

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2649 Session of  
2012

INTRODUCED BY DALEY, CALTAGIRONE, HARHAI, HORNAMAN, KOTIK,  
MUNDY, NEILSON, O'NEILL, PETRARCA AND MAHONEY,  
OCTOBER 1, 2012

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, OCTOBER 1, 2012

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),  
2 entitled, as amended, "An act providing for the licensing of  
3 eligible organizations to conduct games of chance, for the  
4 licensing of persons to distribute games of chance, for the  
5 registration of manufacturers of games of chance, and for  
6 suspensions and revocations of licenses and permits;  
7 requiring records; providing for local referendum by  
8 electorate; and prescribing penalties," further providing for  
9 legislative intent, for definitions, for games of chance  
10 permitted, for prize limits, for sales limited, for  
11 regulations of department, for licensing of eligible  
12 organizations to conduct games of chance, for special  
13 permits, for club licensee, for distribution of proceeds, for  
14 records, for raffle tickets, for weekly drawings, for  
15 revocation of licenses, for enforcement, for certain persons  
16 prohibited, for civil penalties and for criminal penalties.

17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

19 Section 1. Sections 102, 103, 301, 302, 303, 306, 307 and  
20 308 of the act of December 19, 1988 (P.L.1262, No.156), known as  
21 the Local Option Small Games of Chance Act, renumbered and  
22 amended or added February 2, 2012 (P.L.7, No.2), are amended to  
23 read:

24 Section 102. Legislative intent.

1       The General Assembly hereby declares that the playing of  
2 small games of chance for the purpose of raising funds, by  
3 certain nonprofit associations, for the promotion of charitable  
4 or civic purposes, is in the public interest. [In some cases,  
5 the proceeds from games of chance may be utilized to support  
6 certain operating expenses of certain organizations.]

7       It is hereby declared to be the policy of the General  
8 Assembly that all phases of licensing, operation and regulation  
9 of small games of chance be strictly controlled, and that all  
10 laws and regulations with respect thereto as well as all  
11 gambling laws should be strictly construed and rigidly enforced.

12       The General Assembly recognizes the possibility of  
13 association between commercial gambling and organized crime, and  
14 wishes to discourage commercialization of small games of chance,  
15 prevent participation by organized crime and prevent the  
16 diversion of funds from the purposes herein authorized.

17 Section 103. Definitions.

18       The following words and phrases when used in this act shall  
19 have the meanings given to them in this section unless the  
20 context clearly indicates otherwise:

21       "Bona fide member." Any individual who holds a membership in  
22 the eligible organization as defined by that organization's  
23 constitution, charter, articles of incorporation or bylaws.

24       "Charitable organization." A not-for-profit group or body of  
25 persons which is created and exists for the purpose of  
26 performing a humane service; promoting the good and welfare of  
27 the aged, poor, infirm or distressed; combating juvenile  
28 delinquency; or advancing the spiritual, mental, social and  
29 physical improvement of young men and women.

30       "Civic and service association." Any Statewide or branch,

1 lodge or chapter of a nonprofit national or State organization  
2 which is authorized by its written constitution, charter,  
3 articles of incorporation or bylaws to engage in a civic or  
4 service purpose within this Commonwealth, which shall have  
5 existed in this Commonwealth for one year. The term also means a  
6 similar local nonprofit organization, not affiliated with a  
7 national or State organization, which is recognized by a  
8 resolution adopted by the governing body of the municipality in  
9 which the organization conducts its principal activities. The  
10 term shall include Statewide or local bona fide sportsmen's and  
11 wildlife associations, federations or clubs, volunteer fire  
12 companies, volunteer rescue squads and volunteer ambulance  
13 associations and bona fide senior citizens organizations. In the  
14 case of bona fide senior citizens organizations, the licensing  
15 authority may accept alternative documentation for proof of  
16 purposes when there are no bylaws or articles of incorporation  
17 in existence. The term shall also include nonprofit  
18 organizations which are established to promote and encourage  
19 participation and support for extracurricular activities within  
20 the established primary and secondary public, private and  
21 parochial school systems. Such organizations must be recognized  
22 by a resolution adopted by the appropriate governing body. In  
23 the case of organizations associated with the public school  
24 system, the governing body shall be the school board of the  
25 school district. In the case of private or parochial school  
26 organizations, that body shall be either the board of trustees  
27 or the Archdiocese.

28 "Club." An organization that:

29 (1) [is licensed to sell liquor under section 404] meets  
30 the definition of "club" under section 102 of the act of

1 April 12, 1951 (P.L.90, No.21), known as the Liquor Code;

2 [and]

3 (2) qualifies as an exempt organization under section  
4 501(c) or 527 of the Internal Revenue Code of 1986 (Public  
5 Law 99-514, 26 U.S.C. § 501(c) or 527) [.]; and

6 (3) is licensed to sell liquor at retail and has a  
7 charitable, religious or civic purpose or is organized to  
8 benefit a political party.

9 ["Club licensee." A club that holds a license to conduct  
10 small games of chance.]

11 "Daily drawing." A game [of chance] in which a bona fide  
12 member selects or is assigned a number for a chance at a prize  
13 with the winner determined by random drawing to take place on  
14 the [licensed] eligible organization's [licensed] premises  
15 during the same operating day. The term includes games [of  
16 chance] commonly known as "member sign-in lotteries" and "half-  
17 and-half lotteries." Nothing in this act shall be construed to  
18 prohibit the carrying over of a jackpot where the winning number  
19 has not been entered in the game on a particular operating day.

