
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 51

Session of
1987

INTRODUCED BY PETRARCA, SALOOM, STEVENS, TRELLO, CESSAR,
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BURD, GEIST, PETRONE, DOMBROWSKI, BELFANTI, ITKIN AND
BALDWIN, JANUARY 28, 1987

REFERRED TO COMMITTEE ON FINANCE, JANUARY 28, 1987

AN ACT

1 Providing for the licensing of clubs to conduct games of chance,
2 for the licensing of persons to manufacture and distribute
3 games of chance, for suspensions and revocations of licenses
4 and for fees and disposition of revenues; requiring records;
5 providing for local referendum on gambling by electorate;
6 prescribing penalties; and making repeals.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Short title.

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

12 Section 2. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section:

15 "Charitable organization." A group or body of persons which
16 is created and which exists for the purpose of performing a
17 humane service; promoting the good and welfare of the aged,
18 poor, infirm or distressed; combating juvenile delinquency; or

1 advancing the spiritual, mental, social and physical improvement
2 of young men and women.

3 "Club." An incorporated unit of a national veterans'
4 organization, as defined in section 461.1 of the act of April
5 12, 1951 (P.L.90, No.21), known as the Liquor Code, and licensed
6 to sell liquor at retail under the act; or a club, as defined in
7 section 102 of the Liquor Code, that qualifies as an exempt
8 organization under section 501(c) or 527 of the Internal Revenue
9 Code of 1954 (68A Stat. 3, 26 U.S.C. § 501(c) or 527) and is
10 licensed to sell liquor at retail; or an organized fraternal
11 society, created and carried on for the mutual benefit of its
12 members, not-for-profit and not issuing capital stock, having a
13 limited membership and a representative form of government and
14 licensed to sell liquor at retail under the Liquor Code; or a
15 not-for-profit religious or charitable organization which shall
16 have existed and conducted business in accordance with the
17 express purpose of a written constitution, charter, articles of
18 incorporation or bylaws, for two years prior to applying for a
19 license. The term "club" shall also include any volunteer fire
20 company, volunteer rescue squad or volunteer ambulance
21 association.

22 "Games of chance." Punchboards and fishbowl tickets,
23 provided that no such game shall be played by or with the
24 assistance of any mechanical or electrical devices or media and
25 further provided that the particular chance taken by any person
26 in any such game shall not be made contingent upon any other
27 occurrence or the winning of any other contest, but shall be
28 determined solely at the discretion of the purchaser. This
29 definition shall not be construed to authorize any other form of
30 gambling currently prohibited under any provision of Title 18 of

1 the Pennsylvania Consolidated Statutes (relating to crimes and
2 offenses).

3 "Religious organization." A group or body of persons which
4 is created and which exists for the predominant purpose of
5 regularly holding or conducting religious activities or
6 religious education, without pecuniary benefit to any officer,
7 member or shareholder except as reasonable compensation for
8 actual services rendered to the organization.

9 Section 3. Games of chance permitted.

10 Every club to which a license has been issued under the
11 provisions of this act may conduct games of chance for the
12 purpose of raising funds for the legitimate purposes and
13 activities of the club.

14 Section 4. Prize limits.

15 There shall be a maximum limit of \$250 on any individual
16 prize or winning offered or provided by a club under this act.

17 Section 5. Manufacture and distribution of games of chance.

18 (a) Manufacturer's license.--Any person to whom a
19 manufacturer's license has been issued under the provisions of
20 this act may manufacture games of chance in this Commonwealth.

21 (b) Distributor's license.--Any person to whom a
22 distributor's license has been issued under the provisions of
23 this act may distribute games of chance in this Commonwealth.

24 Section 6. Duties of Department of Revenue.

25 The Department of Revenue shall have the duty to:

26 (1) Provide for the licensing of clubs to hold, operate
27 and conduct games of chance.

28 (2) Provide for the licensing of persons to manufacture
29 games of chance.

30 (3) Provide for the licensing of persons to distribute

1 games of chance.

2 (4) Prescribe the form of licenses and applications for
3 licenses.

4 (5) Issue licenses permitting the holding of games of
5 chance.

6 (6) Prescribe rules and regulations for the supervision,
7 conduct and type of games of chance.

8 (7) Prescribe rules and regulations for the manufacture
9 and distribution of games of chance.

10 (8) Suspend and revoke licenses for violations of this
11 act or the rules and regulations thereunder.

12 (9) Hold a public hearing to consider the application
13 prior to the issuance of a license at a site within the
14 municipality where the applying club proposes to hold games
15 of chance.

16 (10) Give notice of the application for license and the
17 date, time and place of the public hearing at least 20 days
18 prior to it being held by posting a notice on the front of
19 the building in which the applying club proposes to hold the
20 games of chance and by publishing an advertisement once in a
21 newspaper of general circulation published or circulated
22 within the municipality in which the license may be issued.

23 (11) Prescribe such other rules and regulations as may
24 be necessary to carry out the provisions of this act.

25 Section 7. Licenses.

26 (a) Fees.--

27 (1) Licenses to conduct games of chance shall be issued
28 to clubs in any calendar year and the fee therefor shall be
29 \$100.

