive to keep such recordkeeping requirements
- 28 from being an undue hardship or burden on eligible
- 29 organizations. Under no circumstances shall the department
- 30 require the retention of records for a period in excess of [two

- 1 years] one year. Each eligible organization shall report to the
- 2 department prizes awarded as required by section 335 of the act
- 3 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
- 4 1971.
- Section 8 7. Section 10 of the act, amended December 19,
- 6 1990 (P.L.812, No.195) and October 18, 2000 (P.L.602, No.79), is
- 7 amended to read:
- 8 Section 10. Licensing of eligible organizations to conduct
- games of chance.
- 10 (a) License required. -- No eligible organization shall
- 11 conduct or operate any games of chance unless such eligible
- 12 organization has obtained and maintains a valid license issued
- 13 pursuant to this section. Auxiliary groups within eligible
- 14 organizations shall be eligible to conduct small games of chance
- 15 using the license issued to the eligible organization provided
- 16 that the auxiliary group or groups are listed on the application
- 17 and license of the eligible organization. No additional
- 18 licensing fee shall be charged for an auxiliary group's
- 19 eligibility under this act. Auxiliary groups shall not include
- 20 branches, lodges or chapters of a Statewide organization.
- 21 (b) Issuance and fees. -- The licensing authority shall
- 22 license, upon application, within 30 days any eligible
- 23 organization meeting the requirements for licensure contained in
- 24 this act to conduct and operate games of chance at such
- 25 locations within the county or in such manner as stated on the
- 26 application as limited by subsection (b.1). The license fee to
- 27 be charged to each eligible organization shall be [\$100] \$300,
- 28 except for limited occasion licenses which shall be [\$10] \$30.
- 29 Licenses shall be renewable [annually] on a biennial basis upon
- 30 the anniversary of the date of issue.

- 1 (b.1) Location of small games of chance. -- Where there exists
- 2 a location or premises which is the normal business or operating
- 3 site of the eligible organization and is owned or leased by that
- 4 eligible organization to conduct its normal business, that site
- 5 shall be the licensed premises for small games of chance
- 6 conducted by the eligible organization. If that location
- 7 consists of more than one building and the eligible organization
- 8 wishes to conduct its games in a different building at that
- 9 location from the one that is listed on its application and
- 10 license, the eligible organization must notify, in writing, the
- 11 district attorney and the licensing authority of the change in
- 12 building site and the dates and times that will be affected.
- 13 When an eligible organization does not own or lease a specific
- 14 location to conduct its normal business, that eligible
- 15 organization may use another eligible organization's premises to
- 16 conduct its games or may make such other arrangements that are
- 17 consistent with this act, including, but not limited to, leasing
- 18 a premise under a written agreement for a rental which is not
- 19 determined by either the amount of receipts realized from the
- 20 playing of games of chance nor the number of people attending
- 21 except that an eligible organization may lease a facility for a
- 22 banquet where a per head charge is applied in connection with
- 23 the serving of a meal. When such eligible organization changes
- 24 the site of its games from that which is listed on its
- 25 application and license, the eligible organization must notify,
- 26 in writing, the district attorney and licensing authority of the
- 27 change in their games' site and dates and times that will be
- 28 affected. More than one ELIGIBLE organization may use the same
- 29 location, provided that each ELIGIBLE organization has its own
- 30 license and that the prize limitations of this act shall apply

- 1 <u>separately to each organization</u>. A SEPARATE LICENSE. IF MORE\_
- 2 THAN ONE LICENSED ELIGIBLE ORGANIZATION USES THE SAME LOCATION,
- 3 THE PRIZE LIMITATIONS OF THIS ACT SHALL APPLY TO EACH LICENSED
- 4 <u>ELIGIBLE ORGANIZATION</u>.
- 5 (b.2) Off-premises games of chance. -- Notwithstanding any
- 6 other provisions of this section, an eligible organization may
- 7 conduct small games of chance at a location off its premises
- 8 when such games are part of an annual carnival, fair, picnic or
- 9 banquet held or participated in by that eligible organization on
- 10 a historical basis. The eligible organization must notify, in
- 11 writing, the district attorney and licensing authority of the
- 12 location, date and times of such events where it will be
- 13 conducting small games of chance.
- 14 (b.3) Limited occasion licenses. -- Eligible organizations
- 15 which do not own their own premises or which do not lease a
- 16 specific location to conduct their normal business may apply for
- 17 a limited occasion license to conduct small games of chance on
- 18 not more than three occasions covering a total of seven days
- 19 during a licensed year. A limited occasion license entitles
- 20 eligible organizations holding such a license to conduct no more
- 21 than two raffles during a licensed year where prizes may not
- 22 exceed the established limits for regular monthly raffles.
- 23 Holders of limited occasion licenses may not apply or be granted
- 24 any other license or special permit under this act. No holder of
- 25 a regular license or special permit under this act shall apply
- 26 or be granted a limited occasion license.
- 27 (b.4) Gambling facility prohibited. -- It shall be unlawful
- 28 for a person, corporation, association, partnership or other
- 29 business entity to offer for rent or offer for use a building or
- 30 facility to be used exclusively for the conducting of small

