

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1098 Session of
2013

INTRODUCED BY PAYNE, TURZAI, CALTAGIRONE, COHEN, HARHAI, KOTIK,
MILLARD, MOUL, PASHINSKI, READSHAW, TOOHIL, WHITE, D. COSTA,
DEASY, BARBIN, ROZZI, STEPHENS, EVERETT AND FARRY,
APRIL 3, 2013

SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, OCTOBER 22, 2013

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 definitions, for major league sports drawing and for ~~licensing of eligible organizations to conduct games of~~ <--
10 ~~chance~~ DEFINITION APPLICABILITY, FOR THE DEFINITIONS OF ~~licensing of eligible organizations to conduct games of~~ <--
11 ~~chance~~ "MAJOR LEAGUE SPORTS DRAWING" AND "MAJOR LEAGUE SPORTS TEAM," ~~licensing of eligible organizations to conduct games of~~ <--
12 DEFINITIONS, FOR GAMES OF CHANCE PERMITTED, FOR DISTRIBUTOR ~~licensing of eligible organizations to conduct games of~~ <--
13 LICENSES, FOR MAJOR LEAGUE SPORTS DRAWING, FOR CLUB LICENSEE,
14 FOR DISTRIBUTION OF PROCEEDS, FOR RECORDS AND FOR RAFFLE
15 TICKETS; PROVIDING FOR BACKGROUND CHECKS; FURTHER PROVIDING
16 FOR ENFORCEMENT; PROVIDING FOR TAVERN GAMING AND FOR A
17 TRANSFER; AND MAKING AN EDITORIAL CHANGE.
18

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 ~~Section 1. The definitions of "affiliated nonprofit~~ <--
22 ~~organization," "major league sports drawing" and "major league~~
23 ~~sports team" in section 103 of act of December 19, 1988~~

1 ~~(P.L.1262, No.156), known as the Local Option Small Games of~~
2 ~~Chance Act, added October 24, 2012 (P.L.1462, No.184), are~~
3 ~~amended and the section is amended by adding definitions to~~
4 ~~read:~~

5 ~~Section 103. Definitions.~~

6 ~~The following words and phrases when used in this act shall~~
7 ~~have the meanings given to them in this section unless the~~
8 ~~context clearly indicates otherwise:~~

9 ~~* * *~~

10 ~~"Affiliated nonprofit organization." An organization~~
11 ~~established by or affiliated with a Major League Baseball,~~
12 ~~National Football League, National Hockey League, National~~
13 ~~Basketball Association or Major League Soccer team, or its~~
14 ~~affiliate, for the purpose of raising funds for charity, which~~
15 ~~is qualified for an exemption under section 501(c)(3) of the~~
16 ~~Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §~~
17 ~~101(e)(3)).~~

18 ~~* * *~~

19 ~~"Home game." A game of a major league sports team or its~~
20 ~~affiliate, including, but not limited to, a league sponsored~~
21 ~~game, exhibition, regular season game, All Star game, play off~~
22 ~~game, and championship game, held at the home facility of the~~
23 ~~major league sports team or its affiliate.~~

24 ~~["Major league sports drawing." A 50/50 drawing conducted by~~
25 ~~an affiliated nonprofit organization at a home game of a major~~
26 ~~league sports team in which 50% of the money collected from~~
27 ~~ticket sales from the drawing are offered as the prize and the~~
28 ~~remaining 50% is retained by the affiliated nonprofit~~
29 ~~organization sponsoring the drawing for distribution to~~
30 ~~charitable organizations.]~~

1 ~~"Major league sports team." A professional team that is a~~
2 ~~member of Major League Baseball, the National Football League,~~
3 ~~the National Hockey League, the National Basketball Association~~
4 ~~or Major League Soccer.~~

5 * * *

6 ~~"Professional sports drawing." A 50/50 drawing conducted by~~
7 ~~an affiliated nonprofit organization at a home game in which 50%~~
8 ~~of the money collected from ticket sales from the drawing is~~
9 ~~offered as the prize and the remaining 50% is retained by the~~
10 ~~affiliated nonprofit organization sponsoring the drawing for~~
11 ~~distribution to charitable organizations.~~

12 * * *

13 ~~Section 2. Section 304.1 of the act, added October 24, 2012~~
14 ~~(P.L.1462, No.184), is amended to read:~~

15 ~~Section 304.1. [Major league] Professional sports drawing.~~

16 ~~(a) General rule. A person may purchase one or more [major~~
17 ~~league] professional sports drawing tickets at a home game, and~~
18 ~~each ticket purchased shall represent one entry in the drawing~~
19 ~~for a winner. A single ticket shall be randomly chosen as the~~
20 ~~winner after a certain number of tickets are sold or a specified~~
21 ~~time period expires as designated by the affiliated nonprofit~~
22 ~~organization.~~

23 ~~(b) Frequency. An affiliated nonprofit organization may~~
24 ~~conduct no more than one [major league] professional sports~~
25 ~~drawing per home game.~~

26 ~~(b.1) Sales restricted. Tickets for a [major league]~~
27 ~~professional sports drawing may not be sold in any seating area~~
28 ~~designated as a family section.~~

29 ~~(c) Distribution. The prize amount of a [major league]~~
30 ~~professional sports drawing shall be 50% of the total amount~~

1 collected from the sale of [major league] professional sports
2 drawing tickets. The other 50% of the total amount collected
3 from the sale of [major league] professional sports drawing
4 tickets shall be donated within seven days from the date of the
5 drawing by the affiliated nonprofit organization conducting the
6 [major league] professional sports drawing to a designated
7 charitable organization for which the drawing was conducted.

8 (d) ~~Designated charitable organization.~~ The affiliated
9 nonprofit organization conducting the [major league]
10 professional sports drawing shall disclose to all ticket
11 purchasers the designated charitable organization for which the
12 [major league] professional sports drawing is being conducted.

13 (e) ~~Eligibility.~~ In order to receive proceeds from a [major
14 league] professional sports drawing, a charitable organization
15 must be in existence and fulfilling its purposes for at least
16 two years prior to the drawing and shall be eligible for
17 exemption under section 501(c) (3) of the Internal Revenue Code
18 of 1986 (Public Law 99 514, 26 U.S.C. § 501(c) (3)). A political
19 subdivision shall not qualify as a charitable organization under
20 this section.

21 (f) ~~Unclaimed prizes.~~ Any [major league baseball]
22 professional sports drawing prize remaining unclaimed by a
23 winner at the end of the major league sports team's, or its
24 affiliate's, season shall be donated within 30 days from the end
25 of the season by the affiliated nonprofit organization to the
26 designated charitable organization for which the [major league]
27 professional sports drawing was conducted.

28 (g) ~~Applicability.~~ The limitations under sections 302,
29 303(b), 308 and 704 shall not apply to a [major league]
30 professional sports drawing.

1 ~~Section 3. Section 307(b.1)(5) of the act, amended October~~
2 ~~24, 2012 (P.L.1462, No.184), is amended to read:~~

3 ~~Section 307. Licensing of eligible organizations to conduct~~
4 ~~games of chance.~~

5 ~~***~~

6 ~~(b.1) Location of games of chance.~~

7 ~~***~~

8 ~~(5) For purposes of [major league] professional sports~~
9 ~~drawings, the facility at which a major league sports team,~~
10 ~~or its affiliate, conducts its games shall constitute a~~
11 ~~premises for purposes of this act.~~

12 ~~***~~

13 ~~Section 4. This act shall take effect in 60 days.~~

14 ~~SECTION 1. THE INTRODUCTORY PARAGRAPH AND THE DEFINITIONS OF <--~~
15 ~~"MAJOR LEAGUE SPORTS DRAWING" AND "MAJOR LEAGUE SPORTS TEAM" IN~~
16 ~~SECTION 103 OF THE ACT OF DECEMBER 19, 1988 (P.L.1262, NO.156),~~
17 ~~KNOWN AS THE LOCAL OPTION SMALL GAMES OF CHANCE ACT, AMENDED~~
18 ~~OCTOBER 24, 2012 (P.L.1462, NO.184), ARE AMENDED TO READ:~~

19 SECTION 1. SECTION 102 OF THE ACT OF DECEMBER 19, 1988 <--
20 (P.L.1262, NO.156), KNOWN AS THE LOCAL OPTION SMALL GAMES OF
21 CHANCE ACT, AMENDED FEBRUARY 2, 2012 (P.L.7, NO.2), IS AMENDED
22 TO READ:

23 SECTION 102. LEGISLATIVE INTENT.

24 THE GENERAL ASSEMBLY HEREBY DECLARES THAT THE PLAYING OF
25 GAMES OF CHANCE FOR THE PURPOSE OF RAISING FUNDS, BY CERTAIN
26 NONPROFIT ASSOCIATIONS, FOR THE PROMOTION OF CHARITABLE OR CIVIC
27 PURPOSES, IS IN THE PUBLIC INTEREST. IN SOME CASES, THE PROCEEDS
28 FROM GAMES OF CHANCE MAY BE UTILIZED TO SUPPORT CERTAIN
29 OPERATING EXPENSES OF CERTAIN ORGANIZATIONS.

