
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1313 Session of
2017

INTRODUCED BY MOUL, PICKETT, KAUFFMAN, JAMES, MILLARD, EVERETT,
D. COSTA, WARNER AND GROVE, MAY 2, 2017

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, MAY 2, 2017

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," in preliminary
9 provisions, further providing for legislative intent and for
10 definitions; in games of chance, further providing for games
11 of chance permitted, for prize limits and for sales limited,
12 providing for pull-tab deal, further providing for
13 distributor licenses and for major league sports drawing,
14 providing for airport 50/50 drawing, further providing for
15 registration of manufacturers, for regulations of department,
16 for licensing of eligible organizations and for special
17 permits and providing for special location permits, for
18 vertical wheel game permits and for poker run permits; in
19 club licensees, further providing for club licensee,
20 providing for definitions and for club licensee, further
21 providing for distribution of proceeds and providing for club
22 licensee location permits; in enforcement, further providing
23 for revocation of licenses and for enforcement; and, in
24 tavern gaming, further providing for definitions, for
25 licenses, for application, for approval, for tavern raffle,
26 for distribution of net revenue, for tavern games tax, for
27 host municipality tavern games tax and for enforcement.

28 The General Assembly of the Commonwealth of Pennsylvania
29 hereby enacts as follows:

30 Section 1. Section 102 of the act of December 19, 1988

1 (P.L.1262, No.156), known as the Local Option Small Games of
2 Chance Act, is amended to read:
3 Section 102. Legislative intent.

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

10 The General Assembly hereby declares that raising public
11 funds from games of chance in licensed restaurants and
12 protecting the competitiveness of these restaurants is also in
13 the public interest.

14 The General Assembly hereby declares that raising funds from
15 a 50/50 drawing conducted in airport systems, the net proceeds
16 of which will be used for charitable purposes, is in the public
17 interest.

18 It is hereby declared to be the policy of the General
19 Assembly that all phases of licensing, operation and regulation
20 of games of chance be strictly controlled, and that all laws and
21 regulations with respect thereto as well as all gambling laws
22 should be strictly construed and rigidly enforced.

23 The General Assembly recognizes the possibility of
24 association between commercial gambling and organized crime, and
25 wishes to prevent participation by organized crime and prevent
26 the diversion of funds from the purposes herein authorized.

27 Section 2. The definitions of "affiliated nonprofit
28 organization," "games of chance," "major league sports drawing,"
29 "major league sports team," "pull-tab" and "tavern games" in
30 section 103 of the act are amended and the section is amended by

1 adding definitions to read:

2 Section 103. Definitions.

3 The following words and phrases when used in this act shall,
4 except as provided under section 902, have the meanings given to
5 them in this section unless the context clearly indicates
6 otherwise:

7 * * *

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

16 "Airport." A publicly owned commercial service airport that
17 is designated by the Federal Government as an international
18 airport.

19 "Airport 50/50 drawing." A 50/50 drawing that is conducted
20 by an airport in accordance with section 304.2.

21 "Athletic event drawing." A 50/50 drawing that is conducted
22 by an affiliated nonprofit organization in accordance with
23 section 304.1.

24 "Athletic team." A sports team or racing facility that is
25 any of the following:

26 (1) A member of Major League Baseball, the National
27 Hockey League, the National Basketball Association, the
28 National Football League or Major League Soccer.

29 (2) A professional sports team affiliated with a team
30 under paragraph (1).

1 (3) Any other professional sports team that has a sports
2 facility or an agreement with a sports facility to conduct
3 home games at the facility.

4 (4) A stadium, grandstand or bleacher at a closed-course
5 motor facility where spectators are directly observing motor
6 races with NASCAR, Indy, stock or drag racing cars.

7 (5) A collegiate team.

8 * * *

9 "Bingo." As defined in section 3 of the act of July 10, 1981
10 (P.L.214, No.67), known as the Bingo Law.

11 * * *

12 "Coin auction." A game in which a participant buys a
13 numbered paddle for a chance to bid on a donated prize with the
14 winner determined by a random drawing of corresponding numbers.

15 "Collegiate team." A sports team comprised of student
16 athletes that is organized and controlled by an institution of
17 higher education.

18 * * *

19 "Event game." A type of pull-tab game, played simultaneously
20 with bingo and with or without a seal card, in which certain
21 prizes are determined by the draw of a bingo ball which randomly
22 selects numbers or symbols that correspond to the numbers or
23 symbols printed by the manufacturer on the pull-tab and which
24 game satisfies the following:

25 (1) No event pull-tab may be both an instant winner and
26 a hold card.

27 (2) The game may not contain duplicate hold
28 combinations. If the game contains multiple sets of hold
29 combinations, each set must be distinguishable by color or
30 distinguishing features.

1 (3) An event pull-tab ticket may contain more than one
2 hold combination.

3 (4) The number of winners and the prize amount must be
4 built into the payout structure for the game by the
5 manufacturer.

6 * * *

7 "Games of chance." Punchboards, daily drawings, weekly
8 drawings, 50/50 drawings, raffles, tavern games, pools, race
9 night games, poker runs, coin auctions, vertical wheel games,
10 event games and pull-tabs, as defined in this act, provided that
11 no such game, except vertical wheel games and event games, shall
12 be played by or with the assistance of any mechanical or
13 electrical devices or media other than a dispensing machine or
14 passive selection device and further provided that the
15 particular chance taken by any person in any such game shall not
16 be made contingent upon any other occurrence or the winning of
17 any other contest, but shall be determined solely at the
18 discretion of the purchaser. This definition shall not be
19 construed to authorize any other form of gambling currently
20 prohibited under any provision of 18 Pa.C.S. (relating to crimes
21 and offenses) or authorized under 4 Pa.C.S. (relating to
22 amusements). Nothing in this act shall be construed to authorize
23 games commonly known as "slot machines" or "video poker" or
24 other games regulated by the Pennsylvania Gaming Control Board.

25 "Institution of higher education." Any of the following:

26 (1) A community college operating under Article XIX-A of
27 the act of March 10, 1949 (P.L.30, No.14), known as the
28 Public School Code of 1949.

29 (2) A university within the State System of Higher
30 Education.

1 (3) The Pennsylvania State University.

2 (4) The University of Pittsburgh.

3 (5) Temple University.

4 (6) Lincoln University.

5 (7) Any other institution that is designated as "State-
6 related" by the Commonwealth.

7 (8) Any accredited private or independent college or
8 university.

9 * * *

10 ["Major league sports drawing." A 50/50 drawing conducted by
11 a nonprofit affiliate of a major league sports team in
12 accordance with section 304.1.

13 "Major league sports team." A sports team or racing facility
14 that is any of the following:

15 (1) A member of Major League Baseball, the National
16 Hockey League, the National Basketball Association, the
17 National Football League or Major League Soccer.

18 (2) A professional sports team affiliated with a team
19 under paragraph (1).

20 (3) Any other professional sports team that has a sports
21 facility or an agreement with a sports facility to conduct
22 home games at the facility.

23 (4) A stadium, grandstand or bleacher at a closed-course
24 motor facility where spectators are directly observing motor
25 races with NASCAR, Indy, stock or drag racing cars.]

26 * * *

27 "Poker run." A game operated by one or more licensed
28 eligible organizations in which a participant purchases a
29 scorecard to participate in a game where all of the following
30 occurs:

1 (1) A participant meets at a designated location to
2 receive instructions for the event.

3 (2) Each participant receives a detailed explanation of
4 the game destinations and a score card to be completed as the
5 participant progresses to each location within the county.

