

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 290** Session of  
2013

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AND DEASY, JANUARY 30, 2013

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AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
FEBRUARY 13, 2013

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## AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),  
2 entitled, as amended, "An act providing for the licensing of  
3 eligible organizations to conduct games of chance, for the  
4 licensing of persons to distribute games of chance, for the  
5 registration of manufacturers of games of chance, and for  
6 suspensions and revocations of licenses and permits;  
7 requiring records; providing for local referendum by  
8 electorate; and prescribing penalties," in preliminary  
9 provisions, further providing for definitions; in games of  
10 chance, further providing for games of chance permitted, for  
11 prize limits, for regulations of the Department of Revenue  
12 and for licensing of eligible organizations to conduct games  
13 of chance; in club licensees, further providing for reports  
14 by a club licensee and for distribution of proceeds; in  
15 enforcement, further providing for revocation of licenses and  
16 for enforcement by the Bureau of Liquor Control Enforcement;  
17 providing for social card games; and abrogating regulations.

18 The General Assembly of the Commonwealth of Pennsylvania  
19 hereby enacts as follows:

20 Section 1. The definitions of "games of chance," "public  
21 interest purpose" and "raffle" in section 103 of the act of

1 December 19, 1988 (P.L.1262, No.156), known as the Local Option  
2 Small Games of Chance Act, amended February 2, 2012 (P.L.7,  
3 No.2) and October 24, 2012 (P.L.1462, No.184), are amended and  
4 the section is amended by adding definitions to read:

5 Section 103. Definitions.

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

9 \* \* \*

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

13 \* \* \*

14 "Games of chance." Punchboards, daily drawings, weekly  
15 drawings, 50/50 drawings, raffles, selective raffles, poker  
16 runs, coin auctions, race night games, vertical wheel game and  
17 pull-tabs, as defined in this act, provided that no such game, \_\_  
18 except for a vertical wheel game, shall be played by or with the  
19 assistance of any mechanical or electrical devices or media  
20 other than a dispensing machine or passive selection device and  
21 further provided that the particular chance taken by any person  
22 in any such game shall not be made contingent upon any other  
23 occurrence or the winning of any other contest, but shall be  
24 determined solely at the discretion of the purchaser. This  
25 definition shall not be construed to authorize any other form of  
26 gambling currently prohibited under any provision of Title 18 of  
27 the Pennsylvania Consolidated Statutes (relating to crimes and  
28 offenses) or authorized under 4 Pa.C.S. (relating to  
29 amusements). Nothing in this act shall be construed to authorize  
30 games commonly known as "slot machines" or "video poker."

1 \* \* \*

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

3 (1) Participants meet at a designated location to  
4 receive instructions for the event.

5 (2) Each participant receives a detailed explanation of  
6 the game destinations and a score card which will be  
7 completed as they progress to each destination.

8 (3) At each designated stop on the run route, the  
9 participant draws or is dealt a card at random. The card  
10 which is drawn or dealt is recorded on the participant's  
11 score card.

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

14 \* \* \*

15 "Public interest purpose." One or more of the following:

16 (1) [The activities and operations of a nonprofit]  
17 Providing benevolent, religious, educational, philanthropic,  
18 humane, scientific, patriotic, social welfare, social  
19 advocacy, public health, public safety, emergency response,  
20 environmental [or civic objective], historic preservation,  
21 conservation, athletic, sportsman's safety and education or  
22 civic services or benefits.

23 (2) Initiating, performing or fostering worthy public  
24 works or enabling or furthering the erection or maintenance  
25 of public structures.

26 (3) Lessening the burdens borne by government or  
27 voluntarily supporting, augmenting or supplementing services  
28 which government would normally render to the people.

29 (4) Improving, expanding, maintaining or repairing real  
30 property owned or leased by an eligible organization and

1 relating operational expenses used for purposes specified in  
2 paragraphs (1), (2) and (3).

3 The term does not include the erection or acquisition of any  
4 real property, unless the property will be used [exclusively]  
5 for one or more of the purposes specified in this definition.