30 THE GENERAL ASSEMBLY HEREBY DECLARES THAT RAISING PUBLIC

1 FUNDS FROM GAMES OF CHANCE IN TAVERNS IS ALSO IN THE PUBLIC
2 INTEREST.

3 IT IS HEREBY DECLARED TO BE THE POLICY OF THE GENERAL
4 ASSEMBLY THAT ALL PHASES OF LICENSING, OPERATION AND REGULATION
5 OF GAMES OF CHANCE BE STRICTLY CONTROLLED, AND THAT ALL LAWS AND
6 REGULATIONS WITH RESPECT THERETO AS WELL AS ALL GAMBLING LAWS
7 SHOULD BE STRICTLY CONSTRUED AND RIGIDLY ENFORCED.

8 THE GENERAL ASSEMBLY RECOGNIZES THE POSSIBILITY OF
9 ASSOCIATION BETWEEN COMMERCIAL GAMBLING AND ORGANIZED CRIME, AND
10 WISHES TO DISCOURAGE COMMERCIALIZATION OF GAMES OF CHANCE,
11 PREVENT PARTICIPATION BY ORGANIZED CRIME AND PREVENT THE
12 DIVERSION OF FUNDS FROM THE PURPOSES HEREIN AUTHORIZED.

13 SECTION 1.1. THE INTRODUCTORY PARAGRAPH AND THE DEFINITIONS
14 OF "MAJOR LEAGUE SPORTS DRAWING," "MAJOR LEAGUE SPORT TEAM" AND
15 "PROCEEDS" IN SECTION 103 OF THE ACT, AMENDED OR ADDED FEBRUARY
16 2, 2012 (P.L.7, NO.2) AND OCTOBER 24, 2012 (P.L.1462, NO.184),
17 ARE AMENDED TO READ:

18 SECTION 103. DEFINITIONS.

19 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL,
20 EXCEPT AS PROVIDED UNDER SECTION 901, HAVE THE MEANINGS GIVEN TO
21 THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES
22 OTHERWISE:

23 * * *

24 "MAJOR LEAGUE SPORTS DRAWING." [A 50/50 DRAWING CONDUCTED BY
25 AN AFFILIATED NONPROFIT ORGANIZATION AT A HOME GAME OF A MAJOR
26 LEAGUE SPORTS TEAM IN WHICH 50% OF THE MONEY COLLECTED FROM
27 TICKET SALES FROM THE DRAWING ARE OFFERED AS THE PRIZE AND THE
28 REMAINING 50% IS RETAINED BY THE AFFILIATED NONPROFIT
29 ORGANIZATION SPONSORING THE DRAWING FOR DISTRIBUTION TO
30 CHARITABLE ORGANIZATIONS.] A 50/50 DRAWING CONDUCTED BY A

1 NONPROFIT AFFILIATE OF A MAJOR LEAGUE SPORTS TEAM IN ACCORDANCE
2 WITH SECTION 304.1.

3 "MAJOR LEAGUE SPORTS TEAM." [A PROFESSIONAL TEAM THAT IS A
4 MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL HOCKEY LEAGUE, THE
5 NATIONAL BASKETBALL ASSOCIATION OR MAJOR LEAGUE SOCCER.] A
6 SPORTS TEAM OR RACING FACILITY THAT IS ANY OF THE FOLLOWING: <--

7 (1) A MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL
8 HOCKEY LEAGUE, THE NATIONAL BASKETBALL ASSOCIATION, THE
9 NATIONAL FOOTBALL LEAGUE OR MAJOR LEAGUE SOCCER.

10 (2) A PROFESSIONAL SPORTS TEAM AFFILIATED WITH A TEAM
11 UNDER PARAGRAPH (1).

12 (3) ANY OTHER PROFESSIONAL SPORTS TEAM THAT HAS A SPORTS
13 FACILITY OR AN AGREEMENT WITH A SPORTS FACILITY TO CONDUCT
14 HOME GAMES AT THE FACILITY.

15 (4) A STADIUM, GRANDSTAND OR BLEACHER AT A CLOSED-COURSE <--
16 MOTOR FACILITY WHERE SPECTATORS ARE DIRECTLY OBSERVING MOTOR
17 RACES WITH NASCAR, INDY, STOCK OR DRAG RACING CARS.

18 * * *

19 "PROCEEDS." THE DIFFERENCE BETWEEN: <--

20 (1) THE ACTUAL GROSS REVENUE COLLECTED BY A LICENSED
21 ELIGIBLE ORGANIZATION, OR A LICENSEE UNDER CHAPTER 9, FROM A
22 GAME OF CHANCE; AND

23 (2) THE ACTUAL AMOUNT OF PRIZES PAID BY A LICENSED
24 ELIGIBLE ORGANIZATION, OR A LICENSEE UNDER CHAPTER 9, FROM A
25 GAME OF CHANCE, PLUS THE COST TO PURCHASE GAMES OF CHANCE.

26 * * *

27 SECTION 1.2. SECTION 301 OF THE ACT, AMENDED OCTOBER 24,
28 2012 (P.L.1462, NO.184), IS AMENDED TO READ:

29 SECTION 301. GAMES OF CHANCE PERMITTED.

30 EVERY ELIGIBLE ORGANIZATION TO WHICH A LICENSE HAS BEEN

1 ISSUED UNDER THE PROVISIONS OF THIS CHAPTER MAY CONDUCT GAMES OF
2 CHANCE FOR THE PURPOSE OF RAISING FUNDS FOR PUBLIC INTEREST
3 PURPOSES. EXCEPT AS PROVIDED IN CHAPTER 5, ALL PROCEEDS OF A
4 LICENSED ELIGIBLE ORGANIZATION SHALL BE USED EXCLUSIVELY FOR
5 PUBLIC INTEREST PURPOSES, FOR THE PURCHASE OF GAMES OF CHANCE[,]
6 OR FOR THE PAYMENT OF THE LICENSE FEE [OR FOR THE PAYMENT OF THE
7 FEE FOR BACKGROUND CHECKS], AS REQUIRED BY THIS ACT.

8 SECTION ~~1.1~~ 1.3. SECTION 304(A) OF THE ACT, AMENDED FEBRUARY <--
9 2, 2012 (P.L.7, NO.2), IS AMENDED TO READ:

10 SECTION 304. DISTRIBUTOR LICENSES.

11 (A) LICENSE REQUIRED.--NO PERSON SHALL SELL, OFFER FOR SALE
12 OR FURNISH GAMES OF CHANCE TO ELIGIBLE ORGANIZATIONS LICENSED
13 UNDER THIS CHAPTER OR A LICENSEE LICENSED UNDER CHAPTER 9 UNLESS <--
14 SUCH PERSON SHALL HAVE OBTAINED A DISTRIBUTOR LICENSE AS
15 PROVIDED IN THIS SECTION.

16 * * *

17 SECTION ~~1.2~~ 1.4. SECTION 304.1(C) AND (F) OF THE ACT, ADDED <--
18 OCTOBER 24, 2012 (P.L.1462, NO.184), ARE AMENDED AND THE SECTION
19 IS AMENDED BY ADDING SUBSECTIONS TO READ:

20 SECTION 304.1. MAJOR LEAGUE SPORTS DRAWING.

21 * * *

22 (B.2) CHARITABLE EVENT.--A MAJOR LEAGUE SPORTS DRAWING MAY <--
23 BE CONDUCTED BY THE AFFILIATED NONPROFIT ORGANIZATION DURING A
24 CHARITABLE EVENT HELD WITHIN THE SAME ARENA, STADIUM,
25 GRANDSTAND, BLEACHERS OR OTHER FACILITY DURING A HOME GAME OR
26 CAR RACE OF THE MAJOR LEAGUE SPORTS TEAM. DRAWINGS MAY ONLY BE
27 HELD WITHIN SPECTATOR AREAS WITHIN THE ARENA, STADIUM,
28 GRANDSTAND OR BLEACHERS WHERE THE HOME GAME OR CAR RACE IS BEING
29 CONDUCTED AND NOT AT ANCILLARY AREAS OR FACILITIES, INCLUDING
30 PARKING AREAS, RESTAURANTS AND BARS OR AREAS OUTSIDE THE ARENA,

1 STADIUM, GRANDSTAND OR BLEACHERS OR AREAS WHERE THE SPORT IS
2 SHOWN ON REMOTE ELECTRONIC EQUIPMENT.

3 (C) DISTRIBUTION.--THE PRIZE AMOUNT OF A MAJOR LEAGUE SPORTS
4 DRAWING SHALL BE 50% OF THE TOTAL AMOUNT COLLECTED FROM THE SALE
5 OF MAJOR LEAGUE SPORTS DRAWING TICKETS. [THE] EXCEPT AS SET <--
6 FORTH IN SUBSECTION (C.1), THE OTHER 50% OF THE TOTAL AMOUNT
7 COLLECTED FROM THE SALE OF MAJOR LEAGUE SPORTS DRAWING TICKETS
8 SHALL BE DONATED WITHIN SEVEN DAYS FROM THE DATE OF THE DRAWING
9 BY THE AFFILIATED NONPROFIT ORGANIZATION CONDUCTING THE MAJOR
10 LEAGUE SPORTS DRAWING TO [A] ONE OR MORE DESIGNATED CHARITABLE
11 [ORGANIZATION] ORGANIZATIONS FOR WHICH THE DRAWING WAS
12 CONDUCTED.