- 1 games of chance. It shall also be unlawful for any eligible
- 2 organization to lease under any terms a facility or building
- 3 which is used exclusively for the conducting of small games of
- 4 chance.
- 5 (B.5) AUTHORIZATION. -- A LICENSED ELIGIBLE ORGANIZATION MAY
- 6 <u>SELL ON ITS LICENSED PREMISES THE RAFFLE TICKETS OF ANOTHER</u>
- 7 <u>LICENSED ELIGIBLE ORGANIZATION THAT HAS BEEN ISSUED A LIMITED</u>
- 8 OCCASION LICENSE UNDER SUBSECTION (B.3).
- 9 (c) Display. -- Licenses issued pursuant to this section shall
- 10 be publicly displayed at the site of the small games of chance.
- 11 (d) Operation. -- Each licensed eligible organization shall
- 12 comply with the following restrictions and rules governing the
- 13 operation of games of chance:
- 14 (1) No person under 18 years of age shall be permitted
- to operate or play games of chance.
- 16 (2) No eligible organization shall permit any person who
- 17 has been convicted of a felony in a Federal or State court
- 18 within the past five years or has been convicted in a Federal
- or State court within the past ten years of a violation of
- 20 the act of July 10, 1981 (P.L.214, No.67), known as the Bingo
- 21 Law, or of this act to manage, set up, supervise or
- 22 participate in the operation of games of chance.
- 23 (3) No eligible organization shall pay any compensation
- 24 to any person for conducting any games of chance. Games of
- chance may only be conducted by managers, officers,
- 26 directors, bar personnel and bona fide members of the
- 27 eligible organization.
- 28 (4) Games shall be conducted only on the licensed
- 29 premises or as otherwise provided by this act.
- 30 (5) The eligible organization shall not lease such

premises under either an oral or a written agreement for a rental which is determined by either the amount of receipts realized from the playing of games of chance or the number of people attending, except that an eligible organization may lease a facility for a banquet where a per head charge is applied in connection with the serving of a meal. An eligible organization shall not lease such premises from any person who has been convicted of a violation of this act within the past ten years.

- (6) Games, other than raffles, daily drawings [and], weekly drawings and monthly drawings, shall be purchased only from manufacturers and distributors approved by the department.
- (7) No licensed eligible organization shall permit its premises to be used for small games of chance by another licensed eligible organization at the same time that it is conducting small games of chance on the premises. When a licensed eligible organization is permitting another licensed eligible organization to use its premises for purposes of small games of chance, it must cease the operation of its own small games of chance during the period that the other licensed eligible organization is conducting its games on the premises.
  - (8) Raffle tickets may be sold off the licensed premise in any municipality in this Commonwealth which has adopted the provisions of this act by an affirmative vote in a municipal referendum. A licensed eligible organization which plans to sell raffle tickets in a municipality located in a county other than the county in which the eligible organization is licensed must notify that county's district

- 1 attorney and licensing authority as to the location and the
- 2 dates that the eligible organization plans to sell raffle
- 3 tickets.
- 4 (9) The eligible organization shall keep a bank account
- 5 to hold the proceeds of small games of chance, which shall be
- 6 <u>separate from all other funds belonging to the eligible</u>
- 7 <u>organization. Account records shall show all expenditures and</u>
- 8 income, and these records shall be retained by the eligible
- 9 <u>organization for no less than one year in a fire-proof</u>
- 10 container.
- 11 (e) Application for license. -- Each eligible organization
- 12 shall apply to the licensing authority for a license on a form
- 13 to be prescribed by the Secretary of Revenue. The form shall
- 14 contain an affidavit to be affirmed by the executive officer or
- 15 secretary of the eligible organization stating that:
- 16 (1) No person under 18 years of age will be permitted by
- the eligible organization to operate or play games of chance.
- 18 (2) The facility in which the games of chance are to be
- 19 played has adequate means of ingress and egress and adequate
- 20 sanitary facilities available in the area.
- 21 (3) The eligible organization is not leasing such
- 22 premises from the owner thereof under an oral agreement, nor
- 23 is it leasing such premises from the owner thereof under a
- written agreement at a rental which is determined by the
- amount of receipts realized from the playing of games of
- 26 chance or by the number of people attending, except that an
- 27 eligible organization may lease a facility for a banquet
- where a per head charge is applied in connection with the
- 29 serving of a meal.
- 30 (4) The eligible organization has a separate bank

