
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1313 Session of
2013

INTRODUCED BY MOUL, KOTIK, SWANGER, METZGAR, KAUFFMAN, HELM,
DeLUCA, GINGRICH, GROVE, V. BROWN, EVERETT AND TALLMAN,
JUNE 10, 2013

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, JUNE 10, 2013

AN ACT

1 Providing for local option small games of chance; and making a
2 related repeal.

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3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 CHAPTER 1

6 PRELIMINARY PROVISIONS

7 Section 101. Short title.

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

10 Section 102. Legislative intent.

11 The General Assembly finds and declares that:

12 (1) The playing of games of chance for the purpose of
13 raising funds by certain nonprofit associations for the
14 promotion of charitable or civic purposes is in the public
15 interest. In some cases, the proceeds from games of chance
16 may be utilized to support certain operating expenses of
17 certain organizations.

18 (2) It is the policy of the General Assembly that all
19 phases of licensing, operation and regulation of games of
20 chance be strictly controlled and that all laws and
21 regulations with respect to games of chance, as well as all
22 gambling laws, should be strictly construed and rigidly
23 enforced.

24 (3) The possibility of association between commercial
25 gambling and organized crime is recognized, and the General
26 Assembly wishes to discourage commercialization of games of
27 chance, prevent participation by organized crime and prevent
28 the diversion of funds from the purposes authorized under
29 this act.

30 Section 103. Definitions.

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

4 "50/50 drawing." A game in which:

5 (1) A participant buys a ticket for a chance to win a
6 prize where the winner is determined by a random drawing of
7 corresponding tickets sold for that drawing.

8 (2) The prize paid to the winner is comprised of one-
9 half of the money collected from tickets from the drawing and
10 the remaining money retained by the eligible organization for
11 distribution in accordance with this act.

12 "Affiliated nonprofit organization." An organization which
13 meets all of the following:

14 (1) Is established by or affiliated with a major league
15 sports team or its affiliate for the purpose of raising funds
16 for charity.

17 (2) Is qualified for an exemption under section 501(c)

18 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,
19 26 U.S.C. § 101(c)(3)).

20 "Bona fide member." An individual who holds a membership in
21 the eligible organization as defined by that organization's
22 constitution, charter, articles of incorporation or bylaws.

23 "Charitable organization." A not-for-profit group or body of
24 people which is created and exists for the purpose of:

25 (1) performing a human service;

26 (2) promoting the good and welfare of persons who are
27 aged, poor, infirm or distressed;

28 (3) combating juvenile delinquency; or

29 (4) advancing the spiritual, mental, social and physical
30 improvement of young men and women.

1 "Civic and service association." Any of the following:

2 (1) A Statewide or branch, lodge or chapter of a
3 nonprofit national or State organization which is authorized
4 by its written constitution, charter, articles of
5 incorporation or bylaws to engage in a civic or service
6 purpose within this Commonwealth and which has existed in
7 this Commonwealth for one year.

8 (2) A local nonprofit organization similar to an
9 organization under paragraph (1) which is not affiliated with
10 a national or State organization and which is recognized by a
11 resolution adopted by the governing body of the municipality
12 in which the organization conducts its principal activities.

13 (3) A Statewide or local bona fide sportsmen's and
14 wildlife association, federation or club, volunteer fire
15 company, volunteer rescue squad and volunteer ambulance
16 association and senior citizens organization. In the case of
17 a bona fide senior citizens organization, the licensing
18 authority may accept alternative documentation for proof of
19 purpose if there are no bylaws or articles of incorporation
20 in existence.

21 (4) A nonprofit organization which is established to
22 promote and encourage participation and support for
23 extracurricular activities within the established primary and
24 secondary public, private and parochial school systems. The
25 organization must be recognized by a resolution adopted by
26 the appropriate governing body. In the case of an
27 organization associated with the public school system, the
28 governing body shall be the school board of the school
29 district. In the case of a private or parochial school
30 organization, the governing body shall be the board of

1 trustees or the Archdiocese.

2 "Club." An eligible organization that:

3 (1) is licensed to sell liquor under section 404 of the
4 act of April 12, 1951 (P.L.90, No.21), known as the Liquor
5 Code; and

6 (2) qualifies as an exempt organization under section
7 501(c) or 527 of the Internal Revenue Code of 1986 (Public
8 Law 99-514, 26 U.S.C. § 501(c) or 527).

9 "Club licensee." A club that holds a license to conduct
10 small games of chance.

11 "Coin auction." A game in which a participant buys a
12 numbered paddle for a chance to bid on a donated prize with the
13 winner determined by a random drawing of corresponding numbers.

14 "Daily drawing." As follows:

15 (1) The term shall include:

16 (i) A game of chance in which a bona fide member
17 selects or is assigned a number for a chance at a prize
18 with the winner determined by random drawing to take
19 place on the licensed eligible organization's licensed
20 premises during the same operating day.

21 (ii) Games of chance commonly known as "member sign-
22 in lotteries" and "half-and-half lotteries."

23 (2) Nothing in this definition shall restrict an
24 eligible organization from conducting more than one drawing
25 per day.

26 "Department." The Department of Revenue of the Commonwealth.

27 "Dispensing machine." A device designed exclusively for the
28 dispensing of the games of chance authorized under this act,
29 including ticket jars, fish bowls and stamp machines.

30 "Eligible organization." Any of the following:

1 (1) Any of the following which have been in existence
2 and fulfilling its purpose for one year prior to the date of
3 application for a license:

4 (i) a charitable, religious, fraternal or veterans'
5 organization; or

6 (ii) a civic and service association.

7 (2) An affiliated nonprofit organization licensed under
8 section 202.

9 "Fraternal organization." A nonprofit organization within
10 this Commonwealth which meets all of the following:

11 (1) Is created and carried on for the mutual benefit of
12 its members, has a limited membership and a representative
13 form of government and is a branch, lodge or chapter of a
14 national or State organization.

15 (2) Has been in existence in this Commonwealth and
16 fulfilling its purpose for one year prior to the date of
17 application for a license.

18 "Games of chance." As follows:

19 (1) A punchboard, daily drawing, weekly drawing, 50/50
20 drawing, selective raffle, poker run, coin auction, race
21 night game, vertical wheel game, raffle and pull-tab:

22 (i) which, except for a vertical wheel game, is not
23 played by or with the assistance of a mechanical or
24 electrical device or media other than a dispensing
25 machine or passive selection device; and

26 (ii) in which a particular chance taken by a person
27 in the game is not contingent upon any other occurrence
28 or the winning of another contest, but is determined
29 solely at the discretion of the purchaser.

30 (2) This definition shall not be construed to authorize

1 any other form of gambling currently prohibited under any
2 provision of 18 Pa.C.S. (relating to crimes and offenses) or
3 authorized under 4 Pa.C.S. (relating to amusements).

4 "Home game." A game of a major league sports team or its
5 affiliate, including a league-sponsored game, exhibition,
6 regular season game, All-Star game, play-off game and
7 championship game, held at the home facility of the major league
8 sports team or its affiliate.

9 "Law enforcement official." A municipal police officer, a
10 member of the Pennsylvania State Police, the sheriff of a county
11 or a deputy sheriff.

12 "License." A license to conduct games of chance.

13 "Licensed distributor." A distributor of games of chance
14 licensed under Chapter 4.

15 "Licensing authority." The county treasurer or in a home
16 rule county or city of the first class, if there is no elected
17 treasurer, the designee of the governing authority.

18 "Major league sports team." A professional team that is a
19 member of Major League Baseball, the National Football League,
20 the National Hockey League, the National Basketball Association
21 or Major League Soccer.

22 "Municipality." A city, borough, incorporated town or
23 township or a home rule municipality formerly classified as a
24 city, borough, incorporated town or township.

25 "Nonbanking card game." A card game where players play
26 against one another rather than against the house. Nonbanking
27 card games may include any of the following:

28 (1) Poker games.

29 (2) Hearts.

30 (3) Rummy.

1 (4) Pinochle.

2 (5) Bid Whist.

3 "Nonbanking card game tournament" or "tournament." A series
4 of card games held by a licensed eligible organization during a
5 consecutive period of time of not more than 24 hours and not
6 held as part of any other games of chance.

7 "Passive selection device." A device which meets all of the
8 following:

9 (1) Is used to hold or denote the universe of possible
10 winning numbers or entrants in a daily drawing or raffle.