13 (C.1) USE OF FUNDS.--

14 (1) THE AFFILIATED NONPROFIT ORGANIZATION MAY UTILIZE
15 NONPRIZE MONEY COLLECTED FOR THE FOLLOWING:

16 (I) TO EMPLOY OR PROVIDE PAYMENT TO INDIVIDUALS 18
17 YEARS OF AGE OR OLDER TO SELL MAJOR LEAGUE SPORTS DRAWING
18 TICKETS AT A PROFESSIONAL SPORTING EVENT.

19 (II) FOR ADMINISTRATIVE EXPENSES DIRECTLY RELATED TO
20 THE CONDUCT OF THE DRAWING UNDER THIS SECTION.

21 (2) AUTHORIZED EXPENSES UNDER PARAGRAPH (1) (II) MAY NOT
22 EXCEED 2% OF THE TOTAL AMOUNT COLLECTED FROM THE SALE OF
23 MAJOR LEAGUE SPORTS DRAWING TICKETS.

24 * * *

25 (F) UNCLAIMED PRIZES.--ANY MAJOR LEAGUE [BASEBALL] SPORTS
26 DRAWING PRIZE REMAINING UNCLAIMED BY A WINNER AT THE END OF THE
27 MAJOR LEAGUE SPORTS TEAM'S SEASON SHALL BE DONATED WITHIN 30
28 DAYS FROM THE END OF THE SEASON BY THE AFFILIATED NONPROFIT
29 ORGANIZATION TO THE DESIGNATED CHARITABLE ORGANIZATION FOR WHICH
30 THE MAJOR LEAGUE SPORTS DRAWING WAS CONDUCTED.

1 * * *

2 (H) ADDITIONAL RECORDKEEPING.--THE DEPARTMENT MAY REQUIRE
3 ADDITIONAL RECORDKEEPING OF OR ACCOUNTABILITY MEASURES FOR MAJOR <--
4 LEAGUE SPORTS DRAWINGS.

5 SECTION 2. SECTIONS 501(A), 502(A) AND (A.1) AND 503 OF THE
6 ACT, ADDED FEBRUARY 2, 2012 (P.L.7, NO.2), ARE AMENDED TO READ:
7 SECTION 501. CLUB LICENSEE.

8 (A) REPORT.--

9 (1) ~~†BEGINNING IN [2013] 2014, A CLUB LICENSEE WITH <--~~
10 PROCEEDS IN EXCESS OF \$30,000 IN A CALENDAR YEAR SHALL SUBMIT
11 [SEMIANNUAL] ANNUAL REPORTS TO THE DEPARTMENT FOR THE <--
12 PRECEDING [SIX-MONTH] 12-MONTH PERIOD ON A FORM AND IN A <--
13 MANNER PRESCRIBED BY THE DEPARTMENT.† BEGINNING JANUARY 1, <--
14 2014, AND EACH JANUARY 1 THEREAFTER, A CLUB LICENSEE THAT HAS
15 PROCEEDS IN EXCESS OF \$30,000 IN A CALENDAR YEAR SHALL SUBMIT
16 AN ANNUAL REPORT TO THE DEPARTMENT FOR THE PRECEDING YEAR ON
17 A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT.

18 ~~(1.1) THE REPORT UNDER PARAGRAPH (1) SHALL INCLUDE:~~

19 ~~(I) PRIZES AWARDED AS REQUIRED UNDER SECTION 335 OF~~
20 ~~THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX~~
21 ~~REFORM CODE OF 1971.~~

22 ~~(II) AMOUNTS EXPENDED FOR PUBLIC INTEREST PURPOSES.~~

23 (2) THE REPORT UNDER PARAGRAPH (1) MUST BE FILED UNDER
24 OATH OR AFFIRMATION OF AN AUTHORIZED OFFICER OF THE CLUB
25 LICENSEE[. <--

26 (3) THE REPORT ~~UNDER PARAGRAPH (1)]~~ AND SHALL INCLUDE <--
27 ALL OF THE FOLLOWING INFORMATION:

28 (I) THE PROCEEDS RECEIVED BY THE CLUB LICENSEE FROM
29 EACH GAME OF CHANCE CONDUCTED, ITEMIZED BY WEEK.

30 (II) THE AMOUNT OF PRIZES PAID FROM ALL GAMES OF

1 CHANCE, ITEMIZED BY WEEK.

2 (III) OTHER COSTS INCURRED RELATED TO THE CONDUCT OF
3 GAMES OF CHANCE.

4 (IV) THE VERIFICATION OF AMOUNTS DISTRIBUTED FOR
5 PUBLIC INTEREST PURPOSES ITEMIZED UNDER SECTION
6 502(A)(1), ITEMIZED BY THE RECIPIENT.

7 (V) AN ITEMIZED LIST OF EXPENDITURES MADE OR AMOUNTS
8 RETAINED AND EXPENDITURES UNDER SECTION 502(A)(2).

9 (VI) THE ADDRESS AND THE COUNTY IN WHICH THE CLUB
10 LICENSEE IS LOCATED.

11 (VII) OTHER INFORMATION OR DOCUMENTATION REQUIRED BY
12 THE DEPARTMENT.

13 * * *

14 SECTION 502. DISTRIBUTION OF PROCEEDS.

15 (A) DISTRIBUTION.--THE PROCEEDS FROM GAMES OF CHANCE
16 RECEIVED BY A CLUB LICENSEE SHALL BE DISTRIBUTED AS FOLLOWS:

17 (1) NO LESS THAN [70%] 60% OF THE PROCEEDS SHALL BE PAID
18 TO ORGANIZATIONS FOR PUBLIC INTEREST PURPOSES [IN THE
19 CALENDAR YEAR IN WHICH] WITHIN ONE YEAR OF THE ~~DATE~~ END OF <--
20 THE CALENDAR YEAR IN WHICH THE PROCEEDS WERE OBTAINED.

21 (2) NO MORE THAN [30%] 40% OF THE PROCEEDS OBTAINED IN A
22 CALENDAR YEAR MAY BE RETAINED BY A CLUB LICENSEE AND USED FOR
23 THE FOLLOWING OPERATIONAL EXPENSES RELATING TO THE CLUB
24 LICENSEE:

25 (I) REAL PROPERTY TAXES.

26 (II) UTILITY AND FUEL COSTS.

27 (III) HEATING AND AIR CONDITIONING EQUIPMENT OR
28 REPAIR COSTS.

29 (IV) WATER AND SEWER COSTS.

30 (V) PROPERTY OR LIABILITY INSURANCE COSTS.

1 (VI) MORTGAGE PAYMENTS.
2 (VII) INTERIOR AND EXTERIOR REPAIR AND UPKEEP COSTS, <--
3 INCLUDING REPAIR TO PARKING LOTS AND LANDSCAPING. <--
4 (VIII) NEW FACILITY CONSTRUCTION COSTS.
5 (IX) ENTERTAINMENT EQUIPMENT, INCLUDING TELEVISION,
6 VIDEO AND ELECTRONIC GAMES.
7 (X) PERSONNEL, OTHER THAN A BARTENDER OR INDIVIDUAL
8 WHO OPERATES GAMES OF CHANCE.
9 [(X)] (XI) OTHER EXPENSES ADOPTED IN REGULATION BY
10 THE DEPARTMENT.

11 (A.1) AMOUNTS RETAINED.--AMOUNTS RETAINED BY A CLUB LICENSEE
12 UNDER SUBSECTION (A) (2) SHALL BE EXPENDED WITHIN [THE SAME
13 CALENDAR YEAR] ONE YEAR FROM THE TIME OF THE END OF THE CALENDAR <--
14 YEAR IN WHICH THE PROCEEDS WERE OBTAINED UNLESS THE CLUB
15 LICENSEE NOTIFIES THE DEPARTMENT THAT FUNDS ARE BEING RETAINED
16 FOR A SUBSTANTIAL PUBLIC INTEREST PURCHASE OR PROJECT.
17 [NOTIFICATION SHALL INCLUDE A DESCRIPTION OF THE PURCHASE OR
18 PROJECT, THE COST AND THE ANTICIPATED DATE OF THE PURCHASE OR
19 PROJECT.]