6 (3) At each designated location on the run route, the
7 participant draws or is dealt a playing card at random. The
8 card which is drawn or dealt is recorded on the participant's
9 score card.

10 (4) The participant or participants who have obtained
11 the highest hand or hands, according to the instructions
12 established for the event under paragraph (1), wins a prize
13 or prizes, which is determined at the final location on the
14 run route.

15 For purposes of this act, the term is not a "table game" as
16 defined in 4 Pa.C.S. § 1103 (relating to definitions).

17 * * *

18 "Progressive pull-tab game." A game of one or more pull-tab
19 deals, each bearing a different serial number that, in addition
20 to any consolation prize awarded by a winning ticket, offers a
21 winning player a chance to select and open a sealed tab on the
22 flare that accompanies the game to determine if the jackpot
23 prize has been won, and the jackpot prize of which game is
24 predetermined by the manufacturer and consists of an amount to
25 which each deal of the game where the jackpot prize is not won
26 contributes to an accumulating jackpot prize level.

27 * * *

28 "Pull-tab." A single folded or banded ticket or a strip
29 ticket or card with a face covered to conceal one or more
30 numbers or symbols, where one or more of each set of tickets or

1 cards has been designated in advance as a winner. The term
2 includes a subset pull-tab game and progressive pull-tab game.

3 * * *

4 "Subset pull-tab game." A game consisting of a single pull-
5 tab deal of tickets having the same serial number that is
6 segregated and packaged by the manufacturer into smaller
7 subdeals, each of which is played separately from the rest of
8 the subsets during the game, and the winning tickets purchased
9 by a player of which game will bear a designation that entitles
10 the player to select and open a sealed tab on the flare which
11 accompanies the game to determine the prize level to be awarded
12 to the player.

13 "Tavern games." Pull-tabs, race night games, tavern weekly
14 drawings, tavern daily drawings and tavern raffles.

15 "Vertical wheel game." A game in which a participant places
16 a coin or token on a color, number or word or purchases a ticket
17 containing a color, number or word and watches a spinning
18 vertical wheel until the pointer of the wheel rests on a section
19 of the wheel designating a winner. Vertical wheel game chances
20 may not be sold for an amount in excess of \$10. For the purposes
21 of this act, the term is not a "table game" as defined in 4
22 Pa.C.S. § 1103 (relating to definitions).

23 * * *

24 Section 3. Sections 301, 302 and 303(b) of the act are
25 amended to read:

26 Section 301. Games of chance permitted.

27 [Every] (a) General rule.--Except as otherwise provided in
28 subsection (b), every eligible organization to which a license
29 has been issued under the provisions of this chapter may conduct
30 games of chance for the purpose of raising funds for public

1 interest purposes. Except as provided in Chapter 5, all proceeds
2 of a licensed eligible organization shall be used exclusively
3 for public interest purposes, for the purchase of games of
4 chance or for the payment of the license fee, as required by
5 this act. An eligible organization whose primary purpose is the
6 promotion of a public interest may utilize the proceeds from
7 small games of chance to fulfill that purpose.

8 (b) Exception.--An event game may only be operated by a
9 licensed eligible organization that:

10 (1) is an association as defined in section 3 of the act
11 of July 10, 1981 (P.L.214, No.67), known as the Bingo Law;
12 and

13 (2) holds a bingo license issued to the association
14 under section 5 of the Bingo Law.

15 Section 302. Prize limits.

16 (a) Individual prize limit.--

17 (1) Except as provided under subsections (d) [and
18 (d.1)], (d.1) and (d.2), the maximum prize which may be
19 awarded for any single chance shall be \$2,000.

20 (2) For an event game, the maximum prize limit contained
21 in paragraph (1) shall only apply to the prizes awarded
22 through the play of the event game and shall not apply to the
23 prizes awarded through the play of bingo that is
24 simultaneously conducted with the event game.

25 [(b) Aggregate prize limit.--No more than \$35,000 in prizes
26 shall be awarded from games of chance by a licensed eligible
27 organization in any seven-day period.]

28 (c) Raffle prize limit.--Up to \$15,000 in prizes may be
29 awarded in raffles in any calendar month.

30 [(c.1) Total limit.--All prizes awarded under this section

1 shall be subject to the aggregate prize limits under subsection
2 (b).]

3 (d) Exception for raffles.--Notwithstanding subsection [(b)
4 or] (c), a licensed eligible organization may conduct a raffle
5 under section 308 and award a prize or prizes valued in excess
6 of \$3,000 each only under the following conditions:

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

9 (2) A licensed eligible organization shall be eligible
10 to receive no more than ten special permits in any [licensed
11 term] calendar year except that a volunteer fire, ambulance,
12 rescue or conservation organization that is not a club
13 licensee shall be eligible to receive 12 special permits in
14 any [licensed term] calendar year.

15 (3) Only one raffle may be conducted under each special
16 permit issued under section 308.

17 (4) Except as provided under subsection (d.1), the total
18 of all prizes awarded under this subsection shall be no more
19 than \$150,000 per calendar year, which shall not be subject
20 to the aggregate limit under subsection [(b) or] (c).

21 (d.1) Additional award.--A volunteer fire, ambulance, rescue
22 or conservation organization may, in addition to the total under
23 subsection (d) (4), award up to \$100,000 from raffles which shall
24 not be subject to the aggregate limit under subsection [(b),]
25 (c) or (d).

26 (d.2) Exception for poker runs.--Notwithstanding subsection
27 (a), a licensed eligible organization may conduct a poker run
28 under section 311 and award a prize or prizes valued in excess
29 of \$2,000, subject to the following conditions:

30 (1) The licensing authority has issued a poker run

1 permit to each participating eligible organization under
2 section 311.

3 (2) Only one poker run may be conducted under each poker
4 run permit issued under section 311.

5 (3) The total of all prizes awarded for a single poker
6 run may not exceed \$15,000.

7 (f) Daily drawing carryover.--The prize limitation contained
8 in [subsections] subsection (a) [and (b)] may be exceeded by a
9 daily drawing under the following circumstances: a daily drawing
10 may award a prize in excess of \$2,000 if such prize is the
11 result of a carryover of a drawing which resulted from the
12 winning number in such drawing not being among the eligible
13 entrants in such drawings. Nothing contained herein shall
14 authorize the prize limitation as contained in [subsections]
15 subsection (a) [and (b)] to be exceeded as a result of a failure
16 to conduct a drawing on an operating day during which chances
17 were sold for a daily drawing or for a daily drawing for which
18 chances were sold in excess of \$1 or for which more than one
19 chance was sold to an eligible participant.

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

24 (h) Weekly drawing carryover exception.--Weekly drawings
25 shall be governed by the prize limitation contained in
26 subsection (b). The prize limitation contained in subsection (b)
27 may be exceeded by a weekly drawing under the following
28 circumstances: a weekly drawing may award a prize where the cash
29 value is in excess of \$35,000 if such prize is the result of a
30 carryover of a drawing or drawings which resulted from the

1 winning number or numbers in such drawing or drawings not being
2 among the eligible entrants in such drawings. Nothing contained
3 in this chapter shall authorize the prize limitation under
4 subsection (b) to be exceeded as a result of a failure to
5 conduct a drawing for a week during which chances were sold for
6 a weekly drawing or for a weekly drawing for which chances were
7 sold in excess of \$1.]

8 (i) Concurrent operation.--Nothing under this act shall
9 prohibit the concurrent operation of daily or weekly drawings.