11 (2) Does not have the capability of being utilized to
12 conduct or aid in the conducting of unauthorized or illegal
13 forms of gambling.

14 "Poker run." A game in which all of the following occur:

15 (1) A participant meets at a designated location to
16 receive instructions for the event.

17 (2) Each participant receives a detailed explanation of
18 the game destinations and a score card which will be
19 completed as the participant progresses to each destination.

20 (3) At each designated stop on the run route, the
21 participant draws or is dealt a card at random. The card
22 which is drawn or dealt is recorded on the participant's
23 score card.

24 (4) A winner is determined as the participant which
25 makes the highest poker hand at the end of the event.

26 "Prize." Cash or merchandise awarded for games of chance.

27 "Proceeds." The difference between:

28 (1) the actual gross revenue collected by a licensed
29 eligible organization from a game of chance; and

30 (2) the actual amount of prizes paid by a licensed

1 eligible organization from a game of chance, plus the cost to
2 purchase games of chance.

3 "Professional sports drawing." A 50/50 drawing conducted by
4 an affiliated nonprofit organization at a home game of a major
5 league sports team or its affiliate, in which 50% of the money
6 collected from ticket sales from the drawing is offered as the
7 prize and the remaining 50% is retained by the affiliated
8 nonprofit organization sponsoring the drawing for distribution
9 to charitable organizations.

10 "Public interest purpose." As follows:

11 (1) One or more of the following:

12 (i) Providing benevolent, religious, educational,
13 philanthropic, humane, scientific, patriotic, social
14 welfare, social advocacy, public health, public safety,
15 emergency response, environmental, historic preservation,
16 conservation, athletic, sportsman's safety and education
17 or civic services or benefits.

18 (ii) Initiating, performing or fostering worthy
19 public works or enabling or furthering the erection or
20 maintenance of public structures.

21 (iii) Lessening the burdens borne by government or
22 voluntarily supporting, augmenting or supplementing
23 services which government would normally render to the
24 people.

25 (iv) Improving, expanding, maintaining or repairing
26 real property owned or leased by an eligible organization
27 and relating operational expenses used for purposes
28 specified under subparagraphs (i), (ii) and (iii).

29 (2) The term does not include the erection or
30 acquisition of real property, unless the property will be

1 used for one or more of the purposes specified under this
2 definition.

3 "Pull-tab." A single folded or banded ticket or a strip
4 ticket or card with a face covered to conceal one or more
5 numbers or symbols, where one or more of each set of tickets or
6 cards has been designated in advance as a winner.

7 "Punchboard." A board, placard or other device marked off in
8 a grid or columns, in which each section contains a hidden
9 number, or other symbol, which determines the winning chances.

10 "Pyramid" or "build-up." Any of the following:

11 (1) A card game in which a prize must be returned in
12 order to play another game or to be eligible for another
13 bigger prize.

14 (2) A game in which the prize must be forfeited if a
15 later game is lost.

16 "Race night game." A game in which a participant places a
17 wager on a prerecorded horse race.

18 "Raffle." As follows:

19 (1) The term shall include any of the following:

20 (i) A game of chance, including a lottery, in which
21 a participant buys a ticket for a chance at a prize with
22 the winner determined by a random drawing of
23 corresponding ticket stubs to take place at a location
24 and date printed upon each ticket.

25 (ii) A reverse raffle.

26 (2) The term shall not include a daily drawing.

27 "Religious organization." A not-for-profit group or body of
28 people which is created and which exists for the predominant
29 purpose of regularly holding or conducting religious activities
30 or religious education, without pecuniary benefit to an officer,

1 member or shareholder except as reasonable compensation for
2 actual services rendered to the organization.

3 "Selective raffle." A game in which all of the following
4 occur:

5 (1) The participant buys a ticket or tickets for a
6 chance to win a donated prize.

7 (2) The participant places the ticket in a designated
8 location for the prize which the participant would like to
9 win.

10 (3) The winner for each prize is determined by a random
11 drawing of tickets with a corresponding number for the prize.

12 "Social card game" or "card game." A nonbanking card game
13 that is played by members at the licensed premises of an
14 eligible organization.

15 "Vertical wheel game." A game in which a participant places
16 a coin or token on a color, number or word or purchases a ticket
17 containing a color, number or word and watches a spinning
18 vertical wheel until the pointer of the wheel rests on a section
19 of the wheel designating a winner.

20 "Veterans organization." Any of the following which have
21 been in existence in this Commonwealth and fulfilling the
22 purpose of the organization for one year prior to the date of
23 application for a license:

24 (1) Any of the following within this Commonwealth whose
25 membership consists of individuals who were members of the
26 armed services or armed forces of the United States:

27 (i) A congressionally chartered organization within
28 this Commonwealth.

29 (ii) Any branch or lodge or chapter of a nonprofit
30 national or State organization within this Commonwealth.

1 (2) A home association.

2 "Weekly drawing." A game of chance in which a bona fide
3 member selects or receives a number for a chance at a prize with
4 the winner determined by a random drawing to take place on the
5 licensed eligible organization's licensed premises at the end of
6 a seven-day period.

7 Section 104. Determination of winner.

8 (a) Passive selection device or reference.--A daily drawing
9 winner and weekly drawing winner may be determined with the aid
10 of a passive selection device or reference to a drawing
11 conducted by the department under the act of August 26, 1971
12 (P.L.351, No.91), known as the State Lottery Law.

13 (b) Reference.--A raffle winner may be determined by
14 reference to a drawing conducted by the department under the
15 State Lottery Law.

16 Section 105. Amount of chance.

17 (a) Daily drawing.--A daily drawing chance may not be sold
18 for an amount in excess of \$1, and no more than one chance per
19 individual may be sold per drawing.

20 (b) Weekly drawing.--A weekly drawing chance may not be sold
21 for an amount in excess of \$1.

22 Section 106. Construction.

23 Nothing in this act shall be construed to authorize devices
24 commonly known as "slot machines" or "video poker."

25 CHAPTER 2

26 ELIGIBLE ORGANIZATIONS

27 Section 201. Games of chance permitted.

28 (a) Purpose.--Every eligible organization to which a license
29 has been issued under this chapter may conduct games of chance
30 for raising funds for public interest purposes for the purchase

1 of games of chance, for the payment of the license fee or for
2 the payment of the fee for background checks. An eligible
3 organization may use the proceeds received from games of chance
4 conducted by the eligible organization to fulfill the public
5 interest purpose of the eligible organization. An eligible
6 organization may not use proceeds for the payment of any fine
7 levied against the eligible organization.

8 (b) Games permitted.--Every eligible organization to which a
9 license has been issued under this chapter may conduct games of
10 chance.

11 (c) Relationship to table games.--A vertical wheel game
12 shall not be considered a "table game" as defined in 4 Pa.C.S. §
13 1103 (relating to definitions). The designation of a vertical
14 wheel game under this act shall not preclude the authorization
15 of a vertical wheel game as a table game under 4 Pa.C.S. Pt. II
16 (relating to gaming).

17 Section 202. Licensing of eligible organizations to conduct
18 games of chance.

19 (a) License required.--No eligible organization shall
20 conduct or operate a game of chance unless the eligible
21 organization has obtained and maintains a valid license or
22 limited occasion license issued pursuant to this section. An
23 auxiliary group of a licensed eligible organization shall be
24 eligible to conduct games of chance using the license issued to
25 the eligible organization provided that the auxiliary group is
26 listed on the application and license of the eligible
27 organization. An auxiliary group is not eligible to obtain a
28 license or a limited occasion license. No additional licensing
29 fee shall be charged to an eligible organization for listing an
30 auxiliary group of the organization. An auxiliary group shall

1 not include branches, lodges or chapters of a Statewide
2 organization.

3 (b) Issuance and fees.--Within 30 days of receiving an
4 application from an organization, the licensing authority shall
5 grant a license to an eligible organization meeting the
6 requirements for licensure contained in this chapter. The
7 license shall allow the eligible organization to conduct and
8 operate games of chance at the locations within the county or in
9 a manner as stated on the application as limited by subsection
10 (b.1). The license fee to be charged to each eligible
11 organization shall be \$100, except for limited occasion licenses
12 which shall be \$25. Licenses shall be renewable annually upon
13 the anniversary of the date of issue. The license fee shall be
14 used by the licensing authority to administer this act.

