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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 10

Session of  
2005

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INTRODUCED BY SEMMEL, PETRONE, LEH, TIGUE, BELFANTI,  
CALTAGIRONE, CAPPELLI, CORRIGAN, DALLY, GEIST, GRUCELA,  
HARHAI, KOTIK, McCALL, PALLONE, PAYNE, SAINATO, SANTONI,  
SAYLOR, SOLOBAY, WASHINGTON, WILT, BUXTON AND GEORGE,  
MARCH 14, 2005

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SENATOR EARLL, FINANCE, IN SENATE, AS AMENDED, JUNE 20, 2006

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### AN ACT

1 Amending the act of July 10, 1981 (P.L.214, No.67), entitled "An  
2 act relating to the lawful conduct of bingo, prescribing  
3 penalties and making a repeal," further providing for rules  
4 for licensing and operation.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. The definition of "bona fide member" in section 3  
8 of the act of July 10, 1981 (P.L.214, No.67), known as the Bingo  
9 Law, added December 15, 1982 (P.L.1299, No.293), is amended to  
10 read:

11 Section 3. Definitions.

12 The following words and phrases when used in this act shall  
13 have, unless the context clearly indicates otherwise, the  
14 meanings given to them in this section:

15 \* \* \*

16 "Bona fide member." Any individual who holds a full  
17 membership in the association as defined by the association's

1 constitution, charter, articles of incorporation or bylaws [and  
2 has been a member of the association for at least one year]. The  
3 term shall also include those individuals who are members of an  
4 auxiliary or recognized junior affiliate of the parent  
5 association.

6 \* \* \*

7 Section 2. Section 5(a), (c), (d) and (e) of the act,  
8 amended December 15, 1982 (P.L.1299, No.293) and February 12,  
9 1988 (P.L.76, No.14), are amended and the section is amended by  
10 adding a ~~subsection~~ SUBSECTIONS to read: <—

11 Section 5. Rules for licensing and operation.

12 (a) Issuance and fee.--The licensing authority shall  
13 license, upon application, any association as defined in section  
14 3 to conduct the game of bingo at one location in the county,  
15 which, when in a county of the second class, shall only be in  
16 the city, borough or township where the main business office or  
17 headquarters of the association is located. The county treasurer  
18 of a county of the second class shall indicate on each license  
19 the city, borough or township where the association may conduct  
20 bingo. The single municipal location limitation shall not apply  
21 to a group of licensed associations conducting bingo at a  
22 central location. The license fee to be charged to each  
23 nonprofit association shall be [\$100 per annum] \$300 for a two-  
24 year period except to those recognized senior citizens' groups  
25 who conduct bingo for their members only the fee shall be [\$50  
26 per annum] \$150 for a two-year period. The license fee to be  
27 charged to each agricultural association or county fair shall be  
28 [\$100 per annum] \$300 for a two-year period. Associations which  
29 conduct bingo only one period each year for not more than three  
30 consecutive days shall be charged \$15 for the issuance of their

1 license. The fees collected pursuant to this section shall be  
2 paid by the licensing authority into the general fund of the  
3 county and used for county purposes. All records retained by the  
4 licensing authority relating to the issuance of bingo licenses  
5 and bingo permits shall be public information.

6 \* \* \*

7 (c) Operation.--Each licensed association shall comply with  
8 the following restrictions and rules governing the operation of  
9 bingo:

10 (1) No person under the age of 18 shall be permitted to  
11 play bingo unless accompanied by an adult.

12 (2) No association shall conduct bingo more than twice  
13 in any one week, except an association shall be permitted to  
14 conduct the game of bingo for a period not to exceed ten days  
15 at the association's exposition, carnival or fair site in  
16 addition to the regularly scheduled games.

17 (3) Prizes awarded shall not exceed a value of \$250 for  
18 any one game of bingo, except [for jackpot] as follows:

19 (i) Jackpot games, which shall not exceed a value of  
20 \$2,000 for one such game. [In addition, no]

21 (ii) No more than [\$4,000 in prizes] \$8,000 in  
22 prizes shall be awarded in any calendar day.