10 Section 303. Sales limited.

11 * * *

12 (b) Limitation.--No game of chance, other than a raffle
13 under section 302(d) or a poker run under section 302(d.2),
14 sold, offered for sale or furnished to a licensed eligible
15 organization for use within this Commonwealth shall contain,
16 permit, depict or designate a prize having a prize limit in
17 excess of \$2,000.

18 Section 4. The act is amended by adding a section to read:

19 Section 303.2. Pull-tab deal.

20 Nothing in this act shall be construed:

21 (1) To prohibit the sale of a pull-tab deal which
22 contains more than 4,000 individual pull-tabs.

23 (2) To place any restriction on the number of pull-tabs
24 that may be put out for public play as part of a single deal.

25 Section 5. Sections 304(i) and 304.1 of the act are amended
26 to read:

27 Section 304. Distributor licenses.

28 * * *

29 (i) Exception.--This section shall not apply to the
30 manufacture or distribution of raffle tickets, 50/50 drawings,

1 daily drawings, weekly drawings, poker runs, coin auctions,
2 vertical wheel games, tavern raffles, tavern daily drawings,
3 tavern weekly drawings or pools.

4 Section 304.1. [Major league sports] Athletic event drawing.

5 (a) General rule.--A person may purchase one or more [major
6 league sports] athletic event drawing tickets at a home game,
7 and each ticket purchased shall represent one entry in the
8 drawing for a winner. A single ticket shall be randomly chosen
9 as the winner after a certain number of tickets are sold or a
10 specified time period expires as designated by the affiliated
11 nonprofit organization. Purchase of athletic event drawing
12 tickets may be made by cash, credit card or debit card.

13 (b) Frequency.--An affiliated nonprofit organization may
14 conduct no more than one [major league sports] athletic event
15 drawing per home game.

16 (b.1) Sales restricted.--Tickets for [a major league sports]
17 an athletic event drawing may not be sold in any seating area
18 designated as a family section.

19 (b.2) Charitable event.--[A major league sports] An athletic
20 event drawing may be conducted by the affiliated nonprofit
21 organization during a charitable event held within the same
22 arena, stadium, grandstand, bleachers or other facility during a
23 home game or car race of the [major league sports] athletic
24 team. Drawings may only be held within spectator areas within
25 the arena, stadium, grandstand or bleachers where the home game
26 or car race is being conducted and, except as provided for in
27 subsection (b.3), not at ancillary areas or facilities,
28 including parking areas, restaurants and bars or areas outside
29 the arena, stadium, grandstand or bleachers or areas where the
30 sport is shown on remote electronic equipment.

1 (b.3) Outside sales.--Notwithstanding subsection (b.2),
2 athletic event drawing tickets may be sold prior to a home game
3 or car race in an officially designated parking area adjacent to
4 the arena, stadium, grandstand or bleachers or similar facility
5 where the home game or car race is being conducted and which is
6 not separated by a highway or street, unless the highway or
7 street is adjacent to the arena, stadium, grandstand, bleachers
8 or similar facility.

9 (c) Distribution.--The prize amount of [a major league
10 sports] an athletic event drawing shall be 50% of the total
11 amount collected from the sale of [major league sports] athletic
12 event drawing tickets. Except as set forth in subsection (c.1),
13 the other 50% of the total amount collected from the sale of
14 [major league sports] athletic event drawing tickets shall be
15 donated within seven days from the date of the drawing by the
16 affiliated nonprofit organization conducting the [major league
17 sports] athletic event drawing to one or more designated
18 charitable organizations for which the drawing was conducted.

19 (c.1) Use of funds.--

20 (1) The affiliated nonprofit organization may utilize
21 nonprize money collected for the following:

22 (i) To employ or provide payment to individuals 18
23 years of age or older to sell [major league sports]
24 athletic event drawing tickets [at a professional
25 sporting event].

26 (ii) For administrative expenses directly related to
27 the conduct of the athletic event drawing under this
28 section.

29 (2) Authorized expenses under paragraph (1)(ii) may not
30 exceed 2% of the total amount collected from the sale of

1 [major league sports] athletic event drawing tickets.

2 (d) Designated charitable organization.--The affiliated
3 nonprofit organization conducting the [major league sports]
4 athletic event drawing shall disclose to all ticket purchasers
5 the designated charitable organization for which the [major
6 league sports] athletic event drawing is being conducted.

7 (e) Eligibility.--In order to receive proceeds from [a major
8 league sports] an athletic event drawing, a charitable
9 organization must be in existence and fulfilling its purposes
10 for at least two years prior to the drawing and shall be
11 eligible for exemption under section 501(c)(3) of the Internal
12 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)).
13 A political subdivision shall not qualify as a charitable
14 organization under this section.

15 (f) Unclaimed prizes.--Any [major league sports] athletic
16 event drawing prize remaining unclaimed by a winner at the end
17 of the [major league sports] athletic team's season shall be
18 donated within 30 days from the end of the season by the
19 affiliated nonprofit organization to the designated charitable
20 organization for which the [major league sports] athletic event
21 drawing was conducted.

22 (g) Applicability.--The limitations under sections 302,
23 303(b), 308 and 704 shall not apply to [a major league sports]
24 an athletic event drawing.

25 (h) Additional recordkeeping.--The department may require
26 additional recordkeeping or accountability measures for [major
27 league sports] athletic event drawings.

28 Section 6. The act is amended by adding a section to read:
29 Section 304.2. Airport 50/50 drawing.

30 (a) General rule.--A person may purchase one or more airport

1 50/50 drawing tickets, and each ticket shall represent one entry
2 in the drawing for a winner. A single ticket shall be randomly
3 chosen as the winner after a certain number of tickets are sold
4 or a specified time period expires, as designated by the
5 airport. Purchase of airport 50/50 drawing tickets may be made
6 by cash, credit card or debit card.

7 (b) Frequency and location.--An airport 50/50 drawing may be
8 conducted at an airport no more than one time per calendar day.
9 Drawings may only be held within the spaces of an airport
10 terminal to which the general public, including ticketed
11 passengers, regularly have access.

12 (c) Distribution.--The prize amount of an airport 50/50
13 drawing shall be 50% of the total amount collected from the sale
14 of airport 50/50 drawing tickets. The other 50% of the total
15 amount collected from the sale of airport 50/50 drawing tickets
16 shall be donated within seven days from the date of the drawing
17 by the airport to the designated charitable organization for
18 which the drawing was conducted.

19 (d) Designated charitable organization.--The identity of the
20 designated charitable organization for which the airport 50/50
21 drawing is being conducted shall be disclosed to all ticket
22 purchasers.

23 (e) Eligibility.--In order to receive proceeds from an
24 airport 50/50 drawing, a charitable organization must be in
25 existence and fulfill its purposes prior to the airport 50/50
26 drawing and shall be eligible for exemption under section 501(c)
27 (3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26
28 U.S.C. § 501(c)(3)). A political subdivision shall not qualify
29 as a charitable organization under this act, but an organization
30 formed by a political subdivision that is eligible for exemption

1 under section 501(c)(3) of the Internal Revenue Code of 1986
2 shall qualify as a charitable organization under this act.

3 (f) Unclaimed prizes.--Any airport 50/50 drawing prize
4 remaining unclaimed by a winner 180 days after the drawing shall
5 be donated to the designated charitable organization for which
6 the airport 50/50 drawing was conducted.

7 (g) Applicability.--The limitations under sections 302,
8 303(b), 308 and 704 shall not apply to an airport 50/50 drawing.

9 (h) Additional recordkeeping.--The department may require
10 additional recordkeeping or accountability measures for airport
11 50/50 drawings.