15 (b.1) Location of games of chance.--

16 (1) Except as otherwise provided in this section, a
17 licensed eligible organization, except a limited occasion
18 licensee, may conduct small games of chance at a licensed
19 premises. The licensed premises shall be indicated on the
20 eligible organization's license application.

21 (2) A location or premises which is the normal business
22 or operating site of the eligible organization and the
23 location or premises owned or leased by that eligible
24 organization to conduct its normal business shall be the
25 eligible organization's licensed premises. If that location
26 consists of more than one building, the eligible organization
27 shall identify the building that will be designated as the
28 licensed premises.

29 (2.1) An eligible organization must notify the district
30 attorney to conduct games of chance in a different location

1 from the location of the licensed premise that is listed on
2 the eligible organization's application and license. The
3 notification must include the address of the new location and
4 the dates and times the games of chance will be conducted at
5 the new location.

6 (3) If an eligible organization does not own or lease a
7 specific location to conduct its normal business, the
8 eligible organization may use the premise of another eligible
9 organization or club licensee to conduct games of chance or
10 may make arrangements that are consistent with this act to
11 establish a licensed premises, including leasing a premise
12 under a written agreement for a rental. The rental may not be
13 determined by either the amount of receipts realized from the
14 conduct of games of chance or the number of people attending.
15 An eligible organization may lease a facility for a banquet
16 in connection with the serving of a meal based on a per-head
17 charge. Prior to the use of the premises of another eligible
18 organization or club licensee to conduct games of chance, an
19 eligible organization must notify the district attorney
20 regarding the use of the premise of another eligible
21 organization or club licensee, including the address of the
22 premise and the dates and times the games of chance will be
23 operated.

24 (3.1) (Reserved).

25 (3.2) Notwithstanding paragraphs (1), (2) and (3), the
26 following eligible organizations established to raise funds
27 shall not be required to conduct a 50/50 drawing or a raffle
28 at a licensed premises or to own, lease or establish a
29 licensed premises:

30 (i) A nonprofit sports team.

1 (ii) A primary or secondary school-sponsored club,
2 sports team or organization.

3 (4) An eligible organization which has obtained a
4 limited occasion license under subsection (b.3) may use
5 another eligible organization's or club licensee's licensed
6 premises to conduct its games of chance. When a licensed
7 eligible organization or club licensee is permitting a
8 limited occasion licensee to use its licensed premises for
9 purposes of games of chance, the licensed eligible
10 organization or club licensee shall cease the operation of
11 its own games of chance during the period that the limited
12 occasion licensee is conducting its games on the premises.

13 (b.2) Off-premises games of chance.--Notwithstanding any
14 other provisions of this section, the following shall apply:

15 (1) A licensed eligible organization may conduct games
16 of chance at a location off its premises when the games of
17 chance are part of an annual carnival, fair, picnic or
18 banquet held or participated in by that licensed eligible
19 organization on a historical basis. The licensed eligible
20 organization must notify, in writing, the district attorney
21 and licensing authority of the location, date and times of
22 the event where it will be conducting games of chance.

23 (2) Raffle and 50/50 drawing tickets may be sold off the
24 licensed premises in a municipality which has adopted the
25 provisions of this act by an affirmative vote in a municipal
26 referendum.

27 (b.3) Limited occasion licenses.--Eligible organizations may
28 apply for a limited occasion license to conduct games of chance.
29 A limited occasion license entitles an eligible organization to
30 conduct no more than three games of chance and not more than two

1 raffles during a licensed year. Holders of a limited occasion
2 license may not apply or be granted any other license under this
3 act. No holder of a regular license under this act shall apply
4 for or be granted a limited occasion license.

5 (b.4) Gambling facility prohibited.--It shall be unlawful
6 for a person, corporation, association, partnership or other
7 business entity to offer for rent or offer for use a building or
8 facility to be used exclusively for the conduct of games of
9 chance. It shall also be unlawful for any eligible organization
10 to lease under any terms a building or facility which is used
11 exclusively for the conduct of games of chance.

12 (c) Display.--Licenses issued pursuant to this section shall
13 be publicly displayed at the site where games of chance are
14 conducted.

15 (d) Operation.--Each licensed eligible organization shall be
16 prohibited from the following:

17 (1) Permitting any person under 18 years of age to
18 operate or play games of chance.

19 (2) Permitting any person who has been convicted of a
20 felony in a Federal or State court within the past five years
21 or has been convicted in a Federal or State court within the
22 past ten years of a violation of the act of July 10, 1981
23 (P.L.214, No.67), known as the Bingo Law, or of this act to
24 manage, set up, supervise or participate in the operation of
25 games of chance.

26 (3) Conducting games of chance by anyone other than the
27 managers, officers, directors, bar personnel and bona fide
28 members of the eligible organization.

29 (4) Conducting games of chance on any premises other
30 than on the licensed premises or as otherwise provided by

1 this chapter.

2 (5) Leasing the licensed premises under either an oral
3 or a written agreement for a rental which is determined by
4 either the amount of receipts realized from the playing of
5 games of chance or the number of people attending, except
6 that an eligible organization may lease a facility for a
7 banquet where a per-head charge is applied in connection with
8 the serving of a meal. An eligible organization shall not
9 lease the premises from any person who has been convicted of
10 a violation of this act or the Bingo Law within the past ten
11 years.

12 (6) Purchasing games of chance, other than raffles,
13 vertical wheel games, selective raffles, coin auctions, poker
14 runs, 50/50 drawings, daily drawings and weekly drawings,
15 from any person other than a registered manufacturer or
16 licensed distributor approved by the department.

17 (e) Application for license.--Each eligible organization
18 shall apply to the licensing authority for a license on a form
19 to be prescribed by the Secretary of Revenue. The form shall
20 contain an affidavit to be affirmed by the executive officer or
21 secretary of the eligible organization stating that:

22 (1) No person under 18 years of age will be permitted by
23 the eligible organization to operate or play games of chance.

24 (2) The facility in which the games of chance are to be
25 played has adequate means of ingress and egress and adequate
26 sanitary facilities available in the area.

27 (3) The eligible organization is not leasing the
28 premises from the owner of the premises under an oral
29 agreement, nor is it leasing the premises from the owner of
30 the premises under a written agreement at a rental which is

1 determined by the amount of receipts realized from the
2 playing of games of chance or by the number of people
3 attending, except that an eligible organization may lease a
4 facility for a banquet where a per-head charge is applied in
5 connection with the serving of a meal.

6 (e.1) Proceedings.--Proceedings before the licensing
7 authority are subject to 2 Pa.C.S. Chs. 5 Subch. B (relating to
8 practice and procedure of local agencies) and 7 Subch. B
9 (relating to judicial review of local agency action).

10 (f) List of licensees.--The licensing authority, on a
11 semiannual basis, shall send a copy of all licensees to the
12 department.

13 (g) List of municipalities.--The licensing authority shall
14 include with any license or renewal license issued to an
15 eligible organization an up-to-date listing of those
16 municipalities within the licensing county which have approved
17 the referendum question on small games of chance.

18 (h) Background checks.--Each application for a license
19 submitted by an eligible organization which has proceeds in
20 excess of \$5,000 in a year shall include the results of a
21 criminal history record information check obtained from the
22 Pennsylvania State Police, as defined in 18 Pa.C.S. § 9102
23 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b)
24 (relating to general regulations), for the executive officer and
25 treasurer of the eligible organization making the application
26 for a license or any other person required by the department.
27 Section 203. Eligible organization reporting.

28 (a) Recordkeeping requirements.--This section shall not be
29 construed to authorize the department to promulgate regulations
30 providing for recordkeeping requirements for licensed eligible

1 organizations which require unreasonable or unnecessary
2 information or a repetitious listing of information. The
3 department shall strive to keep the recordkeeping requirements
4 from being an undue hardship or burden on licensed eligible
5 organizations. For individual prizes of \$600 or more, records
6 shall include the name and address of the winner. An eligible
7 organization shall not obtain or retain receipts of prizes that
8 are donated. An eligible organization shall provide each winner
9 with a receipt of the value of the prize won of \$600 or more,
10 unless the prize is cash. Except as provided under section
11 701(b), the department may not require the retention of records
12 for a period in excess of two years.