23 (III) WINNER-TAKES-ALL GAMES, WHICH SHALL PAY OUT <—  
24 100% OF THE GROSS REVENUES GENERATED FROM THE BINGO GAME.

25 †(4) Only associations licensed to conduct bingo shall <—  
26 be permitted to advertise their bingo games. Such  
27 advertisements shall contain the date, time, location,  
28 whether cash or merchandise prizes will be awarded and the  
29 name of the association licensed to conduct the bingo game  
30 and the name of the individual in charge of the operation of

1 the game. [An association shall not advertise the prizes or <—  
2 their dollar value which will be awarded nor shall they  
3 advertise a guaranteed prize dollar value.]

4 (5) The association shall own the equipment used in  
5 playing bingo or shall sign a written agreement leasing the  
6 equipment from another licensed association for a fee which  
7 is not determined by the amount of receipts realized from the  
8 playing of bingo or the number of people attending bingo  
9 games. Joint ownership of bingo equipment shall be permitted  
10 only if both owners of the equipment are licensed  
11 associations. This paragraph shall not apply to associations  
12 contracting charitable organizations or outside operators to  
13 conduct bingo at expositions, carnivals or fairs.

14 (6) The association shall own both the premises upon  
15 which bingo is played and the personal property used in the  
16 conduct of the game, or if it does not, the association shall  
17 sign a written agreement leasing such premises or personal  
18 property from the owner thereof for a fee which is not  
19 determined by either the amount of receipts realized from the  
20 playing of bingo or the number of people attending bingo  
21 games. An association shall not lease such premises or  
22 personal property from any person who has been convicted of a  
23 felony or a violation of this act. More than one association  
24 may lease the same premises for the conducting of bingo and  
25 each association shall have its own license, SUBJECT TO THE <—  
26 LIMITATIONS ENUMERATED IN SECTION 7(B).

27 (7) Each association shall keep written records of the  
28 moneys and merchandise collected and distributed for each day  
29 they conduct bingo. These records shall indicate the total  
30 proceeds collected, the total prize money distributed, the

1 total value of all merchandise awarded as a prize and the  
2 amount of moneys paid as rentals or wages and to whom such  
3 rentals or wages were paid. All prizes awarded having a value  
4 greater than [\$250] \$600 shall be specifically described in  
5 the association's records. The association shall obtain the  
6 signature receipt of any winner of \$600 or more. These  
7 records shall be maintained by the association. Each  
8 association shall report to the Department of Revenue prizes  
9 awarded as required by Internal Revenue Service regulations. <—  
10 SECTION 335 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN <—  
11 AS THE "TAX REFORM CODE OF 1971."

12 (8) Each association shall deposit with a financial  
13 institution all proceeds for each day's bingo game in an  
14 account in the association's name. This deposit shall be made  
15 before any of the proceeds may be used for any other purpose,  
16 except for payment of prize money and compensation to members  
17 employed in the operation of the game.

18 (9) No association shall permit any person who is not a  
19 bona fide member of the association or who has been convicted  
20 of a felony or a violation of this act to manage, set up,  
21 supervise or participate in the operation of the  
22 association's bingo games. Nothing contained in this act  
23 shall be construed to prohibit individuals under 18 years of  
24 age from participating in the operation of the game and being  
25 compensated therefor if written permission is obtained from  
26 their parent or guardian.

27 (10) Associations which obtain a license for the purpose  
28 of conducting bingo at an exposition, carnival or fair for a  
29 period not exceeding ten days shall be permitted to contract  
30 a charitable organization to manage, set up, supervise or

1 participate in the operation of the bingo game provided only  
2 merchandise prizes are awarded. Only bona fide members of the  
3 contracted charitable organization shall be permitted to  
4 participate in the operation of the bingo game. If no  
5 charitable organizations are available, the association may  
6 contract an outside operator to conduct the game for  
7 merchandise at the exposition, carnival or fair site. The  
8 provisions of this paragraph shall not be construed to allow  
9 bingo games to be ordinarily carried out on a commercial  
10 basis in this Commonwealth.

