

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 75

Session of 1987

INTRODUCED BY HOLL, JANUARY 15, 1987

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, NOVEMBER 15, 1988

AN ACT

1 ~~Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An~~ <—
2 ~~act relating to tax reform and State taxation by codifying~~
3 ~~and enumerating certain subjects of taxation and imposing~~
4 ~~taxes thereon; providing procedures for the payment,~~
5 ~~collection, administration and enforcement thereof; providing~~
6 ~~for tax credits in certain cases; conferring powers and~~
7 ~~imposing duties upon the Department of Revenue, certain~~
8 ~~employers, fiduciaries, individuals, persons, corporations~~
9 ~~and other entities; prescribing crimes, offenses and~~
10 ~~penalties," providing that no tax shall be imposed on sales~~
11 ~~by volunteer firemen's, ambulance or rescue organizations.~~
12 PROVIDING FOR THE LICENSING OF CLUBS TO CONDUCT GAMES OF CHANCE; <—
13 FOR THE LICENSING OF PERSONS TO DISTRIBUTE GAMES OF CHANCE;
14 FOR THE REGISTRATION OF MANUFACTURERS OF GAMES OF CHANCE; FOR
15 SUSPENSIONS AND REVOCATIONS OF LICENSES AND PERMITS;
16 REQUIRING RECORDS; PROVIDING FOR LOCAL REFERENDUM BY
17 ELECTORATE; AND PRESCRIBING PENALTIES.

18 TABLE OF CONTENTS

- 19 SECTION 1. SHORT TITLE.
- 20 SECTION 2. DEFINITIONS.
- 21 SECTION 3. GAMES OF CHANCE PERMITTED.
- 22 SECTION 4. PRIZE LIMITS.
- 23 SECTION 5. SALES LIMITED.
- 24 SECTION 6. DISTRIBUTOR LICENSES.

- 1 SECTION 7. REGISTRATION OF MANUFACTURERS.
- 2 SECTION 8. REGULATIONS OF DEPARTMENT.
- 3 SECTION 9. LICENSING OF CLUBS TO CONDUCT GAMES OF CHANCE.
- 4 SECTION 10. SPECIAL PERMITS.
- 5 SECTION 11. REVOCATION OF LICENSES.
- 6 SECTION 12. ENFORCEMENT.
- 7 SECTION 13. LOCAL OPTION.
- 8 SECTION 14. ADVERTISING.
- 9 SECTION 15. CERTAIN PERSONS PROHIBITED.
- 10 SECTION 16. PENALTIES.
- 11 SECTION 17. EFFECTIVE DATE.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 ~~Section 1. Section 204(1) of the act of March 4, 1971~~ <—
15 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, is amended~~
16 ~~to read:~~

17 ~~Section 204. Exclusions from Tax. The tax imposed by~~
18 ~~section 202 shall not be imposed upon~~

19 ~~(1) The sale at retail or use of tangible personal property~~
20 ~~(other than motor vehicles, trailers, semi trailers, motor~~
21 ~~boats, aircraft or other similar tangible personal property~~
22 ~~required under either Federal law or laws of this Commonwealth~~
23 ~~to be registered or licensed) or services sold by or purchased~~
24 ~~from a person not a vendor in an isolated transaction or sold by~~
25 ~~or purchased from a person who is a vendor but is not a vendor~~
26 ~~with respect to the tangible personal property or services sold~~
27 ~~or purchased in such transaction: Provided, That inventory and~~
28 ~~stock in trade so sold or purchased, shall not be excluded from~~
29 ~~the tax by the provisions of this subsection. Isolated~~
30 ~~transactions include sales of tangible personal property or~~

1 ~~services by volunteer firemen's, ambulance or rescue~~
2 ~~organizations without limitation as to the number of times or~~
3 ~~number of days the sales or series of sales are conducted.~~

4 * * *

5 ~~Section 2. This act shall take effect immediately.~~

6 SECTION 1. SHORT TITLE. ←

7 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE LOCAL OPTION
8 SMALL GAMES OF CHANCE ACT.

9 SECTION 2. DEFINITIONS.

10 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
11 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
12 CONTEXT CLEARLY INDICATES OTHERWISE:

13 "BONA FIDE CLUB MEMBER." ANY INDIVIDUAL WHO HOLDS A FULL
14 MEMBERSHIP IN THE CLUB AS DEFINED BY THE CLUB'S CONSTITUTION,
15 CHARTER, ARTICLES OF INCORPORATION OR BYLAWS.

16 "CHARITABLE ORGANIZATION." A NOT-FOR-PROFIT GROUP OR BODY OF
17 PERSONS WHICH IS CREATED AND EXISTS FOR THE PURPOSE OF
18 PERFORMING A HUMANE SERVICE; PROMOTING THE GOOD AND WELFARE OF
19 THE AGED, POOR, INFIRM OR DISTRESSED; COMBATING JUVENILE
20 DELINQUENCY; OR ADVANCING THE SPIRITUAL, MENTAL SOCIAL AND
21 PHYSICAL IMPROVEMENT OF YOUNG MEN AND WOMEN.