20 * * *

21 SECTION 503. RECORDS.

22 A CLUB LICENSEE SHALL MAINTAIN RECORDS AS REQUIRED BY THIS
23 ACT OR BY THE DEPARTMENT, INCLUDING INVOICES FOR GAMES OF CHANCE
24 PURCHASED. RECORDS NECESSARY TO [CONDUCT AN AUDIT UNDER SECTION <--
25 702(B)] ENFORCE THIS ACT OR TO CONDUCT RANDOM AUDITS SHALL BE <--
26 MADE AVAILABLE TO THE ~~†BUREAU OF LIQUOR CONTROL ENFORCEMENT†~~, <--
27 THE DEPARTMENT OR ANY OTHER ENTITY AUTHORIZED TO ENFORCE OR <--
28 CONDUCT AUDITS UNDER THIS ACT.

29 SECTION 3. SECTION 504 OF THE ACT, ADDED FEBRUARY 2, 2012
30 (P.L.7, NO.2), IS REPEALED:

1 [SECTION 504. RAFFLE TICKETS.

2 A CLUB LICENSEE SHALL MAINTAIN RECORDS RELATING TO THE
3 PRINTING OR PURCHASE OF RAFFLE TICKETS. RECORDS SHALL INCLUDE A
4 RECEIPT OR INVOICE FROM THE PLACE OF PURCHASE THAT SHOWS THE
5 COST AND NUMBER OR AMOUNT OF TICKETS PURCHASED.]

6 ~~SECTION 4. THE ACT IS AMENDED BY ADDING A SECTION TO READ:~~ <--

7 ~~SECTION 505.1. BACKGROUND CHECKS.~~

8 ~~EACH APPLICATION FOR A CLUB LICENSE UNDER THIS ACT SUBMITTED~~
9 ~~BY AN ELIGIBLE ORGANIZATION WHICH HAS PROCEEDS IN EXCESS OF~~
10 ~~\$30,000 IN A YEAR SHALL INCLUDE THE RESULTS OF A CRIMINAL~~
11 ~~HISTORY RECORD INFORMATION CHECK OBTAINED FROM THE PENNSYLVANIA~~
12 ~~STATE POLICE, AS DEFINED IN 18 PA.C.S. § 9102 (RELATING TO~~
13 ~~DEFINITIONS) AND PERMITTED BY 18 PA.C.S. § 9121(B) (RELATING TO~~
14 ~~GENERAL REGULATIONS), FOR THE EXECUTIVE OFFICER AND SECRETARY OF~~
15 ~~THE ELIGIBLE ORGANIZATION MAKING THE APPLICATION FOR A CLUB~~
16 ~~LICENSE OR ANY OTHER PERSON REQUIRED BY THE DEPARTMENT.~~

17 SECTION 5 4. SECTION ~~702(C)~~ 702(B) AND (C) OF THE ACT, <--

18 AMENDED FEBRUARY 2, 2012 (P.L.7, NO.2) AND OCTOBER 24, 2012

19 (P.L.1462, NO.184), ~~IS~~ ARE AMENDED TO READ: <--

20 SECTION 702. ENFORCEMENT.

21 * * *

22 (B) BUREAU OF LIQUOR CONTROL ENFORCEMENT.--IF THE LICENSEE <--

23 IS A CLUB LICENSEE OR A LICENSEE UNDER CHAPTER 9, THE BUREAU OF
24 LIQUOR CONTROL ENFORCEMENT MAY ENFORCE THE PROVISIONS OF THIS
25 ACT IN ACCORDANCE WITH SUBSECTION (G). AN ADMINISTRATIVE LAW
26 JUDGE UNDER SECTION 212 OF THE ACT OF APRIL 12, 1951 (P.L.90,
27 NO.21), KNOWN AS THE LIQUOR CODE, MAY IMPOSE THE PENALTIES UNDER
28 SUBSECTION (D) FOLLOWING THE ISSUANCE OF A CITATION BY THE
29 BUREAU.

30 (C) RANDOM AUDITS.--THE [BUREAU OF LIQUOR CONTROL

1 ENFORCEMENT] DEPARTMENT SHALL CONDUCT ANNUAL RANDOM AUDITS OF 5%
2 OF ALL CLUB LICENSEES.

3 * * *

4 SECTION 6 5. THE ACT IS AMENDED BY ADDING A CHAPTER TO READ: <--

5 CHAPTER 9

6 TAVERN GAMING

7 SECTION 901. SCOPE OF CHAPTER.

8 THIS CHAPTER RELATES TO TAVERN GAMING.

9 SECTION 902. DEFINITIONS.

10 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
11 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
12 CONTEXT CLEARLY INDICATES OTHERWISE:

13 "APPLICANT." THE PERSON APPLYING FOR A LICENSE UNDER THIS <--
14 CHAPTER. THE TERM INCLUDES EACH OWNER AND OFFICER OF THE
15 RESTAURANT LICENSES WHERE TAVERN GAMES WILL BE CONDUCTED OR OF
16 THE LICENSE TO CONDUCT TAVERN GAMES.

17 "BOARD." THE PENNSYLVANIA LIQUOR CONTROL BOARD.

18 "BUREAU." THE BUREAU OF INVESTIGATIONS AND ENFORCEMENT OF
19 THE PENNSYLVANIA GAMING CONTROL BOARD.

20 "GROCERY STORE." AN ESTABLISHED PLACE WHICH: <--

21 (1) PRIMARILY SELLS FOOD, SUPPLIES FOR THE TABLE AND
22 FOOD PRODUCTS FOR HUMAN CONSUMPTION OFF THE PREMISES; AND

23 (2) HAS AN AREA UNDER ONE ROOF OF AT LEAST 10,000 SQUARE
24 FEET.

25 "LICENSE." A LICENSE TO CONDUCT TAVERN GAMES UNDER THIS
26 CHAPTER.

27 "LICENSEE." A PERSON THAT HOLDS A LICENSE UNDER THIS
28 CHAPTER.

29 ~~"PULL TAB." A SINGLE FOLDED OR BANDED TICKET OR A STRIP~~ <--
30 ~~TICKET OR CARD WITH A FACE COVERED TO CONCEAL ONE OR MORE~~

1 ~~NUMBERS OR SYMBOLS, WHERE ONE OR MORE OF EACH SET OF TICKETS OR~~
2 ~~CARDS HAS BEEN DESIGNATED IN ADVANCE AS A WINNER.~~

3 "NET REVENUE." AS FOLLOWS: <--

4 (1) FOR TAVERN GAMES REQUIRED TO BE PURCHASED FROM A
5 LICENSED DISTRIBUTOR UNDER THIS ACT, THE DIFFERENCE BETWEEN:

6 (I) THE FACE VALUE, AS INDICATED BY THE
7 MANUFACTURER, COLLECTIBLE BY A LICENSEE FROM A TAVERN
8 GAME; AND

9 (II) THE MAXIMUM AMOUNT OF PRIZES PAYABLE, AS
10 INDICATED BY THE MANUFACTURER, BY A LICENSEE FROM A
11 TAVERN GAME.

12 (2) FOR TAVERN GAMES NOT REQUIRED TO BE PURCHASED FROM A
13 LICENSED DISTRIBUTOR, THE TERM HAS THE SAME MEANING AS
14 PROCEEDS.

15 "RESTAURANT LICENSEE." A FOR-PROFIT HOTEL, RESTAURANT,
16 PRIVATELY OWNED PUBLIC GOLF COURSE, BREW PUB OR MICRO BREWERY
17 EATING PLACE LICENSED TO SELL LIQUOR UNDER THE ACT OF APRIL 12, <--
18 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE. THE TERM DOES <--
19 NOT INCLUDE ANY OF THE FOLLOWING:

20 (1) A GROCERY STORE.

21 (2) A PREMISES WHERE THE SALE OF LIQUID FUELS OR OIL IS
22 CONDUCTED.

23 "TAVERN GAME." THE CONDUCT OF PULL-TAB GAMES, DAILY DRAWINGS
24 OR TAVERN RAFFLES BY A FOR-PROFIT RESTAURANT LICENSEE IN- <--
25 ACCORDANCE WITH PURSUANT TO A LICENSE ISSUED UNDER THIS CHAPTER. <--

26 "TAVERN RAFFLE." A RAFFLE HELD IN PART FOR A CHARITABLE OR <--
27 PUBLIC PURPOSE IN ACCORDANCE WITH SECTION 908.1.

28 SECTION 903. LICENSES.

29 (A) APPLICATION.--A RESTAURANT LICENSEE MAY APPLY TO THE
30 BOARD FOR A LICENSE TO CONDUCT TAVERN GAMES AT A LICENSED

1 PREMISES IN ACCORDANCE WITH THIS CHAPTER.

2 (B) INFORMATION.--THE APPLICATION UNDER SUBSECTION (A) SHALL
3 INCLUDE THE FOLLOWING INFORMATION REGARDING THE APPLICANT AND <--
4 ALL OWNERS OF THE RESTAURANT LICENSE:

5 (1) THE NAME, ADDRESS AND PHOTOGRAPH OF THE APPLICANT <--
6 AND THE PROPOSED TAVERN GAMING LICENSEE.