12 Section 7. Sections 305(d) and 306 of the act are amended to
13 read:

14 Section 305. Registration of manufacturers.

15 * * *

16 (d) Exception.--This section shall not apply to the
17 manufacture or distribution of raffle tickets, 50/50 drawings,
18 daily drawings, weekly drawings, poker runs, coin auctions,
19 vertical wheel games, tavern raffles, tavern daily drawings,
20 tavern weekly drawings or pools.

21 Section 306. Regulations of department.

22 (a) Authorization.--The department shall promulgate
23 regulations to:

24 (1) Impose minimum standards [and restrictions]
25 applicable to games of chance manufactured for sale in this
26 Commonwealth[, which may include standards and restrictions
27 which specify the maximum number of chances available to be
28 sold for any single game of chance or prize and such other
29 standards and restrictions] as the department deems necessary
30 for the purposes of this chapter. The department shall

1 consider standards adopted by the National Association of
2 Gambling Regulatory Agencies and other standards commonly
3 accepted in the industry.

4 (2) Establish procedures by which manufacturers may
5 register and distributors of games of chance may apply for
6 licensure on forms which the department shall provide.
7 Procedures shall include a requirement that manufacturer and
8 distributor applicants provide criminal history record
9 information obtained from the Pennsylvania State Police under
10 18 Pa.C.S. § 9121(b) (relating to general regulations) for
11 each officer and manager of the manufacturer's or
12 distributor's organization and for any other individual
13 specified by the department. As used in this paragraph, the
14 term "criminal history record information" has the meaning
15 given in 18 Pa.C.S. § 9102 (relating to definitions).

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

19 (3.1) Establish procedures to ensure that race night
20 games are secure, random and totally dependent upon chance.

21 (3.2) Nothing in this act shall be construed to require
22 games of chance distributed for play in this Commonwealth to
23 be approved by the department.

24 (4) Carry out other provisions of this act.

25 (b) Limitation on recordkeeping requirements.--This section
26 shall not be construed to authorize the department to promulgate
27 regulations providing for recordkeeping requirements for
28 licensed eligible organizations which require unreasonable or
29 unnecessary information or a repetitious listing of information.
30 The department shall strive to keep such recordkeeping

1 requirements from being an undue hardship or burden on licensed
2 eligible organizations. [Except as provided under section
3 701(b), the] The department may not require the retention of
4 records for a period in excess of two years. If an individual
5 prize is in excess of \$600, the record shall include the name
6 and address of the winner. An eligible organization shall
7 provide each winner with a receipt of the value of the prize
8 when the prize exceeds \$600.

9 (c) (Reserved).

10 Section 8. Section 307(a)(1), (b), (b.1) and (b.2) of the
11 act are amended and the section is amended by adding a
12 subsection to read:

13 Section 307. Licensing of eligible organizations.

14 (a) License required.--The following shall apply:

15 (1) An eligible organization shall not conduct or
16 operate games of chance unless the eligible organization has
17 obtained a valid license as follows:

18 (i) A regular license which must be renewed
19 annually.

20 (ii) A triennial license which must be renewed every
21 three years.

22 ~~[(ii)]~~ (iii) A monthly license which permits the
23 eligible organization to conduct games of chance for a
24 30-consecutive-day period.

25 * * *

26 (b) Issuance.--The licensing authority shall issue a license
27 within 30 days of the submission of an application by an
28 eligible organization that meets the requirements under this
29 chapter. Upon issuance, the licensing authority shall provide
30 the eligible organization with a unique license number, the

1 first number or numbers of which shall be the uniform county
2 code numbers used by the Department of Revenue for the filing of
3 tax returns.

4 (b.1) Fee.--The [license fee to be charged to each eligible
5 organization for a regular license shall be \$125. The license
6 fee to be charged for a monthly license shall be \$25. A regular
7 license must be renewed annually. The fee shall be used by the
8 licensing authority to administer this act.] licensing authority
9 shall charge a license fee to each eligible organization to be
10 used by the licensing authority to administer this act. The fees
11 shall be as follows:

12 (1) A regular license fee shall be \$125.

13 (2) A triennial license fee shall be \$375.

14 (3) A monthly license fee shall be \$25.

15 (b.2) Location.--[An] Except as provided for in section 311
16 and notwithstanding sections 309 and 505.2, an eligible
17 organization that holds a license under subsection (a) and that
18 is not a club licensee may conduct small games of chance in the
19 county where the license is issued at a premises which is the
20 operating site of the eligible organization or at a premises or
21 other location not prohibited by local ordinance, and for which
22 the treasurer has been notified. The following shall apply:

23 (1) No more than three licensees, including the licensee
24 that owns or leases the premises, may conduct small games of
25 chance simultaneously at a premises or location.

26 (2) A licensee shall ensure that the conduct of small
27 games of chance by different organizations are separate and
28 clearly identified within a premises or location.

29 (3) A licensee that is not a club licensee may conduct
30 games of chance simultaneously with the conduct of games of

1 chance by a club licensee on not more than three occasions
2 covering a total of seven days during the year.

3 (4) The following shall apply:

4 (i) Notwithstanding paragraph (1), if a club
5 licensee is unable to conduct games of chance at the
6 location listed on its application and license due to
7 natural disaster, fire or other circumstance that renders
8 the location unusable, the club licensee may submit a
9 written request to the district attorney to conduct games
10 of chance in a different location, including the licensed
11 premises of another eligible organization.

12 (ii) A request under subparagraph (i) must include
13 the change in the location and the dates and times the
14 games of chance will be operated at the alternative
15 location.

16 (iii) The district attorney shall approve or deny
17 the request and shall establish a limit on the duration
18 of the authorization to conduct games of chance at the
19 alternative location. Following the expiration of the
20 authorization period, the club licensee must return to
21 the location specified in its application and license or
22 apply to the licensing authority for a new permanent
23 location. The district attorney may stipulate additional
24 requirements as a condition of approval.

25 (iv) If a club licensee permits another club
26 licensee to use its licensed premises under this
27 paragraph to conduct games of chance, the host club
28 licensee must cease its operation of games of chance
29 during the time the club licensee utilizing its premises
30 is conducting its games of chance.

1 * * *

2 (b.5) License renewal.--A regular license or triennial
3 license may be renewed by the eligible organization up to 90
4 days prior to the expiration of the license. A renewed regular
5 or triennial license shall contain the same unique license
6 number provided to the eligible organization under subsection
7 (b), the first number or numbers of which shall be the uniform
8 county code numbers used by the Department of Revenue for the
9 filing of tax returns.

10 * * *

11 Section 9. Section 308 of the act is amended to read:

12 Section 308. Special raffle permits.

13 (a) Issuance and fee.--The licensing authority shall issue a
14 special permit for each raffle in which the licensed eligible
15 organization proposes to award individual prizes in excess of
16 \$3,000. The licensing authority may establish and collect a fee
17 not to exceed \$25 for the issuance of special permits under this
18 section.

19 (b) Permit application.--Each special permit application
20 shall specify the location where the actual drawing will be
21 held, the number of chances to be sold, the price per chance and
22 the prize to be awarded.

23 Section 10. The act is amended by adding sections to read:

24 Section 309. Special location permits.

25 (a) Special permit required.--Notwithstanding section 307
26 (b.2), a licensed eligible organization that is not a club
27 licensee may conduct games of chance in any county outside the
28 county where the license is issued at a premises or other
29 location not prohibited by local ordinance or this act and for
30 which the licensing authority of the county in which the

1 licensed eligible organization proposes to conduct games of
2 chance has issued a special location permit under this section.