6 \* \* \*

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

9 "Raffle." A game of chance in which a participant buys a  
10 ticket for a chance at a prize with the winner determined by a  
11 random drawing of corresponding ticket stubs to take place at a  
12 location and date or dates printed upon each ticket. Such games  
13 of chance shall include lotteries but not daily drawings. Raffle  
14 winners may be determined by reference to drawings conducted by  
15 the department pursuant to the act of August 26, 1971 (P.L.351,  
16 No.91), known as the State Lottery Law. The term includes a  
17 reverse raffle.

18 \* \* \*

19 "Selective raffle." A game in which all of the following  
20 occur:

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

23 (2) The participant places the ticket or tickets in a  
24 designated location for the prize which the participant would  
25 like to win.

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

28 "Vertical wheel game." A game in which a participant places  
29 a coin or token on a color, number or word or purchases a ticket  
30 containing a color, number or word and watches a spinning

1 vertical wheel until the pointer of the wheel rests on a section  
2 of the wheel designating a winner.

3 \* \* \*

4 Section 2. Section 301 of the act, amended October 24, 2012  
5 (P.L.1462, No.184), is amended to read:

6 Section 301. Games of chance permitted.

7 (a) General rule.--Every eligible organization to which a  
8 license has been issued under the provisions of this chapter may  
9 conduct games of chance for the purpose of raising funds for  
10 public interest purposes. Except as provided in Chapter 5, all  
11 proceeds of a licensed eligible organization shall be used  
12 exclusively for public interest purposes, for the purchase of  
13 games of chance, for the payment of the license fee or for the  
14 payment of the fee for background checks, as required by this  
15 act. An eligible organization, except a club licensee, may use  
16 the proceeds received from games of chance conducted by the  
17 eligible organization to fulfill the public interest purpose of  
18 the eligible organization.

19 (b) Relationship to table games.--A vertical wheel game or a <--  
20 Texas Hold'em card tournament is not a "table game" as defined  
21 in 4 Pa.C.S. § 1103 (relating to definitions). The designation  
22 of a vertical wheel game and Texas Hold'em card tournament under <--  
23 this act does not preclude the authorization of a vertical wheel  
24 game or a Texas Hold'em card tournament as a table game under 4 <--  
25 Pa.C.S. Pt. II (relating to gaming).

26 Section 3. Section 302 of the act, amended February 2, 2012  
27 (P.L.7, No.2), is amended to read:

28 Section 302. Prize limits.

29 (a) Individual prize limit.--Except as provided under  
30 subsections (d) and (d.1), the maximum prize which may be

1 awarded for any single chance shall be \$1,000.

2 (b) Aggregate prize limit.--No more than [\$25,000] \$35,000  
3 in prizes shall be awarded from games of chance by a licensed  
4 eligible organization in any seven-day period.

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

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

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

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

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

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

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

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

1 ~~(e.1) Texas Hold'em requirements. A licensed eligible~~  
 2 ~~organization shall charge an entry fee of not more than \$10 per~~  
 3 ~~person to play in a Texas Hold'em tournament. The licensed~~  
 4 ~~eligible organization shall pay out prizes to no more than the~~  
 5 ~~top five winning persons in a declining manner based on the~~  
 6 ~~player's final placement in the tournament. The prize pool shall~~  
 7 ~~consist solely of entry fees collected.~~

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

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

25 (h) Weekly drawing carryover exception.--Weekly drawings  
 26 shall be governed by the prize limitation contained in  
 27 subsection (b). The prize limitation contained in subsection (b)  
 28 may be exceeded by a weekly drawing under the following  
 29 circumstances: a weekly drawing may award a prize where the cash  
 30 value is in excess of [\$25,000] \$35,000 if such prize is the

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

9 Section 4. Section 306(b) and (c) of the act, amended  
10 October 24, 2012 (P.L.1462, No.184), are amended and the section  
11 is amended by adding subsections to read:

12 Section 306. Regulations of department.

13 \* \* \*

14 (a.1) Review.--The department shall, on an annual basis,  
15 review the regulations adopted under this act to determine if  
16 the regulations relating to games of chance require revision or  
17 abrogation. The department shall submit a report to the General  
18 Assembly by March 1, 2015, and every two years thereafter. The  
19 report shall include recommendations for changes to this act or  
20 to regulations adopted under this act, if any, including  
21 recommendations for additional games of chance. The  
22 recommendations for additional games of chance shall not include  
23 any game regulated by the Pennsylvania Gaming Control Board  
24 under 4 Pa.C.S. (relating to amusements), keno games or any game  
25 that requires Internet access to play. The report shall be  
26 submitted to the Majority Leader and Minority Leader of the  
27 Senate, the Majority Leader and Minority Leader of the House of  
28 Representatives and the chairperson and minority chairperson of  
29 the standing committees of the Senate and the chairperson and  
30 minority chairperson of the standing committees of the House of



