

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 947 Session of
2007

INTRODUCED BY PALLONE, BELFANTI, CALTAGIRONE, CARROLL, DeLUCA,
FABRIZIO, HANNA, HENNESSEY, HORNAMAN, JAMES, KORTZ, KOTIK,
KULA, MAHONEY, MICOZZIE, MILLARD, MYERS, PETRONE, PRESTON,
SAINATO, SIPTROTH, SOLOBAY, STABACK, SURRA, THOMAS, J. WHITE
AND YOUNGBLOOD, MARCH 29, 2007

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, MARCH 29, 2007

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),
2 entitled, as amended, "An act providing for the licensing of
3 eligible organizations to conduct games of chance, for the
4 licensing of persons to distribute games of chance, for the
5 registration of manufacturers of games of chance, and for
6 suspensions and revocations of licenses and permits;
7 requiring records; providing for local referendum by
8 electorate; and prescribing penalties," further providing for
9 legislative intent, for the definition of "license";
10 providing for poker tournaments; further providing for
11 licensing of eligible organizations to conduct games of
12 chance, for revocation of licenses, for local option, for
13 advertising, for certain persons prohibited from having an
14 interest in poker tournaments and for penalties; and making
15 editorial changes.

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

18 Section 1. The title of the act of December 19, 1988
19 (P.L.1262, No.156), known as the Local Option Small Games of
20 Chance Act, amended December 19, 1990 (P.L.812, No.195), is
21 amended to read:

AN ACT

23 Providing for the licensing of eligible organizations to conduct

1 games of chance and poker tournaments, for the licensing of
2 persons to distribute games of chance, for the registration
3 of manufacturers of games of chance, and for suspensions and
4 revocations of licenses and permits; requiring records;
5 providing for local referendum by electorate; and prescribing
6 penalties.

7 Section 2. Sections 1 and 2 of the act are amended to read:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Local Option
10 Small Games of Chance and Poker Tournament Act.

11 Section 2. Legislative intent.

12 The General Assembly hereby declares that the playing of
13 small games of chance and poker tournaments for the purpose of
14 raising funds, by certain nonprofit associations, for the
15 promotion of charitable or civic purposes, is in the public
16 interest.

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

23 The General Assembly recognizes the possibility of
24 association between commercial gambling and organized crime, and
25 wishes to discourage commercialization of small games of chance
26 and poker tournaments, prevent participation by organized crime
27 and prevent the diversion of funds from the purposes herein
28 authorized.

29 Section 3. The definition of "license" in section 3 of the
30 act, amended December 19, 1990 (P.L.812, No.195), is amended to

1 read:

2 Section 3. Definitions.

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

6 * * *

7 "License." A license to conduct games of chance and poker
8 tournaments.

9 * * *

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

11 Section 4.1. Poker tournaments permitted.

12 (a) Conduct of tournaments.--Every eligible organization to
13 which a license has been issued under this act may conduct poker
14 tournaments for the purpose of raising funds for public interest
15 purposes. The eligible organization shall advertise the time and
16 place of the poker tournament at least one week in advance, and
17 all poker tournaments shall conclude on the same day as they
18 started. All proceeds of poker tournaments shall be used
19 exclusively for public interest purposes as permitted by this
20 act.

21 (b) Entry fee.--An eligible organization may charge a person
22 wishing to participate in a poker tournament an entry fee of no
23 more than \$100.

24 (c) Betting.--A person participating in a poker tournament
25 may bet no more than \$5 per bet.

26 (d) Raising.--The total raises per hand may not exceed five.

27 (e) Prizes.--Notwithstanding section 5, eligible
28 organizations shall pay out prizes to no more than the top five
29 winning persons in a declining share based on the person's final
30 placement in the tournament. The prize pool shall be based on

1 the total of the entry fees collected.

2 (f) Costs and profit.--The eligible organization may keep up
3 to 25% of the entry fees collected.

