
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 622

Session of
1977

INTRODUCED BY LAUDADIO, RIEGER AND CAPUTO, MARCH 15, 1977

REFERRED TO COMMITTEE ON FINANCE, MARCH 15, 1977

AN ACT

1 Authorizing the use in clubs of slot machines registered with
2 the Department of Revenue and providing for their
3 registration upon payment of an annual registration fee,
4 imposing a tax and making appropriations.

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

7 Section 1. Definitions.

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

11 "Charitable institution." Any organization entitled to be
12 exempt from Federal Income Tax under section 501(c)(4), (7),
13 (8), (10) or (19) of the Internal Revenue Code of 1954.

14 "Club." A nonprofit corporation, association, society,
15 organization, charitable institution or other nonprofit group of
16 individuals associated together for legitimate purposes of
17 mutual benefits, entertainment, fellowship, pleasure, recreation
18 or lawful convenience having some primary interest and activity
19 to which the use of slot machines shall be secondary and which

1 regularly occupies, as owner or lessee, a clubhouse or quarters
2 for the use of its members.

3 "Slot machine." Any machine, apparatus or device that is
4 adapted, or may readily be converted into one that is adapted,
5 for use in such a way that, as a result of the insertion of any
6 piece of money or coin or other object, or by any other means,
7 such machine or device is caused to operate or may be operated,
8 and by reason of any element of hazard or chance or of other
9 outcome of such operation unpredictable by him, the user may
10 receive or become entitled to receive any piece of money,
11 credit, allowance or thing of value or additional chance or
12 right to use such slot machine or device, or any check, slug,
13 token or memorandum, whether of value or otherwise, which may be
14 exchanged for money, credit, allowance or thing of value or
15 which may be given in trade, irrespective of whether it may,
16 apart from any element of hazard or chance or unpredictable
17 outcome of such operation, also sell, deliver or present some
18 merchandise, indication of weight, entertainment or other thing
19 of value.

20 Section 2. Ownership and type of slot machines.

21 All slot machines shall be owned and operated by clubs and
22 shall be limited to 5¢, 10¢ or 25¢ per play.

23 Section 3. Registration of slot machines.

24 A slot machine shall be registered with the Pennsylvania
25 Department of Revenue upon payment of an annual registration fee
26 of \$250 the payment of which shall be evidenced by a
27 registration stamp issued by the department and affixed to the
28 slot machine. Registration shall be for a calendar year and fees
29 for initial registration filed during a calendar year shall be
30 reduced to an amount proportionate to the number of months

1 remaining in the year. The department may adopt forms and
2 procedures for application for registration and renewal thereof
3 and for the issuance and affixing of registration stamps except
4 that, in addition to other requirements of the department, the
5 application for registration shall contain the name of the
6 manufacturer and the name and address of the owner of the slot
7 machine and the registration stamp shall contain the serial or
8 other identification number of the slot machine and the
9 registration expiration date.

10 Section 4. Imposition of tax.

11 There is hereby imposed a tax of 50% of the net profits
12 realized on each slot machine. This tax shall be paid to the
13 Department of Revenue.

14 Section 5. Procedure and regulations.

15 (a) The Department of Revenue may adopt any procedures or
16 regulations it deems necessary to carry out the purpose of this
17 act.

18 (b) Reports shall be filed with the Department of Revenue
19 monthly. Each report shall contain the total amount of moneys
20 taken in by the machines, the amount of money paid out in
21 winnings and the net profit.

22 (c) The amount of tax due the Department of Revenue shall be
23 forwarded by the slot machine owners at the same time the owners
24 file their profit statements as mentioned in subsection (b).

25 Section 6. Books and records.

26 The owners of the slot machines shall keep books and records
27 so as to clearly show the total amount of money collected by the
28 slot machines. The Department of Revenue or its duly authorized
29 representative shall, at all reasonable times, have access to
30 all such books and records for the purpose of examining and

1 checking the same and ascertaining whether or not the proper
2 amount or amounts due to the Commonwealth of Pennsylvania are
3 being paid by such owners of the slot machines.

4 Section 7. Disposition of funds derived from tax and
5 registration fees.

6 (a) Fifty percent of the moneys received from the tax levied
7 on the profits realized from slot machines shall be deposited in
8 the State Lottery Fund. These funds shall remain in the State
9 Lottery Fund and are hereby specifically appropriated for the
10 exclusive purposes of the act of March 11, 1971 (P.L.104, No.3),
11 known as the "Senior Citizens Property Tax or Rent Rebate Act."

12 (b) All registration fees collected under this act are
13 hereby specifically appropriated to the Department of Health for
14 use in providing funds for performing transplants and providing
15 dialysis services to persons suffering from chronic renal
16 diseases in accordance with policies established under the act
17 of June 23, 1970 (P.L.419, No.140), referred to as the Renal
18 Disease Treatment Act.

19 Section 8. Construction of act.

20 The provisions of this act shall be construed liberally for
21 the purposes thereof and any law inconsistent with any of the
22 purposes hereof shall not apply.

23 Section 9. Repeals.

24 All acts and parts of acts, general, local and special, are
25 repealed insofar as they prohibit the use of slot machines in
26 clubs when such slot machines are registered in accordance with
27 the provisions of this act.

28 Section 10. Effective date.

29 This act shall take effect in 60 days.