1 Representatives with jurisdiction over this act.

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

17 (c) Reporting requirements.--[Each eligible organization  
18 which has proceeds in excess of \$2,500 in a calendar year shall  
19 submit an annual report to the department including:] Except for  
20 an organization licensed under section 307(b)(1)(i), each  
21 eligible organization shall submit an annual report to the  
22 department for the 12-month period commencing upon the  
23 anniversary of the date the license was issued. The form for the  
24 report shall be available in hard copy and electronically from  
25 the department's Internet website. The report may be submitted  
26 by mail to the department or through the department's Internet  
27 website. The report shall include the following:

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

1 (2) Amounts expended for public interest purposes.

2 Section 5. Section 307(a), (b), (b.1), (b.2), (b.3), (d.1)  
3 and (h) of the act, amended February 2, 2012 (P.L.7, No.2) and  
4 October 24, 2012 (P.L.1462, No.184), are amended and subsection  
5 (b.1) is amended by adding a paragraph to read:

6 Section 307. Licensing of eligible organizations to conduct  
7 games of chance.

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

23 (b) Issuance and fees.--The following shall apply:

24 (1) [The licensing authority shall license, upon  
25 application, within 30 days any eligible organization] Within  
26 30 days of receiving an application from an organization, the  
27 licensing authority shall grant a license to an eligible  
28 organization meeting the requirements for licensure contained  
29 in this chapter to conduct and operate games of chance at  
30 such locations within the county or in such manner as stated

1 on the application as limited by subsection (b.1). The  
2 license fee to be charged to [each] an eligible organization  
3 shall be [\$100, except for limited occasion licenses which  
4 shall be \$10] ~~\$25, unless the eligible organization made more~~ <--  
5 ~~than \$40,000 in proceeds from games of chance in the previous~~  
6 ~~licensing year. If an eligible organization made more than~~  
7 ~~\$40,000 in proceeds from games of chance in the previous~~  
8 ~~licensing year, the license fee shall be \$100.~~ AS FOLLOWS: <--

9 (I) FOR AN ELIGIBLE ORGANIZATION MAKING \$40,000 OR  
10 LESS IN PROCEEDS FROM GAMES OF CHANCE IN THE PRECEDING  
11 CALENDAR YEAR, \$25.

12 (II) FOR AN ELIGIBLE ORGANIZATION MAKING MORE THAN  
13 \$40,000 IN PROCEEDS FROM GAMES OF CHANCE IN THE PRECEDING  
14 CALENDAR YEAR, \$100.

15 (2) Licenses shall be [renewable annually upon] issued  
16 for a period of one year and may be renewed on or after the  
17 anniversary of the date of issue. The license fee shall be  
18 used by the licensing authority to administer this act.

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

20 (1) Except as otherwise provided in this section, a  
21 licensed eligible organization[, except a limited occasion  
22 licensee,] may conduct small games of chance at a licensed  
23 premises. The licensed premises shall be indicated on the  
24 eligible organization's license application. [Only one  
25 license shall be issued per licensed premises. Except as  
26 provided under paragraph (4), a licensed eligible  
27 organization may not share a licensed premises with another  
28 licensed eligible organization; and no licensed eligible  
29 organization may permit its premises to be used for small  
30 games of chance by another licensed eligible organization.]

1           (2) Where there exists a location or premises which is  
2 the normal business or operating site of the eligible  
3 organization and the location or premises is owned or leased  
4 by that eligible organization to conduct its normal business,  
5 that site shall be the eligible organization's licensed  
6 premises. If that location consists of more than one  
7 building, the eligible organization shall identify the  
8 building that will be designated as the licensed premises.

9           (2.1) An eligible organization must notify the district  
10 attorney to conduct games of chance in a different location  
11 from the location of the licensed premise that is listed on  
12 the eligible organization's application and license. The  
13 notification must include the address of the new location and  
14 the dates and times the games of chance will be conducted at  
15 the new location.