22 "CLUB." AN INCORPORATED UNIT OF A NATIONAL VETERANS'
23 ORGANIZATION, AS DEFINED IN SECTION 461.1 OF THE ACT OF APRIL
24 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, AND LICENSED
25 TO SELL LIQUOR AT RETAIL UNDER THE ACT; OR A CLUB, AS DEFINED IN
26 SECTION 102 OF THE LIQUOR CODE, THAT QUALIFIES AS AN EXEMPT
27 ORGANIZATION UNDER SECTION 501(C) OR 527 OF THE INTERNAL REVENUE
28 CODE OF 1954 (68A STAT. 3, 26 U.S.C. § 501(C) OR 527) AND IS
29 LICENSED TO SELL LIQUOR AT RETAIL; OR AN ORGANIZED FRATERNAL
30 SOCIETY CREATED AND CARRIED ON FOR THE MUTUAL BENEFIT OF ITS

1 MEMBERS, NOT-FOR-PROFIT AND NOT ISSUING CAPITAL STOCK, HAVING A
2 LIMITED MEMBERSHIP AND A REPRESENTATIVE FORM OF GOVERNMENT AND
3 LICENSED TO SELL LIQUOR AT RETAIL UNDER THE LIQUOR CODE; OR A
4 NOT-FOR-PROFIT RELIGIOUS OR CHARITABLE ORGANIZATION CONDUCTING
5 BUSINESS IN ACCORDANCE WITH THE EXPRESS PURPOSE OF A WRITTEN
6 CONSTITUTION, CHARTER, ARTICLES OF INCORPORATION OR BYLAWS. THE
7 TERM "CLUB" SHALL ALSO INCLUDE ANY VOLUNTEER FIRE COMPANY,
8 VOLUNTEER RESCUE SQUAD OR VOLUNTEER AMBULANCE ASSOCIATION. EACH
9 CLUB SHALL HAVE BEEN IN EXISTENCE AND FULFILLING ITS PURPOSES
10 FOR TWO YEARS PRIOR TO THE DATE OF APPLICATION FOR A LICENSE.

11 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

12 "GAMES OF CHANCE." PUNCHBOARDS, LOTTERIES, RAFFLES AND PULL-
13 TABS, AS DEFINED IN THIS ACT, PROVIDED THAT NO SUCH GAME SHALL
14 BE PLAYED BY OR WITH THE ASSISTANCE OF ANY MECHANICAL OR
15 ELECTRICAL DEVICES OR MEDIA AND FURTHER PROVIDED THAT THE
16 PARTICULAR CHANCE TAKEN BY ANY PERSON IN ANY SUCH GAME SHALL NOT
17 BE MADE CONTINGENT UPON ANY OTHER OCCURRENCE OR THE WINNING OF
18 ANY OTHER CONTEST, BUT SHALL BE DETERMINED SOLELY AT THE
19 DISCRETION OF THE PURCHASER. THIS DEFINITION SHALL NOT BE
20 CONSTRUED TO AUTHORIZE ANY OTHER FORM OF GAMBLING CURRENTLY
21 PROHIBITED UNDER ANY PROVISION OF TITLE 18 OF THE PENNSYLVANIA
22 CONSOLIDATED STATES (RELATING TO CRIMES AND OFFENSES). NOTHING
23 IN THIS ACT SHALL BE CONSTRUED TO AUTHORIZE GAMES COMMONLY KNOWN
24 AS "SLOT MACHINES" OR "VIDEO POKER."

25 "LAW ENFORCEMENT OFFICIAL." A MUNICIPAL POLICE OFFICER, A
26 MEMBER OF THE PENNSYLVANIA STATE POLICE, THE SHERIFF OF A COUNTY
27 OR A DEPUTY SHERIFF.

28 "LEGITIMATE CLUB PURPOSES." ONE OR MORE OF THE FOLLOWING:

29 (1) BENEFITING PERSONS BY ENHANCING THEIR OPPORTUNITY
30 FOR RELIGIOUS OR EDUCATION ADVANCEMENT, BY RELIEVING OR

1 PROTECTING THEM FROM DISEASE, SUFFERING OR DISTRESS, BY
2 CONTRIBUTING TO THEIR PHYSICAL, EMOTIONAL OR SOCIAL WELL-
3 BEING, BY ASSISTING THEM IN ESTABLISHING THEMSELVES IN LIFE
4 AS WORTHY AND USEFUL CITIZENS, OR BY INCREASING THEIR
5 COMPREHENSION OF AND DEVOTION TO THE PRINCIPLES UPON WHICH
6 THIS NATION WAS FOUNDED;

7 (2) INITIATING, PERFORMING, OR FOSTERING WORTHY PUBLIC
8 WORKS OR ENABLING OR FURTHERING THE ERECTION OR MAINTENANCE
9 OF PUBLIC STRUCTURES;

10 (3) LESSENING THE BURDENS BORNE BY GOVERNMENT OR
11 VOLUNTARILY SUPPORTING, AUGMENTING OR SUPPLEMENTING SERVICES
12 WHICH GOVERNMENT WOULD NORMALLY RENDER TO THE PEOPLE; OR

13 (4) THE IMPROVING, EXPANDING, MAINTAINING OR REPAIRING
14 REAL PROPERTY OWNED OR LEASED BY A CLUB.

15 "LEGITIMATE CLUB PURPOSE." THE TERM DOES NOT INCLUDE THE
16 ERECTION OR ACQUISITION OF ANY REAL PROPERTY, UNLESS THE
17 PROPERTY WILL BE USED EXCLUSIVELY FOR ONE OR MORE OF THE
18 PURPOSES SPECIFIED IN THIS DEFINITION.

19 "LICENSING AUTHORITY." THE COUNTY TREASURER, OR IN ANY HOME
20 RULE COUNTY OR CITY OF THE FIRST CLASS, WHERE THERE IS NO
21 ELECTED TREASURER, THE DESIGNEE OF THE GOVERNING AUTHORITY.

22 "LOTTERY." A GAME IN WHICH A BONA FIDE CLUB MEMBER OR GUEST
23 SELECTS A NUMBER FOR A CHANCE AT A PRIZE WITH THE WINNER
24 DETERMINED BY A RANDOM DRAWING TO TAKE PLACE ON THE LICENSED
25 PREMISES. THE TERM INCLUDES GAMES COMMONLY KNOWN AS "MEMBER
26 SIGN-IN LOTTERIES" AND "HALF-AND-HALF LOTTERIES." NOTHING IN
27 THIS ACT SHALL BE CONSTRUED TO PERMIT LOTTERIES ANY PART OF
28 WHICH ARE CONDUCTED AT LOCATIONS OTHER THAN THE LICENSED
29 PREMISES, NOR SHALL THE TERM "LOTTERY" INCLUDE ANY GAME OR
30 CONTEST IN WHICH THE WINNING NUMBER IS DETERMINED BY ANY OTHER

1 DRAWING OR EVENT, EXCEPT THAT WINNING NUMBERS MAY BE DETERMINED
2 BY REFERENCE TO DRAWINGS CONDUCTED BY THE DEPARTMENT PURSUANT TO
3 THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE
4 LOTTERY LAW.