4 (g) Definitions.--As used in this section, the following
5 words and phrases shall have the meanings given to them in this
6 subsection:

7 "Ante." A player's initial wager or predetermined
8 contribution to the pot prior to dealing of the first hand.

9 "Bet." To make a wager by putting chips into the pot.

10 "Hand." One game in a series, one deal in a card game or the
11 cards held by a player.

12 "Poker." Any game, regardless of the number of cards or how
13 it is dealt, which uses the standard poker "winning hand"
14 hierarchy, for example, five of a kind beats straight, flush
15 beats four of a kind, etc.

16 "Poker tournament." An event in which poker players compete
17 for all or part of a prize pool.

18 "Pot." The total amount anted and wagered by all players
19 during a hand.

20 "Prize pool." The prize pool shall consist of the entry fees
21 collected minus any amount kept by the eligible organization
22 under subsection (f).

23 "Raise." A wager made in an amount greater than the
24 immediately preceding wager.

25 Section 5. Section 10 of the act, amended December 19, 1990
26 (P.L.812, No.195) and October 18, 2000 (P.L.602, No.79), is
27 amended to read:

28 Section 10. Licensing of eligible organizations to conduct
29 games of chance and poker tournaments.

30 (a) License required.--No eligible organization shall

1 conduct or operate any games of chance and poker tournaments
2 unless such eligible organization has obtained and maintains a
3 valid license issued pursuant to this section. Auxiliary groups
4 within eligible organizations shall be eligible to conduct small
5 games of chance and poker tournaments using the license issued
6 to the eligible organization provided that the auxiliary group
7 or groups are listed on the application and license of the
8 eligible organization. No additional licensing fee shall be
9 charged for an auxiliary group's eligibility under this act.
10 Auxiliary groups shall not include branches, lodges or chapters
11 of a Statewide organization.

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

22 (b.1) Location of small games of chance.--Where there exists
23 a location or premises which is the normal business or operating
24 site of the eligible organization and is owned or leased by that
25 eligible organization to conduct its normal business, that site
26 shall be the licensed premises for small games of chance and
27 poker tournaments conducted by the eligible organization. If
28 that location consists of more than one building and the
29 eligible organization wishes to conduct its games and poker
30 tournaments in a different building at that location from the

1 one that is listed on its application and license, the eligible
2 organization must notify, in writing, the district attorney and
3 the licensing authority of the change in building site and the
4 dates and times that will be affected. When an eligible
5 organization does not own or lease a specific location to
6 conduct its normal business, that eligible organization may use
7 another eligible organization's premises to conduct its games
8 and poker tournaments or may make such other arrangements that
9 are consistent with this act, including, but not limited to,
10 leasing a premise under a written agreement for a rental which
11 is not determined by either the amount of receipts realized from
12 the playing of games of chance and poker tournaments nor the
13 number of people attending except that an eligible organization
14 may lease a facility for a banquet where a per head charge is
15 applied in connection with the serving of a meal. When such
16 eligible organization changes the site of its games and poker
17 tournaments from that which is listed on its application and
18 license, the eligible organization must notify, in writing, the
19 district attorney and licensing authority of the change in their
20 games' and poker tournaments' site and dates and times that will
21 be affected.

22 (b.2) Off-premises games of chance and poker tournaments.--
23 Notwithstanding any other provisions of this section, an
24 eligible organization may conduct small games of chance and
25 poker tournaments at a location off its premises when such games
26 and poker tournaments are part of an annual carnival, fair,
27 picnic or banquet held or participated in by that eligible
28 organization on a historical basis. The eligible organization
29 must notify, in writing, the district attorney and licensing
30 authority of the location, date and times of such events where

1 it will be conducting small games of chance and poker
2 tournaments.

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

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

24 (c) Display.--Licenses issued pursuant to this section shall
25 be publicly displayed at the site of the small games of chance
26 and poker tournaments.

27 (d) Operation.--Each licensed eligible organization shall
28 comply with the following restrictions and rules governing the
29 operation of games of chance and poker tournaments:

30 (1) No person under 18 years of age shall be permitted

1 to operate or play games of chance and poker tournaments.