13 (b) Reporting requirements.--Each eligible organization
14 which has proceeds in excess of \$5,000 in a 12-month period
15 commencing upon the anniversary of the date the license was
16 issued must submit a report. The form for the report shall be
17 available in hard copy and electronically from the department's
18 Internet website. The report may be submitted by mail to the
19 department or through the department's Internet website. The
20 report shall include the following:

21 (1) Prizes awarded as required under section 335 of the
22 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
23 Code of 1971.

24 (2) Amounts expended for public interest purposes.
25 Section 204. Social card games.

26 (a) Authorization.--Notwithstanding 18 Pa.C.S. (relating to
27 crimes and offenses), this act or other law or regulation,
28 social card games may be played at the licensed premises of an
29 eligible organization in accordance with the requirements of
30 this chapter.

1 (b) Requirements.--The following shall apply:

2 (1) A card game must be played by and between members of
3 the eligible organization.

4 (2) The eligible organization or another person may not
5 have an interest in the outcome of a card game.

6 (3) A nonbanking card game must be played with members
7 playing against each other.

8 (4) Wagering shall be at the discretion of each player.

9 (5) The maximum prize or payout for a card game shall be
10 limited to \$100.

11 (6) The eligible organization may not charge a fee for
12 play.

13 (7) Not more than ten members may play at a table in a
14 card game.

15 (8) A card game shall be played in a room set aside for
16 that activity at the licensed premises of the eligible
17 organization.

18 (9) Not more than five gaming tables may be made
19 available for the play of card games by the eligible
20 organization.

21 (10) An eligible organization or a person may not
22 collect, obtain or charge a percentage of or collect or
23 obtain a portion of a wager or winnings of a player in a card
24 game, except that a player may collect his winnings.

25 (11) An eligible organization or a person may not
26 collect, obtain money from or charge or impose a fee upon a
27 person that enables the person to play or results in or from
28 the person playing a card game. This paragraph shall not
29 preclude the collection of a membership fee by the eligible
30 organization that is unrelated to participation in the play

1 of a card game authorized under this chapter.

2 (12) An eligible organization that allows the use of its
3 premises for the play of card games by its members in
4 accordance with this chapter shall submit a schedule of the
5 proposed dates of the card games or a card game tournament to
6 the licensing authority.

7 (c) Posting.--An eligible organization that permits the play
8 of card games at its licensed premises shall prominently post
9 the following in close proximity to card game tables in the room
10 designated to play card games:

11 (1) The wagering limits for each type of card game.

12 (2) The rules of play.

13 (3) Information on where a person can obtain help for
14 problem gambling, including the telephone number for the
15 Pennsylvania Compulsive Gambling Hotline.

16 (d) Prohibitions.--

17 (1) It shall be unlawful for an eligible organization
18 to:

19 (i) Obtain or collect money or anything of value
20 from the conduct of card games at its licensed premises.

21 (ii) Knowingly permit a card game to be played in
22 violation of this chapter.

23 (iii) Fail to comply with the posting requirement in
24 accordance with subsection (c).

25 (iv) Engage in an act, practice or course of conduct
26 that would constitute fraud or deceit upon a player in a
27 card game.

28 (v) Allow a person under 21 years of age to play a
29 card game at its licensed premises.

30 (vi) Knowingly allow a person to employ or attempt

1 to employ a device, scheme or artifice to cheat or
2 defraud a player in a card game.

3 (2) A licensed organization that violates subparagraph
4 (i) shall be subject to the penalties imposed under section
5 702(d).

6 Section 205. Card game tournaments.

7 (a) Authorization.--Notwithstanding another law or
8 regulation, an eligible organization may conduct nonbanking card
9 game tournaments. A card game tournament conducted by an
10 eligible organization shall comply with all of the following:

11 (1) Nonbanking card games must be played in a card game
12 tournament.

13 (2) A card game shall be conducted in a fair and honest
14 manner and may not be operated on a build-up or pyramid
15 basis.

16 (3) Each player in a tournament shall be given the same
17 chance of winning the tournament. Second-chance entries or
18 multiple entries shall be prohibited.

19 (4) An eligible organization shall conduct each
20 tournament and may not contract with or permit another person
21 to conduct the tournament or a card game during the
22 tournament.

23 (5) An eligible organization must receive or have a
24 fixed or contingent right to receive profit, remuneration or
25 compensation from or related to a card game in a card game
26 tournament, except for an amount that a person may win as a
27 player on the same basis as the other players.

28 (6) An eligible organization may not hold more than five
29 card game tournaments annually.

30 (7) An eligible organization may not hold a card game

1 tournament within seven calendar days of another tournament
2 conducted by the eligible organization.

3 (8) An eligible organization may hold one card game
4 tournament during a period of 24 consecutive hours, starting
5 from the time the tournament begins.

6 (9) At the conclusion of each tournament, the eligible
7 organization conducting the tournament shall announce the
8 name of the winning player and the amount of winnings.

9 (10) An eligible organization shall limit the number of
10 tables used in the tournament to not more than five with not
11 more than ten players at each table.

12 (11) A card game tournament must be held in a room at
13 the licensed premises designated by the eligible organization
14 for the conduct of card games.

15 (12) A player in a tournament shall be limited to the
16 members of the eligible organization.

17 (13) A player must be 21 years of age or older.

18 (14) A card game tournament may not provide a direct
19 financial benefit to the eligible organization or another
20 person, except for a winning player in the tournament.

21 (15) The value of all prizes awarded for each
22 tournament, except for a Texas Hold'em tournament, may not
23 exceed \$200.

24 (16) For a tournament involving Texas Hold'em, all of
25 the following shall apply:

26 (i) The payment of an entry fee or other
27 consideration for participating shall be prohibited.

28 (ii) The value of all prizes awarded to an
29 individual winner of a tournament or contest at a single
30 table may not exceed \$200 each day.

1 interest purposes, for general operating expenses of the club,
2 for the purchase of games of chance, for the payment of the
3 license fee or for the payment of the fee for background checks.
4 A club licensee shall not use proceeds for the payment of any
5 fine levied against the club licensee.

6 (b) Games permitted.--Every club licensee to which a license
7 has been issued under the provisions of this chapter may conduct
8 punchboards, pull-tabs, daily drawings, weekly drawings, 50/50
9 drawings and raffles.

10 Section 302. Licensing of clubs to conduct games of chance.

11 (a) License required.--No club licensee shall conduct or
12 operate any games of chance unless the club licensee has
13 obtained and maintains a valid license or limited occasion
14 license issued pursuant to this section. An auxiliary group of a
15 club licensee shall be eligible to conduct games of chance using
16 the license issued to the club licensee provided that the
17 auxiliary group is listed on the application and license of the
18 club licensee. An auxiliary group is not eligible to obtain a
19 license or a limited occasion license. No additional licensing
20 fee shall be charged to a club licensee for an auxiliary group
21 of the organization. An auxiliary group shall not include
22 branches, lodges or chapters of a Statewide organization.

23 (b) Issuance of license.--Within 30 days of receiving an
24 application from a club, the licensing authority shall grant a
25 license to a club meeting the requirements for licensure
26 contained in this chapter to conduct and operate games of chance
27 at the locations in the county or in a manner as stated on the
28 application as limited by subsection (b.1). Licenses shall be
29 renewable annually upon the anniversary of the date issued.

30 (b.1) License fee.--The licensing authority shall charge a

1 fee which shall be used to administer this act. The application
2 and license fee submitted to the licensing authority must
3 include an affidavit executed by the club's executive officer
4 affirming that, if granted a license, the club does not
5 anticipate that the club's prize limits will exceed the
6 determined amount for the license fee. The department shall
7 prescribe an affidavit form for this purpose and make the forms
8 available to the licensing authority. The license fees shall be
9 as follows:

10 (1) Weekly prize limit up to but not exceeding \$25,000
11 shall be \$100.

12 (2) Weekly prize limit up to but not exceeding \$50,000
13 shall be \$1,000.

14 (3) Weekly prize limit up to but not exceeding \$75,000
15 shall be \$2,500.

16 (4) Weekly prize limit up to but not exceeding \$100,000
17 shall be \$5,000.

18 (5) If the weekly prize limit exceeds \$100,000, the club
19 shall pay an additional \$1,000 for each additional \$25,000 in
20 prize money per week.

21 (6) A limited occasion license shall be \$25.

22 (c) Location of games of chance.--

23 (1) Except as otherwise provided in this section, a club
24 licensee, excluding a limited occasion licensee, may conduct
25 small games of chance at a licensed premises. The licensed
26 premises shall be indicated on the club licensee's license
27 application.