3 (b) Permit application.--Each special location permit
4 application shall be submitted on a form and in a manner as
5 required by the licensing authority, provided that each
6 application shall specify:

7 (1) The games of chance to be offered.

8 (2) The date, time and location of where the games of
9 chance will be offered.

10 (3) The prices for chances to be sold.

11 (4) The prizes to be awarded.

12 (5) The license number of the licensed eligible
13 organization.

14 (6) The address of the operating site of the licensed
15 eligible organization.

16 (c) Issuance and fee.--Prior to issuing a special location
17 permit, the licensing authority shall confirm with the licensing
18 authority that issued the license to the eligible organization
19 that the eligible organization's license is valid. A licensed
20 eligible organization whose license is valid and proposes to
21 offer games of chance at a location not otherwise prohibited by
22 local ordinance or this act shall be considered suitable for
23 issuance of a special location permit by the licensing
24 authority. The licensing authority may establish and collect a
25 fee not to exceed \$25 for the issuance of special location
26 permits under this section.

27 (d) Limitations.--The following limitations shall apply to a
28 licensed eligible organization issued a special location permit
29 under this section:

30 (1) A licensed eligible organization shall be eligible

1 to receive no more than ten special location permits in a
2 calendar year, except that a volunteer fire, ambulance,
3 rescue or conservation organization that is not a club
4 licensee shall be eligible to receive 12 special location
5 permits in a calendar year.

6 (2) A special location permit shall authorize the
7 licensed organization to conduct games of chance only at the
8 location, time and date as indicated on the application for
9 the special location permit, provided that the duration does
10 not exceed one calendar day.

11 (3) No more than three licensed eligible organizations,
12 including the licensed eligible organization that owns or
13 leases the premises, may conduct games of chance
14 simultaneously at a premises or location.

15 (4) A licensed eligible organization shall ensure that
16 the conduct of games of chance by different licensed eligible
17 organizations are separate and clearly identified within a
18 premises or location.

19 (5) A licensed eligible organization that is not a club
20 licensee may conduct games of chance simultaneously with the
21 conduct of games of chance by a club licensee not more than a
22 total of seven days during the calendar year.

23 (e) Proceeds.--A licensed eligible organization shall use
24 proceeds from games of chance operated under a special location
25 permit for public interest purposes within or directly
26 benefiting the county in which the licensing authority issued
27 the special location permit. Nothing in this paragraph shall be
28 construed to require proceeds to be used exclusively for public
29 interest purposes within the county.

30 (f) Additional permits.--A licensed eligible organization

1 issued a special location permit under this section may also
2 apply to the licensing authority for a special raffle permit in
3 accordance with section 308 and a vertical wheel game permit in
4 accordance with section 310. A special raffle permit or a
5 vertical wheel game permit shall only be valid for the duration
6 of the special location permit.

7 Section 310. Vertical wheel game permits.

8 (a) Special permit required.--Notwithstanding any other
9 provisions of this act, a licensed eligible organization may
10 operate a vertical wheel game at one location not prohibited by
11 local ordinance or this act for no more than seven consecutive
12 days upon issuance of a vertical wheel game permit from the
13 licensing authority.

14 (b) Permit application.--Each vertical wheel game permit
15 application shall be submitted on a form and in a manner as
16 required by the licensing authority, provided that each
17 application shall specify the location where the vertical wheel
18 game will be offered, the price per chance and the prizes to be
19 awarded.

20 (c) Issuance and fee.--A licensed eligible organization
21 whose license is valid, who proposes to offer the vertical wheel
22 game at a location not otherwise prohibited by local ordinance
23 or this act and whose application specifies that no single
24 chance will be sold in excess of \$10 shall be considered
25 suitable for issuance of a vertical wheel game permit by the
26 licensing authority. The licensing authority may establish and
27 collect a fee not to exceed \$25 for the issuance of vertical
28 wheel game permits under this section.

29 (d) Limitation.--A licensing authority may issue no more
30 than four vertical wheel game permits under this section to any

1 one licensed eligible organization in a calendar year.

2 Section 311. Poker run permits.

3 (a) Special permit required.--A licensed eligible
4 organization may operate a poker run for no more than one day
5 upon issuance of a poker run permit from the licensing
6 authority. Licensed eligible organizations may jointly operate a
7 single poker run, provided that each participating licensed
8 eligible organization is issued a poker run permit. No more than
9 five licensed eligible organizations may jointly operate a poker
10 run.

11 (b) Permit application.--Each poker run permit application
12 shall be submitted on a form and in a manner as required by the
13 licensing authority. A licensing authority may require the
14 submission of a single consolidated application for a poker run
15 to be operated jointly by multiple licensed eligible
16 organizations. Each application shall include:

17 (1) The poker run locations of operation.

18 (2) The date and hours of operation of the poker run.

19 (3) The price per chance.

20 (4) The prizes to be awarded.

21 (5) A copy of the agreement required under subsection
22 (e) if the poker run will be operated jointly with other
23 licensed eligible organizations.

24 (6) Any other information required by the licensing
25 authority.

26 (c) Issuance and fee.--A licensed eligible organization
27 whose license is valid, who proposes to offer a poker run at
28 locations permitted under subsection (d) and whose application
29 specifies that the total of all prizes to be awarded for the
30 poker run will not exceed \$15,000 shall be considered suitable

1 for issuance of a poker run permit. The licensing authority may
2 establish and collect a fee not to exceed \$25 for the issuance
3 of poker run permits under this section. A licensing authority
4 shall issue no more than two poker run permits to a single
5 licensed eligible organization in any calendar year.

6 (d) Locations.--A poker run may only be operated at
7 locations within the county in which the eligible organization
8 has been issued a poker run permit under this section and a
9 license under section 307 by the licensing authority, provided
10 that the locations are not prohibited by local ordinance. A club
11 licensee issued a poker run permit under this section may
12 operate a poker run, either independently or jointly with other
13 eligible organizations, at its own licensed premises, locations
14 outside its licensed premises not prohibited by local ordinance
15 or at the licensed premises of another club licensee also
16 holding a poker run permit.

17 (e) Joint operation agreement.--If a poker run is to be
18 jointly operated by more than one licensed eligible
19 organization, each licensed eligible organization must enter
20 into a written agreement that is signed by the executive officer
21 or secretary of each participating eligible organization. The
22 written agreement shall contain at minimum:

- 23 (1) The date and hours of operation of the poker run.
24 (2) The locations where the poker run will be operated.
25 (3) The responsibilities of each eligible organization
26 for operating the poker run.
27 (4) Use of the proceeds from the poker run.
28 (5) A list of other games of chance that will be
29 operated at poker run locations, itemized by licensed
30 eligible organization.

1 (f) Concurrent operation.--The following shall apply to the
2 concurrent operation of a poker run with other games of chance
3 operated by a licensed eligible organization holding a poker run
4 permit:

5 (1) Except at the licensed premises of a club licensee,
6 an eligible organization that is not a club licensee may
7 operate other games of chance at any location where the poker
8 run is operated.

9 (2) A club licensee operating a poker run may
10 concurrently operate other games of chance at its licensed
11 premises. A club licensee may not operate any game of chance,
12 other than a poker run, outside its licensed premises during
13 the operation of a poker run.

14 (3) If a poker run is operated by more than one licensed
15 eligible organization, each licensed eligible organization
16 issued a poker run permit that is not a club licensee may
17 operate other games of chance at any poker run location,
18 provided that:

19 (i) The location is not the licensed premises of a
20 club licensee.