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

10 (3) No eligible organization shall pay any compensation
11 to any person for conducting any games of chance and poker
12 tournaments. Games of chance and poker tournaments may only
13 be conducted by managers, officers, directors, bar personnel
14 and bona fide members of the eligible organization.

15 (4) Games and poker tournaments shall be conducted only
16 on the licensed premises or as otherwise provided by this
17 act.

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

28 (6) Games, other than raffles, daily drawings and weekly
29 drawings, shall be purchased only from manufacturers and
30 distributors approved by the department.

1 (7) No licensed eligible organization shall permit its
2 premises to be used for small games of chance and poker
3 tournaments by another licensed eligible organization at the
4 same time that it is conducting small games of chance and
5 poker tournaments on the premises. When a licensed eligible
6 organization is permitting another licensed eligible
7 organization to use its premises for purposes of small games
8 of chance and poker tournaments, it must cease the operation
9 of its own small games of chance and poker tournaments during
10 the period that the other licensed eligible organization is
11 conducting its games and poker tournaments on the premises.

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

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

27 (1) No person under 18 years of age will be permitted by
28 the eligible organization to operate or play games of chance
29 and poker tournaments.

30 (2) The facility in which the games of chance and poker

1 tournaments are to be played has adequate means of ingress
2 and egress and adequate sanitary facilities available in the
3 area.

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

13 (f) List of licensees.--The licensing authority, on a
14 semiannual basis, shall send a copy of all licensees to the
15 Department of Revenue.

16 (g) List of municipalities.--The licensing authority shall
17 include with any license or renewal issued to an eligible
18 organization, an up-to-date listing of those municipalities
19 within the licensing county which have approved the referendum
20 question on small games of chance and poker tournaments.

21 Section 6. Section 12 of the act, amended December 19, 1990
22 (P.L.812, No.195), is amended to read:

23 Section 12. Revocation of licenses.

24 (a) Grounds.--The licensing authority shall revoke or refuse
25 to renew the license of any eligible organization whenever the
26 district attorney finds upon complaint and investigation that:

27 (1) Any of the funds derived from the operation of games
28 of chance and poker tournaments are used for any purpose
29 other than for public interest purposes or for the purchase
30 of games of chance as permitted by this act.

1 (2) Any person under 18 years of age is operating or
2 playing games of chance and poker tournaments as defined in
3 this act.

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

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

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

20 (6) Any person has received compensation for conducting
21 games of chance and poker tournaments.

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

24 (8) The eligible organization has violated any condition
25 of a special permit issued pursuant to section 11.

26 (9) The eligible organization conducts the games of
27 chance and poker tournaments under a lease which calls for:

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

30 (ii) leasing such premises from the owner thereof

1 under a written agreement at a rental which is determined
2 by the amount of receipts realized from the playing of
3 games of chance and poker tournaments.

4 (10) False or erroneous information was provided in the
5 original application.

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

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

16 (b) Production of records.--The district attorney may
17 require licensees to produce their books, accounts and records
18 relating to the conduct of games of chance and poker tournaments
19 in order to determine whether a license should be revoked or
20 renewal thereof denied. Licensees shall also be required to
21 produce their license, books, accounts and records relating to
22 the conduct of games of chance and poker tournaments to other
23 law enforcement officials upon proper request.

24 Section 7. Section 14(a) of the act is amended to read:

25 Section 14. Local option.

26 (a) Election to be held.--In any municipality, an election
27 may be held on the date of the primary election immediately
28 preceding any municipal election, but not more than once in four
29 years, to determine the will of the electors with respect to the
30 issuance of licenses within the limits of such municipality