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

1 including the address of the premise and the dates and times  
2 the games of chance will be operated.

3 [(3.1) Notwithstanding paragraphs (1), (2) and (3), if  
4 an eligible organization is unable to conduct games of chance  
5 at the location listed on its application and license due to  
6 natural disaster, fire or other circumstance that renders the  
7 location unusable, the eligible organization may submit a  
8 written request to the district attorney to conduct games of  
9 chance in a different location, including the licensed  
10 premises of another eligible organization. The request must  
11 include the change in the location and the dates and times  
12 the games of chance will be operated at the alternative  
13 location. The district attorney shall establish a limit on  
14 the duration of the authorization to conduct games of chance  
15 at the alternative location. Following the expiration of the  
16 authorization period, the eligible organization must return  
17 to the location specified in its application and license or  
18 apply to the licensing authority for a new permanent location  
19 for the conduct of games of chance. The district attorney may  
20 approve or deny the request or stipulate additional  
21 requirements as a condition of approval. If an eligible  
22 organization permits another eligible organization to use its  
23 licensed premises to conduct games of chance under this  
24 paragraph, the eligible organization shall cease its  
25 operation of games of chance during the time the eligible  
26 organization utilizing its premises is conducting its games  
27 of chance] (Reserved).

28 (3.2) Notwithstanding paragraphs (1), (2) and (3), the  
29 following eligible organizations established to raise funds  
30 shall not be required to conduct a 50/50 drawing or a raffle

1 at a licensed premises or to own, lease or establish a  
2 licensed premises:

3 (i) A nonprofit sports team.

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

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

15 (5) For purposes of major league sports drawings, the  
16 facility at which a major league sports team conducts its  
17 games shall constitute a premises for purposes of this act.

18 (b.2) Off-premises games of chance.--Notwithstanding any  
19 other provisions of this section, all of the following apply:

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

28 (2) Raffle and 50/50 drawing tickets may be sold off the  
29 licensed premises in a municipality which has adopted the  
30 provisions of this act by an affirmative vote in a municipal

1 referendum. [A licensed eligible organization which plans to  
2 sell raffle tickets in a municipality located in a county  
3 other than the county in which the eligible organization is  
4 licensed shall notify that county's district attorney and  
5 licensing authority as to the location and the dates that the  
6 licensed eligible organization plans to sell raffle tickets.]

7 [(b.3) Limited occasion licenses.--Eligible organizations  
8 which do not own their own premises or which do not lease a  
9 specific location to conduct their normal business may apply for  
10 a limited occasion license to conduct games of chance on not  
11 more than three occasions covering a total of seven days during  
12 a licensed year. A limited occasion license entitles an eligible  
13 organization to conduct no more than two raffles during a  
14 licensed year where prizes may not exceed the established limits  
15 for regular monthly raffles. Holders of a limited occasion  
16 license may not apply or be granted any other license or special  
17 permit under this act. No holder of a regular license or special  
18 permit under this act shall apply or be granted a limited  
19 occasion license.]

20 \* \* \*

21 (d.1) Bank account and records.--The licensed eligible  
22 organization, except for an organization licensed under  
23 subsection (b) (1) (i), shall keep a bank account to hold the  
24 proceeds of games of chance, which shall be separate from all  
25 other funds belonging to the licensed eligible organization.  
26 Account records shall show all expenditures and income and shall  
27 be retained by the licensed eligible organization for at least  
28 two years.

29 \* \* \*

30 (h) Background checks.--Each application for a license

1 submitted by an eligible organization [which has proceeds in  
2 excess of \$2,500 in a year] , except for an organization  
3 licensed under subsection (b)(1)(i), shall include the results  
4 of a criminal history record information check obtained from the  
5 Pennsylvania State Police, as defined in 18 Pa.C.S. § 9102  
6 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b)  
7 (relating to general regulations), for the executive officer and  
8 [secretary] treasurer of the eligible organization making the  
9 application for a license or any other person required by the  
10 department.