21 (ii) The operation of games of chance by each
22 licensed eligible organization is separate and clearly
23 identified at the poker run location.

24 (g) Applicability.--Section 307(b.2) shall not apply to a
25 poker run or other games of chance operated at poker run
26 locations by a licensed eligible organization issued a poker run
27 permit under this section.

28 Section 11. Section 501 of the act is repealed:

29 [Section 501. Club licensee.

30 (a) Report.--

1 (1) Beginning in 2014, a club licensee with proceeds in
2 excess of \$20,000 in a calendar year shall submit annual
3 reports to the department for the preceding 12-month period
4 on a form and in a manner prescribed by the department.

5 (2) The report under paragraph (1) must be filed under
6 oath or affirmation of an authorized officer of the club
7 licensee and shall include all of the following information:

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

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

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

14 (iv) Verification and itemization of amounts
15 distributed for public interest.

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

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

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

22 Section 12. The act is amended by adding sections to read:

23 Section 501.1. Definitions.

24 The following words and phrases when used in this chapter
25 shall have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

27 "Proceeds" shall mean:

28 (1) For any game of chance, other than a poker run
29 operated jointly with other licensed eligible organizations
30 under section 311, the difference between:

1 (i) the actual gross revenue collected by a club
2 licensee from a game of chance; and

3 (ii) the actual amount of prizes paid by a club
4 licensee from a game of chance plus the cost to purchase
5 games of chance.

6 (2) For a poker run operated jointly by a club licensee
7 with other licensed eligible organizations under section 311,
8 an amount, unless otherwise specified in the joint operation
9 agreement between the club licensee and the other licensed
10 eligible organizations, equal to:

11 (i) the difference between the actual gross revenue
12 collected from the operation of the poker run and the
13 actual amount of prizes paid from the poker run plus the
14 cost to purchase the poker run; divided by

15 (ii) the total number of eligible organizations
16 jointly operating the poker run.

17 Section 501.2. Club licensee.

18 (a) Report.--

19 (1) A club licensee with proceeds in excess of \$20,000
20 in a calendar year shall submit annual reports to the
21 department for the preceding 12-month period on a form and in
22 a manner prescribed by the department.

23 (2) The report under paragraph (1) must be filed under
24 oath or affirmation of an authorized officer of the club
25 licensee and shall include all of the following information:

26 (i) The proceeds received by the club licensee from
27 each game of chance conducted.

28 (ii) The amount of prizes paid from all games of
29 chance.

30 (iii) Other costs incurred related to the conduct of

1 games of chance.

2 (iv) Verification and itemization of amounts
3 distributed for public interest.

4 (v) Other information or documentation required by
5 the department.

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

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

11 Section 13. Section 502(a.1) of the act is amended to read:
12 Section 502. Distribution of proceeds.

13 * * *

14 (a.1) Amounts retained.--

15 (1) Notwithstanding subsection (a), [if in a calendar
16 year beginning January 1, 2013, the proceeds from a game of
17 chance for a club licensee are \$40,000 or less, the licensee
18 shall be eligible to retain the first \$20,000 in proceeds in
19 the following calendar year before subsection (a) applies.]
20 in each calendar year beginning on or after January 1, 2017,
21 a club licensee may retain the greater of the following:

22 (i) the first \$20,000 in proceeds before subsection
23 (a) applies; or

24 (ii) an amount necessary for the purchase or repair
25 of electronic pull-tab dispensing machines or a point-of-
26 sale software system which records data relative to the
27 sale of games of chance before subsection (a) applies.

28 (2) Amounts retained by a club licensee under subsection
29 (a) (2) shall be expended within one year of the end of the
30 calendar year in which the proceeds were obtained unless the

1 club licensee notifies the department that funds are being
2 retained for a substantial public interest purchase or
3 project.

4 * * *

5 Section 14. The act is amended by adding a section to read:

6 Section 505.2. Club licensee location permits.

7 (a) Special permit required.--Notwithstanding section
8 307(b.2), a club licensee may conduct games of chance outside
9 the club licensee's licensed premises in the county where the
10 license is issued at a premises or other location not prohibited
11 by local ordinance or this act and for which the licensing
12 authority has issued a club licensee location permit under this
13 section.

14 (b) Permit application.--Each club licensee location permit
15 application shall be submitted on a form and in a manner as
16 required by the licensing authority, provided that each
17 application shall specify:

18 (1) The games of chance to be offered.

19 (2) The dates, times and location of where the games of
20 chance will be offered.

21 (3) The prices for chances to be sold.

22 (4) The prizes to be awarded.

23 (c) Issuance and fee.--A club licensee whose license is
24 valid and proposes to offer games of chance at a location not
25 otherwise prohibited by local ordinance or this act shall be
26 considered suitable for issuance of a club licensee location
27 permit by the licensing authority. The licensing authority may
28 establish and collect a fee not to exceed \$25 for the issuance
29 of club licensee location permits under this section.

30 (d) Limitations.--The following limitations shall apply to a

1 club licensee issued a club licensee location permit under this
2 section:

3 (1) The club licensee shall be eligible to receive no
4 more than two club licensee location permits in a calendar
5 year.

6 (2) The club licensee location permit shall authorize
7 the club licensee to conduct games of chance only at the
8 location, times and dates as indicated on the application for
9 the club licensee location permit, provided that the duration
10 does not exceed seven consecutive calendar days.

11 (3) No more than three licensed eligible organizations,
12 including the licensed eligible organization that owns or
13 leases the premises, may conduct games of chance
14 simultaneously at a premises or location.

15 (4) A licensed eligible organization shall ensure that
16 the conduct of games of chance by different licensed eligible
17 organizations are separate and clearly identified within a
18 premises or location.

19 (5) Except as provided for in section 307(b.2)(4), a
20 club licensee may not conduct games of chance at the licensed
21 premises of another club licensee.

22 (e) Additional permits.--

23 (1) A club licensee issued a club licensee location
24 permit under this section may operate a raffle or vertical
25 wheel game in accordance with sections 308 and 310.

26 (2) A club licensee location permit shall not be
27 required for the operation of a poker run in accordance with
28 section 311.

29 Section 15. Sections 701(a)(8) and (b) and 702(g) of the act
30 are amended to read:

1 Section 701. Revocation of licenses.

2 (a) Grounds.--The following shall be grounds for suspension,
3 revocation or nonrenewal of a license:

4 * * *

5 (8) The eligible organization has violated any condition
6 of a [special] permit issued pursuant to section 308, 309,
7 310, 311 or 505.2.

8 * * *

9 (b) Production of records.--The district attorney may
10 require licensees to produce their books, accounts and records
11 relating to the conduct of games of chance in order to determine
12 if a violation of this act has occurred. Licensees shall also be
13 required, upon request, to provide their license, books,
14 accounts and records relating to the conduct of games of chance
15 to the licensing authority, the Bureau of Liquor Control
16 Enforcement or to a law enforcement agency or official. [A club
17 licensee shall retain records for a period of five years.]

18 Section 702. Enforcement.

19 * * *

20 (g) [General rule] Violations of Liquor Code.--

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

24 (2) If a club licensee has committed three or more
25 violations of this act, the Bureau of Liquor Control
26 Enforcement may enforce a violation of this act as a
27 violation of the Liquor Code.

28 (3) A violation of this act shall not constitute a
29 violation of the Liquor Code for the purposes of section
30 471(c) of the Liquor Code.