20 Daily drawing winners may be determined with the aid of a  
21 passive selection device or reference to drawings conducted by  
22 the department pursuant to the act of August 26, 1971 (P.L.351,  
23 No.91), known as the State Lottery Law. Daily drawing chances  
24 may not be sold for an amount in excess of \$1, and no more than  
25 one chance per individual may be sold per drawing. [Nothing in  
26 this definition shall restrict an eligible organization from  
27 conducting more than one drawing per day.]

28 "Department." The Department of Revenue of the Commonwealth.

29 "Dispensing machine." A device designed exclusively for the  
30 dispensing of the games of chance authorized by this act,

1 including, but not limited to, ticket jars, fish bowls and stamp  
2 machines. Nothing in this act shall be construed to authorize  
3 devices commonly known as "slot machines" or "video poker."

4 "Eligible organization." A charitable, religious, fraternal  
5 or veterans' organization, club[, club licensee] or civic and  
6 service association. In order to qualify as an eligible  
7 organization for purposes of this act, an organization shall  
8 have been in existence and fulfilling its purposes for one year  
9 prior to the date of application for a license.

10 "Fraternal organization." A nonprofit organization within  
11 this Commonwealth which is created and carried on for the mutual  
12 benefit of its members, has a limited membership and a  
13 representative form of government and is a branch, lodge or  
14 chapter of a national or State organization. Such organizations  
15 shall have been in existence in this Commonwealth and fulfilling  
16 their purposes for one year prior to the date of application for  
17 a license.

18 "Games of chance." Punchboards, daily drawings, weekly  
19 drawings, raffles and pull-tabs, as defined in this act,  
20 provided that no such game shall be played by or with the  
21 assistance of any mechanical or electrical devices or media  
22 other than a dispensing machine or passive selection device and  
23 further provided that the particular chance taken by any person  
24 in any such game shall not be made contingent upon any other  
25 occurrence or the winning of any other contest, but shall be  
26 determined solely at the discretion of the purchaser. This  
27 definition shall not be construed to authorize any other form of  
28 gambling currently prohibited under any provision of Title 18 of  
29 the Pennsylvania Consolidated Statutes (relating to crimes and  
30 offenses) [or authorized under 4 Pa.C.S. (relating to

1 amusements)]. Nothing in this act shall be construed to  
2 authorize games commonly known as "slot machines" or "video  
3 poker."

4 "Law enforcement official." A municipal police officer, a  
5 member of the Pennsylvania State Police, the sheriff of a county  
6 or a deputy sheriff.

7 "License." A license to conduct games of chance.

8 "Licensed distributor." A distributor of games of chance  
9 licensed under section 307.

10 "Licensing authority." The county treasurer, or in any home  
11 rule county or city of the first class, where there is no  
12 elected treasurer, the designee of the governing authority.

13 "Municipality." A city, borough, incorporated town or  
14 township or a home rule municipality formerly classified as a  
15 city, borough, incorporated town or township.

16 "Passive selection device." A device which is used to hold  
17 or denote the universe of possible winning numbers or entrants  
18 in a daily drawing or raffle. Such a device may not have the  
19 capability of being utilized to conduct or aid in the conducting  
20 of unauthorized or illegal forms of gambling.

21 ["Prize." Cash or merchandise awarded for games of chance.

22 "Proceeds." The difference between:

23 (1) the actual gross revenue collected by a licensed  
24 eligible organization from a game of chance; and

25 (2) the actual amount of prizes paid by a licensed  
26 eligible organization from a game of chance, plus the cost to  
27 purchase games of chance.]

28 "Public interest purpose." One or more of the following:

29 (1) The activities and operations of a nonprofit  
30 benevolent, religious, educational, philanthropic, humane,

1 scientific, patriotic, social welfare, social advocacy,  
2 public health, public safety, emergency response,  
3 environmental or civic objective.

4 (2) Initiating, performing or fostering worthy public  
5 works or enabling or furthering the erection or maintenance  
6 of public structures.

7 (3) Lessening the burdens borne by government or  
8 voluntarily supporting, augmenting or supplementing services  
9 which government would normally render to the people.

10 (4) Improving, expanding, maintaining or repairing real  
11 property owned or leased by an eligible organization and  
12 [relating operational expenses] used for purposes specified  
13 in paragraphs (1), (2) and (3).

14 The term does not include the erection or acquisition of any  
15 real property, unless the property will be used exclusively for  
16 one or more of the purposes specified in this definition.

17 "Pull-tab." A single folded or banded ticket or a strip  
18 ticket or card with a face covered to conceal one or more  
19 numbers or symbols, where one or more of each set of tickets or  
20 cards has been designated in advance as a winner.

21 "Punchboard." A board, placard or other device marked off in  
22 a grid or columns, in which each section contains a hidden  
23 number or numbers, or other symbol, which determines the winning  
24 chances.

25 "Raffle." A game [of chance] in which a participant buys a  
26 ticket for a chance at a prize with the winner determined by a  
27 random drawing of corresponding ticket stubs to take place at a  
28 location and date or dates printed upon each ticket. Such games  
29 [of chance] shall include lotteries but not daily drawings.

30 Raffle winners may be determined by reference to drawings

1 conducted by the department pursuant to the act of August 26,  
2 1971 (P.L.351, No.91), known as the State Lottery Law.

3 "Religious organization." A not-for-profit group or body of  
4 persons which is created and which exists for the predominant  
5 purpose of regularly holding or conducting religious activities  
6 or religious education, without pecuniary benefit to any  
7 officer, member or shareholder except as reasonable compensation  
8 for actual services rendered to the organization.