5 "PULL-TAB." A SINGLE FOLDED OR BANDED TICKET OR A STRIP
6 TICKET OR CARD WITH A FACE COVERED TO CONCEAL ONE OR MORE
7 NUMBERS OR SYMBOLS, WHERE ONE OR MORE OF EACH SET OF TICKETS OR
8 CARDS HAS BEEN DESIGNATED IN ADVANCE AS A WINNER. "PULL-TAB"
9 ALSO INCLUDES A TICKET SOLD IN A DEVICE KNOWN AS A TICKET JAR,
10 FISH BOWL OR STAMP MACHINE.

11 "PUNCHBOARD." A BOARD, PLACARD OR OTHER DEVICE MARKET OFF IN
12 A GRID OR COLUMNS, IN WHICH EACH SECTION CONTAINS A HIDDEN
13 NUMBER OR NUMBERS, OR OTHER SYMBOL, WHICH DETERMINES THE WINNING
14 CHANCES.

15 "RAFFLE." A GAME IN WHICH A PARTICIPANT BUYS A TICKET FOR A
16 CHANCE AT A PRIZE WITH THE WINNER DETERMINED BY A RANDOM DRAWING
17 OF CORRESPONDING TICKET STUBS TO TAKE PLACE AT A LOCATION AND
18 DATE PRINTED UPON EACH TICKET.

19 "RELIGIOUS ORGANIZATION." A NOT-FOR-PROFIT GROUP OR BODY OF
20 PERSONS WHICH IS CREATED AND WHICH EXISTS FOR THE PREDOMINANT
21 PURPOSE OF REGULARLY HOLDING OR CONDUCTING RELIGIOUS ACTIVITIES
22 OR RELIGIOUS EDUCATION, WITHOUT PECUNIARY BENEFIT TO ANY
23 OFFICER, MEMBER OR SHAREHOLDER EXCEPT AS REASONABLE COMPENSATION
24 FOR ACTUAL SERVICES RENDERED TO THE ORGANIZATION.

25 SECTION 3. GAMES OF CHANCE PERMITTED.

26 EVERY CLUB TO WHICH A LICENSE HAS BEEN ISSUED UNDER THE
27 PROVISIONS OF THIS ACT MAY CONDUCT GAMES OF CHANCE FOR THE
28 PURPOSE OF RAISING FUNDS FOR LEGITIMATE CLUB PURPOSES. ALL
29 PROCEEDS OF GAMES OF CHANCE SHALL BE USED EXCLUSIVELY FOR
30 LEGITIMATE CLUB PURPOSES OR FOR THE PURCHASE OF GAMES OF CHANCE

1 AS PERMITTED BY THIS ACT.

2 SECTION 4. PRIZE LIMITS.

3 (A) INDIVIDUAL PRIZE LIMIT.--THE MAXIMUM CASH VALUE WHICH
4 MAY BE AWARDED FOR ANY SINGLE CHANCE SHALL BE \$500.

5 (B) WEEKLY LIMIT.--NO MORE THAN \$5,000 IN CASH OR
6 MERCHANDISE SHALL BE AWARDED BY ANY CLUB IN ANY SEVEN-DAY
7 PERIOD.

8 (C) EXCEPTION.--A CLUB MAY CONDUCT A RAFFLE AND AWARD A
9 PRIZE OR PRIZES VALUED IN EXCESS OF \$500 EACH ONLY UNDER THE
10 FOLLOWING CONDITIONS:

11 (1) THE LICENSING AUTHORITY HAS ISSUED A SPECIAL PERMIT
12 FOR THE RAFFLE UNDER SECTION 10.

13 (2) NO CLUB SHALL BE ELIGIBLE TO RECEIVE MORE THAN TWO
14 SPECIAL PERMITS IN ANY CALENDAR YEAR.

15 (3) ONLY ONE RAFFLE MAY BE CONDUCTED UNDER EACH SPECIAL
16 PERMIT.

17 (4) THE TOTAL CASH VALUE OF ALL PRIZES SHALL BE NO MORE
18 THAN \$25,000 FOR EACH RAFFLE.

19 SECTION 5. SALES LIMITED.

20 NO PERSON SHALL SELL, OFFER FOR SALE OR FURNISH GAMES OF
21 CHANCE FOR USE WITHIN THIS COMMONWEALTH EXCEPT TO A CLUB OR
22 DISTRIBUTOR LICENSED UNDER THIS ACT. NO GAME OF CHANCE, OTHER
23 THAN A RAFFLE, SOLD, OFFERED FOR SALE OR FURNISHED FOR USE
24 WITHIN THIS COMMONWEALTH SHALL CONTAIN, PERMIT, DEPICT OR
25 DESIGNATE A PRIZE HAVING A CASH VALUE IN EXCESS OF \$500.

26 SECTION 6. DISTRIBUTOR LICENSES.

27 (A) LICENSE REQUIRED.--NO PERSON SHALL SELL, OFFER FOR SALE
28 OR FURNISH GAMES OF CHANCE UNLESS SUCH PERSON SHALL HAVE
29 OBTAINED A DISTRIBUTOR LICENSE AS PROVIDED IN THIS SECTION.

30 (B) APPLICATION.--AN APPLICANT FOR THE GRANT OR RENEWAL OF A

1 DISTRIBUTOR LICENSE ISSUED PURSUANT TO THIS SECTION SHALL
2 PROVIDE TO THE DEPARTMENT, UPON THE FORM PRESCRIBED, ALL OF THE
3 FOLLOWING:

4 (1) THE APPLICANT'S STATE SALES TAX NUMBER.