28 (2) Where there exists a location or premises which is
29 the normal business or operating site of the club licensee
30 and the location or premises is owned or leased by that club

1 licensee to conduct its normal business, that site shall be
2 the club licensee's licensed premises. If that location
3 consists of more than one building, the club licensee shall
4 identify the building that will be designated as the licensed
5 premises.

6 (2.1) A club licensee must notify the district attorney
7 to conduct games of chance in a different location from the
8 location of the licensed premise that is listed on the club
9 licensee's application and license. The notification must
10 include the address of the new location and the dates and
11 times the games of chance will be conducted at the new
12 location.

13 (3) If a club licensee does not own or lease a specific
14 location to conduct its normal business, the club licensee
15 may use the premise of another eligible organization or club
16 licensee to conduct games of chance or may make arrangements
17 that are consistent with this act to establish a licensed
18 premises, including leasing a premise under a written
19 agreement for a rental. The rental may not be determined by
20 either the amount of receipts realized from the conduct of
21 games of chance or the number of people attending. A club
22 licensee may lease a facility for a banquet in connection
23 with the serving of a meal based on a per-head charge. Prior
24 to the use of the premises of another club licensee or
25 eligible organization to conduct games of chance, a club
26 licensee must notify the district attorney regarding the use
27 of the premise of another eligible organization or club
28 licensee, including the address of the premise and the dates
29 and times the games of chance will be operated.

30 (4) A club licensee that has obtained a limited occasion

1 license under subsection (e) may use another eligible
2 organization's or club licensee's licensed premises to
3 conduct its games of chance. When a licensed eligible
4 organization or club licensee is permitting a limited
5 occasion licensee to use its licensed premises for purposes
6 of games of chance, the licensed eligible organization or
7 club licensee shall cease the operation of its own games of
8 chance during the period that the limited occasion licensee
9 is conducting its games on the premises.

10 (d) Off-premises games of chance.--Notwithstanding any other
11 provisions of this section, the following apply:

12 (1) A club licensee may conduct games of chance at a
13 location off its premises when the games of chance are part
14 of an annual carnival, fair, picnic or banquet held or
15 participated in by the club licensee on a historical basis.
16 The club licensee must notify, in writing, the district
17 attorney and licensing authority of the location, date and
18 times of the event where it will be conducting games of
19 chance.

20 (2) Raffle and 50/50 drawing tickets may be sold on the
21 licensed premises in a municipality that adopted the
22 provisions of this act by an affirmative vote in a municipal
23 referendum.

24 (e) Limited occasion licenses.--A club licensee may apply
25 for a limited occasion license to conduct games of chance. A
26 limited occasion license entitles a club licensee to conduct no
27 more than three games of chance and not more than two raffles
28 during a licensed year. Holders of a limited occasion license
29 may not apply or be granted another license under this act. A
30 holder of a regular license under this act may not apply for or

1 be granted a limited occasion license.

2 (f) Gambling facility prohibited.--It shall be unlawful for:

3 (1) a person, corporation, association, partnership or
4 other business entity to offer for rent or offer for use a
5 building or facility to be used exclusively for the conduct
6 of games of chance; and

7 (2) a club licensee to lease under any terms a building
8 or facility which is used exclusively for the conduct of
9 games of chance.

10 (g) Display.--Licenses issued under this section must be
11 publicly displayed at the site where games of chance are
12 conducted.

13 (h) Operation.--A club licensee may not do the following:

14 (1) permit a person under 18 years of age to operate or
15 play games of chance;

16 (2) permit a person who has been convicted of a felony
17 in a Federal or State court within the past five years or has
18 been convicted in a Federal or State court within the past
19 ten years of a violation of the act of July 10, 1981

20 (P.L.214, No.67), known as the Bingo Law, or of this act to
21 manage, set up, supervise or participate in the operation of
22 games of chance;

23 (3) (reserved);

24 (4) conduct games of chance on a premises other than on
25 the licensed premises or as otherwise provided by this
26 chapter;

27 (5) lease the licensed premises under either an oral or
28 a written agreement for a rental that is determined by either
29 the amount of receipts realized from the playing of games of
30 chance or the number of people attending, except that a club

1 licensee may lease a facility for a banquet where a per-head
2 charge is applied in connection with the serving of a meal. A
3 club licensee may not lease the premises from a person who
4 has been convicted of a violation of this act or the Bingo
5 Law within the past ten years; or

6 (6) purchase games of chance, other than raffles, 50/50
7 drawings, daily drawings and weekly drawings, from a person
8 other than a registered manufacturer or licensed distributor
9 approved by the department.

10 (i) Bank account and records.--A club licensee with proceeds
11 in excess of \$5,000 in a 12-month period commencing upon the
12 anniversary of the date the license was issued shall keep a bank
13 account to hold the proceeds of games of chance. The bank
14 account shall be separate from the other funds belonging to the
15 club licensee. The account records shall show the expenditures
16 and income and shall be retained by the club licensee for at
17 least two years.

18 (j) Application for license.--A club shall apply to the
19 licensing authority for a license on a form to be prescribed by
20 the Secretary of Revenue. The form must contain an affidavit to
21 be affirmed by the executive officer or secretary of the club
22 stating that:

23 (1) a club licensee may not permit a person under 18
24 years of age to operate or play games of chance;

25 (2) the facility in which the games of chance are to be
26 played has adequate means of ingress and egress and adequate
27 sanitary facilities available in the area; and

28 (3) the club is not leasing the premises from the owner
29 of the premises under:

30 (i) an oral agreement; or

1 (ii) a written agreement at a rental that is
2 determined by the amount of receipts realized from the
3 playing of games of chance or by the number of people
4 attending, except that a club licensee may lease a
5 facility for a banquet where a per-head charge is applied
6 in connection with the serving of a meal.

7 (k) Proceedings.--A proceeding before the licensing
8 authority is subject to 2 Pa.C.S. Chs. 5 Subch. B (relating to
9 practice and procedure of local agencies) and 7 Subch. B
10 (relating to judicial review of local agency action).

11 (l) List of licensees.--On a semiannual basis, the licensing
12 authority shall send a copy of a list of the licensees to the
13 department.

14 (m) List of municipalities.--With a license or renewal
15 license issued to a club licensee, the licensing authority must
16 include an up-to-date listing of the municipalities within the
17 licensing county that have approved the referendum question on
18 small games of chance.

19 (n) Background checks.--An application for a license
20 submitted by a club with proceeds in excess of \$5,000 in a year
21 shall include the results of a criminal history record
22 information check obtained from the Pennsylvania State Police,
23 as defined in 18 Pa.C.S. § 9102 (relating to definitions) and
24 permitted by 18 Pa.C.S. § 9121(b) (relating to general
25 regulations), for the executive officer and treasurer of the
26 eligible organization making the application for a license or
27 any other person required by the department.

28 Section 303. Club licensee reporting.

29 (a) Report.--

30 (1) Beginning in 2013, a club licensee shall submit

1 semiannual reports to the department for the preceding six-
2 month period on a form and in a manner prescribed by the
3 department. The form must be available in hard copy and
4 electronically from the department's Internet website. The
5 report may be submitted by mail to the department or through
6 the department's Internet website.

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

9 (3) The report shall include the following information:

10 (i) the proceeds received by the club licensee from
11 each game of chance conducted, itemized by week;

12 (ii) the amount of prizes paid from all games of
13 chance, itemized by week;

14 (iii) other costs incurred related to the conduct of
15 games of chance;

16 (iv) the verification of amounts distributed for
17 public interest purposes itemized under section 304(a)
18 (1), itemized by the recipient;

19 (v) an itemized list of expenditures made or amounts
20 retained and expenditures under section 304(a)(1);

21 (vi) the address and the county in which the club
22 licensee is located; and

23 (vii) other information or documentation required by
24 the department.

25 (b) Distribution.--The department shall provide a copy of
26 the report to the Bureau of Liquor Control Enforcement.

27 (c) Posting.--The reports under subsection (a) shall be
28 published on the department's Internet website.

29 Section 304. Distribution of proceeds.

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

1 received by a club licensee shall be distributed as follows:

2 (1) No less than 70% of the proceeds shall be paid for
3 public interest purposes in the calendar year in which the
4 proceeds were obtained.

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

9 (i) Real property taxes.