9 "Veterans organization." Any congressionally chartered  
10 organization within this Commonwealth, or any branch or lodge or  
11 chapter of a nonprofit national or State organization within  
12 this Commonwealth, the membership of which consists of  
13 individuals who were members of the armed services or armed  
14 forces of the United States. The term shall also include home  
15 associations. Such organizations shall have been in existence in  
16 this Commonwealth fulfilling their purposes for one year prior  
17 to the date of application for a license.

18 "Weekly drawing." A game [of chance] in which a bona fide  
19 member selects or receives a number or numbers for a chance at a  
20 prize with the winner determined by a random drawing to take  
21 place on the [licensed] eligible organization's [licensed]  
22 premises at the end of a seven-day period. Nothing in this act  
23 shall be construed to prohibit the carrying over of a jackpot  
24 where the winning number has not been entered in the game in a  
25 particular week. Weekly drawing winners may be determined with  
26 the aid of a passive selection device or reference to drawings  
27 conducted by the Department of Revenue pursuant to the act of  
28 August 26, 1971 (P.L.351, No.91), known as the State Lottery  
29 Law. Weekly drawing chances may not be sold for an amount in  
30 excess of \$1.



1 Section 301. Games of chance permitted.

2 Every eligible organization to which a license has been  
3 issued under the provisions of this chapter may conduct games of  
4 chance for the purpose of raising funds for public interest  
5 purposes. [Except as provided in Chapter 5, all proceeds of a  
6 licensed eligible organization shall] Proceeds from a game of  
7 chance must be used exclusively for public interest purposes or  
8 for the purchase of games of chance as permitted by this act.

9 Section 302. Prize limits.

10 [(a) Individual prize limit.--Except as provided under  
11 subsections (d) and (d.1), the maximum prize which may be  
12 awarded for any single chance shall be \$1,000.

13 (b) Aggregate prize limit.--No more than \$25,000 in prizes  
14 shall be awarded from games of chance by a licensed eligible  
15 organization in any seven-day period.

16 (c) Raffle prize limit.--Up to \$10,000 in prizes may be  
17 awarded in raffles in any calendar month.

18 (c.1) Total limit.--All prizes awarded under this section  
19 shall be subject to the aggregate prize limits under subsection  
20 (b).]

21 (a) Individual prize limit.--The maximum cash value which  
22 may be awarded for any single chance shall be \$500.

23 (b) Weekly limit.--No more than \$5,000 in cash or  
24 merchandise shall be awarded by an eligible organization in any  
25 seven-day period.

26 (c) Limit on raffles.--No more than \$5,000 in cash or  
27 merchandise shall be awarded in raffles in any calendar month.

28 (d) Exception for raffles.--[Notwithstanding subsection (b)  
29 or (c), a licensed] An eligible organization may conduct a  
30 raffle and award a prize or prizes valued in excess of [\$1,000]

1 \$500 each only under the following conditions:

2 (1) The licensing authority has issued a special permit  
3 for the raffle under section 308.

4 (2) [A licensed] An eligible organization shall be  
5 eligible to receive no more than [eight] two special permits  
6 in any licensed [term] year except that a volunteer fire,  
7 ambulance or rescue organization [that is not a club  
8 licensee] shall be eligible to receive [ten] no more than  
9 three special permits in any licensed [term] year.

10 (3) Only one raffle may be conducted under each special  
11 permit [issued under section 308].

12 (4) [Except as provided under subsection (d.1), the] The  
13 total cash value of all prizes [awarded under this  
14 subsection] shall be no more than \$100,000 per calendar year.

15 [(d.1) Additional award.--A volunteer fire, ambulance or  
16 rescue organization may, in addition to the total under  
17 subsection (d) (4), award up to \$50,000 from raffles which shall  
18 not be subject to the aggregate limit under subsection (b), (c)  
19 or (d).]

20 (e) Limit on daily drawings.--Daily drawings shall be  
21 governed by the prize limitations under subsections (a) and (b).  
22 An eligible organization may not conduct daily drawings during a  
23 period when a weekly drawing is taking place.

24 (f) Daily drawing carryover.--The prize limitation contained  
25 in subsections (a) and (b) may be exceeded by a daily drawing  
26 under the following circumstances: a daily drawing may award a  
27 prize with a cash value in excess of [\$1,000] \$500 if such prize  
28 is the result of a carryover of a drawing which resulted from  
29 the winning number in such drawing not being among the eligible  
30 entrants in such drawings. Nothing contained herein shall

1 authorize the prize limitation as contained in subsections (a)  
2 and (b) to be exceeded as a result of a failure to conduct a  
3 drawing on an operating day during which chances were sold for a  
4 daily drawing or for a daily drawing for which chances were sold  
5 in excess of \$1 or for which more than one chance was sold to an  
6 eligible participant.

7 (g) Additional exception.--When a daily drawing or weekly  
8 drawing is set up or conducted in such a manner as to pay out or  
9 award 100% of the gross revenues generated from such drawing,  
10 the limitation contained in subsection (b) shall not apply.

11 (h) Weekly drawing carryover exception.--Weekly drawings  
12 shall be governed by the prize limitation contained in  
13 subsection (b). The prize limitation contained in subsection (b)  
14 may be exceeded by a weekly drawing under the following  
15 circumstances: a weekly drawing may award a prize where the cash  
16 value is in excess of [\$25,000] \$5,000 if such prize is the  
17 result of a carryover of a drawing or drawings which resulted  
18 from the winning number or numbers in such drawing or drawings  
19 not being among the eligible entrants in such drawings. Nothing  
20 contained in this chapter shall authorize the prize limitation  
21 under subsection (b) to be exceeded as a result of a failure to  
22 conduct a drawing for a week during which chances were sold for  
23 a weekly drawing or for a weekly drawing for which chances were  
24 sold in excess of \$1. An eligible organization may not conduct  
25 weekly drawings during a period when a daily drawing is taking  
26 place.