1 under the provisions of this act. Where an election shall have
2 been held at the primary election preceding a municipal election
3 in any year, another election may be held under the provisions
4 of this act at the primary election occurring the fourth year
5 after such prior election. Whenever electors equal to at least
6 25% of the highest vote cast for any office in the municipality
7 at the last preceding general election shall file a petition
8 with the county board of elections of the county, or the
9 governing body of the municipality adopts, by a majority vote, a
10 resolution to place such a question on the ballot and a copy of
11 the resolution is filed with the board of elections of the
12 county, for a referendum on the question of issuing licenses,
13 the county board of elections shall cause a question to be
14 placed on the ballot or on the voting machine board and
15 submitted at the primary election immediately preceding the
16 municipal election. The question shall be in the following form:

17 Do you favor the issuance of licenses
18 to conduct small games of chance and poker
19 tournaments in the of ?

20 * * *

21 Section 8. Section 15 of the act, amended December 19, 1990
22 (P.L.812, No.195), is amended to read:

23 Section 15. Advertising.

24 It shall be unlawful for any eligible organization or person
25 to advertise the prizes or their dollar value to be awarded in
26 games of chance and poker tournaments, provided that prizes may
27 be identified on raffle tickets. Notwithstanding the prohibition
28 of advertising contained within this section, an eligible
29 organization may advertise prizes and values thereof in periodic
30 publications which are limited in their circulation to members

1 of the eligible organization.

2 Section 9. Section 16 of the act is amended to read:

3 Section 16. Certain persons prohibited.

4 No distributor nor any person who has been convicted of a
5 felony or of a violation of the act of July 10, 1981 (P.L.214,
6 No.67), known as the Bingo Law, or of this act or of any
7 comparable State or Federal law shall have a pecuniary interest
8 in the operation or proceeds of games of chance and poker
9 tournaments.

10 Section 10. Section 17 of the act, amended December 19, 1990
11 (P.L.812, No.195), is amended to read:

12 Section 17. Penalties.

13 (a) Eligible organizations.--Any eligible organization
14 violating the provisions of this act shall be guilty of a
15 summary offense and, upon conviction thereof, shall be sentenced
16 to pay a fine not exceeding \$1,000 and shall for a first
17 offense, forfeit the license to conduct games of chance and
18 poker tournaments issued to the eligible organization for the
19 remainder of the licensing period or six months, whichever is
20 longer, for a second offense, forfeit the license issued to the
21 eligible organization for the remainder of the current licensing
22 period and be ineligible to be licensed for the following
23 licensing period, for a third or subsequent offense, forfeit the
24 license issued to the eligible organization and be ineligible
25 for a license renewal for 30 months thereafter.

26 (b) Individuals.--Any person who conducts or assists in the
27 conducting of games of chance and poker tournaments in violation
28 of the provisions of this act is guilty of a summary offense for
29 a first violation. A second violation of this act shall be
30 punishable as a misdemeanor of the third degree. A third or

1 subsequent violation shall be punishable as a misdemeanor of the
2 first degree.

3 (c) Distributors and manufacturers.--Any person who
4 distributes games of chance without a license or in violation of
5 any provision of this act or applicable regulations, and any
6 manufacturer of games of chance who delivers games of chance for
7 sale or distribution in this Commonwealth who fails to obtain a
8 permit therefor is guilty of a misdemeanor of the first degree,
9 provided that no license or permit shall be required for the
10 manufacture or distribution of raffle tickets.

11 (d) Rigging.--A person commits a misdemeanor of the first
12 degree if, with intent to prevent a game of chance and poker
13 tournaments from being conducted in accordance with the
14 requirements of this act or the rules and usages governing the
15 game and poker tournaments, he:

16 (1) confers or offers or agrees to confer any benefit
17 upon or threatens any injury to a participant or other person
18 associated with the game and poker tournaments;

19 (2) tampers with any person or games and poker
20 tournaments; or

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

22 (e) Contingent fees.--Any person who distributes,
23 manufactures or operates a small game of chance and poker
24 tournaments and who requires, for equipment furnished or to play
25 a game and poker tournaments, payment equal to a percentage of
26 the total winnings of any game and poker tournaments commits a
27 misdemeanor of the first degree.

28 Section 11. This act shall take effect in 60 days.