- 1 <u>account to hold all proceeds of small games of chance.</u>
- 2 (e.1) Supplemental materials to accompany application. -- An
- 3 <u>annual financial report limited to the operation of games of</u>
- 4 chance detailing gross profit, allowable expenses, rent, staff
- 5 per diem, cost of supplies, net profit and contributions to
- 6 charitable causes shall be filed with the licensing authority
- 7 and submitted with the application. This report shall be filed
- 8 with the application for license and shall be filed by the
- 9 <u>midterm anniversary date of the license in nonapplication years.</u>
- 10 This report shall be prepared on a one-page form to be designed
- 11 by the department. The report shall contain information for the
- 12 <u>12-month period immediately preceding a date 60 days prior to</u>
- 13 the filing of the report. Failure to file the report by the
- 14 <u>midterm anniversary date of the license shall result in the</u>
- 15 <u>automatic suspension of the license until the county treasurer</u>
- 16 LICENSING AUTHORITY certifies the report has been filed in
- 17 compliance with this act.
- 18 (f) List of licensees. -- The licensing authority, on a
- 19 semiannual basis, shall send a copy of all licensees to the
- 20 Department of Revenue.
- 21 (q) List of municipalities. -- The licensing authority shall
- 22 include with any license or renewal issued to an eligible
- 23 organization, an up-to-date listing of those municipalities
- 24 within the licensing county which have approved the referendum
- 25 question on small games of chance.
- 26 (h) Background checks.--Each application shall include
- 27 <u>criminal history records obtained from the Pennsylvania State</u>
- 28 Police for the executive officer or secretary of the eligible
- 29 organization making the application and, all other responsible
- 30 persons listed on the application AND THE ELIGIBLE

- 1 ORGANIZATION'S TREASURER.
- 2 Section 8.1 8. Section 13 of the act is amended to read:
- 3 Section 13. Enforcement.
- 4 (a) District attorney. -- The district attorney shall
- 5 investigate alleged violations of this act. If the district
- 6 attorney finds probable cause to believe that a violation has
- 7 occurred, he may file a complaint against the alleged violator
- 8 in the court of common pleas of said county, except in counties
- 9 of the first class where the complaint may be filed in the
- 10 municipal court. In addition, the district attorney shall
- 11 prosecute said complaint in the manner provided by law.
- 12 (b) Other law enforcement officials. -- Nothing in this act
- 13 shall be interpreted to restrict the power of State, county or
- 14 local law enforcement officials to conduct investigations [and
- 15 enforce the provisions] of this act[.] and provide the results
- 16 of those investigations to the district attorney for enforcement
- 17 pursuant to subsection (a).
- 18 (C) DEPARTMENT. -- THE DEPARTMENT SHALL INVESTIGATE AND
- 19 ENFORCE VIOLATIONS OF THIS ACT IN ACCORDANCE WITH THE ACT OF
- 20 APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, AND
- 21 THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM
- 22 CODE OF 1971.
- 23 Section 9. Section 15 of the act, amended December 19, 1990
- 24 (P.L.812, No.195), is amended to read:
- 25 Section 15. Advertising.
- 26 [It shall not be unlawful for any] AN eligible organization
- 27 or person [to] MAY advertise the prizes or their dollar value to
- 28 be awarded in games of chance, provided that [prizes may be
- 29 identified on raffle tickets. Notwithstanding the prohibition of
- 30 advertising contained within this section, an eligible

- 1 organization may advertise prizes and values thereof in periodic
- 2 publications which are limited in their circulation to members
- 3 of the eliqible organization.] <u>such advertisements shall contain</u>
- 4 the date, time, location, whether cash or merchandise prizes
- 5 will be awarded and the name of the eligible organization
- 6 <u>licensed to conduct games of chance and the name of the person</u>
- 7 who conducts the games of chance ARE LIMITED TO PUBLICATIONS TO
- 8 MEMBERS OF THE ELIGIBLE ORGANIZATION OR SIGNS LOCATED ON THE
- 9 <u>ELIGIBLE ORGANIZATION'S PREMISES.</u>
- 10 Section 10. The amendment or addition of section 10(b),
- 11 (e.1) and (h) of the act shall apply to applications filed more
- 12 than two years after the effective date of this section.
- 13 Section 11. This act shall take effect as follows:
- 14 (1) The following provisions shall take effect
- immediately:
- 16 (i) The amendment or addition of section 10(b),
- 17 (e.1) and (h) of the act.
- 18 (ii) Section 10 of this act.
- 19 (iii) This section.
- 20 (2) The remainder of this act shall take effect in 60
- 21 days.