27 Section 303. Sales limited.

28 (a) General rule.--No person shall sell, offer for sale or  
29 furnish games of chance for use within this Commonwealth except  
30 to an eligible organization or licensed distributor under this

1 chapter.

2 (b) Limitation.--No game of chance, other than a raffle  
3 under section 302(d), sold, offered for sale or furnished [to a  
4 licensed eligible organization] for use within this Commonwealth  
5 shall contain, permit, depict or designate a prize having a  
6 [prize limit] cash value in excess of [\$1,000] \$500.

7 Section 306. Regulations of department.

8 (a) Authorization.--The department shall promulgate  
9 regulations to:

10 (1) Impose minimum standards and restrictions applicable  
11 to games of chance manufactured for sale in this  
12 Commonwealth, which may include standards and restrictions  
13 which specify the maximum number of chances available to be  
14 sold for any single game of chance or prize and such other  
15 standards and restrictions as the department deems necessary  
16 for the purposes of this chapter. The department shall  
17 consider standards adopted by the National Association of  
18 Gambling Regulatory Agencies and other standards commonly  
19 accepted in the industry.

20 (2) Establish procedures by which manufacturers may  
21 register and distributors of games of chance may apply for  
22 licensure on forms which the department shall provide.  
23 [Procedures shall include a requirement that manufacturer and  
24 distributor applicants provide criminal history record  
25 information obtained from the Pennsylvania State Police under  
26 18 Pa.C.S. § 9121(b) (relating to general regulations) for  
27 each officer and manager of the manufacturer's or  
28 distributor's organization and for any other individual  
29 specified by the department. As used in this paragraph, the  
30 term "criminal history record information" has the meaning

given in 18 Pa.C.S. § 9102 (relating to definitions).]

(3) Provide for the suspension or revocation of distribution licenses or manufacturer certificates for violations of this act or regulations of the department.

(4) Carry out other provisions of this act.

(b) Limitation on recordkeeping requirements.--This section shall not be construed to authorize the department to promulgate regulations providing for recordkeeping requirements for [licensed] eligible organizations which require unreasonable or unnecessary information or a repetitious listing of information. The department shall strive to keep such recordkeeping requirements from being an undue hardship or burden on [licensed] eligible organizations. [Except as provided under section 701(b), the] The department may not require the retention of records for a period in excess of two years.

[(c) Reporting requirements.--Each eligible organization shall submit an annual report to the department including:

(1) Prizes awarded as required under section 335 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

(2) Amounts expended for public interest purposes.]  
Section 307. Licensing of eligible organizations to conduct games of chance.

(a) License required.--No eligible organization shall conduct or operate any games of chance unless such eligible organization has obtained and maintains a valid license [or limited occasion] license issued pursuant to this section. An auxiliary group of [a licensed] an eligible organization shall be eligible to conduct games of chance using the license issued to the eligible organization provided that the auxiliary group

1 or groups are listed on the application and license of the  
2 eligible organization. [An auxiliary group is not eligible to  
3 obtain a license or a limited occasion license.] No additional  
4 licensing fee shall be charged for an auxiliary group's  
5 eligibility under this chapter. Auxiliary groups shall not  
6 include branches, lodges or chapters of a Statewide  
7 organization.

8 (b) Issuance and fees.--The licensing authority shall  
9 license, upon application, within 30 days any eligible  
10 organization meeting the requirements for licensure contained in  
11 this chapter to conduct and operate games of chance at such  
12 locations within the county or in such manner as stated on the  
13 application as limited by subsection (b.1). The license fee to  
14 be charged to each eligible organization shall be \$100, except  
15 for limited occasion licenses which shall be \$10. Licenses shall  
16 be renewable annually upon the anniversary of the date of issue.  
17 [The license fee shall be used by the licensing authority to  
18 administer this act.]

19 (b.1) Location of small games of chance.--

20 [(1) Every licensed eligible organization, except a  
21 limited occasion licensee, may conduct small games of chance  
22 only at a licensed premises. The licensed premises shall be  
23 indicated on the eligible organization's license application.  
24 Only one license shall be issued per licensed premises.  
25 Except as provided under paragraph (4), a licensed eligible  
26 organization may not share a licensed premises with another  
27 licensed eligible organization; and no licensed eligible  
28 organization may permit its premises to be used for small  
29 games of chance by another licensed eligible organization.]

30 (2) Where there exists a location or premises which is

1 the normal business or operating site of the eligible  
2 organization and the location or premises is owned or leased  
3 by that eligible organization to conduct its normal business,  
4 that site shall be the eligible organization's licensed  
5 premises. If that location consists of more than one  
6 building[, the eligible organization shall choose the  
7 building that will be the licensed premises.] and the  
8 eligible organization wishes to conduct its games in a  
9 different building at that location from the one that is  
10 listed on its application and license, the eligible  
11 organization must notify in writing the district attorney and  
12 the licensing authority of the change in building site and  
13 the dates and times that will be affected.