7 ~~(2) A PHOTOGRAPH OF THE APPLICANT.~~ <--

8 ~~(3) THE PROPOSED LOCATION OF THE CONDUCT OF TAVERN~~
9 ~~GAMES.~~

10 ~~(4) (2) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE~~ <--
11 ~~DEPARTMENT, AND A CERTIFICATE FROM THE DEPARTMENT OF LABOR~~ <--
12 ~~AND INDUSTRY OF PAYMENT OF ALL WORKERS' COMPENSATION AND~~
13 ~~UNEMPLOYMENT COMPENSATION OWED.~~

14 ~~(5) (3) THE DETAILS OF ANY GAMING, SLOT MACHINE OR ANY,~~ <--
15 ~~CASINO, RESTAURANT OR PROPOSED TAVERN GAMING LICENSE APPLIED~~ <--
16 ~~FOR OR IN WHICH THE APPLICANT OR OTHER OWNER HAS AN INTEREST.~~

17 ~~(6) CONSENT TO CONDUCT (4) CERTIFIED CONSENT BY THE~~ <--
18 ~~APPLICANT, AND EACH OWNER AND OFFICER OF THE RESTAURANT~~
19 ~~LICENSEE TO A BACKGROUND INVESTIGATION BY THE BUREAU.~~

20 ~~(7) THE FOLLOWING RELATING TO CRIMINAL INFORMATION:~~ <--

21 ~~(I) DISCLOSURE OF ALL ARRESTS AND ALL CITATIONS OF~~
22 ~~THE APPLICANT AND ALL OWNERS OF THE RESTAURANT LICENSE~~
23 ~~FOR NONTRAFFIC SUMMARY OFFENSES. THE INFORMATION SHALL~~
24 ~~INCLUDE ALL OF THE FOLLOWING:~~

25 ~~(A) A BRIEF DESCRIPTION OF THE CIRCUMSTANCES~~
26 ~~SURROUNDING THE ARREST OF ISSUANCE OF THE CITATION.~~

27 ~~(B) THE SPECIFIC OFFENSE CHARGED.~~

28 ~~(C) THE ULTIMATE DISPOSITION OF THE CHARGE,~~
29 ~~INCLUDING ANY DISMISSAL, PLEA BARGAIN, CONVICTION,~~
30 ~~SENTENCE, PARDON, EXPUNGEMENT OR ORDER OF ACCELERATED~~

1 REHABILITATIVE DISPOSITION.

2 ~~(II) NO APPLICANT SHALL BE REQUIRED TO PROVIDE~~
3 ~~DOCUMENTATION RELATING TO A SUMMARY OFFENSE. FAILURE OF~~
4 ~~THE BOARD OR THE BUREAU TO RECOVER A RECORD OF A SUMMARY~~
5 ~~OFFENSE MAY NOT BE GROUNDS FOR DENYING AN APPLICATION.~~

6 (5) RELATING TO CRIMINAL INFORMATION, DISCLOSURE OF ALL <--
7 ARRESTS AND CITATIONS OF THE APPLICANT FOR NONTRAFFIC SUMMARY
8 OFFENSES. THE INFORMATION SHALL INCLUDE ALL OF THE FOLLOWING:

9 (I) A BRIEF DESCRIPTION OF THE CIRCUMSTANCES
10 SURROUNDING THE ARREST OR ISSUANCE OF THE CITATION.

11 (II) THE SPECIFIC OFFENSE CHARGED.

12 (III) THE ULTIMATE DISPOSITION OF THE CHARGE,
13 INCLUDING ANY DISMISSAL, PLEA BARGAIN, CONVICTION,
14 SENTENCE, PARDON, EXPUNGEMENT OR ORDER OF ACCELERATED
15 REHABILITATIVE DISPOSITION.

16 (6) FINANCIAL INTERESTS AND TRANSACTIONS AS REQUIRED BY
17 THE BUREAU.

18 ~~(8) (7) ANY OTHER INFORMATION REQUIRED BY THE~~ <--
19 ~~DEPARTMENT. BOARD.~~ <--

20 (C) DUTY OF BUREAU.--THE BUREAU SHALL CONDUCT A BACKGROUND
21 INVESTIGATION OF EACH APPLICANT, THE SCOPE OF WHICH SHALL BE
22 DETERMINED BY THE BUREAU.

23 ~~(C) (D) REVIEW.--WITHIN SIX MONTHS OF RECEIPT OF AN~~ <--
24 ~~APPLICATION UNDER SUBSECTION (A) THE BACKGROUND INVESTIGATION~~ <--
25 REPORT FROM THE BUREAU, THE BOARD SHALL APPROVE OR DISAPPROVE
26 THE APPLICATION.

27 ~~(D) (E) BACKGROUND INVESTIGATION.--EVERY EACH APPLICANT AND~~ <--
28 ~~OWNER OF A PROPOSED LICENSE, INCLUDING EACH OWNER AND OFFICER OF~~ <--
29 THE RESTAURANT, RESTAURANT LICENSEE AND PROPOSED TAVERN GAMING
30 LICENSE, SHALL INCLUDE INFORMATION AND DOCUMENTATION AS REQUIRED

1 TO ESTABLISH THE APPLICANT'S AND EACH OWNER'S PERSONAL AND <--
2 FINANCIAL SUITABILITY, HONESTY AND INTEGRITY. INFORMATION SHALL
3 INCLUDE:
4 (1) CRIMINAL HISTORY RECORD INFORMATION.
5 (2) FINANCIAL BACKGROUND INFORMATION.
6 (3) DATA INVESTIGATION BY THE BUREAU.
7 (4) REGULATORY HISTORY BEFORE THE BOARD OR OTHER
8 COMMONWEALTH AGENCY.
9 (5) OTHER INFORMATION REQUIRED BY THE BUREAU.
10 ~~(E)~~ (F) PERSONAL INTERVIEW.--IF THE BUREAU DETERMINES THAT A <--
11 CRIMINAL HISTORY RECORD WARRANTS THE RESULTS OF THE BACKGROUND <--
12 REPORT INVESTIGATION WARRANT ADDITIONAL REVIEW OF THE
13 INDIVIDUAL, THE BUREAU SHALL CONDUCT A PERSONAL INTERVIEW WITH
14 THE APPLICANT AND MAY REQUEST INFORMATION AND INTERVIEWS FROM <--
15 OTHER PERSONAL OR PROFESSIONAL ASSOCIATES. <--
16 ~~(F)~~ COOPERATION. THE BUREAU SHALL CONDUCT A BACKGROUND <--
17 INVESTIGATION OF THE APPLICANT AND ALL OTHER OWNERS OF THE
18 RESTAURANT LICENSE IN COOPERATION WITH THE BOARD.
19 (G) COOPERATION.--THE APPLICANT SHALL COOPERATE WITH THE <--
20 BUREAU AS REQUESTED DURING THE CONDUCT OF THE BACKGROUND
21 INVESTIGATION. ANY REFUSAL TO PROVIDE THE INFORMATION REQUIRED
22 UNDER THIS SECTION OR TO CONSENT TO A BACKGROUND INVESTIGATION
23 SHALL RESULT IN THE IMMEDIATE DENIAL OF A LICENSE BY THE BOARD.
24 ~~(G)~~ (H) COSTS.--THE APPLICANT AND EACH OWNER SHALL REIMBURSE <--
25 THE BOARD AND THE BUREAU FOR THE ACTUAL COSTS OF CONDUCTING THE <--
26 BACKGROUND INVESTIGATION. THE BOARD SHALL NOT APPROVE AN <--
27 APPLICANT THAT HAS NOT FULLY REIMBURSED THE BUREAU FOR THE
28 INVESTIGATION.
29 ~~(H)~~ (I) APPROVAL.--THE BUREAU SHALL TRANSMIT THE <--
30 INVESTIGATIVE REPORT AND MAY MAKE A RECOMMENDATION TO THE BOARD.

1 THE BOARD SHALL REVIEW THE INFORMATION OBTAINED ~~AND THE~~ <--
2 RECOMMENDATION UNDER THIS SECTION TO DETERMINE IF THE APPLICANT
3 ~~AND OTHER OWNERS OF THE LICENSE POSSESS POSSESSES THE FOLLOWING:~~ <--

4 (1) FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY.

5 (2) SUFFICIENT BUSINESS EXPERIENCE AND ABILITY TO
6 EFFECTIVELY OPERATE TAVERN GAMES AS PART OF THE RESTAURANT
7 LICENSEE'S OPERATOR.

8 (3) CHARACTER, HONESTY AND INTEGRITY TO BE LICENSED TO <--
9 OPERATE TAVERN GAMES IN A RESPONSIBLE AND LAWFUL MANNER.

10 SECTION 904. APPLICATION.

11 (A) APPLICATION FEE.--AN APPLICANT SHALL PAY ~~AN~~ THE BOARD A <--
12 NONREFUNDABLE APPLICATION FEE OF \$1,000.