1 (4) A violation of section 304.1 or 304.2 shall not
2 constitute a violation of the Liquor Code.

3 Section 16. The definitions of "bureau" and "net revenue" in
4 section 902 of the act are amended and the section is amended by
5 adding a definition to read:

6 Section 902. Definitions.

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

10 * * *

11 ["Bureau." The Bureau of Investigations and Enforcement of
12 the Pennsylvania Gaming Control Board.]

13 * * *

14 "Net revenue." As follows:

15 (1) For tavern games required to be purchased from a
16 licensed distributor under this act, the difference between:

17 (i) the amount of the face value, as indicated by
18 the manufacturer, minus the cost of the game, collectible
19 by a licensee from a tavern game; and

20 (ii) the maximum amount of prizes payable, as
21 indicated by the manufacturer, by a licensee from a
22 tavern game.

23 (2) For tavern games not required to be purchased from a
24 licensed distributor, the term has the same meaning as
25 proceeds.

26 * * *

27 "Tavern weekly drawing." A game in which:

28 (1) an individual at a tavern selects or is assigned a
29 number for a chance at a prize with the winner determined by
30 random drawing to take place at the tavern at the end of a

1 seven-day period;

2 (2) a winner may be determined with the aid of a passive
3 selection device or reference to drawings conducted by the
4 department under the act of August 26, 1971 (P.L.351, No.91),
5 known as the State Lottery Law;

6 (3) chances are not sold for an amount in excess of \$1;
7 and

8 (4) no more than one chance per individual is sold per
9 drawing.

10 Section 17. Sections 903, 904, 905, 908.1, 909, 909.1(a) and
11 (c), 909.2(c) and 913 of the act are amended to read:

12 Section 903. Licenses.

13 (a) Application.--A restaurant licensee may apply to the
14 board for a license to conduct tavern games at a licensed
15 premises located in a municipality that has adopted a referendum
16 to allow small games of chance under section 703.

17 (b) Information.--The application under subsection (a) shall
18 include the following information:

19 (1) The name, address and photograph of the applicant.

20 (2) A current tax lien certificate issued by the
21 department and a certificate from the Department of Labor and
22 Industry of payment of all workers' compensation and
23 unemployment compensation owed.

24 (3) The details of any license issued under 4 Pa.C.S.
25 Pt. II (relating to gaming), the act of April 12, 1951
26 (P.L.90, No.21), known as the Liquor Code, or this act which
27 was applied for or in which the applicant or other owner has
28 an interest.

29 (4) Certified consent by the applicant, including each
30 owner and officer of the restaurant licensee, to a background

1 investigation [by the bureau] in accordance with subsection
2 (e).

3 (5) Relating to criminal information, disclosure of all
4 arrests and citations of the applicant, including nontraffic
5 summary offenses. The information shall include all of the
6 following:

7 (i) A brief description of the circumstances
8 surrounding the arrest or issuance of the citation.

9 (ii) The specific offense charged.

10 (iii) The ultimate disposition of the charge,
11 including any dismissal, plea bargain, conviction,
12 sentence[, pardon, expungement] or order of Accelerated
13 Rehabilitative Disposition.

14 (6) Financial interests and transactions as required by
15 the [bureau] board.

16 (7) Relating to citations of the applicant issued under
17 the Liquor Code.

18 (8) Relating to disclosure of conditional license
19 agreements entered into under the Liquor Code.

20 (9) Any other information required by the board.

21 [(c) Duty of bureau.--The bureau shall conduct a background
22 investigation of each applicant, the scope of which shall be
23 determined by the bureau.]

24 (d) Review.--[Within six months of receipt of the background
25 investigation report from the bureau, the] The board shall
26 approve or disapprove the application within 30 days of receipt
27 of the application.

28 (e) Background investigation.--Each applicant shall include
29 information and documentation as required to establish personal
30 and financial suitability, honesty and integrity. Information

1 shall include:

2 (1) [Criminal history record information.] A criminal
3 history record information check obtained from the
4 Pennsylvania State Police as defined in 18 Pa.C.S. § 9102
5 (relating to definitions) and permitted by 18 Pa.C.S. §
6 9121(b) (relating to general regulations), for the applicant,
7 including each owner and officer of the restaurant licensee.

8 (2) Financial background information.

9 (3) Regulatory history before the board or other
10 Commonwealth agency.

11 (4) Other information required by the [bureau] board.

12 (f) Personal interview.--If the [bureau] board determines
13 that the results of the background report investigation warrant
14 additional review of the individual, the [bureau] board shall
15 conduct a personal interview with the applicant and may request
16 information and interviews from other personal or professional
17 associates.

18 (g) Cooperation.--The applicant shall cooperate with the
19 [bureau] board as requested during the conduct of the background
20 investigation. Any refusal to provide the information required
21 under this section or to consent to a background investigation
22 shall result in the immediate denial of a license by the board.

23 [(h) Costs.--The applicant shall reimburse the bureau for
24 the actual costs of conducting the background investigation. The
25 board shall not approve an applicant that has not fully
26 reimbursed the bureau for the investigation.]

27 (i) Approval.--[The bureau shall transmit the investigative
28 report and may make a recommendation to the board.] The board
29 shall review the information [obtained] required under this
30 section to determine if the applicant possesses the following:

1 (1) Financial stability, integrity and responsibility.

2 (2) Sufficient business experience and ability to
3 effectively operate tavern games as part of the restaurant
4 licensee's operator.

5 (3) Character, honesty and integrity to be licensed to
6 operate tavern games in a responsible and lawful manner.

7 (j) Disapproval.--The board may disapprove the issuance of a
8 tavern gaming license for the following reasons:

9 (1) A license shall not be issued to a restaurant
10 licensee whose liquor license is in safekeeping pursuant to
11 section 474.1 of the Liquor Code.

12 (2) A license shall not be issued to a location that is
13 subject to a pending objection under section 470(a.1) of the
14 Liquor Code.

15 (3) A license shall not be issued to a location that is
16 subject to:

17 (i) a pending license suspension under section 471
18 of the Liquor Code; or

19 (ii) a one-year prohibition on the issuance or
20 transfer of a license under section 471(b) of the Liquor
21 Code.

22 Section 904. Application.

23 (a) Application fee.--An applicant shall pay the board a
24 nonrefundable application fee of [~~\$1,000~~] \$500.

25 [(b) Investigative fee.--An applicant shall pay an
26 investigative fee of \$1,000 to the bureau.

27 (c) Costs.--In addition to the fee under subsection (b), an
28 applicant and any owner and officer of the applicant shall pay
29 for the actual costs of a background investigation conducted by
30 the bureau that exceed the application fee. The bureau may:

1 (1) Charge an estimated amount to be provided prior to
2 the background investigation.

3 (2) Submit for reimbursement from the applicant for the
4 additional costs incurred in the background investigation.

5 (d) Funds.--Funds collected under subsections (b) and (c)
6 shall augment the funds appropriated to the Pennsylvania Gaming
7 Control Board under 4 Pa.C.S. (relating to amusements).]
8 Section 905. Approval.

9 (a) Issuance.--Upon being satisfied that the requirements of
10 section 903 have been met, the board may approve the application
11 and issue a tavern games license for a period of one year. The
12 board may enter into an agreement with the licensee concerning
13 additional restrictions on the license, and this agreement shall
14 be binding on the licensee. Failure of the licensee to adhere to
15 the agreement will be cause for penalties under section 913(c)
16 and for the nonrenewal of the license under section 913(f).