5 (2) THE APPLICANT'S STATE CORPORATE TAX NUMBER.

6 (3) THE APPLICANT'S STATE EMPLOYER WITHHOLDING TAX
7 NUMBER.

8 (4) THE APPLICANT'S UNEMPLOYMENT COMPENSATION ACCOUNT
9 NUMBER.

10 (5) A STATEMENT THAT:

11 (I) ALL STATE TAX REPORTS HAVE BEEN FILED AND ALL
12 STATE TAXES PAID;

13 (II) ALL STATE TAXES ARE SUBJECT TO A TIMELY
14 ADMINISTRATIVE OR JUDICIAL APPEAL; OR

15 (III) ALL STATE TAXES ARE SUBJECT TO A DULY APPROVED
16 DEFERRED PAYMENT PLAN.

17 (6) THE NAMES AND BUSINESS ADDRESSES OF ALL OWNERS,
18 OFFICERS, DIRECTORS, PARTNERS AND SALES PERSONNEL.

19 (C) WAIVER OF CONFIDENTIALITY.--AN APPLICANT FOR THE GRANT
20 OR RENEWAL OF ANY LICENSE ISSUED PURSUANT TO THIS SECTION SHALL,
21 BY THE FILING OF AN APPLICATION INSOFAR AS IT RELATES TO THE
22 DEPARTMENT, WAIVE ANY CONFIDENTIALITY WITH RESPECT TO STATE TAX
23 INFORMATION IN THE POSSESSION OF THE DEPARTMENT, THE OFFICE OF
24 ATTORNEY GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY
25 REGARDING THAT APPLICANT, REGARDLESS OF THE SOURCE OF THAT
26 INFORMATION AND SHALL CONSENT TO THE PROVIDING OF THAT
27 INFORMATION TO THE DEPARTMENT BY THE OFFICE OF ATTORNEY GENERAL
28 OR THE DEPARTMENT OF LABOR AND INDUSTRY.

29 (D) REVIEW OF TAX STATUS.--UPON RECEIPT OF ANY APPLICATION
30 FOR THE GRANT OR RENEWAL OF ANY LICENSE ISSUED PURSUANT TO THIS

1 SECTION, THE DEPARTMENT SHALL REVIEW THE STATE TAX STATUS OF THE
2 APPLICANT. THE DEPARTMENT SHALL REQUEST STATE TAX INFORMATION
3 REGARDING THE APPLICANT FROM THE OFFICE OF ATTORNEY GENERAL OR
4 THE DEPARTMENT OF LABOR AND INDUSTRY AND THAT INFORMATION SHALL
5 BE PROVIDED.

6 (E) LIMITATION ON APPROVAL.--THE DEPARTMENT SHALL NOT
7 APPROVE ANY APPLICATION FOR THE GRANT OR RENEWAL OF ANY LICENSE
8 ISSUED PURSUANT TO THIS SECTION WHERE THE APPLICANT HAS FAILED
9 TO:

10 (1) PROVIDE ANY OF THE INFORMATION REQUIRED BY
11 SUBSECTION (B);

12 (2) FILE REQUIRED STATE TAX REPORTS; OR

13 (3) PAY ANY STATE TAXES NOT SUBJECT TO A TIMELY
14 ADMINISTRATIVE OR JUDICIAL APPEAL OR SUBJECT TO A DULY
15 AUTHORIZED DEFERRED PAYMENT PLAN.

16 (F) RECORDS.--THE LICENSEE SHALL KEEP SUCH RECORDS, REPORTS
17 AND BOOKS AS THE DEPARTMENT SHALL PRESCRIBE. APPLICANTS SHALL BE
18 REQUIRED TO MAKE SUCH RECORDS, REPORTS AND BOOKS AVAILABLE AS
19 REQUIRED BY THE DEPARTMENT PURSUANT TO REGULATION.

20 (G) INELIGIBILITY.--THE DEPARTMENT SHALL NOT ISSUE OR RENEW
21 A LICENSE FOR THE SALE OF GAMES OF CHANCE TO A PERSON, INCLUDING
22 ANY CORPORATION, FIRM OR PARTNERSHIP WHICH HAS AN OFFICER,
23 DIRECTOR OR OTHER PERSON IN A SUPERVISORY OR MANAGEMENT
24 POSITION, OR EMPLOYEE ELIGIBLE TO MAKE SALES ON BEHALF OF THE
25 DISTRIBUTOR, A PERSON WHO:

26 (1) HAS BEEN CONVICTED OF A FELONY IN A STATE OR FEDERAL
27 COURT WITHIN THE PAST FIVE YEARS; OR

28 (2) HAS BEEN CONVICTED WITHIN TEN YEARS OF THE DATE OF
29 APPLICATION IN A STATE OR FEDERAL COURT OF A VIOLATION OF THE
30 ACT OF JULY 10, 1981 (P.L.214, NO.67), KNOWN AS THE BINGO

1 LAW, OR OF THIS ACT OR OF A GAMBLING-RELATED OFFENSE UNDER
2 TITLE 18 OF THE PENNSYLVANIA CONSOLIDATED STATUTES OR OTHER
3 COMPARABLE STATE OR FEDERAL LAW.

4 (H) LICENSE AND RENEWAL FEES.--THE FEE FOR A DISTRIBUTOR
5 LICENSE SHALL BE \$1,000. LICENSES SHALL BE RENEWABLE ON AN
6 ANNUAL BASIS.

7 (I) EXCEPTION.--THIS SECTION SHALL NOT APPLY TO THE
8 MANUFACTURE OR DISTRIBUTION OF RAFFLE TICKETS.
9 SECTION 7. REGISTRATION OF MANUFACTURERS.