11 (11) No person shall participate in the operation of  
12 bingo games on more than four days in any calendar week,  
13 which games may be operated by no more than two different  
14 licensed associations. This provision shall not apply to  
15 persons engaged in the operation of bingo for merchandise at  
16 expositions, carnivals or fairs not exceeding ten days in  
17 duration.

18 (12) No supplier of merchandise nor any person who has  
19 been convicted of a felony or a violation of this act shall  
20 have a pecuniary interest in the operation or proceeds of the  
21 bingo game.

22 (d) Application for license.--Each association shall apply  
23 to the licensing authority for a license on a form to be  
24 prescribed by the Secretary of the Commonwealth. Said form shall  
25 contain an affidavit to be affirmed by the executive officer or  
26 secretary of the association stating that:

27 (1) No person under the age of 18 will be permitted by  
28 the association to play bingo unless accompanied by an adult.

29 (2) The facility in which any game of bingo is to be  
30 played does have adequate means of ingress and egress and

1 adequate sanitary facilities available in the area.

2 (3) The association is the sole or joint owner with a  
3 licensed association of the equipment used in playing bingo  
4 or it leases the equipment from another licensed association  
5 under a written agreement for a fee which is not determined  
6 by the amount of receipts realized from the playing of bingo  
7 or the number of people attending bingo games. This paragraph  
8 shall not apply to associations contracting with charitable  
9 organizations or outside operators to conduct bingo at  
10 expositions, carnivals or fairs.

11 (4) The association is the owner of both the premises  
12 upon which bingo is played and the personal property used in  
13 the conduct of the game or, if it is not, that the  
14 association is not leasing such premises or personal property  
15 from the owner thereof under an oral agreement, nor is it  
16 leasing such premises or personal property from the owner  
17 thereof under a written agreement at a rental which is  
18 determined by either the amount of receipts realized from the  
19 playing of bingo or the number of people attending bingo  
20 games, nor is it leasing such premises or personal property  
21 from a person who has been convicted of a felony or a  
22 violation of this act.

23 (5) The association will not conduct the playing of  
24 bingo more than twice per week in any one week, except those  
25 associations conducting bingo at expositions, carnivals or  
26 fairs.

27 (6) The association in any calendar day will not award a  
28 total of more than [\$4,000 in prizes] \$8,000 in prizes.

29 (7) The association is a nonprofit association as  
30 defined in this act.

1           (8) THE ASSOCIATION HAS COMPLIED WITH THE ANNUAL <—  
2           FINANCIAL REPORT FILING REQUIREMENTS IN SUBSECTION (G).

3           (9) THE ASSOCIATION HAS COMPLIED WITH THE EDUCATIONAL  
4           REQUIREMENTS CONTAINED IN SUBSECTION (H).

5           (e) Limitation on compensation.--No person may be employed  
6 in the operation or the actual running of a bingo game for  
7 compensation greater than [\$50] \$100 per CALENDAR day, except <—  
8 employees of outside operators under section 5(c)(10), and any  
9 person compensated shall be paid individually by check or by  
10 cash, in which case the payee shall sign a written receipt  
11 therefor. [In addition, no person shall receive compensation <—  
12 from more than one source for services rendered in the operation  
13 of a bingo game.] <—

14           \* \* \*

15           ~~(g) Financial report. An application for renewal of a bingo~~ <—  
16 ~~license must be accompanied by a signed affidavit containing a~~  
17 ~~financial report detailing gross profit, allowable expenses,~~  
18 ~~rent, staff per diem, cost of supplies, net profit and~~  
19 ~~contributions to charitable causes. This report shall be~~  
20 ~~prepared on a one page form to be designed by the Department of~~  
21 ~~Revenue. The report shall contain information for the twelve~~  
22 ~~month period immediately preceding a date 60 days prior to the~~  
23 ~~filing of the application. The affidavit must be executed by the~~  
24 ~~executive officer or secretary of the association.~~

25           ~~Section 3. The act is amended by adding a section to read:~~  
26 ~~Section 5.1. Educational requirements.~~

27           ~~Any licensed operator who conducts bingo 30 or more times in~~  
28 ~~one year must provide evidence to the county treasurer that he~~  
29 ~~or she has completed eight hours of education in a license~~  
30 ~~period. This education shall be provided by a nonprofit~~