30 (2) Licenses to manufacture games of chance shall be

1 issued to persons in any calendar year and the fee therefor
2 shall be \$500.

3 (3) Licenses to distribute games of chance shall be
4 issued to persons in any calendar year and the fee therefor
5 shall be \$250.

6 (4) All license fees collected pursuant to this
7 subsection shall be returned to the school district situate
8 within the municipality in which the fees were collected.
9 When more than a single school district is situate within a
10 municipality, the fees shall be returned in equal parts to
11 each school district. The Department of Revenue may retain a
12 maximum of 2% of the fees collected for purposes of the
13 administration of this act.

14 (b) Renewals.--Licenses shall be renewable each calendar
15 year unless revoked under the provisions of this act.

16 Section 8. Limitations on issuance of licensing revocation.

17 The Department of Revenue shall not issue a license to and
18 shall revoke the license of any club whenever it finds any of
19 the following:

20 (1) Compensation, salary or fees are paid to anyone for
21 setting up or conducting the games of chance, excluding club
22 managers, bar personnel, officers and directors.

23 (2) Any provision of this act has been violated.

24 (3) Any of the funds derived from the operation of games
25 of chance are used for purposes other than for the legitimate
26 purposes and activities of the club.

27 Section 9. Records.

28 The licensee shall keep such records and books as the
29 Department of Revenue shall prescribe.

30 Section 10. Violation of act.

1 (a) Penalty.--Any person entitled to be licensed pursuant to
2 this act who conducts, manufactures or distributes games of
3 chance without a license as provided in this act shall, upon
4 conviction, be sentenced to pay a fine of not less than \$100 nor
5 more than \$500 or to imprisonment for not more than 90 days, or
6 both.

7 (b) Suspension.--The right of the Department of Revenue to
8 suspend and revoke licenses for violations of this act shall be
9 in addition to the penalty set forth in this section.

10 Section 11. Sales to minors prohibited.

11 (a) Penalty.--Any person entitled to be licensed pursuant to
12 this act who sells, or causes to be sold, any game of chance to
13 any person under 21 years of age shall, upon conviction, be
14 sentenced to pay a fine of not less than \$500 nor more than
15 \$2,500 or to imprisonment for not more than one year, or both.

16 (b) Suspension.--The right of the Department of Revenue to
17 suspend and revoke licenses for violations of this act shall be
18 in addition to the penalty set forth in this section.

19 Section 12. Local option.

20 (a) Election to be held.--In any municipality, an election
21 may be held on the date of the primary election immediately
22 preceding any municipal election, but not more than once in four
23 years, to determine the will of the electors with respect to the
24 issuance of licenses, within the limits of such municipality,
25 under the provisions of this act. Where an election shall have
26 been held at the primary election preceding a municipal election
27 in any year, another election may be held under the provisions
28 of this act at the primary election occurring the fourth year
29 after such prior election. Whenever electors equal to at least
30 25% of the highest vote cast for any office in the municipality

1 at the last preceding general election shall file a petition
2 with the county board of elections of the county, or the
3 governing body of the municipality adopts, by a majority vote, a
4 resolution to place such a question on the ballot and a copy of
5 the resolution is filed with the board of elections of the
6 county, for a referendum on the question of issuing licenses,
7 the county board of elections shall cause a question to be
8 placed on the ballot or on the voting machine board and
9 submitted at the primary election immediately preceding the
10 municipal election. The question shall be in the following form:

11 Do you favor the issuance of licenses to conduct small
12 games of chance in the of ?

13 (b) Vote.--If a majority of the electors voting on the
14 question vote "yes," then licenses shall be issued by the
15 department in such municipality, but if a majority of the
16 electors voting on any such question vote "no," then the
17 department shall have no power to issue or to renew, upon their
18 expiration, any licenses in such municipality, unless and until,
19 at a later election, a majority of the voting electors vote
20 "yes" on such question.

21 (c) Voting proceedings.--Proceedings under this section
22 shall be in accordance with the provisions of the act of June 3,
23 1937 (P.L.1333, No.320), known as the Pennsylvania Election
24 Code.

25 (d) Applicability.--This act applies only to those clubs
26 located in municipalities which have adopted the provisions of
27 this act by an affirmative vote in a municipal referendum in
28 accordance with the provisions of this section.

29 (e) Withdrawal of approval.--The referendum procedure
30 contained in this section shall also be available to withdraw

1 the approval of the issuance of such licenses within such
2 municipality which was granted through a prior referendum.

3 Section 13. Partial suspension of act.

4 The applicability of 18 Pa.C.S. §§ 5512 (relating to
5 lotteries, etc.), 5513 (relating to gambling devices, gambling,
6 etc.) and 5514 (relating to pool selling and bookmaking) as they
7 would apply strictly to the authorization of the games of chance
8 provided for herein are suspended to the extent such games are
9 permitted under this act but only within municipalities which
10 approve the licensing of such games through the required local
11 option referendum.

12 Section 14. General repeal.

13 All acts and parts of acts are repealed insofar as they are
14 inconsistent with this act.

15 Section 15. Effective date.

16 This act shall take effect in 60 days.