10 (A) REGISTRATION REQUIRED.--NO MANUFACTURER OF GAMES OF
11 CHANCE SHALL SELL ANY GAMES OF CHANCE TO ANY PERSON UNLESS THE
12 MANUFACTURER HAS REGISTERED WITH THE DEPARTMENT AND HAS BEEN
13 ISSUED A CERTIFICATE OF REGISTRATION.

14 (B) ANNUAL CERTIFICATE; FEE.--A CERTIFICATE UNDER THIS
15 SECTION SHALL BE VALID FOR ONE YEAR. THE ANNUAL FEE FOR
16 REGISTRATION SHALL BE \$2,000.

17 (C) PROHIBITED SALES.--A MANUFACTURER SHALL NOT SELL GAMES
18 OF CHANCE TO ANY PERSON NOT LICENSED AS A DISTRIBUTOR UNLESS THE
19 MANUFACTURER IS ALSO A LICENSED DISTRIBUTOR.

20 (D) EXCEPTION.--THIS SECTION SHALL NOT APPLY TO THE
21 MANUFACTURE OR DISTRIBUTION OF RAFFLE TICKETS.
22 SECTION 8. REGULATIONS OF DEPARTMENT.

23 THE DEPARTMENT SHALL PROMULGATE REGULATIONS TO:

24 (1) IMPOSE MINIMUM STANDARDS AND RESTRICTIONS APPLICABLE
25 TO GAMES OF CHANCE MANUFACTURED FOR SALE IN THIS
26 COMMONWEALTH, WHICH MAY INCLUDE STANDARDS AND RESTRICTIONS
27 WHICH SPECIFY THE MAXIMUM NUMBER OF CHANCES AVAILABLE TO BE
28 SOLD FOR ANY SINGLE GAME OR PRIZE AND SUCH OTHER STANDARDS
29 AND RESTRICTIONS AS THE DEPARTMENT DEEMS NECESSARY FOR THE
30 PURPOSES OF THIS ACT. THE DEPARTMENT SHALL CONSIDER STANDARDS

1 ADOPTED BY THE NATIONAL ASSOCIATION OF GAMBLING REGULATORY
2 AGENCIES AND OTHER STANDARDS COMMONLY ACCEPTED IN THE
3 INDUSTRY.

4 (2) ESTABLISH PROCEDURES BY WHICH MANUFACTURERS MAY
5 REGISTER AND DISTRIBUTORS OF GAMES OF CHANCE MAY APPLY FOR
6 LICENSURE ON FORMS WHICH THE DEPARTMENT SHALL PROVIDE.

7 (3) PROVIDE FOR THE SUSPENSION OR REVOCATION OF
8 DISTRIBUTION LICENSES OR MANUFACTURER PERMITS FOR VIOLATIONS
9 OF THIS ACT OR REGULATIONS OF THE DEPARTMENT.

10 (4) CARRY OUT OTHER PROVISIONS OF THIS ACT.

11 SECTION 9. LICENSING OF CLUBS TO CONDUCT GAMES OF CHANCE.

12 (A) LICENSE REQUIRED.--NO CLUB SHALL CONDUCT OR OPERATE ANY
13 GAMES OF CHANCE UNLESS SUCH CLUB HAS OBTAINED AND MAINTAINS A
14 VALID LICENSE ISSUED PURSUANT TO THIS SECTION.

15 (B) ISSUANCE AND FEES.--THE LICENSING AUTHORITY SHALL
16 LICENSE, UPON APPLICATION, ANY CLUB MEETING THE REQUIREMENTS FOR
17 LICENSURE CONTAINED IN THIS ACT TO CONDUCT AND OPERATE GAMES OF
18 CHANCE AT ONE LOCATION IN THE COUNTY. THE LICENSE FEE TO BE
19 CHARGED TO EACH CLUB SHALL BE \$100. LICENSES SHALL BE RENEWABLE
20 ANNUALLY.

21 (C) DISPLAY.--LICENSES ISSUED PURSUANT TO THIS SECTION SHALL
22 BE PUBLICLY DISPLAYED ON THE PREMISES.

23 (D) OPERATION.--EACH LICENSED CLUB SHALL COMPLY WITH THE
24 FOLLOWING RESTRICTIONS AND RULES GOVERNING THE OPERATION OF
25 GAMES OF CHANCE:

26 (1) NO PERSON UNDER 18 YEARS OF AGE, OR IN THE CASE OF A
27 CLUB HOLDING A LIQUOR LICENSE, 21 YEARS OF AGE, SHALL BE
28 PERMITTED TO OPERATE OR PLAY GAMES OF CHANCE.

29 (2) NO CLUB SHALL PERMIT ANY PERSON WHO HAS BEEN
30 CONVICTED OF A FELONY OR A VIOLATION OF THE ACT OF JULY 10,

1 1981 (P.L.214, NO.67), KNOWN AS THE BINGO LAW, OR OF THIS ACT
2 TO MANAGE, SETUP, SUPERVISE OR PARTICIPATE IN THE OPERATION
3 OF GAMES OF CHANCE.

4 (3) NO CLUB SHALL PAY ANY COMPENSATION TO ANY PERSON FOR
5 CONDUCTING ANY GAMES OF CHANCE, EXCEPT AS PART OF THE SALARY
6 OR OTHER NORMAL COMPENSATION PAID TO CLUB MANAGERS, BAR
7 PERSONNEL, OFFICERS AND DIRECTORS. OTHER PERSONS MAY CONDUCT
8 GAMES OF CHANCE ONLY IF THEY ARE BONA FIDE MEMBERS OF THE
9 CLUB.

10 (4) GAMES SHALL BE CONDUCTED ONLY ON THE LICENSED
11 PREMISES, EXCEPT THAT RAFFLES MAY BE CONDUCTED AT OTHER
12 LOCATIONS.