13 ~~(B) COSTS. A RESTAURANT LICENSEE AND ANY ADDITIONAL OWNERS~~ <--

14 (B) INVESTIGATIVE FEE.--AN APPLICANT SHALL PAY AN <--
15 INVESTIGATIVE FEE OF \$1,000 TO THE BUREAU.

16 (C) COSTS.--IN ADDITION TO THE FEE UNDER SUBSECTION (B), AN
17 APPLICANT AND ANY OWNER AND OFFICER OF THE APPLICANT SHALL PAY
18 FOR THE ACTUAL COSTS OF A BACKGROUND INVESTIGATION CONDUCTED BY
19 THE BUREAU THAT EXCEED THE APPLICATION FEE. THE BUREAU MAY: <--

20 (1) CHARGE AN ESTIMATED AMOUNT TO BE PROVIDED PRIOR TO
21 THE BACKGROUND INVESTIGATION.

22 (2) SUBMIT FOR REIMBURSEMENT FROM THE APPLICANT FOR THE <--
23 ADDITIONAL COSTS INCURRED IN THE BACKGROUND INVESTIGATION.

24 (D) FUNDS.--FUNDS COLLECTED UNDER SUBSECTIONS (B) AND (C) <--
25 SHALL AUGMENT THE FUNDS APPROPRIATED TO THE GAMING CONTROL BOARD
26 UNDER 4 PA.C.S. (RELATING TO AMUSEMENTS).

27 SECTION 905. APPROVAL.

28 (A) ISSUANCE.--UPON BEING SATISFIED THAT THE REQUIREMENTS OF
29 SECTION 903 HAVE BEEN MET, THE BOARD MAY APPROVE THE APPLICATION
30 AND ISSUE ~~AN INITIAL~~ A TAVERN GAMES LICENSE FOR A PERIOD OF ONE <--

1 YEAR. THE BOARD MAY PLACE CONDITIONS ON THE LICENSE AS IT DEEMS
2 APPROPRIATE.

3 (B) RENEWAL.--A LICENSE SHALL BE RENEWED ANNUALLY. A LICENSE <--
4 RENEWAL SHALL NOT REQUIRE REVIEW OF THE BUREAU, UNLESS REQUESTED
5 BY THE BOARD.

6 (C) FEE.--THE LICENSE FEE AND RENEWAL FEE SHALL BE \$1,000. <--
7 UPON APPROVAL, THE APPLICANT SHALL PAY A \$2,000 LICENSE FEE TO
8 BE DEPOSITED IN THE GENERAL FUND. THE ANNUAL RENEWAL FEE SHALL
9 BE \$1,000.

10 (D) ENTITLEMENT.--NOTHING UNDER THIS CHAPTER SHALL BE
11 CONSTRUED TO CREATE AN ENTITLEMENT TO A LICENSE BY A PERSON. THE
12 BOARD SHALL HAVE SOLE DISCRETION TO ISSUE, RENEW, CONDITION, <--
13 SUSPEND, REVOKE OR DENY A LICENSE BASED ON THE REQUIREMENTS OF
14 THIS CHAPTER AND WHETHER THE ISSUANCE IS AND MAINTENANCE OF THE <--
15 LICENSE ARE IN THE BEST INTERESTS OF THE COMMONWEALTH.

16 (E) NONTRANSFERABILITY.--A LICENSE SHALL BE A GRANT OF
17 PRIVILEGE TO CONDUCT TAVERN GAMES. A LICENSE MAY NOT BE SOLD,
18 TRANSFERRED OR ASSIGNED TO ANY OTHER PERSON. A LICENSEE MAY NOT
19 PLEDGE OR OTHERWISE GRANT A SECURITY INTEREST IN OR LIEN ON THE
20 LICENSE. THE BOARD SHALL HAVE THE SOLE DISCRETION TO ISSUE,
21 RENEW, CONDITION OR DENY THE ISSUANCE OF A LICENSE.

22 SECTION 906. CHANGE IN OWNERSHIP.

23 (A) NOTICE.--A LICENSEE SHALL NOTIFY THE BOARD UPON BECOMING <--
24 AWARE OF A PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP OF THE <--
25 PREMISES OF THE RESTAURANT LICENSE OR SALE OR TRANSFER OF THE <--
26 RESTAURANT LICENSE.

27 (B) QUALIFICATION.--THE PURCHASER OR TRANSFEREE OF THE <--
28 ASSETS OR PREMISES OF A LICENSEE MUST INDEPENDENTLY QUALIFY FOR
29 A LICENSE, PAY THE LICENSE FEE AND UNDERGO AND PAY FEES AND <--
30 COSTS FOR A BACKGROUND INVESTIGATION UNDER SECTION 903. A NEW <--

1 ~~LICENSE FEE SHALL BE PAID UPON THE ASSIGNMENT AND ACTUAL CHANGE~~
2 ~~OF CONTROL OR OWNERSHIP OF THE LICENSE.~~

3 SECTION 907. PRIZE LIMITS.

4 (A) INDIVIDUAL PRIZE LIMIT.--THE MAXIMUM PRIZE WHICH MAY BE
5 AWARDED FOR ANY SINGLE CHANCE SHALL BE \$2,000. NO TAVERN GAME
6 SOLD, OFFERED FOR SALE OR FURNISHED MAY CONTAIN, PERMIT, DEPICT
7 OR DESIGNATE A PRIZE HAVING A PRIZE LIMIT IN EXCESS OF \$2,000.

8 (B) AGGREGATE PRIZE LIMIT.--NO MORE THAN \$35,000 IN PRIZES
9 MAY BE AWARDED FROM TAVERN GAMES BY A LICENSEE IN A SEVEN-DAY
10 PERIOD.

11 SECTION 908. BANK ACCOUNT.

12 A LICENSEE SHALL MAINTAIN A BANK ACCOUNT TO HOLD THE PROCEEDS <--
13 OF NET REVENUE FROM TAVERN GAMES WHICH SHALL BE SEPARATE FROM
14 ALL OTHER FUNDS BELONGING TO THE LICENSEE. ACCOUNT RECORDS SHALL
15 SHOW ALL EXPENDITURES AND INCOME AND SHALL BE RETAINED BY THE
16 LICENSEE FOR AT LEAST TWO YEARS.

17 SECTION 908.1. TAVERN RAFFLE.

18 THE FOLLOWING SHALL APPLY TO A TAVERN RAFFLE:

19 (1) NO MORE THAN ONE TAVERN RAFFLE MAY BE HELD IN A
20 CALENDAR MONTH.

21 (2) A TAVERN RAFFLE MUST BE HELD FOR A DESIGNATED
22 CHARITABLE PURPOSE.

23 (3) EACH INDIVIDUAL PARTICIPATING IN THE TAVERN RAFFLE
24 MUST BE INFORMED OF THE CHARITABLE PURPOSE INVOLVED.

25 (4) AT LEAST 50% OF THE PROCEEDS NET REVENUES FROM THE <--
26 TAVERN RAFFLE SHALL BE TRANSMITTED TO THE DESIGNATED CHARITY
27 WITHIN SEVEN DAYS OF THE TAVERN RAFFLE.

28 (5) ANY PROCEEDS NET REVENUES NOT TRANSMITTED UNDER <--
29 PARAGRAPH (4) SHALL BE DISTRIBUTED AS FOLLOWS:

30 (I) SIXTY PERCENT SHALL BE PAID TO THE COMMONWEALTH.

1 (II) FORTY PERCENT MAY BE RETAINED BY THE LICENSEE.

2 SECTION 909. DISTRIBUTION OF PROCEEDS.

3 BEGINNING JANUARY 1, 2014, THE PROCEEDS NET REVENUE FROM <--
4 TAVERN GAMES RECEIVED BY A LICENSEE SHALL BE DISTRIBUTED AS
5 FOLLOWS:

6 (1) SIXTY PERCENT OF THE PROCEEDS NET REVENUE OBTAINED <--
7 IN ANY CALENDAR YEAR SHALL BE PAID TO THE COMMONWEALTH.

8 (2) FORTY PERCENT OF THE PROCEEDS NET REVENUE OBTAINED <--
9 IN ANY CALENDAR YEAR MAY BE RETAINED BY THE LICENSEE.

10 SECTION 909.1. TAVERN GAMES TAX. <--

11 (A) IMPOSITION.--THERE IS IMPOSED A TAX OF 60% OF THE NET
12 REVENUE FROM TAVERN GAMES SOLD BY A LICENSED DISTRIBUTOR TO A
13 LICENSEE WITHIN THIS COMMONWEALTH.

14 (B) COLLECTION.--THE TAX IMPOSED UNDER SUBSECTION (A) MUST
15 BE COLLECTED BY THE LICENSED DISTRIBUTOR FROM THE LICENSEE IN AN
16 INSTANCE WHERE THE TAVERN GAME IS REQUIRED TO BE PURCHASED FROM
17 A LICENSED DISTRIBUTOR UNDER THIS ACT AND MUST BE PAID OVER TO
18 THE COMMONWEALTH.