10 (ii) Utility and fuel costs.

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

13 (iv) Water and sewer costs.

14 (v) Property or liability insurance costs.

15 (vi) Mortgage payments.

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

18 (viii) New facility construction costs.

19 (ix) Entertainment equipment including televisions,
20 video and electronic games.

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

23 (a.1) Amounts retained.--An amount retained by a club
24 licensee under subsection (a) (2) shall be expended within a 12-
25 month period from when the proceeds were received unless the
26 club licensee notifies the department that funds are being
27 retained for a substantial purchase or project. The notification
28 must include a description of the purchase or project, the
29 anticipated cost of the purchase or project and the anticipated
30 date of the purchase or project.

1 (b) Prohibition.--

2 (1) Proceeds may not be used for the payment of a fine
3 levied against the club licensee.

4 (2) An officer or employee of a club licensee who
5 operates the game of chance may not participate in the game.

6 This paragraph does not apply to a raffle.

7 Section 305. (Reserved).

8 Section 306. Records.

9 A club licensee shall maintain records as required by this
10 act or by the department, including invoices for the purchase of
11 games of chance. Records necessary to conduct an audit under
12 section 702 shall be made available to the Bureau of Liquor
13 Control Enforcement or other entity authorized to enforce this
14 act.

15 Section 307. Raffle tickets.

16 A club licensee shall maintain records relating to the
17 printing or purchase of raffle tickets. Records shall include a
18 receipt or invoice from the place of purchase that shows the
19 cost and number or amount of tickets purchased.

20 Section 308. Weekly drawings.

21 A club licensee shall maintain records relating to the
22 printing or purchase of materials to be used for weekly
23 drawings. Records shall include a receipt or invoice from the
24 place of purchase that shows the cost and number or amount of
25 materials purchased.

26 Section 309. Advertising.

27 It is unlawful for an eligible organization or person to
28 advertise the prizes or their dollar value to be awarded in
29 games of chance, provided that the prizes may be identified on
30 raffle tickets. Notwithstanding the prohibition of advertising

1 contained within this section, an eligible organization may
2 advertise prizes and values of prizes in periodic publications
3 that are limited in their circulation to members of the eligible
4 organization.

5 CHAPTER 4

6 DISTRIBUTOR AND MANUFACTURER LICENSES

7 Section 401. Prohibition.

8 A person may not sell, offer for sale or furnish games of
9 chance for use within this Commonwealth except to an eligible
10 organization or licensed distributor under this chapter.

11 Section 402. Distributor licenses.

12 (a) License required.--A person may not sell, offer for sale
13 or furnish games of chance to eligible organizations licensed
14 under this chapter unless the person obtained a distributor
15 license as provided in this section.

16 (b) Application.--An applicant for the grant or renewal of a
17 distributor license issued under this section shall provide to
18 the department, upon the form prescribed, the following:

19 (1) the applicant's State sales tax number;

20 (2) the applicant's State corporate tax number;

21 (3) the applicant's State employer withholding tax
22 number;

23 (4) the applicant's unemployment compensation account
24 number;

25 (5) a statement that:

26 (i) the State tax reports have been filed and all
27 State taxes paid;

28 (ii) the State taxes are subject to a timely
29 administrative or judicial appeal; or

30 (iii) the State taxes are subject to a duly approved

1 deferred payment plan; and

2 (6) the names and business addresses of the owners,
3 officers, directors, partners and sales personnel.

4 (c) Waiver of confidentiality.--An applicant for the grant
5 or renewal of a distributor license issued under this section
6 shall, by the filing of an application insofar as it relates to
7 the department, waive any confidentiality with respect to State
8 tax information in the possession of the department, the Office
9 of Attorney General or the Department of Labor and Industry
10 regarding the applicant, regardless of the source of the
11 information, and shall consent to the providing of the
12 information to the department by the Office of Attorney General
13 or the Department of Labor and Industry.

14 (d) Review of tax status.--Upon receipt of an application
15 for the grant or renewal of a distributor license issued under
16 this section, the department shall review the State tax status
17 of the applicant. The department shall request State tax
18 information regarding the applicant from the Office of Attorney
19 General or the Department of Labor and Industry and the
20 information must be provided.

21 (e) Limitation on approval.--The department may not approve
22 an application for the grant or renewal of a distributor license
23 issued under this section where the applicant has failed to:

24 (1) provide the information required by subsection (b);

25 (2) file required State tax reports; or

26 (3) pay any State taxes not subject to a timely
27 administrative or judicial appeal or subject to a duly
28 authorized deferred payment plan.

29 (f) Records.-- A distributor licensee shall keep the
30 records, reports and books prescribed by the department.

1 Applicants shall be required to make the records, reports and
2 books available as required by the department under regulation.

3 (g) Ineligibility.--The department may not issue or renew a
4 distributor license for the sale of games of chance to a person,
5 including:

6 (1) a legal entity with an officer, director or other
7 person in a supervisory or management position, including a
8 corporation, firm or partnership; or

9 (2) an employee eligible to make sales on behalf of the
10 distributor who has been convicted:

11 (i) of a felony in a Federal or State court within
12 the past five years; or

13 (ii) within ten years of the date of application in
14 a Federal or State court of a violation of the act of
15 July 10, 1981 (P.L.214, No.67), known as the Bingo Law,
16 or of this act or of a gambling-related offense under 18
17 Pa.C.S. (relating to crimes and offenses) or other
18 comparable Federal or State law.

19 (h) License and renewal fees.--The fee for a distributor
20 license is \$1,000. A license shall be renewable on an annual
21 basis.

22 (i) Exception.--This section does not apply to the
23 manufacture or distribution of raffle tickets.

24 Section 403. Registration of manufacturers.

25 (a) Registration required.--No manufacturer of games of
26 chance shall sell any games of chance to any person unless the
27 manufacturer has registered with the department and has been
28 issued a certificate of registration.

29 (b) Annual certificate and fee.--A certificate under this
30 section shall be valid for one year. The annual fee for

1 registration shall be \$2,000.

2 (c) Prohibited sales.--A manufacturer shall not sell games
3 of chance to any person not licensed as a distributor unless the
4 manufacturer is also a licensed distributor.

5 (d) Applicability.--This section shall not apply to the
6 manufacture or distribution of raffle tickets, 50/50 drawings,
7 daily drawings or weekly drawings.

8 CHAPTER 5

9 MAJOR LEAGUE SPORTS DRAWING

10 Section 501. Licensing of affiliated nonprofit organization to
11 conduct a major league sports drawing.

12 (a) License required.--No affiliated nonprofit organization
13 shall conduct or operate a major league sports drawing unless
14 the affiliated nonprofit organization has obtained and maintains
15 a valid license issued under this section.

16 (b) Issuance and fees.--Within 30 days of receiving an
17 application from an organization, the licensing authority shall
18 grant a license to an affiliated nonprofit organization meeting
19 the requirements for licensure contained in this chapter to
20 conduct and operate a major league sports drawing at the
21 locations within the county or in a manner as stated on the
22 application as limited by subsection (c). The license fee to be
23 charged to each affiliated nonprofit organization shall be \$100.
24 Licenses shall be renewable annually upon the anniversary of the
25 date of issue. The license fee shall be used by the licensing
26 authority to administer this act.

27 (c) Location of games of chance.--Except as otherwise
28 provided in this section, a licensed affiliated nonprofit
29 organization may conduct a major league sports drawing at a
30 licensed premises. The licensed premises shall be indicated on

1 the affiliated nonprofit organization's license application.

2 (d) Display.--Licenses issued under this section shall be
3 publicly displayed at the site where games of chance are
4 conducted.

5 (e) Operation.--Each licensed affiliated nonprofit
6 organization shall be prohibited from all of the following:

7 (1) Permitting any person under 18 years of age to
8 operate or play games of chance.

9 (2) Permitting any person who has been convicted of a
10 felony in a Federal or State court within the past five years
11 or has been convicted in a Federal or State court within the
12 past ten years of a violation of the act of July 10, 1981
13 (P.L.214, No.67), known as the Bingo Law, or of this act to
14 manage, set up, supervise or participate in the operation of
15 games of chance.

16 (3) Conducting games of chance on any premises other
17 than on the licensed premises or as otherwise provided by
18 this chapter.