~~association approved by the Department of Revenue to provide such education. The education program shall include seminars on law applicable to bingo involving reporting requirements, recordkeeping, legal operation of bingo and such other topics as the Department of Revenue may require.~~

(G) FINANCIAL REPORT.--AN ANNUAL FINANCIAL REPORT LIMITED TO THE OPERATION OF BINGO GAMES DETAILING GROSS PROFIT, ALLOWABLE EXPENSES, RENT, STAFF PER DIEM, COST OF SUPPLIES, NET PROFIT AND CONTRIBUTIONS TO CHARITABLE CAUSES SHALL BE FILED WITH THE LICENSING AUTHORITY. THIS REPORT SHALL BE FILED WITH THE APPLICATION FOR LICENSE AND SHALL BE FILED BY THE MIDTERM ANNIVERSARY DATE OF THE LICENSE IN NONAPPLICATION YEARS. THIS REPORT SHALL BE PREPARED ON A ONE-PAGE FORM TO BE DESIGNED BY THE DEPARTMENT. THE REPORT SHALL CONTAIN INFORMATION FOR THE 12-MONTH PERIOD IMMEDIATELY PRECEDING A DATE 60 DAYS PRIOR TO THE FILING OF THE REPORT. FAILURE TO FILE THE REPORT BY THE MIDTERM ANNIVERSARY DATE OF THE LICENSE SHALL RESULT IN THE AUTOMATIC SUSPENSION OF THE LICENSE UNTIL THE COUNTY TREASURER CERTIFIES THE REPORT HAS BEEN FILED IN COMPLIANCE WITH THIS ACT.

(H) EDUCATION REQUIREMENTS.--A LICENSED ASSOCIATION THAT CONDUCTS BINGO 30 OR MORE TIMES IN ONE CALENDAR YEAR MUST PROVIDE EVIDENCE TO THE COUNTY TREASURER THAT A BONA FIDE MEMBER OR DESIGNEE OF THE ASSOCIATION HAS COMPLETED FOUR HOURS OF EDUCATION IN THE CORRESPONDING LICENSE PERIOD. THE EDUCATION PROGRAM SHALL INCLUDE SEMINARS ON LAW APPLICABLE TO BINGO INVOLVING REPORTING REQUIREMENTS, RECORDKEEPING, LEGAL OPERATION OF BINGO AND ANY OTHER RELATED TOPICS THE DEPARTMENT MAY REQUIRE. AN EDUCATION PROGRAM SHALL BE PROVIDED BY ANY NONPROFIT ASSOCIATION APPROVED BY THE DEPARTMENT.

SECTION 3. SECTION 7(B) OF THE ACT, AMENDED DECEMBER 15,

1 1982 (P.L.1299, NO.293), IS AMENDED TO READ:

2 SECTION 7. PENALTY.

3 \* \* \*

4 (B) MISDEMEANOR.--ANY PERSON WHO CONDUCTS OR ASSISTS IN THE  
5 CONDUCTING OF BINGO IN VIOLATION OF THE PROVISIONS OF THIS ACT,  
6 IS GUILTY OF A MISDEMEANOR OF THE FIRST DEGREE. ANY PERSON WHO  
7 PERMITS THE CONDUCT OF BINGO ON THE SAME PREMISES, OWNED BY HIM  
8 OR LEASED TO HIM, ON MORE THAN FIVE DAYS IN ANY ONE WEEK OR BY  
9 MORE THAN [ONE ASSOCIATION] TWO ASSOCIATIONS IN ANY CALENDAR  
10 DAY, EXCEPT FOR BINGO BEING PLAYED AT AN EXPOSITION, CARNIVAL OR  
11 FAIR, IS GUILTY OF A MISDEMEANOR OF THE FIRST DEGREE.

12 Section 4. This act shall take effect as follows:

13 (1) The addition of section ~~5-1~~ 5(H) of the act shall <—  
14 take effect in two years.

15 (2) This section shall take effect immediately.

16 (3) The remainder of this act shall take effect in 60  
17 days.