13 (5) THE CLUB SHALL OWN THE PREMISES UPON WHICH GAMES OF
14 CHANCE ARE PLAYED OR SHALL LEASE SUCH PREMISES UNDER A
15 WRITTEN AGREEMENT FOR A RENTAL WHICH IS NOT DETERMINED BY
16 EITHER THE AMOUNT OF RECEIPTS REALIZED FROM THE PLAYING OF
17 GAMES OF CHANCE NOR THE NUMBER OF PEOPLE ATTENDING. A CLUB
18 SHALL NOT LEASE SUCH PREMISES FROM ANY PERSON WHO HAS BEEN
19 CONVICTED OF A VIOLATION OF THIS ACT.

20 (6) GAMES, OTHER THAN RAFFLES, SHALL BE PURCHASED ONLY
21 FROM MANUFACTURERS AND DISTRIBUTORS APPROVED BY THE
22 DEPARTMENT.

23 (E) APPLICATION FOR LICENSE.--EACH CLUB SHALL APPLY TO THE
24 LICENSING AUTHORITY FOR A LICENSE ON A FORM TO BE PRESCRIBED BY
25 THE SECRETARY OF REVENUE. THE FORM SHALL CONTAIN AN AFFIDAVIT TO
26 BE AFFIRMED BY THE EXECUTIVE OFFICER OR SECRETARY OF THE CLUB
27 STATING THAT:

28 (1) NO PERSON UNDER 18 YEARS OF AGE, OR IN THE CASE OF A
29 CLUB HOLDING A LIQUOR LICENSE, 21 YEARS OF AGE, WILL BE
30 PERMITTED BY THE CLUB TO OPERATE OR PLAY GAMES OF CHANCE.

1 (2) THE FACILITY IN WHICH THE GAMES OF CHANCE ARE TO BE
2 PLAYED HAS ADEQUATE MEANS OF INGRESS AND EGRESS AND ADEQUATE
3 SANITARY FACILITIES AVAILABLE IN THE AREA.

4 (3) THE CLUB IS THE OWNER OF THE PREMISES UPON WHICH THE
5 GAMES OF CHANCE ARE PLAYED OR, IF IT IS NOT, THAT THE CLUB IS
6 NOT LEASING SUCH PREMISES FROM THE OWNER THEREOF UNDER AN
7 ORAL AGREEMENT, NOR IS IT LEASING SUCH PREMISES FROM THE
8 OWNER THEREOF UNDER A WRITTEN AGREEMENT AT A RENTAL WHICH IS
9 DETERMINED BY THE AMOUNT OF RECEIPTS REALIZED FROM THE
10 PLAYING OF GAMES OF CHANCE OR BY THE NUMBER OF PEOPLE
11 ATTENDING.

12 SECTION 10. SPECIAL PERMITS.

13 (A) ISSUANCE AND FEE.--THE LICENSING AUTHORITY SHALL ISSUE A
14 SPECIAL PERMIT FOR EACH RAFFLE IN WHICH THE LICENSEE PROPOSES TO
15 AWARD INDIVIDUAL PRIZES HAVING A CASH VALUE IN EXCESS OF \$500.
16 THE LICENSING AUTHORITY MAY ESTABLISH AND COLLECT A FEE FOR THE
17 ISSUANCE OF SPECIAL PERMITS UNDER THIS SECTION.

18 (B) PERMIT APPLICATION.--EACH SPECIAL PERMIT APPLICATION
19 SHALL SPECIFY THE LOCATION OR LOCATIONS AT WHICH THE RAFFLE WILL
20 BE HELD, THE NUMBER OF CHANCES TO BE SOLD, THE PRICE PER CHANCE
21 AND THE CASH VALUE OF THE PRIZE OR PRIZES TO BE AWARDED.

22 (C) PERMITTED ACTIVITIES.--A CLUB ISSUED A SPECIAL PERMIT
23 UNDER THIS SECTION MAY CONDUCT THE RAFFLE AT THE LOCATION OR
24 LOCATIONS SPECIFIED IN THE PERMIT AND MAY USE RAFFLE TICKETS
25 OBTAINED FROM A SOURCE OTHER THAN A LICENSED DISTRIBUTOR.

26 SECTION 11. REVOCATION OF LICENSES.

27 (A) GROUNDS.--THE LICENSING AUTHORITY SHALL REVOKE OR REFUSE
28 TO RENEW THE LICENSE OF ANY CLUB WHENEVER THE DISTRICT ATTORNEY
29 FINDS UPON COMPLAINT AND INVESTIGATION THAT:

30 (1) ANY OF THE FUNDS DERIVED FROM THE OPERATION OF GAMES

1 OF CHANCE ARE USED FOR ANY PURPOSE OTHER THAN FOR LEGITIMATE
2 CLUB PURPOSES OR FOR THE PURCHASE OF GAMES OF CHANCE AS
3 PERMITTED BY THIS ACT.

4 (2) ANY PERSON UNDER 18 YEARS OF AGE, OR IN THE CASE OF
5 A CLUB HOLDING A LIQUOR LICENSE, A PERSON UNDER 21 YEARS OF
6 AGE, IS OPERATING OR PLAYING GAMES OF CHANCE AS DEFINED IN
7 THIS ACT.

8 (3) THE CLUB HAS PERMITTED ANY PERSON WHO HAS BEEN
9 CONVICTED OF A FELONY OR A VIOLATION OF THE ACT OF JULY 10,
10 1981 (P.L.214, NO.67), KNOWN AS THE BINGO LAW, OR OF THIS
11 ACT, TO MANAGE, SET UP, SUPERVISE OR PARTICIPATE IN THE
12 OPERATION OF GAMES OF CHANCE.

13 (4) THE FACILITY IN WHICH THE GAMES OF CHANCE ARE PLAYED
14 DOES NOT HAVE ADEQUATE MEANS OF INGRESS AND EGRESS AND DOES
15 NOT HAVE ADEQUATE SANITARY FACILITIES AVAILABLE IN THE AREA.

16 (5) ANY PERSON OR PERSONS OTHER THAN A MANAGER, OFFICER,
17 DIRECTOR, BAR PERSONNEL OR A BONA FIDE MEMBER OF A CLUB HAVE
18 BEEN INVOLVED IN MANAGING, SETTING UP, OPERATING OR RUNNING
19 GAMES OF CHANCE.

