

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO.

Senate Bill 211

PRINTER'S NO.

1414

AMOUNT

\$0

FUND

General

DATE INTRODUCED

Feb. 19, 2009

PRIME SPONSOR

Senator Folmer

HISTORY OF BILL

Referred to FINANCE, Feb. 19, 2009

Reported as amended, April 1, 2009

First consideration, April 1, 2009

Re-referred to APPROPRIATIONS, April 28, 2009

Re-reported as amended, Sept. 23, 2009

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 211 amends the Local Option Small Games of Chance Act (1988-156) by increasing prize limits, allowing progressive and insured games, and licensing of associations involved in small games of chance.

The maximum prize in any one small game increases from \$500 to \$1,000. The weekly prize limit is increased to \$20,000 from \$5,000. Payouts less than \$26 would not count toward the prize limit.

The bill allows progressive games with a maximum cash value of \$5,000. Progressive games are defined as games where the winner is awarded with an additional chance at another game.

Jackpot games, featuring larger prizes, may be guaranteed as an insured game. Insured games are games sold by a licensed distributor and are backed by a valid insurance contract issued by an insurance company licensed to do business in Pennsylvania.

Each eligible organization must report to the Department of Revenue prizes in excess of \$600.

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Senate Bill 211 allows multiple organizations to use the same location to conduct small games of chance as long as each organization has a separate license. Prize limitations are applied separately to each organization. Fees are increased from \$100 annually to \$300 biennially. Limited occasion licenses are increased from \$10 to \$30.

Licensed eligible organizations may sell raffle tickets of another licensed organization that has been issued a limited occasion permit.

Upon submitting an application for a license or a renewal, an association must also include evidence of the completion of at least eight hours of approved training relating to small games of chance and a financial report detailing the association's operations over the previous 12 months.

The provisions of the bill relating to fee increases, supplemental application materials and criminal background checks would take effect two years from the effective date.

FISCAL IMPACT:

The enactment of this legislation will have no adverse fiscal impact to the Department of Revenue or the Pennsylvania State Police. The Department advises that its additional duties under the act will not require additional personnel and additional costs will be minimal. The State Police advise that costs associated with performing criminal background checks for persons listed on licensure applications will be offset by the \$10 fee. The State Police currently conduct more than 1,600,000 background checks annually.