

LEGISLATIVE REFERENCE BUREAU

L.R.B. Form No. 4 (Rev. 3/25/10)

2013D02889DMS:BTW

No. _____

AN ACT

Amending the act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act, in preliminary provisions, further providing for definitions; in games of chance, further providing for prize limits; in club licensees, further providing for club licensee and for distribution of proceeds and providing for contribution; and, in enforcement, providing for penalties and interest on contribution.

INTRODUCED _____ 20_____

By _____ District NO. _____

By _____ District NO. _____

By _____ District NO. _____

By _____ District NO. _____

See next page for additional co-sponsors.

Referred to Committee on	
Date _____	20_____
Reported _____	20_____
As Committed-Amended	
Recommendation	

By Hon. _____	

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," in preliminary
9 provisions, further providing for definitions; in games of
10 chance, further providing for prize limits; in club
11 licensees, further providing for club licensee and for
12 distribution of proceeds and providing for contribution; and,
13 in enforcement, providing for penalties and interest on
14 contribution.

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

17 Section 1. Section 103 of the act of December 19, 1988
18 (P.L.1262, No.156), known as the Local Option Small Games of
19 Chance Act, is amended by adding a definition to read:

20 Section 103. Definitions.

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

1 * * *

2 "Fund." The Student Achievement Block Grant Fund.

3 * * *

4 Section 2. Sections 302 and 501(a) of the act, amended or
5 added February 2, 2012 (P.L.7, No.2), are amended to read:

6 Section 302. [Prize limits] Special raffle permit.

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

10 (b) Aggregate prize limit.--No more than \$25,000 in prizes
11 shall be awarded from games of chance by a licensed eligible
12 organization in any seven-day period.

13 (c) Raffle prize limit.--Up to \$10,000 in prizes may be
14 awarded in raffles in any calendar month.

15 (c.1) Total limit.--All prizes awarded under this section
16 shall be subject to the aggregate prize limits under subsection
17 (b).]

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

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

24 (2) A licensed eligible organization shall be eligible
25 to receive no more than eight special permits in any licensed
26 term except that a volunteer fire, ambulance or rescue
27 organization that is not a club licensee shall be eligible to
28 receive ten special permits in any licensed term.

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

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

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

9 (f) Daily drawing carryover.--The prize limitation contained
10 in subsections (a) and (b) may be exceeded by a daily drawing
11 under the following circumstances: a daily drawing may award a
12 prize in excess of \$1,000 if such prize is the result of a
13 carryover of a drawing which resulted from the winning number in
14 such drawing not being among the eligible entrants in such
15 drawings. Nothing contained herein shall authorize the prize
16 limitation as contained in subsections (a) and (b) to be
17 exceeded as a result of a failure to conduct a drawing on an
18 operating day during which chances were sold for a daily drawing
19 or for a daily drawing for which chances were sold in excess of
20 \$1 or for which more than one chance was sold to an eligible
21 participant.

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

26 (h) Weekly drawing carryover exception.--Weekly drawings
27 shall be governed by the prize limitation contained in
28 subsection (b). The prize limitation contained in subsection (b)
29 may be exceeded by a weekly drawing under the following
30 circumstances: a weekly drawing may award a prize where the cash

1 value is in excess of \$25,000 if such prize is the result of a
2 carryover of a drawing or drawings which resulted from the
3 winning number or numbers in such drawing or drawings not being
4 among the eligible entrants in such drawings. Nothing contained
5 in this chapter shall authorize the prize limitation under
6 subsection (b) to be exceeded as a result of a failure to
7 conduct a drawing for a week during which chances were sold for
8 a weekly drawing or for a weekly drawing for which chances were
9 sold in excess of \$1.]

10 Section 501. Club licensee.

11 (a) Report.--

12 (1) Beginning in 2013, a club licensee shall submit
13 semiannual reports to the department for the preceding six-
14 month period on a form and in a manner prescribed by the
15 department.

16 (2) The report must be filed under oath or affirmation
17 of an authorized officer of the club licensee.

18 (3) The report shall include all of the following
19 information:

20 (i) The proceeds received by the club licensee from
21 each game of chance conducted, itemized by week.

22 (ii) The amount of prizes paid from all games of
23 chance, itemized by week.

24 (iii) Other costs incurred related to the conduct of
25 games of chance.

26 (iv) The verification of amounts distributed for
27 public interest purposes itemized under section
28 502(a) (1), itemized by the recipient.

29 (v) An itemized list of expenditures made or amounts
30 retained and expenditures under section 502(a) (2).

1 (vi) The address and the county in which the club
2 licensee is located.

3 (vii) Other information or documentation required by
4 the department.

5 (viii) Calculation of the 20% contribution under
6 section 502.1.

7 * * *

8 Section 3. Section 502(a) of the act, added February 2, 2012
9 (P.L.7, No.2), is amended and the section is amended by adding a
10 subsection to read:

11 Section 502. Distribution of proceeds.

12 (a) Distribution.--The proceeds from games of chance
13 received by a club licensee shall be distributed as follows:

14 (1) No less than [70%] 50% of the proceeds shall be paid
15 to organizations for public interest purposes in the calendar
16 year in which the proceeds were obtained.

17 (1.1) No less than 20% of the proceeds shall be
18 deposited into the Student Achievement Block Grant Fund.

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

23 (i) Real property taxes.

24 (ii) Utility and fuel costs.

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

27 (iv) Water and sewer costs.

28 (v) Property or liability insurance costs.

29 (vi) Mortgage payments.

30 (vii) Interior and exterior repair costs, including

1 repair to parking lots.

2 (viii) New facility construction costs.

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

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

7 * * *

8 (c) Exemption.--A club licensee which has proceeds of less
9 than \$100,000 in a single calendar month shall be exempt from
10 subsection (a) (1.1) and shall not be required to deposit
11 proceeds into the fund. A club licensee which has proceeds of
12 less than \$100,000 in a single calendar month shall distribute
13 the proceeds as follows:

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

17 (2) No more than 30% of the proceeds obtained in a
18 calendar year may be retained by a club licensee and used for
19 the operational expenses relating to the club licensee under
20 subsection (a) (2).

21 Section 4. The act is amended by adding sections to read:

22 Section 502.1. Contribution.

23 The following shall apply:

24 (1) Twenty percent of the proceeds from games of chance
25 shall be collected by the club licensee for remission to the
26 fund.

27 (2) Each club licensee shall file with the department,
28 on a form prescribed by the department, a games of chance
29 report. The report shall be filed with the department by the
30 15th day following the end of each calendar month. The report

1 shall include the following:

2 (i) The total amount of proceeds for all games of
3 chance sold by the club licensee in the prior calendar
4 month, which shall be calculated by indicating the number
5 of each type of game of chance sold and the projected
6 proceeds for each type of game.

7 (ii) Calculation of the 20% contribution under
8 paragraph (1).

9 (3) Each club licensee shall remit the contribution for
10 deposit into the fund to the department with the monthly
11 report.

12 Section 708. Penalties and interest on contribution.

13 If a club licensee fails to remit the contribution under
14 section 502.1, the department may do any of the following:

15 (1) Assess the amount due.

16 (2) Impose and assess an administrative penalty equal to
17 5% of the contribution due, but unpaid for each quarter or
18 fraction of a quarter that the contribution remains unpaid
19 together with interest at the rate established under section
20 806 of the act of April 9, 1929 (P.L.343, No.176), known as
21 The Fiscal Code, from the time the contribution was due.

22 Section 5. This act shall take effect in 60 days.