20 (6) ANY PERSON HAS RECEIVED COMPENSATION FOR CONDUCTING
21 GAMES OF CHANCE, EXCEPT AS PERMITTED UNDER THIS ACT.

22 (7) ANY PRIZE HAS BEEN AWARDED IN EXCESS OF THE LIMITS
23 PERMITTED UNDER THIS ACT.

24 (8) THE CLUB HAS VIOLATED ANY CONDITION OF A SPECIAL
25 PERMIT ISSUED PURSUANT TO SECTION 10.

26 (9) THE CLUB CONDUCTS THE GAMES OF CHANCE UPON PREMISES
27 WHICH IT DOES NOT OWN OR LEASE IN ACCORDANCE WITH THIS ACT
28 AND IS EITHER:

29 (I) LEASING SUCH PREMISES FROM THE OWNER THEREOF
30 UNDER AN ORAL AGREEMENT; OR

1 (II) LEASING SUCH PREMISES FROM THE OWNER THEREOF
2 UNDER A WRITTEN AGREEMENT AT A RENTAL WHICH IS DETERMINED
3 BY THE AMOUNT OF RECEIPTS REALIZED FROM THE PLAYING OF
4 GAMES OF CHANCE.

5 (10) FALSE OR ERRONEOUS INFORMATION WAS PROVIDED IN THE
6 ORIGINAL NOTARIZED APPLICATION.

7 (11) A CLUB HAS BEEN CONVICTED OF A VIOLATION OF THIS
8 ACT AS EVIDENCED BY A CERTIFIED RECORD OF THE CONVICTION.

9 (B) PRODUCTION OF RECORDS.--THE DISTRICT ATTORNEY MAY
10 REQUIRE LICENSEES TO PRODUCE THEIR BOOKS, ACCOUNTS AND RECORDS
11 RELATING TO THE CONDUCT OF GAMES OF CHANCE IN ORDER TO DETERMINE
12 WHETHER A LICENSE SHOULD BE REVOKED OR RENEWAL THEREOF DENIED.
13 LICENSEES SHALL ALSO BE REQUIRED TO PRODUCE THEIR LICENSE,
14 BOOKS, ACCOUNTS AND RECORDS RELATING TO THE CONDUCT OF GAMES OF
15 CHANCE TO OTHER LAW ENFORCEMENT OFFICIALS UPON PROPER REQUEST.
16 SECTION 12. ENFORCEMENT.

17 (A) DISTRICT ATTORNEY.--THE DISTRICT ATTORNEY SHALL
18 INVESTIGATE ALLEGED VIOLATIONS OF THIS ACT. IF THE DISTRICT
19 ATTORNEY FINDS PROBABLE CAUSE TO BELIEVE THAT A VIOLATION HAS
20 OCCURRED, HE MAY FILE A COMPLAINT AGAINST THE ALLEGED VIOLATOR
21 IN THE COURT OF COMMON PLEAS OF SAID COUNTY, EXCEPT IN COUNTIES
22 OF THE FIRST CLASS WHERE THE COMPLAINT MAY BE FILED IN THE
23 MUNICIPAL COURT. IN ADDITION, THE DISTRICT ATTORNEY SHALL
24 PROSECUTE SAID COMPLAINT IN THE MANNER PROVIDED BY LAW.

25 (B) OTHER LAW ENFORCEMENT OFFICIALS.--NOTHING IN THIS ACT
26 SHALL BE INTERPRETED TO RESTRICT THE POWER OF STATE, COUNTY OR
27 LOCAL LAW ENFORCEMENT OFFICIALS TO CONDUCT INVESTIGATIONS AND
28 ENFORCE THE PROVISIONS OF THIS ACT.
29 SECTION 13. LOCAL OPTION.

30 (A) ELECTION TO BE HELD.--NO ANY MUNICIPALITY, AN ELECTION

1 MAY BE HELD ON THE DATE OF THE PRIMARY ELECTION IMMEDIATELY
2 PRECEDING ANY MUNICIPAL ELECTION, BUT NOT MORE THAN ONCE IN FOUR
3 YEARS, TO DETERMINE THE WILL OF THE ELECTORS WITH RESPECT TO THE
4 ISSUANCE OF LICENSES, WITHIN THE LIMITS OF SUCH MUNICIPALITY,
5 UNDER THE PROVISIONS OF THIS ACT. WHERE AN ELECTION SHALL HAVE
6 BEEN HELD AT THE PRIMARY ELECTION PRECEDING A MUNICIPAL ELECTION
7 IN ANY YEAR, ANOTHER ELECTION MAY BE HELD UNDER THE PROVISIONS
8 OF THIS ACT AT THE PRIMARY ELECTION OCCURRING THE FOURTH YEAR
9 AFTER SUCH PRIOR ELECTION. WHENEVER ELECTORS EQUAL TO AT LEAST
10 25% OF THE HIGHEST VOTE CAST FOR ANY OFFICE IN THE MUNICIPALITY
11 AT THE LAST PRECEDING GENERAL ELECTION SHALL FILE A PETITION
12 WITH THE COUNTY BOARD OF ELECTIONS OF THE COUNTY, OR THE
13 GOVERNING BODY OF THE MUNICIPALITY ADOPTS, BY A MAJORITY VOTE, A
14 RESOLUTION TO PLACE SUCH A QUESTION ON THE BALLOT AND A COPY OF
15 THE RESOLUTION IS FILED WITH THE BOARD OF ELECTIONS OF THE
16 COUNTY, FOR A REFERENDUM ON THE QUESTION OF ISSUING LICENSES,
17 THE COUNTY BOARD OF ELECTIONS SHALL CAUSE A QUESTION TO BE
18 PLACED ON THE BALLOT OR ON THE VOTING MACHINE BOARD AND
19 SUBMITTED AT THE PRIMARY ELECTION IMMEDIATELY PRECEDING THE
20 MUNICIPAL ELECTION. THE QUESTION SHALL BE IN THE FOLLOWING FORM:

