

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 685 Session of 2013

INTRODUCED BY KAUFFMAN, SONNEY, TALLMAN, KORTZ, V. BROWN,
HARHAI, RAPP, CONKLIN, C. HARRIS, HARHART, MAHONEY, DELUCA,
GINGRICH, ROCK, F. KELLER AND GILLEN, FEBRUARY 13, 2013

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, FEBRUARY 13, 2013

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),
2 entitled, as amended, "An act providing for the licensing of
3 eligible organizations to conduct games of chance, for the
4 licensing of persons to distribute games of chance, for the
5 registration of manufacturers of games of chance, and for
6 suspensions and revocations of licenses and permits;
7 requiring records; providing for local referendum by
8 electorate; and prescribing penalties," further providing for
9 prize limits and for distribution of proceeds.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Sections 302 and 502 of the act of December 19,
13 1988 (P.L.1262, No.156), known as the Local Option Small Games
14 of Chance Act, amended or added February 2, 2012 (P.L.7, No.2),
15 are amended to read:

16 Section 302. Prize limits.

17 (a) Individual prize limit.--Except as provided under
18 subsections (d) and (d.1), the maximum prize which may be
19 awarded for any single chance shall be [\$1,000] \$5,000.

20 (b) Aggregate prize limit.--No more than [\$25,000] \$35,000
21 in prizes shall be awarded from games of chance by a licensed

1 eligible organization in any seven-day period.

2 (c) Raffle prize limit.--Up to [\$10,000] \$20,000 in prizes
3 may be awarded in raffles in any calendar month.

4 (c.1) Total limit.--All prizes awarded under this section
5 shall be subject to the aggregate prize limits under subsection
6 (b) .

7 (d) Exception for raffles.--Notwithstanding subsection (b)
8 or (c), a licensed eligible organization may conduct a raffle
9 and award a prize or prizes valued in excess of [\$1,000] \$5,000
10 each only under the following conditions:

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

13 (2) A licensed eligible organization shall be eligible
14 to receive no more than eight special permits in any licensed
15 term except that a volunteer fire, ambulance or rescue
16 organization that is not a club licensee shall be eligible to
17 receive ten special permits in any licensed term.

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

20 (4) Except as provided under subsection (d.1), the total
21 of all prizes awarded under this subsection shall be no more
22 than \$100,000 per calendar year.

23 (d.1) Additional award.--A volunteer fire, ambulance or
24 rescue organization may, in addition to the total under
25 subsection (d) (4), award up to \$50,000 from raffles which shall
26 not be subject to the aggregate limit under subsection (b), (c)
27 or (d) .

28 (f) Daily drawing carryover.--The prize limitation contained
29 in subsections (a) and (b) may be exceeded by a daily drawing
30 under the following circumstances: a daily drawing may award a

1 prize in excess of [\$1,000] \$5,000 if such prize is the result
2 of a carryover of a drawing which resulted from the winning
3 number in such drawing not being among the eligible entrants in
4 such drawings. Nothing contained herein shall authorize the
5 prize limitation as contained in subsections (a) and (b) to be
6 exceeded as a result of a failure to conduct a drawing on an
7 operating day during which chances were sold for a daily drawing
8 or for a daily drawing for which chances were sold in excess of
9 \$1 or for which more than one chance was sold to an eligible
10 participant.

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

15 (h) Weekly drawing carryover exception.--Weekly drawings
16 shall be governed by the prize limitation contained in
17 subsection (b). The prize limitation contained in subsection (b)
18 may be exceeded by a weekly drawing under the following
19 circumstances: a weekly drawing may award a prize where the cash
20 value is in excess of [\$25,000] \$35,000 if such prize is the
21 result of a carryover of a drawing or drawings which resulted
22 from the winning number or numbers in such drawing or drawings
23 not being among the eligible entrants in such drawings. Nothing
24 contained in this chapter shall authorize the prize limitation
25 under subsection (b) to be exceeded as a result of a failure to
26 conduct a drawing for a week during which chances were sold for
27 a weekly drawing or for a weekly drawing for which chances were
28 sold in excess of \$1.

29 Section 502. Distribution of proceeds.

30 (a) Distribution.--The proceeds from games of chance

received by a club licensee shall be distributed as follows:

(1) No less than [70%] 40% of the proceeds shall be paid to organizations for public interest purposes in the calendar year in which the proceeds were obtained.

(2) No more than [30%] 60% of the proceeds obtained in a calendar year may be retained by a club licensee and used for the following operational expenses relating to the club licensee:

(i) Real property taxes.

(ii) Utility and fuel costs.

(iii) Heating and air conditioning equipment or repair costs.

(iv) Water and sewer costs.

(v) Property or liability insurance costs.

(vi) Mortgage payments.

(vii) Interior and exterior repair costs, including repair to parking lots.

(viii) New facility construction costs.

(ix) Entertainment equipment, including television, video and electronic games.

(x) Other expenses adopted in regulation by the department.

(a.1) Amounts retained.--Amounts retained by a club licensee under subsection (a)(2) shall be expended within the same calendar year unless the club licensee notifies the department that funds are being retained for a substantial purchase or project. Notification shall include a description of the purchase or project, the cost and the anticipated date of the purchase or project.

(b) Prohibition.--

1 (1) Proceeds shall not be used for wages[,] or alcohol
2 [or food purchases] or for the payment of any fine levied
3 against the club licensee.

4 (2) An officer or employee of a club licensee who
5 operates the game of chance shall not participate in the
6 game. This paragraph shall not apply to a raffle.

7 Section 2. This act shall take effect in 60 days.