14 (3) [When an eligible organization does not own or lease  
15 a specific location to conduct its normal business, the  
16 eligible organization may make arrangements that are  
17 consistent with this act to establish a licensed premises,  
18 including leasing a premise under a written agreement for a  
19 rental; however, the rental may not be determined by either  
20 the amount of receipts realized from the conduct of games of  
21 chance or the number of people attending. An eligible  
22 organization may lease a facility for a banquet in connection  
23 with the serving of a meal based on a per-head charge.] If an  
24 eligible organization does not own or lease a specific  
25 location to conduct its normal business, the eligible  
26 organization may use another eligible organization's premises  
27 to conduct its games or may make other arrangements that are  
28 consistent with this act, including leasing a premise under a  
29 written agreement for a rental which is not determined by  
30 either the amount of receipts realized from the playing of

1 games of chance or the number of people attending. An  
2 eligible organization may lease a facility for a banquet in  
3 connection with the serving of a meal based on a per-head  
4 charge. If the eligible organization changes the site of its  
5 games from that which is listed on its application and  
6 license, the eligible organization must notify in writing the  
7 district attorney and licensing authority of the change in  
8 their games' site and dates and times that will be affected.

9 [(4) An eligible organization that has obtained a  
10 limited occasion license under subsection (b.3) may use  
11 another eligible organization's licensed premises to conduct  
12 its games of chance. When a licensed eligible organization is  
13 permitting a limited occasion licensee to use its licensed  
14 premises for purposes of games of chance, it shall cease the  
15 operation of its own games of chance during the period that  
16 the limited occasion licensee is conducting its games on the  
17 premises.]

18 (b.2) Off-premises games of chance.--Notwithstanding any  
19 other provisions of this section, [all of the following apply:

20 (1) A licensed] an eligible organization may conduct  
21 games of chance at a location off its premises when the games  
22 of chance are part of an annual carnival, fair, picnic or  
23 banquet held or participated in by that [licensed] eligible  
24 organization on a historical basis. The [licensed] eligible  
25 organization must notify, in writing, the district attorney  
26 and licensing authority of the location, date and times of  
27 the event where it will be conducting small games of chance.

28 [(2) Raffle tickets may be sold off the licensed  
29 premises in a municipality which has adopted the provisions  
30 of this act by an affirmative vote in a municipal referendum.



1 A licensed eligible organization which plans to sell raffle  
2 tickets in a municipality located in a county other than the  
3 county in which the eligible organization is licensed shall  
4 notify that county's district attorney and licensing  
5 authority as to the location and the dates that the licensed  
6 eligible organization plans to sell raffle tickets.]

7 (b.3) Limited occasion licenses.--Eligible organizations  
8 which do not own their own premises or which do not lease a  
9 specific location to conduct their normal business may apply for  
10 a limited occasion license to conduct games of chance on not  
11 more than three occasions covering a total of seven days during  
12 a licensed year. A limited occasion license entitles an eligible  
13 organization to conduct no more than two raffles during a  
14 licensed year where prizes may not exceed the established limits  
15 for regular monthly raffles. Holders of a limited occasion  
16 license may not apply or be granted any other license or special  
17 permit under this act. No holder of a regular license or special  
18 permit under this act shall apply or be granted a limited  
19 occasion license.

20 (b.4) Gambling facility prohibited.--It shall be unlawful  
21 for a person, corporation, association, partnership or other  
22 business entity to offer for rent or offer for use a building or  
23 facility to be used exclusively for the conduct of games of  
24 chance. It shall also be unlawful for any eligible organization  
25 to lease under any terms a building or facility which is used  
26 exclusively for the conduct of small games of chance.

27 (c) Display.--Licenses issued pursuant to this section shall  
28 be publicly displayed at the site where small games of chance  
29 are conducted.

30 (d) Operation.--Each licensed eligible organization shall be

1 prohibited from the following:

2 (1) Permitting any person under 18 years of age to  
3 operate or play games of chance.

4 (2) Permitting any person who has been convicted of a  
5 felony in a Federal or State court within the past five years  
6 or has been convicted in a Federal or State court within the  
7 past ten years of a violation of the act of July 10, 1981  
8 (P.L.214, No.67), known as the Bingo Law, or of this act to  
9 manage, set up, supervise or participate in the operation of  
10 games of chance.

11 (3) Paying any compensation to any person for conducting  
12 any games of chance. Games of chance may only be conducted by  
13 managers, officers, directors, bar personnel and bona fide  
14 members of the eligible organization.

15 (4) Conducting games of chance on any premises other  
16 than on the licensed premises or as otherwise provided by  
17 this chapter.

18 (5) Leasing the licensed premises under either an oral  
19 or a written agreement for a rental which is determined by  
20 either the amount of receipts realized from the playing of  
21 games of chance or the number of people attending, except  
22 that an eligible organization may lease a facility for a  
23 banquet where a per head charge is applied in connection with  
24 the serving of a meal. An eligible organization shall not  
25 lease such premises from any person who has been convicted of  
26 a violation of this act [or the Bingo Law] within the past  
27 ten years.

28 (6) Purchasing games of chance, other than raffles,  
29 daily drawings and weekly drawings, from any person other  
30 than a registered manufacturer or licensed distributor

1 approved by the department.

2 (7) Permitting its premises to be used for small games  
3 of chance by another licensed eligible organization at the  
4 same time that it is conducting small games of chance on the  
5 premises. If a licensed eligible organization is permitting  
6 another licensed eligible organization to use its premises  
7 for purposes of small games of chance, it must cease the  
8 operation of its own small games of chance during the period  
9 that the other licensed eligible organization is conducting  
10 its games on the premises.

11 (8) Selling raffle tickets off the licensed premise in  
12 any municipality in this Commonwealth which has adopted the  
13 provisions of this act by an affirmative vote in a municipal  
14 referendum. A licensed eligible organization which plans to  
15 sell raffle tickets in a municipality located in a county  
16 other than the county in which the eligible organization is  
17 licensed must notify that county's district attorney and  
18 licensing authority as to the location and the dates that the  
19 eligible organization plans to sell raffle tickets.