19 (C) OTHER GAMES.--IN AN INSTANCE WHERE THE TAVERN GAME IS
20 NOT REQUIRED TO BE PURCHASED FROM A LICENSED DISTRIBUTOR UNDER
21 THIS ACT, A TAX OF 60% IS IMPOSED UPON THE NET REVENUE FROM
22 DAILY DRAWINGS AND TAVERN RAFFLES UNDER SECTION 908.1 AND MUST
23 BE PAID TO THE COMMONWEALTH BY THE LICENSEE.

24 (D) REQUIREMENT TO COLLECT AND REMIT.--FAILURE OF A SELLER
25 OF TAVERN GAMES TO OBTAIN A DISTRIBUTOR'S LICENSE DOES NOT
26 RELIEVE THE SELLER FROM THE REQUIREMENT OF COLLECTING AND
27 REMITTING THE TAX IMPOSED UNDER THIS SECTION.

28 (E) RETURNS.--A LICENSEE OR LICENSED DISTRIBUTOR SUBJECT TO
29 THIS ARTICLE SHALL FILE WITH THE DEPARTMENT, UPON A FORM
30 PRESCRIBED BY THE DEPARTMENT, A TAVERN GAMES TAX RETURN. THE

1 RETURN MUST BE FILED UNDER OATH OR AFFIRMATION OF AN AUTHORIZED
2 OFFICER OF THE LICENSEE OR LICENSED DISTRIBUTOR REPORTING THE
3 NET REVENUE AND THE TAX DUE UNDER THIS SECTION IN THE PRIOR
4 CALENDAR QUARTER FOR LICENSEES AND IN THE PRIOR CALENDAR MONTH
5 FOR LICENSED DISTRIBUTORS. A RETURN IS DUE BY THE 20TH DAY
6 FOLLOWING THE END OF THE REPORTING PERIOD. THE RETURN MUST SET
7 FORTH THE FOLLOWING:

8 (1) IN THE CASE OF A LICENSED DISTRIBUTOR, THE TOTAL
9 AMOUNT OF NET REVENUE FOR THE TAVERN GAMES SOLD TO LICENSEES
10 IN THE PRIOR CALENDAR MONTH, WHICH MUST BE CALCULATED BY
11 INDICATING THE NUMBER OF EACH TYPE OF TAVERN GAME SOLD AND
12 THE NET REVENUE FOR EACH TYPE OF GAME.

13 (2) IN THE CASE OF A LICENSEE, THE AMOUNT OF NET REVENUE
14 FOR THE TAVERN GAMES NOT PURCHASED FROM A LICENSED
15 DISTRIBUTOR THAT THE LICENSEE OPERATED IN THE PRIOR CALENDAR
16 QUARTER.

17 (3) CALCULATION OF THE TAX DUE UNDER THIS SECTION.

18 (4) FOR A LICENSEE, THE AMOUNT FROM TAVERN GAMES
19 DISTRIBUTED TO A DESIGNATED CHARITY.

20 (5) OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

21 (F) PAYMENT.--A LICENSEE OR LICENSED DISTRIBUTOR SUBJECT TO
22 PAY OR COLLECT THE TAX UNDER THIS SECTION SHALL REMIT THE TAX TO
23 THE DEPARTMENT WHEN THE RETURN IN SUBSECTION (E) IS MADE.

24 (G) PENALTIES AND INTEREST.--IF A LICENSEE OR LICENSED
25 DISTRIBUTOR FAILS TO FILE THE RETURN REQUIRED UNDER SUBSECTION
26 (E) OR FAILS TO PAY THE TAX IMPOSED UNDER SUBSECTION (A) OR (C),
27 THE DEPARTMENT MAY DO THE FOLLOWING:

28 (1) ASSESS THE AMOUNT OF TAX DUE;

29 (2) IMPOSE AND ASSESS AN ADMINISTRATIVE PENALTY EQUAL TO
30 10% OF THE TAX DUE BUT UNPAID FOR EACH QUARTER OR FRACTION

1 THEREOF THAT THE TAX REMAINS UNPAID TOGETHER WITH INTEREST AT
2 THE RATE ESTABLISHED UNDER SECTION 806 OF THE ACT OF APRIL 9,
3 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, ON THE TAX
4 FROM THE TIME THE TAX BECAME DUE. THE PENALTY PROVIDED IN
5 THIS PARAGRAPH MUST BE ADDED TO THE TAX AND ASSESSED AND
6 COLLECTED AT THE SAME TIME AND IN THE SAME MANNER AS A PART
7 OF THE TAX. UNLESS OTHERWISE SPECIFIED, THE TAX MUST BE
8 ASSESSED, COLLECTED AND ENFORCED BY THE DEPARTMENT UNDER THE
9 PROVISIONS OF ARTICLE II OF THE ACT OF MARCH 4, 1971 (P.L.6,
10 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971;

11 (3) NOTIFY THE APPROPRIATE LICENSING AUTHORITY THAT A
12 LICENSEE HAS NOT FILED RETURNS OR HAS NOT PAID TAX. THE
13 LICENSING AUTHORITY MAY SUSPEND OR REVOKE A LICENSEE'S
14 LICENSE; OR

15 (4) REVOKE A LICENSED DISTRIBUTOR'S LICENSE.

16 (H) FUNDS HELD IN TRUST.--THE FUNDS OWED TO THE COMMONWEALTH
17 UNDER THIS SECTION SHALL BE HELD IN TRUST BY A LICENSED
18 DISTRIBUTOR.

19 (I) DEPOSIT.--BEGINNING IN FISCAL YEAR 2013-2014, THE TOTAL
20 AMOUNT OF TAXES IMPOSED BY THIS SECTION SHALL BE DEPOSITED IN
21 THE GENERAL FUND.

22 SECTION 910. REGULATION.

23 THE DEPARTMENT SHALL ENFORCE ALL REVENUE PROVISIONS OF THIS
24 CHAPTER AND MAY PROMULGATE AND ENFORCE REGULATIONS RELATING TO
25 THE ENFORCEMENT, COLLECTION OF TAX AND IMPOSITION OF TAX.

26 SECTION 911. INVOICE.

27 A SALE OF A TAVERN GAME BY A LICENSED DISTRIBUTOR TO A
28 LICENSEE MUST BE DOCUMENTED BY AN INVOICE LISTING THE NAMES AND
29 TYPES OF GAMES SOLD, QUANTITIES OF EACH GAME SOLD, THE NET
30 REVENUE OF EACH GAME AND THE AGGREGATE AMOUNT OF TAX DUE ON THE

1 NET REVENUE ON EACH INVOICE. FAILURE TO PROVIDE A CORRECT
2 INVOICE SHALL RESULT IN A PENALTY OF 50% OF THE TAX AMOUNT DUE
3 PAYABLE TO THE COMMONWEALTH.

4 SECTION 910. REPORTS.

<--

5 (A) REPORTS. A LICENSEE SHALL SUBMIT ANNUAL REPORTS TO THE
6 SECTION 912. REPORTS.

<--

7 A LICENSEE SHALL SUBMIT AN ANNUAL REPORT TO THE BOARD AND THE
8 DEPARTMENT FOR THE PRECEDING YEAR ON A FORM AND IN A MANNER
9 PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL DEVELOP A
10 SCHEDULE FOR THE SUBMISSION OF THE ANNUAL REPORT. THE REPORT
11 SHALL INCLUDE:

<--

<--

12 (1) PRIZES AWARDED AS REQUIRED UNDER SECTION 335 OF THE
13 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM
14 CODE OF 1971.

15 (2) AMOUNTS TRANSFERRED TO THE GENERAL FUND.

<--

16 (3) AMOUNTS GIVEN TO DESIGNATED CHARITIES.

17 (4) OTHER INFORMATION AS REQUIRED BY THE DEPARTMENT.

18 (B) PRIZES. THE REPORT SHALL INCLUDE PRIZES AWARDED AS
19 REQUIRED UNDER SECTION 335 OF THE ACT OF MARCH 4, 1971 (P.L.6,
20 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

21 SECTION 911. ENFORCEMENT.

22 (A) BOARD. THE BOARD MAY, FOLLOWING NOTICE AND HEARING
23 IMPOSE THE FOLLOWING PENALTIES OR SUSPEND OR REVOKE A LICENSE
24 UNDER THIS CHAPTER.

25 (B) PENALTIES. THE BOARD MAY IMPOSE A CIVIL PENALTY FOR A
26 VIOLATION OF THIS CHAPTER IN ACCORDANCE WITH THE FOLLOWING:

27 (1) UP TO \$1,000 FOR AN INITIAL VIOLATION OF THIS ACT.

28 (2) UP TO \$3,000 FOR A SECOND OR SUBSEQUENT VIOLATION.

29 (C) CRIMINAL PENALTY. A VIOLATION OF THIS ACT SHALL BE A
30 SUMMARY OFFENSE.