17 (b) Renewal.--A license shall be renewed annually. A license
18 renewal shall not require review of the [bureau] board, unless
19 [requested] required by the board. The board may refuse to renew
20 a tavern gaming license for the following reasons:

21 (1) A license shall not be issued to a restaurant
22 licensee whose liquor license is in safekeeping under section
23 474.1 of the act of April 12, 1951 (P.L.90, No.21), known as
24 the Liquor Code.

25 (2) A license shall not be issued to a location that is
26 subject to a pending objection under section 470(a.1) of the
27 Liquor Code.

28 (3) A license shall not be issued to a location that is
29 subject to:

30 (i) a pending license suspension under section 471

1 of the Liquor Code; or

2 (ii) a one-year prohibition on the issuance or
3 transfer of a license under section 471(b) of the Liquor
4 Code.

5 (c) Fee.--Upon approval, the applicant shall pay a [\$2,000]
6 \$1,000 license fee to be deposited in the General Fund. The
7 annual renewal fee shall be [\$1,000] \$500.

8 (d) Entitlement.--Nothing under this chapter shall be
9 construed to create an entitlement to a license by a person. The
10 board shall have sole discretion to issue, renew, condition,
11 suspend, revoke or deny a license based on the requirements of
12 this chapter and whether the issuance and maintenance of the
13 license are in the best interests of the Commonwealth.

14 (e) Nontransferability.--A license shall be a grant of
15 privilege to conduct tavern games. A license may not be sold,
16 transferred or assigned to any other person. A licensee may not
17 pledge or otherwise grant a security interest in or lien on the
18 license. The board shall have the sole discretion to issue,
19 renew, condition or deny the issuance of a license.

20 Section 908.1. Tavern raffle.

21 The following shall apply to a tavern raffle:

22 (1) No more than [one] two tavern [raffle] raffles may
23 be held in a calendar month.

24 (2) A tavern raffle must be held for a designated
25 charitable purpose.

26 (3) Each individual participating in the tavern raffle
27 must be informed of the charitable purpose involved.

28 (4) At least 50% of the net revenues from the tavern
29 raffle shall be transmitted to the designated charity within
30 seven days of the tavern raffle.

1 (5) Any net revenues not transmitted under paragraph (4)
2 shall be distributed as follows:

3 (i) [~~Sixty~~] Fifty percent shall be paid to the
4 Commonwealth as the tax imposed under section 909.1(c).

5 (ii) [~~Thirty-five~~] Forty-five percent may be
6 retained by the licensee.

7 (iii) Five percent shall be paid to the Commonwealth
8 as the tax imposed under section 909.2(c) and deposited
9 into the restricted receipts account established in
10 section 909.3.

11 (6) A tavern raffle prize remaining unclaimed by a
12 winner 60 days after the tavern raffle was held shall be
13 donated by the licensee within 30 days to the designated
14 charitable organization for which the tavern raffle was
15 conducted.

16 Section 909. Distribution of net revenue.

17 Beginning January 1, 2014, the net revenue from tavern games
18 received by a licensee shall be distributed as follows:

19 (1) [~~Sixty~~] Fifty percent of the net revenue obtained in
20 any calendar year shall be paid to the Commonwealth.

21 (2) [~~Thirty-five~~] Forty-five percent of the net revenue
22 obtained in any calendar year may be retained by the
23 licensee.

24 (3) Five percent shall be paid to the Commonwealth and
25 deposited into the restricted receipts account established in
26 section 909.3.

27 Section 909.1. Tavern games tax.

28 (a) Imposition.--There is imposed a tax of [~~60%~~] 50% of the
29 net revenue from tavern games sold by a licensed distributor to
30 a licensee within this Commonwealth.

1 * * *

2 (c) Other games.--In an instance where the tavern game is
3 not required to be purchased from a licensed distributor under
4 this act, a tax of [60%] 50% is imposed upon the net revenue
5 from tavern daily drawings, tavern weekly drawings and tavern
6 raffles under section 908.1 and must be paid to the Commonwealth
7 by the licensee.

8 * * *

9 Section 909.2. Host municipality tavern games tax.

10 * * *

11 (c) Other games.--In an instance where the tavern game is
12 not required to be purchased from a licensed distributor under
13 this act, a tax of 5% is imposed upon the net revenue from
14 tavern daily drawings, tavern weekly drawings and tavern raffles
15 under section 908.1 and must be paid to the Commonwealth and
16 deposited into the restricted receipts account established in
17 section 909.3.

18 * * *

19 Section 913. Enforcement.

20 (a) Board.--The board may, following notice and hearing,
21 impose penalties or suspend or revoke a license under this
22 chapter.

23 (b) Authority of department.--Notwithstanding any law to the
24 contrary, the department may report violations of this chapter
25 to the board and to the Bureau of Liquor Control Enforcement.

26 (c) [Penalties] Civil penalties.--The board may impose a
27 civil penalty for a violation of this chapter in accordance with
28 the following:

29 (1) Up to [\$2,000] \$800 for an initial violation.

30 (2) Up to [\$3,000] \$1,000 for a second violation.

1 (3) Up to [\$5,000] \$2,000 for a third violation.

2 (d) Criminal [penalty] penalties.--A violation of this
3 chapter shall be a [misdemeanor of the third degree] summary
4 offense. A second or subsequent offense shall be a misdemeanor
5 of the [second] third degree.

6 (e) Administrative law judge.--An administrative law judge
7 under section 212 of the act of April 12, 1951 (P.L.90, No.21),
8 known as the Liquor Code, may impose the penalties under this
9 section following the issuance of a citation by the Bureau of
10 Liquor Control Enforcement.

11 (f) Suspension, revocation or failure to renew.--

12 (1) In addition to any other sanctions the board may
13 impose under this chapter or under the Liquor Code, the board
14 may, at its discretion, suspend, revoke or deny renewal of
15 any license issued under this chapter if it receives any
16 information from any source and determines that:

17 (i) The applicant or any of its officers, directors,
18 owners or employees:

19 (A) Is in violation of any provision of this
20 chapter.

21 (B) Furnished the board with false or misleading
22 information.

23 (ii) The information contained in the applicant's
24 initial application or any renewal application is no
25 longer true and correct.

26 (2) In the event of a revocation, suspension or failure
27 to renew, the applicant's authorization to conduct the
28 previously approved activity shall immediately cease, and all
29 fees paid in connection therewith shall be deemed to be
30 forfeited. In the event of a suspension, the applicant's

1 authorization to conduct the previously approved activity
2 shall immediately cease until the board has notified the
3 applicant that the suspension is no longer in effect.

4 (3) The board shall immediately and permanently revoke a
5 license issued under this chapter if the licensee has
6 committed four or more violations of this chapter in a two-
7 year period.

8 (g) Law enforcement officials.--Nothing in this chapter
9 shall be construed to restrict or limit the power of a State,
10 county or local law enforcement official to conduct
11 investigations and file criminal charges under this chapter.

12 (h) Violations.--

13 (1) Except as provided in paragraph (2), a violation of
14 this chapter by a restaurant licensee shall not constitute a
15 violation of the Liquor Code.

16 (2) If a restaurant licensee has committed three or more
17 violations of this act in a calendar year, the bureau may
18 enforce a violation of this chapter as a violation of the
19 Liquor Code.

20 (3) A violation of this chapter shall not constitute a
21 violation of the Liquor Code for the purposes of section
22 471(c) of the Liquor Code.

23 Section 18. Within two years of the effective date of this
24 section, the Department of Revenue shall publish regulations to
25 implement and administer the provisions of this act.

26 Section 19. This act shall take effect in 60 days.