20 [(d.1) Bank account and records.--The licensed eligible  
21 organization shall keep a bank account to hold the proceeds of  
22 games of chance, which shall be separate from all other funds  
23 belonging to the licensed eligible organization. Account records  
24 shall show all expenditures and income and shall be retained by  
25 the licensed eligible organization for at least two years.]

26 (e) Application for license.--Each eligible organization  
27 shall apply to the licensing authority for a license on a form  
28 to be prescribed by the Secretary of Revenue. [For a club  
29 license, the application and each renewal application shall  
30 include the most recent annual report filed by the club licensee

1 under Chapter 5.] The form shall contain an affidavit to be  
2 affirmed by the executive officer or secretary of the eligible  
3 organization stating that:

4 (1) No person under 18 years of age will be permitted by  
5 the eligible organization to operate or play games of chance.

6 (2) The facility in which the games of chance are to be  
7 played has adequate means of ingress and egress and adequate  
8 sanitary facilities available in the area.

9 (3) The eligible organization is not leasing such  
10 premises from the owner thereof under an oral agreement, nor  
11 is it leasing such premises from the owner thereof under a  
12 written agreement at a rental which is determined by the  
13 amount of receipts realized from the playing of games of  
14 chance or by the number of people attending, except that an  
15 eligible organization may lease a facility for a banquet  
16 where a per head charge is applied in connection with the  
17 serving of a meal.

18 [(e.1) Proceedings.--Proceedings before the licensing  
19 authority are subject to 2 Pa.C.S. Chs. 5 Subch. B (relating to  
20 practice and procedure of local agencies) and 7 Subch. B  
21 (relating to judicial review of local agency action).]

22 (f) List of licensees.--The licensing authority, on a  
23 semiannual basis, shall send a copy of all licensees to the  
24 department.

25 (g) List of municipalities.--The licensing authority shall  
26 include with any license or renewal license issued to an  
27 eligible organization, an up-to-date listing of those  
28 municipalities within the licensing county which have approved  
29 the referendum question on small games of chance.

30 [(h) Background checks.--Each application for a license

1 shall include the results of a criminal history record  
2 information check obtained from the Pennsylvania State Police,  
3 as defined in 18 Pa.C.S. § 9102 (relating to definitions) and  
4 permitted by 18 Pa.C.S. § 9121(b) (relating to general  
5 regulations), for the executive officer and secretary of the  
6 eligible organization making the application for a license or  
7 any other person required by the department.]

8 Section 308. Special permits.

9 (a) Issuance and fee.--The licensing authority shall issue a  
10 special permit for each raffle in which the licensed eligible  
11 organization proposes to award individual prizes having a cash  
12 value in excess of [\$1,000] \$500. The licensing authority may  
13 establish and collect a fee not to exceed \$25 for the issuance  
14 of special permits under this section.

15 (b) Permit application.--Each special permit application  
16 shall specify the location where the actual drawing will be  
17 held, the number of chances to be sold, the price per chance and  
18 the cash value of the prize to be awarded.

19 Section 2. Sections 501, 502, 503, 504 and 505 of the act,  
20 added February 2, 2012 (P.L.7, No.2), are repealed:

21 [Section 501. Club licensee.

22 (a) Report.--

23 (1) Beginning in 2013, a club licensee shall submit  
24 semiannual reports to the department for the preceding six-  
25 month period on a form and in a manner prescribed by the  
26 department.

27 (2) The report must be filed under oath or affirmation  
28 of an authorized officer of the club licensee.

29 (3) The report shall include all of the following  
30 information:

(i) The proceeds received by the club licensee from each game of chance conducted, itemized by week.

(ii) The amount of prizes paid from all games of chance, itemized by week.

(iii) Other costs incurred related to the conduct of games of chance.

(iv) The verification of amounts distributed for public interest purposes itemized under section 502(a) (1), itemized by the recipient.

(v) An itemized list of expenditures made or amounts retained and expenditures under section 502(a) (2).

(vi) The address and the county in which the club licensee is located.

(vii) Other information or documentation required by the department.

(b) Distribution.--The department shall provide a copy of the report to the Bureau of Liquor Control Enforcement.

(c) Posting.--The reports under subsection (a) shall be published on the department's Internet website.

Section 502. Distribution of proceeds.

(a) Distribution.--The proceeds from games of chance received by a club licensee shall be distributed as follows:

(1) No less than 70% of the proceeds shall be paid to organizations for public interest purposes in the calendar year in which the proceeds were obtained.

(2) No more than 30% of the proceeds obtained in a calendar year may be retained by a club licensee and used for the following operational expenses relating to the club licensee:

(i) Real property taxes.

- (ii) Utility and fuel costs.
- (iii) Heating and air conditioning equipment or repair costs.
- (iv) Water and sewer costs.
- (v) Property or liability insurance costs.
- (vi) Mortgage payments.
- (vii) Interior and exterior repair costs, including repair to parking lots.
- (viii) New facility construction costs.
- (ix) Entertainment equipment, including television, video and electronic games.
- (x) Other expenses adopted in regulation by the department.

(a.1) Amounts retained.--Amounts retained by a club licensee under subsection (a) (2) shall be expended within the same calendar year unless the club licensee notifies the department that funds are being retained for a substantial purchase or project. Notification shall include a description of the purchase or project, the cost and the anticipated date of the purchase or project.

(b) Prohibition.--

(1) Proceeds shall not be used for wages, alcohol or food purchases or for the payment of any fine levied against the club licensee.