21 DO YOU FAVOR THE ISSUANCE OF LICENSES
22 TO CONDUCT SMALL GAMES OF CHANCE IN THE
23 OF ?

24 (B) VOTE.--IF A MAJORITY OF THE ELECTORS VOTING ON THE
25 QUESTION VOTE "YES," THEN LICENSES SHALL BE ISSUED BY THE
26 LICENSING AUTHORITY IN SUCH MUNICIPALITY, BUT IF A MAJORITY OF
27 THE ELECTORS VOTING ON ANY SUCH QUESTION VOTE "NO," THEN THE
28 LICENSING AUTHORITY SHALL HAVE NO POWER TO ISSUE OR TO RENEW,
29 UPON THEIR EXPIRATION, ANY LICENSES IN SUCH MUNICIPALITY, UNLESS
30 AND UNTIL, AT A LATER ELECTION, A MAJORITY OF THE VOTING

1 ELECTORS VOTE "YES" ON SUCH QUESTION.

2 (C) VOTING PROCEEDINGS.--PROCEEDINGS UNDER THIS SECTION
3 SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF THE ACT OF JUNE 3,
4 1937 (P.L.1333, NO.320), KNOWN AS THE PENNSYLVANIA ELECTION
5 CODE.

6 (D) APPLICABILITY.--THIS ACT APPLIES ONLY TO THOSE CLUBS
7 LOCATED IN MUNICIPALITIES WHICH HAVE ADOPTED THE PROVISIONS OF
8 THIS ACT BY AN AFFIRMATIVE VOTE IN A MUNICIPAL REFERENDUM IN
9 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

10 (E) WITHDRAWAL OF APPROVAL.--THE REFERENDUM PROCEDURE
11 CONTAINED IN THIS SECTION SHALL ALSO BE AVAILABLE TO WITHDRAW
12 THE APPROVAL OF THE ISSUANCE OF SUCH LICENSES WITHIN SUCH
13 MUNICIPALITY WHICH WAS GRANTED THROUGH A PRIOR REFERENDUM.

14 SECTION 14. ADVERTISING.

15 IT SHALL BE UNLAWFUL FOR ANY CLUB OR PERSON TO ADVERTISE THE
16 PRIZES OR THEIR DOLLAR VALUE TO BE AWARDED IN GAMES OF CHANCE,
17 PROVIDED THAT PRIZES MAY BE IDENTIFIED ON RAFFLE TICKETS.

18 SECTION 15. CERTAIN PERSONS PROHIBITED.

19 NO DISTRIBUTOR NOR ANY PERSON WHO HAS BEEN CONVICTED OF A
20 FELONY OR OF A VIOLATION OF THE ACT OF JULY 10, 1981 (P.L.214,
21 NO.67), KNOWN AS THE BINGO LAW, OR OF THIS ACT OR OF ANY
22 COMPARABLE STATE OR FEDERAL LAW SHALL HAVE A PECUNIARY INTEREST
23 IN THE OPERATION OR PROCEEDS OF GAMES OF CHANCE.

24 SECTION 16. PENALTIES.

25 (A) SUMMARY OFFENSE.--ANY CLUB VIOLATING THE PROVISIONS OF
26 THIS ACT SHALL BE GUILTY OF A SUMMARY OFFENSE, AND UPON
27 CONVICTION THEREOF SHALL BE SENTENCED TO PAY A FINE NOT
28 EXCEEDING \$1,000 AND SHALL FORFEIT ANY LICENSE ISSUED TO THE
29 CLUB, AND IT SHALL BE INELIGIBLE FOR A LICENSE RENEWAL FOR 30
30 MONTHS THEREAFTER.

1 (B) MISDEMEANOR.--ANY PERSON WHO CONDUCTS OR ASSISTS IN THE
2 CONDUCTING OF GAMES OF CHANCE IN VIOLATION OF THE PROVISIONS OF
3 THIS ACT, IS GUILTY OF A MISDEMEANOR OF THE FIRST DEGREE.

4 (C) DISTRIBUTORS AND MANUFACTURERS.--ANY PERSON WHO
5 DISTRIBUTES GAMES OF CHANCE WITHOUT A LICENSE OR IN VIOLATION OF
6 ANY PROVISION OF THIS ACT OR APPLICABLE REGULATIONS, AND ANY
7 MANUFACTURER OF GAMES OF CHANCE WHO DELIVERS GAMES OF CHANCE FOR
8 SALE OR DISTRIBUTION IN THIS COMMONWEALTH WHO FAILS TO OBTAIN A
9 PERMIT THEREFOR, IS GUILTY OF A MISDEMEANOR OF THE FIRST DEGREE,
10 PROVIDED THAT NO LICENSE OR PERMIT SHALL BE REQUIRED FOR THE
11 MANUFACTURE OR DISTRIBUTION OF RAFFLE TICKETS.

12 (D) RIGGING.--A PERSON COMMITS A MISDEMEANOR OF THE FIRST
13 DEGREE IF, WITH INTENT TO PREVENT A GAME OF CHANCE FROM BEING
14 CONDUCTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS ACT OR THE
15 RULES AND USAGES GOVERNING THE GAME, HE:

16 (1) CONFERS OR OFFERS OR AGREES TO CONFER ANY BENEFIT
17 UPON OR THREATENS ANY INJURY TO A PARTICIPANT OR OTHER PERSON
18 ASSOCIATED WITH THE GAME;

19 (2) TEMPERS WITH ANY PERSON OR GAMES; OR

20 (3) SOLICITS, ACCEPTS OR AGREES TO ACCEPT ANY BENEFIT.

21 SECTION 17. EFFECTIVE DATE.

22 THIS ACT SHALL TAKE EFFECT IN 60 DAYS.