19 (f) Bank account and records.--Each affiliated nonprofit
20 organization which has proceeds in excess of \$5,000 in a 12-
21 month period commencing upon the anniversary of the date the
22 license was issued shall keep a bank account to hold the
23 proceeds of the major league sports drawing, which shall be
24 separate from all other funds belonging to the licensed
25 affiliated nonprofit organization. Account records shall show
26 all expenditures and income and shall be retained by the
27 licensed affiliated nonprofit organization for at least two
28 years.

29 (g) Application for license.--Each affiliated nonprofit
30 organization shall apply to the licensing authority for a

1 license on a form to be prescribed by the Secretary of Revenue.
2 The form shall contain an affidavit to be affirmed by the
3 executive officer or secretary of the affiliated nonprofit
4 organization stating all of the following:

5 (1) No person under 18 years of age will be permitted by
6 the affiliated nonprofit organization to participate in a
7 major league sports drawing.

8 (2) The facility in which the games of chance are to be
9 played has adequate means of ingress and egress and adequate
10 sanitary facilities available in the area.

11 (h) Proceedings.--Proceedings before the licensing authority
12 are subject to 2 Pa.C.S. Chs. 5 Subch. B (relating to practice
13 and procedure of local agencies) and 7 Subch. B (relating to
14 judicial review of local agency action).

15 (i) List of licensees.--The licensing authority, on a
16 semiannual basis, shall send a copy of all licensees under this
17 section to the department.

18 (j) List of municipalities.--The licensing authority shall
19 include with any license or renewal license issued to an
20 affiliated nonprofit organization, an up-to-date listing of
21 those municipalities within the licensing county which have
22 approved the referendum question on small games of chance.

23 (k) Background checks.--Each application for a license
24 submitted by an affiliated nonprofit organization which has
25 proceeds in excess of \$5,000 in a year shall include the results
26 of a criminal history record information check obtained from the
27 Pennsylvania State Police, as defined in 18 Pa.C.S. § 9102
28 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b)
29 (relating to general regulations), for the executive officer and
30 treasurer of the eligible organization making the application

1 for a license or any other person required by the department.

2 Section 502. Conduct of professional sports drawing.

3 (a) General rule.--A person may purchase one or more
4 professional sports drawing tickets at a home game, and each
5 ticket purchased shall represent one entry in the drawing for a
6 winner. A single ticket shall be randomly chosen as the winner
7 after a certain number of tickets are sold or a specified time
8 period expires as designated by the affiliated nonprofit
9 organization.

10 (b) Frequency.--An affiliated nonprofit organization may
11 conduct no more than one professional sports drawing per home
12 game.

13 (c) Sales restricted.--Tickets for a professional sports
14 drawing may not be sold in any seating area designated as a
15 family section.

16 (d) Distribution.--The prize amount of a professional sports
17 drawing shall be 50% of the total amount collected from the sale
18 of professional sports drawing tickets. The other 50% of the
19 total amount collected from the sale of professional sports
20 drawing tickets shall be donated within seven days from the date
21 of the drawing by the affiliated nonprofit organization
22 conducting the professional sports drawing to a designated
23 charitable organization for which the drawing was conducted.

24 (e) Designated charitable organization.--The affiliated
25 nonprofit organization conducting the professional sports
26 drawing shall disclose to all ticket purchasers the designated
27 charitable organization for which the professional sports
28 drawing is being conducted.

29 (f) Eligibility.--In order to receive proceeds from a
30 professional sports drawing, a charitable organization must be

1 in existence and fulfilling its purposes for at least two years
2 prior to the drawing and shall be eligible for exemption under
3 section 501(c)(3) of the Internal Revenue Code of 1986 (Public
4 Law 99-514, 26 U.S.C. § 501(c)(3)). A political subdivision
5 shall not qualify as a charitable organization under this
6 section.

7 (g) Unclaimed prizes.--Any professional baseball sports
8 drawing prize remaining unclaimed by a winner at the end of the
9 major league sports team's or its affiliate's season shall be
10 donated within 30 days from the end of the season by the
11 affiliated nonprofit organization to the designated charitable
12 organization for which the professional sports drawing was
13 conducted.

14 (h) Definition.--For purposes of professional sports
15 drawings, the facility at which a major league sports team or
16 its affiliate conducts its games shall constitute a premises.
17 Section 503. Advertising.

18 It shall be unlawful for an affiliated nonprofit organization
19 or person to advertise the prizes or their dollar value to be
20 awarded in major league sports drawings. Notwithstanding the
21 prohibition of advertising contained within this section, an
22 affiliated nonprofit organization may advertise prizes and
23 values of prizes in periodic publications which are limited in
24 circulation to members of the affiliated nonprofit organization.

25 CHAPTER 6

26 REGULATIONS OF DEPARTMENT

27 Section 601. Regulations.

28 (a) Authorization.--The department shall promulgate
29 regulations to:

30 (1) Impose minimum standards and restrictions applicable

1 to games of chance manufactured for sale in this
2 Commonwealth, which may include standards and restrictions
3 which specify the maximum number of chances available to be
4 sold for any single game of chance or prize and other
5 standards and restrictions as the department deems necessary
6 for the purposes of this chapter. The department shall
7 consider standards adopted by the National Association of
8 Gambling Regulatory Agencies and other standards commonly
9 accepted in the industry.

10 (2) Establish procedures by which manufacturers may
11 register and distributors of games of chance may apply for
12 licensure on forms which the department shall provide.
13 Procedures shall include a requirement that manufacturer and
14 distributor applicants provide criminal history record
15 information obtained from the Pennsylvania State Police under
16 18 Pa.C.S. § 9121(b) (relating to general regulations) for
17 each officer and manager of the manufacturer's or
18 distributor's organization and for any other individual
19 specified by the department. As used in this paragraph, the
20 term "criminal history record information" has the meaning
21 given in 18 Pa.C.S. § 9102 (relating to definitions).

22 (3) Provide for the suspension or revocation of
23 distribution licenses or manufacturer certificates for
24 violations of this act or regulations of the department.

25 (4) Carry out other provisions of this act.

26 CHAPTER 7

27 ENFORCEMENT

28 Section 701. Revocation of licenses.

29 (a) Grounds.--The following shall be grounds for suspension,
30 revocation or nonrenewal of a license:

1 (1) Any of the proceeds derived from the operation of
2 games of chance by an eligible organization are used for any
3 purpose other than for:

- 4 (i) public interest purposes;
- 5 (ii) the purchase of games of chance; or
- 6 (iii) a purpose permitted by Chapter 3.

7 (1.1) Any of the funds derived from the operation of
8 games of chance by a club licensee are used in a manner that
9 does not comply with section 304.

10 (2) Any person under 18 years of age is operating or
11 playing games of chance.

12 (3) The eligible organization or club licensee has
13 permitted any person who has been convicted of a felony in a
14 Federal or State court within the past five years or has been
15 convicted in a Federal or State court within the past ten
16 years of a violation of the act of July 10, 1981 (P.L.214,
17 No.67), known as the Bingo Law, or of this act, to manage,
18 set up, supervise or participate in the operation of games of
19 chance.

20 (4) The facility in which the games of chance are played
21 does not have adequate means of ingress and egress and does
22 not have adequate sanitary facilities available in the area.

23 (5) Any person or persons other than a manager, officer,
24 director, bar personnel or a bona fide member of an eligible
25 organization have been involved in managing, setting up,
26 operating or running games of chance.

27 (6) The eligible organization conducts the games of
28 chance under a lease which calls for:

- 29 (i) leasing the premises from the owner of the
30 premises under an oral agreement; or

1 (ii) leasing the premises from the owner of the
2 premises under a written agreement at a rental which is
3 determined by the amount of receipts realized from the
4 playing of games of chance.

5 (7) False or erroneous information was provided in the
6 original application or in any information provided to the
7 licensing authority or the department in any report.

8 (8) An eligible organization has been convicted of a
9 violation of this act as evidenced by a certified record of
10 the conviction.

11 (9) A club licensee has failed to file an accurate
12 report under section 303(a).

13 (10) A club licensee has failed to comply with section
14 304.

15 (11) Reports were not filed under section 303.

16 (b) Production of records.--The district attorney may
17 require eligible organizations and club licensees to produce
18 their books, accounts and records relating to the conduct of
19 games of chance in order to determine if a violation of this act
20 has occurred. Club licensees shall also be required, upon
21 request, to provide their licenses, books, accounts and records
22 relating to the conduct of games of chance to the licensing
23 authority, the Bureau of Liquor Control Enforcement or to a law
24 enforcement agency or official. A club licensee shall retain
25 records for a period of two years.