(2) An officer or employee of a club licensee who operates the game of chance shall not participate in the game. This paragraph shall not apply to a raffle.

#### Section 503. Records.

A club licensee shall maintain records as required by this act or by the department, including invoices for games of chance

1 purchased. Records necessary to conduct an audit under section  
2 702(b) shall be made available to the Bureau of Liquor Control  
3 Enforcement or other entity authorized to enforce this act.

4 Section 504. Raffle tickets.

5 A club licensee shall maintain records relating to the  
6 printing or purchase of raffle tickets. Records shall include a  
7 receipt or invoice from the place of purchase that shows the  
8 cost and number or amount of tickets purchased.

9 Section 505. Weekly drawings.

10 A club licensee shall maintain records relating to the  
11 printing or purchase of materials to be used for weekly  
12 drawings. Records shall include a receipt or invoice from the  
13 place of purchase that shows the cost and number or amount of  
14 materials purchased.]

15 Section 3. Sections 701, 702 and 705 of the act, renumbered  
16 and amended February 2, 2012 (P.L.7, No.2), are amended to read:

17 Section 701. Revocation of licenses.

18 (a) Grounds.--The [following shall be grounds for  
19 suspension, revocation or nonrenewal of a license] licensing  
20 authority shall revoke or refuse to renew the license of an  
21 eligible organization if the district attorney finds upon  
22 complaint and investigation that:

23 (1) Any of the [proceeds] funds derived from the  
24 operation of games of chance [by an eligible organization]  
25 are used for any purpose other than for:

26 (i) public interest purposes;

27 (ii) the purchase of games of chance; or

28 (iii) a purpose permitted by [Chapter 5] this act.

29 [(1.1) Any of the funds derived from the operation of  
30 games of chance by a club licensee are used in a manner that



1 does not comply with section 502.]

2 (2) Any person under 18 years of age is operating or  
3 playing games of chance.

4 (3) The eligible organization has permitted any person  
5 who has been convicted of a felony in a Federal or State  
6 court within the past five years or has been convicted in a  
7 Federal or State court within the past ten years of a  
8 violation of the act of July 10, 1981 (P.L.214, No.67), known  
9 as the Bingo Law, or of this act, to manage, set up,  
10 supervise or participate in the operation of games of chance.

11 (4) The facility in which the games of chance are played  
12 does not have adequate means of ingress and egress and does  
13 not have adequate sanitary facilities available in the area.

14 (5) Any person or persons other than a manager, officer,  
15 director, bar personnel or a bona fide member of an eligible  
16 organization have been involved in managing, setting up,  
17 operating or running games of chance.

18 (6) Any person has received compensation for conducting  
19 games of chance.

20 (7) Any prize has been awarded in excess of the limits  
21 permitted under this act.

22 (8) The eligible organization has violated any condition  
23 of a special permit issued pursuant to section 308.

24 (9) The eligible organization conducts the games of  
25 chance under a lease which calls for:

26 (i) leasing such premises from the owner thereof  
27 under an oral agreement; or

28 (ii) leasing such premises from the owner thereof  
29 under a written agreement at a rental which is determined  
30 by the amount of receipts realized from the playing of

1 games of chance.

2 (10) False or erroneous information was provided in the  
3 original application [or in any information provided to the  
4 licensing authority or the department in any report].

5 (11) An eligible organization has been convicted of a  
6 violation of this act as evidenced by a certified record of  
7 the conviction.

8 (12) The eligible organization has permitted another  
9 eligible organization to conduct games of chance on its  
10 licensed premises without suspending its own operation of  
11 games of chance during the period that the other licensed  
12 eligible organization is conducting its games on the  
13 premises.

14 [(13) A club licensee has failed to file an accurate  
15 report under section 501(a).

16 (14) A club licensee has failed to comply with section  
17 502.

18 (15) Failure to file reports under section 501.]

19 (b) Production of records.--[The district attorney may  
20 require licensees to produce their books, accounts and records  
21 relating to the conduct of games of chance in order to determine  
22 if a violation of this act has occurred. Licensees shall also be  
23 required, upon request, to provide their license, books,  
24 accounts and records relating to the conduct of games of chance  
25 to the licensing authority, the Bureau of Liquor Control  
26 Enforcement or to a law enforcement agency or official. A club  
27 licensee shall retain records for a period of five years.] The  
28 district attorney may require licensees to produce their books,  
29 accounts and records relating to the conduct of games of chance  
30 in order to determine whether a license should be revoked or

1 renewal of the license denied. Licensees shall be required to  
2 produce their license, books, accounts and records relating to  
3 the conduct of games of chance to other law enforcement  
4 officials upon proper request.

5 Section 702. Enforcement.

6 [(a) Licensing authority.--The licensing authority may  
7 enforce the provisions of this act and may impose the penalties  
8 under subsection (d).

9 (b) Bureau of Liquor Control Enforcement.--If the licensee  
10 is a club licensee, the Bureau of Liquor Control Enforcement may  
11 enforce the provisions of this act. An administrative law judge  
12 under section 212 of the act of April 12, 1951 (P.L.90, No.21),  
13 known as the Liquor Code, may impose the penalties under  
14 subsection (d) following the issuance of a citation by the  
15 bureau.

16 (c) Random audits.--The Bureau of Liquor Control Enforcement  
17 shall conduct annual random audits of 5% of all club licensees.

18 (d) Powers and duties.--The licensing authority, or, in the  
19 case of a club licensee, the Bureau of Liquor Control  
20 Enforcement, may impose the following penalties:

21 (1) A civil penalty.

22 (2) Suspension or revocation of the license.