11 Section 6. Sections 501 and 502 of the act, added February  
12 2, 2012 (P.L.7, No.2), are amended to read:

13 Section 501. Club licensee.

14 (a) Report.--

15 (1) Beginning in 2013, a club licensee shall submit  
16 semiannual reports to the department for the preceding six-  
17 month period on a form and in a manner prescribed by the  
18 department. The form shall be available in hard copy and  
19 electronically from the department's Internet website. The  
20 report may be submitted by mail to the department or through  
21 the department's Internet website.

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

24 (3) The report shall include all of the following  
25 information:

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

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

30 (iii) Other costs incurred related to the conduct of



1 games of chance.

2 (iv) The verification of amounts distributed for  
3 public interest purposes itemized under section  
4 [502(a)(1)] 502(a)(2)(i), itemized by the recipient.

5 (v) An itemized list of expenditures made or amounts  
6 retained and expenditures under section [502(a)(2)]  
7 502(a)(2)(ii).

8 (vi) The address and the county in which the club  
9 licensee is located.

10 (vii) Other information or documentation required by  
11 the department.

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

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

16 Section 502. Distribution of proceeds.

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

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

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

26 (i) Real property taxes.

27 (ii) Utility and fuel costs.

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

30 (iv) Water and sewer costs.

- 1 (v) Property or liability insurance costs.  
2 (vi) Mortgage payments.  
3 (vii) Interior and exterior repair costs, including  
4 repair to parking lots.  
5 (viii) New facility construction costs.  
6 (ix) Entertainment equipment, including television,  
7 video and electronic games.  
8 (x) Other expenses adopted in regulation by the  
9 department.]

10 (1) \$40,000 may be retained by the club licensee. Except  
11 as prohibited by subsection (b) (1), there are no additional  
12 restrictions on the use of these proceeds by the club  
13 licensee.

14 (2) Any club licensee proceeds remaining after  
15 distribution under paragraph (1) shall be distributed as  
16 follows:

17 (i) No less than 70% of the proceeds shall be used  
18 for public interest purposes in the 12-month period from  
19 which the proceeds were obtained.

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

24 (A) Real property taxes.

25 (B) Utility and fuel costs.

26 (C) Heating and air conditioning equipment or  
27 repair costs.

28 (D) Water and sewer costs.

29 (E) Property or liability insurance costs.

30 (F) Mortgage payments.

1                   (G) Interior and exterior repair costs,  
2                   including repair to parking lots.

3                   (H) New facility construction costs.

4                   (I) Entertainment equipment, including  
5                   television, video and electronic games.

6                   (J) Other expenses adopted in regulation by the  
7                   department.

8           (a.1) Amounts retained.--Amounts retained by a club licensee  
9 under subsection (a) (2) shall be expended within [the same  
10 calendar year] a 12-month period from when the proceeds were  
11 received unless the club licensee notifies the department that  
12 funds are being retained for a substantial purchase or project.  
13 Notification shall include a description of the purchase or  
14 project, the anticipated cost and the anticipated date of the  
15 purchase or project.

16           (b) Prohibition.--

17               (1) Proceeds shall not be used for wages, alcohol or  
18 food purchases or for the payment of any fine levied against  
19 the club licensee.

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

23           Section 7. Section 701 of the act, amended February 2, 2012  
24 (P.L.7, No.2), is amended to read:

25 Section 701. Revocation of licenses.

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

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

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

4 (1.1) Any of the funds derived from the operation of  
5 games of chance by a club licensee are used in a manner that  
6 does not comply with section 502.

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

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

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

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

23 (6) Any person has received compensation for conducting  
24 games of chance.

25 (7) Any prize has been awarded in excess of the limits  
26 permitted under this act.

27 (8) The eligible organization has violated any condition  
28 of a special permit issued pursuant to section 308.

29 (9) The eligible organization conducts the games of  
30 chance under a lease which calls for:

1 (i) leasing such premises from the owner thereof  
2 under an oral agreement; or

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

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

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

13 [(12) The eligible organization has permitted another  
14 eligible organization to conduct games of chance on its  
15 licensed premises without suspending its own operation of  
16 games of chance during the period that the other licensed  
17 eligible organization is conducting its games on the  
18 premises.]

19 (13) A club licensee has failed to file an accurate  
20 report under section 501(a).

21 (14) A club licensee has failed to comply with section  
22 502.

23 (15) Failure to file reports under section 501.