26 Section 702. Enforcement.

27 (a) Licensing authority.--The licensing authority may
28 enforce the provisions of this act and may impose the penalties
29 under section 703.

30 (b) Bureau of Liquor Control Enforcement.--The following

1 shall apply to enforcement:

2 (1) If the licensee is a club licensee, the Bureau of
3 Liquor Control Enforcement may enforce the provisions of this
4 act in accordance with subsection (g). An administrative law
5 judge under section 212 of the act of April 12, 1951 (P.L.90,
6 No.21), known as the Liquor Code, may impose the penalties
7 under section 703 following the issuance of a citation by the
8 bureau.

9 (2) Unless the Bureau of Liquor Control Enforcement has
10 jurisdiction over a club licensee under paragraph (1), the
11 Bureau of Liquor Control Enforcement shall have no
12 jurisdiction to enforce the provisions of this act on any
13 special occasion permit holder under section 408.4 of the
14 Liquor Code.

15 (c) Random audits.--The Bureau of Liquor Control Enforcement
16 shall conduct annual random audits of 5% of all club licensees.

17 (d) Powers and duties.--The district attorney or, in the
18 case of a club licensee, the Bureau of Liquor Control
19 Enforcement may impose the following penalties:

20 (1) A civil penalty.

21 (2) Suspension or revocation of the license.

22 (e) District attorney.--The district attorney of the county
23 that issued the license shall investigate alleged violations of
24 this act for eligible organizations and club licensees. If the
25 district attorney finds probable cause to believe that a
26 criminal violation has occurred, the district attorney may file
27 criminal charges and prosecute the complaint against the alleged
28 violator in the court of common pleas of the county except in
29 counties of the first class where the complaint may be filed in
30 the municipal court.

1 (f) Law enforcement officials.--Nothing in this act may
2 restrict or limit the power of a State, county or local law
3 enforcement official to conduct investigations and file criminal
4 charges under this act.

5 (g) General rule.--

6 (1) Except as provided in paragraph (2), a violation of
7 this act by a club licensee shall not constitute a violation
8 of the Liquor Code.

9 (2) If a club licensee has committed three or more
10 violations of this act, the Bureau of Liquor Control
11 Enforcement may enforce a violation of this act as a
12 violation of the Liquor Code.

13 (3) A violation of this act shall not constitute a
14 violation of the Liquor Code for the purposes of section
15 471(c) of the Liquor Code.

16 Section 703. Civil and administrative penalties.

17 (a) Eligible organizations.--

18 (1) An eligible organization, other than a club
19 licensee, that violates this act shall be subject to the
20 following civil penalties:

21 (i) For an initial violation, up to \$500.

22 (ii) For a second violation, up to \$1,000.

23 (iii) For a third or subsequent violation, up to
24 \$1,500.

25 (2) An eligible organization or club licensee that
26 violates this act shall be subject to the following
27 administrative sanctions:

28 (i) For a first offense, the eligible organization
29 or club licensee shall forfeit its license to conduct
30 games of chance for a period of not more than 30 days.

1 (ii) For a second offense, the eligible organization
2 or club licensee shall forfeit its license for a period
3 of not less than 30 days nor more than 180 days.

4 (iii) For a third or subsequent offense within three
5 years of the first offense, the eligible organization or
6 club licensee shall forfeit its license and be ineligible
7 for a license renewal for 30 months.

8 (b) Club licensees.--A club licensee that violates this act
9 shall be subject to the following civil penalties:

10 (1) For an initial violation, up to \$800.

11 (2) For a second violation, up to \$1,000.

12 (3) For a third or subsequent violation, up to \$2,000.

13 (c) Records.--The intentional failure of a club licensee to
14 provide accurate records shall result in a license suspension of
15 a minimum of six months.

16 Section 704. Criminal penalties.

17 (a) Eligible organizations and club licensees.--An eligible
18 organization or club licensee that violates this act commits a
19 summary offense and shall, upon conviction, be sentenced to pay
20 a fine of not more than \$1,000 for a first offense and \$1,500
21 for a subsequent offense.

22 (b) Individuals.--

23 (1) Except as otherwise set forth in paragraph (2) or
24 (3), an individual who conducts or assists in the conducting
25 of games of chance in violation of this act commits a summary
26 offense.

27 (2) Except as set forth in paragraph (3), an individual
28 who, after being sentenced under paragraph (1), conducts or
29 assists in the conducting of games of chance in violation of
30 this act commits a misdemeanor of the third degree.

1 (3) An individual who, after being sentenced under
2 paragraph (2), conducts or assists in the conducting of games
3 of chance in violation of this act commits a misdemeanor of
4 the first degree.

5 (c) Distributors and manufacturers.--

6 (1) A person that distributes games of chance without a
7 license or in violation of this act or a regulation under
8 this act commits a misdemeanor of the third degree.

9 (2) Except as set forth in paragraph (3), a manufacturer
10 of games of chance that delivers games of chance for sale or
11 distribution in this Commonwealth without registering and
12 obtaining a permit commits a misdemeanor of the first degree.

13 (3) Paragraph (2) does not apply to the manufacture or
14 distribution of raffle tickets.

15 (d) Rigging.--A person commits a misdemeanor of the first
16 degree if, with intent to prevent a game of chance from being
17 conducted in accordance with this act or the rules and usages
18 governing the game of chance, the person does any of the
19 following:

20 (1) Confers a benefit upon a participant or person
21 associated with the game of chance.

22 (2) Receives a benefit as a participant or person
23 associated with the game of chance.

24 (3) Injures a participant in, or person associated with,
25 the game of chance.

26 (4) Threatens to injure a participant in, or person
27 associated with, the game of chance.

28 (5) Tampers with the game of chance.

29 (e) Contingent fees.--A person that distributes,
30 manufactures or operates a game of chance and that requires, for

1 equipment furnished or to play the game of chance, payment equal
2 to a percentage of the total winnings of the game of chance
3 commits a misdemeanor of the first degree.

4 Section 705. Prohibition from participation.

5 None of the following may have a pecuniary interest in the
6 operation of or proceeds from games of chance:

7 (1) A licensed distributor.

8 (2) A person that has been convicted of:

9 (i) a felony;

10 (ii) a violation of the act of July 10, 1981

11 (P.L.214, No.67), known as the Bingo Law;

12 (iii) a violation of this act; or

13 (iv) a violation of a statute of another

14 jurisdiction which is:

15 (A) graded as a felony under the law of that
16 jurisdiction; or

17 (B) similar to a statute listed in subparagraph
18 (ii) or (iii).

19 CHAPTER 8

20 LOCAL OPTION

21 Section 801. Election to be held.

22 (a) Authorization.--

23 (1) A question on the will of the electorate with
24 respect to the the issuance under this act of licenses within
25 the limits of a municipality may be placed on the ballot if
26 any of the following apply:

27 (i) A petition is filed with the signatures of
28 electors representing at least 25% of the highest vote
29 cast for an office in the municipality at the last
30 preceding general election with the county board of

1 elections.

2 (ii) The governing body of the municipality adopts,
3 by a majority vote, a resolution to place the question on
4 the ballot and files a copy of the with the county board
5 of elections of the county.

6 (2) If paragraph (1) applies, the county board of
7 elections shall cause the question to be placed on the ballot
8 or on the voting machine board and submitted at the primary
9 election immediately preceding the municipal election. The
10 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 (3) An election may be held not more than once in four
14 years.

15 (b) Vote.--If a majority of the electors voting on the
16 question vote "yes," then the licensing authority may issue and
17 renew licenses in the municipality. If a majority of the
18 electors voting on the question vote "no," then the licensing
19 authority may not issue nor renew licenses in the municipality.

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

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

27 (e) Withdrawal of approval.--This section may also be used
28 to withdraw approval of the electorate.

29 CHAPTER 51

30 MICSELLANEOUS PROVISIONS

1 Section 5101. Repeal.

2 Repeals are as follows:

3 (1) The General Assembly declares that the repeal under
4 paragraph (2) is necessary to effectuate this act.

5 (2) The act of December 19, 1988 (P.L.1262, No.156),
6 known as the Local Option Small Games of Chance Act, is
7 repealed.

8 Section 5102. Effective date.

9 This act shall take effect in 90 days.