1 ~~(D) DEPARTMENT OF REVENUE. THE DEPARTMENT OF REVENUE SHALL~~
2 ~~ENFORCE THE PROVISIONS OF SECTION 909 AS A TAX IN ACCORDANCE~~
3 ~~WITH THE ENFORCEMENT PROVISIONS UNDER ARTICLE XXVII OF THE ACT~~
4 ~~OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF~~
5 ~~1971.~~

6 (2) NET REVENUE RECEIVED FROM EACH GAME OF CHANCE <--
7 CONDUCTED, ITEMIZED BY WEEK.

8 (3) AMOUNT OF PRIZES PAID FROM ALL GAMES OF CHANCE,
9 ITEMIZED BY WEEK.

10 (4) AMOUNT OF TAX REMITTED TO THE DEPARTMENT.

11 (5) AMOUNT GIVEN TO DESIGNATED CHARITIES FROM TAVERN
12 RAFFLES.

13 (6) OTHER INFORMATION AS REQUIRED BY THE DEPARTMENT.

14 SECTION 913. ENFORCEMENT.

15 (A) BOARD.--THE BOARD MAY, FOLLOWING NOTICE AND HEARING,
16 IMPOSE PENALTIES OR SUSPEND OR REVOKE A LICENSE UNDER THIS
17 CHAPTER.

18 (B) PENALTIES.--THE BOARD MAY IMPOSE A CIVIL PENALTY FOR A
19 VIOLATION OF THIS CHAPTER IN ACCORDANCE WITH THE FOLLOWING:

20 (1) UP TO \$1,000 FOR AN INITIAL VIOLATION OF THIS ACT.

21 (2) UP TO \$3,000 FOR A SECOND OR SUBSEQUENT VIOLATION.

22 (C) CRIMINAL PENALTY.--A VIOLATION OF THIS ACT SHALL BE A
23 MISDEMEANOR OF THE THIRD DEGREE. A SECOND OR SUBSEQUENT OFFENSE
24 SHALL BE A MISDEMEANOR OF THE SECOND DEGREE.

25 (D) ADMINISTRATIVE LAW JUDGE.--AN ADMINISTRATIVE LAW JUDGE
26 UNDER SECTION 212 OF THE ACT OF APRIL 12, 1951 (P.L.90, NO.21),
27 KNOWN AS THE LIQUOR CODE, MAY IMPOSE THE PENALTIES UNDER THIS
28 SECTION FOLLOWING THE ISSUANCE OF A CITATION BY THE BUREAU OF
29 LIQUOR CONTROL ENFORCEMENT.

30 (E) REVOCATION OR FAILURE TO RENEW.--IN ADDITION TO ANY

1 OTHER SANCTIONS THE BOARD MAY IMPOSE UNDER THIS CHAPTER OR UNDER
2 THE LIQUOR CODE, THE BOARD MAY, AT ITS DISCRETION SUSPEND,
3 REVOKE OR DENY RENEWAL OF ANY LICENSE ISSUED UNDER THIS CHAPTER
4 IF IT RECEIVES ANY INFORMATION FROM ANY SOURCE THAT THE
5 APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OWNERS OR EMPLOYEES
6 IS IN VIOLATION OF ANY PROVISION OF THIS CHAPTER, THAT THE
7 APPLICANT HAS FURNISHED THE BOARD WITH FALSE OR MISLEADING
8 INFORMATION OR THAT THE INFORMATION CONTAINED IN THE APPLICANT'S
9 INITIAL APPLICATION OR ANY RENEWAL APPLICATION IS NO LONGER TRUE
10 AND CORRECT. IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW,
11 THE APPLICANT'S AUTHORIZATION TO CONDUCT THE PREVIOUSLY APPROVED
12 ACTIVITY SHALL IMMEDIATELY CEASE, AND ALL FEES PAID IN
13 CONNECTION THEREWITH SHALL BE DEEMED TO BE FORFEITED. IN THE
14 EVENT OF A SUSPENSION, THE APPLICANT'S AUTHORIZATION TO CONDUCT
15 THE PREVIOUSLY APPROVED ACTIVITY SHALL IMMEDIATELY CEASE UNTIL
16 THE BOARD HAS NOTIFIED THE APPLICANT THAT THE SUSPENSION IS NO
17 LONGER IN EFFECT.

18 SECTION 914. PROHIBITIONS.

19 THE FOLLOWING SHALL APPLY TO ANY LICENSE AUTHORIZED OR ISSUED
20 UNDER THIS CHAPTER:

21 (1) NO LICENSE MAY BE ISSUED TO A RESTAURANT LICENSEE
22 WHOSE PLACE OF BUSINESS IS LOCATED IN A LICENSED FACILITY AS
23 DEFINED IN 4 PA.C.S. § 1103 (RELATING TO DEFINITIONS).

24 (2) NO LICENSE MAY BE ISSUED TO A PLACE OF BUSINESS ON
25 THE GROUNDS OF A FACILITY WHERE A MAJOR LEAGUE SPORTS TEAM
26 CONDUCTS GAMES OR RACES.

27 (3) NO LICENSE MAY BE ISSUED TO A PLACE OF BUSINESS THAT
28 HAS BEEN DECREED A NUISANCE PURSUANT TO SECTION 611 OF THE
29 ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR
30 CODE.

1 (4) THE BOARD SHALL BE PROHIBITED FROM ISSUING A LICENSE
2 TO ANY PERSON WHO HAS BEEN CONVICTED OF A FELONY OFFENSE OR
3 MISDEMEANOR GAMBLING OFFENSE IN ANY JURISDICTION UNLESS 15
4 YEARS HAVE ELAPSED FROM THE DATE OF CONVICTION OF THE
5 OFFENSE.

6 (5) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL UNDER 21
7 YEARS OF AGE TO PLAY OR ATTEMPT TO PLAY OR OTHERWISE
8 PARTICIPATE IN A TAVERN GAME.

9 (6) IT SHALL BE UNLAWFUL FOR A LICENSEE TO PERMIT AN
10 EMPLOYEE UNDER 18 YEARS OF AGE TO OPERATE TAVERN GAMES.

11 (7) IT SHALL BE UNLAWFUL FOR AN EMPLOYEE OF A LICENSEE
12 TO SELL, OPERATE OR OTHERWISE PARTICIPATE IN THE CONDUCT OF
13 TAVERN GAMES IF THE EMPLOYEE HAS BEEN CONVICTED IN ANY
14 JURISDICTION OF A FELONY OR A MISDEMEANOR GAMBLING OFFENSE
15 UNLESS 15 YEARS HAVE ELAPSED FROM THE DATE OF CONVICTION OF
16 THE OFFENSE.

17 SECTION 7 6. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <--
18 SECTION 3101. TRANSFER FROM GENERAL FUND TO STATE LOTTERY FUND. <--

19 IF, ON JUNE 15, 2015, AND JUNE 15 OF EACH YEAR THEREAFTER,
20 THE DEPARTMENT DETERMINES THAT A DECREASE IN THE REVENUE
21 DEPOSITED IN THAT FISCAL YEAR IN THE STATE LOTTERY FUND IS DUE
22 TO THE PLAY OF SMALL GAMES OF CHANCE IN RETAIL LICENSED
23 ESTABLISHMENTS IN THIS COMMONWEALTH, THE DEPARTMENT SHALL
24 CERTIFY THE AMOUNT OF THE DECREASE DUE TO THE ACTIVITY. THE
25 DEPARTMENT'S DETERMINATION SHALL BE BASED UPON AN AUDIT OR OTHER
26 REPORT OF AN INDEPENDENT EXPERT REGARDING THE DECREASE. THE <--
27 DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT ON THE STATE LOTTERY
28 FUND AND THE IMPACT OF SMALL GAMES OF CHANCE ON THE STATE
29 LOTTERY FUND, IF ANY, TO THE CHAIRMAN AND MINORITY CHAIRMAN OF
30 THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRMAN AND

1 MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE
2 OF REPRESENTATIVES.

3 SECTION ~~8~~ 7. SECTION 3101 OF THE ACT, ADDED FEBRUARY 2, 2012 <--
4 (P.L.7, NO.2), IS AMENDED TO READ:

5 SECTION [3101] 3110. EFFECTIVE DATE.

6 THIS ACT SHALL TAKE EFFECT IN 60 DAYS.

7 SECTION ~~9~~ 8. THIS ACT SHALL TAKE EFFECT ~~IN 60 DAYS.~~ AS <--
8 FOLLOWS:

9 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT
10 IMMEDIATELY:

11 (I) THIS SECTION.

12 (II) THE AMENDMENT OF THE DEFINITION OF "MAJOR
13 LEAGUE SPORTS DRAWING" AND "MAJOR LEAGUE SPORTING TEAM"
14 IN SECTION 103 OF THE ACT.

15 (III) THE AMENDMENT OR ADDITION OF SECTION 304.1(C),
16 (C.1), (F) AND (H) OF THE ACT.

17 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
18 DAYS.