23 (e) District attorney.--The district attorney of the county  
24 that issued the license shall investigate alleged violations of  
25 this act. If the district attorney finds probable cause to  
26 believe that a criminal violation has occurred, the district  
27 attorney may file criminal charges and prosecute the complaint  
28 against the alleged violator in the court of common pleas of the  
29 county except in counties of the first class where the complaint  
30 may be filed in the municipal court.

1 (f) Law enforcement officials.--Nothing in this act may  
2 restrict or limit the power of a State, county or local law  
3 enforcement official to conduct investigations and file criminal  
4 charges under this act.

5 (g) General rule.--

6 (1) Except as provided in paragraph (2), a violation of  
7 this act by a club licensee shall not constitute a violation  
8 of the Liquor Code.

9 (2) If a club licensee has committed three or more  
10 violations of this act, the Bureau of Liquor Control  
11 Enforcement may enforce a violation of this act as a  
12 violation of the Liquor Code.

13 (3) A violation of this act shall not constitute a  
14 violation of the Liquor Code for the purposes of section  
15 471(c) of the Liquor Code.]

16 (a) District attorney.--A district attorney shall  
17 investigate alleged violations of this act. If the district  
18 attorney finds probable cause to believe that a violation has  
19 occurred, he may file a complaint against the alleged violator  
20 in the court of common pleas of the county, except in counties  
21 of the first class where the complaint may be filed in the  
22 municipal court, and shall prosecute the complaint in the manner  
23 provided by law.

24 (b) Other law enforcement officials.--Nothing in this act  
25 shall be interpreted to restrict the power of State, county or  
26 local law enforcement officials to conduct investigations and  
27 enforce this act.

28 Section 705. Certain persons prohibited.

29 No [licensed] distributor nor any person who has been  
30 convicted of a felony or of a violation of the act of July 10,

1 1981 (P.L.214, No.67), known as the Bingo Law, or of this act or  
2 of any comparable State or Federal law shall have a pecuniary  
3 interest in the operation or in proceeds.

4 Section 4. Section 706 of the act, added February 2, 2012  
5 (P.L.7, No.2), is repealed:

6 [Section 706. Civil penalties.

7 (a) Penalty.--An eligible organization, other than a club  
8 licensee, that violates the provisions of this act shall be  
9 subject to the following civil penalties:

10 (1) For an initial violation, up to \$500.

11 (2) For a second violation, up to \$1,000.

12 (3) For a third or subsequent violation, up to \$1,500.

13 (b) Club licensee.--A club licensee that violates the  
14 provisions of this act shall be subject to the following civil  
15 penalties:

16 (1) For an initial violation, up to \$800.

17 (2) For a second violation, up to \$1,000.

18 (3) For a third or subsequent violation, up to \$2,000.

19 (c) Records.--The intentional or willful failure of a club  
20 licensee to provide accurate records shall result in a license  
21 suspension of a minimum of six months.]

22 Section 5. Section 707 of the act, renumbered and amended  
23 February 2, 2012 (P.L.7, No.2), is amended to read:

24 Section 707. Criminal penalties.

25 (a) Eligible organizations [and club licensees].--Any  
26 eligible organization violating the provisions of this act shall  
27 be guilty of a summary offense and, upon conviction thereof,  
28 shall be sentenced to pay a fine not exceeding \$1,000 for a  
29 first offense [and \$1,500 for a subsequent offense]. In  
30 addition:

1           (1) For a first offense, the eligible organization shall  
2       forfeit the license to conduct games of chance issued to the  
3       eligible organization for [a period of not more than 30 days]  
4       the remainder of the licensing period or six months,  
5       whichever is longer.

6           (2) For a second offense, the eligible organization  
7       shall forfeit its license for [a period of not less than 30  
8       days nor more than 180 days] the remainder of the current  
9       licensing period and shall be ineligible to be licensed for  
10      the following licensing period.

11          (3) For a third or subsequent offense [within three  
12       years of the first offense], the eligible organization shall  
13       forfeit its license and be ineligible for a license renewal  
14       for 30 months thereafter.

15       (b) Individuals.--Any person who conducts or assists in the  
16       conducting of games of chance in violation of the provisions of  
17       this act is guilty of a summary offense for a first violation. A  
18       second violation of this act shall be punishable as a  
19       misdemeanor of the third degree. A third or subsequent violation  
20       shall be punishable as a misdemeanor of the first degree.

21       (c) Distributors and manufacturers.--Any person who  
22       distributes games of chance without a license or in violation of  
23       any provision of this act or applicable regulations, and any  
24       manufacturer of games of chance who delivers games of chance for  
25       sale or distribution in this Commonwealth who fails to [register  
26       and] obtain a permit therefor is guilty of a misdemeanor of the  
27       first degree, provided that no license or permit shall be  
28       required for the manufacture or distribution of raffle tickets.

29       (d) Rigging.--A person commits a misdemeanor of the first  
30       degree if, with intent to prevent a game of chance from being

1 conducted in accordance with the requirements of this act or the  
2 rules and usages governing the game of chance, he:

3 (1) confers or offers or agrees to confer any benefit  
4 upon or threatens any injury to a participant or other person  
5 associated with the game of chance;

6 (2) tampers with any person or game of chance; or

7 (3) solicits, accepts or agrees to accept any benefit.

8 (e) Contingent fees.--Any person who distributes,  
9 manufactures or operates a small game of chance and who  
10 requires, for equipment furnished or to play a game of chance,  
11 payment equal to a percentage of the total winnings of any game  
12 of chance commits a misdemeanor of the first degree.

13 Section 6. This act shall take effect in 60 days.