24 (b) Production of records.--The district attorney may  
25 require licensees to produce their books, accounts and records  
26 relating to the conduct of games of chance in order to determine  
27 if a violation of this act has occurred. Licensees shall also be  
28 required, upon request, to provide their license, books,  
29 accounts and records relating to the conduct of games of chance  
30 to the licensing authority, the Bureau of Liquor Control

1 Enforcement or to a law enforcement agency or official. A club  
2 licensee shall retain records for a period of [five] two years.

3 Section 8. Section 702(b) of the act, amended October 24,  
4 2012 (P.L.1462, No.184), is amended to read:

5 Section 702. Enforcement.

6 \* \* \*

7 (b) Bureau of Liquor Control Enforcement.--The following  
8 shall apply to enforcement:

9 (1) If the licensee is a club licensee, the Bureau of Liquor  
10 Control Enforcement may enforce the provisions of this act in  
11 accordance with subsection (g). An administrative law judge  
12 under section 212 of the act of April 12, 1951 (P.L.90, No.21),  
13 known as the Liquor Code, may impose the penalties under  
14 subsection (d) following the issuance of a citation by the  
15 bureau.

16 (2) Unless the Bureau of Liquor Control Enforcement has  
17 jurisdiction over a club licensee under section 702(b)(1), the  
18 Bureau of Liquor Control Enforcement shall have no jurisdiction  
19 to enforce the provisions of this act on any special occasion  
20 permit holder under section 408.4 of the act of April 12, 1951  
21 (P.L.90, No.21), known as the Liquor Code.

22 \* \* \*

23 Section 9. The act is amended by adding a chapter to read:

24 CHAPTER 8

25 SOCIAL CARD GAMES

26 Section 801. Definitions.

27 The following words and phrases when used in this chapter  
28 shall have the meanings given to them in this section unless the  
29 context clearly indicates otherwise:

30 "Nonbanking card game." A card game where players play

1 against one another rather than against the house. Nonbanking  
2 card games may include any of the following:

3 (1) Poker games.

4 (2) Hearts.

5 (3) Rummy.

6 (4) Pinochle.

7 (5) Bid Whist.

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

12 "Pyramid" or "build-up." A card game in which a prize must  
13 be returned in order to play another game or to be eligible for  
14 another bigger prize, or a game in which the prize must be  
15 forfeited if a later game is lost.

16 "Social card game" or "card game." A nonbanking card game  
17 that is played by members at the licensed premises of an  
18 eligible organization.

19 Section 802. Authorization to conduct social card games.

20 (a) Authorization.--Notwithstanding any provision of 18  
21 Pa.C.S. (relating to crimes and offenses) or of this act or any  
22 other law or regulation to the contrary, social card games may  
23 be played at the licensed premises of an eligible organization  
24 in accordance with the requirements of this chapter.

25 (b) Conditions.--The following shall apply:

26 (1) Card games may only be played by and between members  
27 of the eligible organization.

28 (2) The eligible organization or any other person shall  
29 not have an interest, financial or otherwise, in the outcome  
30 of any card game.

1           (3) Only nonbanking card games may be played with  
2 members playing against each other.

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

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

7           (6) The eligible organization shall not charge a fee for  
8 play.

9           (7) Not more than ten members may play at any table in a  
10 card game.

11           (8) Card games may only be played in a room set aside  
12 for those activities at the licensed premises of the eligible  
13 organization.

14           (9) Not more than five gaming tables may be made  
15 available for the play of card games by the eligible  
16 organization.

17           (10) No card games may be played between the hours of 1  
18 a.m. and 1 p.m.

19           (11) No eligible organization or any other person shall  
20 collect, obtain or charge any percentage of or shall collect  
21 or obtain any portion of any wager or winnings of any player  
22 in a card game, except a player may collect his winnings.

23           (12) No eligible organization or any other person shall  
24 collect, or obtain any money from or charge or impose any fee  
25 upon, any person that either enables the person to play or  
26 results in or from the person playing a card game, except  
27 that this paragraph shall not preclude the collection of a  
28 membership fee by the eligible organization that is unrelated  
29 to participation in the play of a card game authorized under  
30 this chapter.



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

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

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

11           (2) The rules of play.

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

15           (d) Prohibitions.--

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

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

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

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

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

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

29           (vi) Knowingly allow any person to employ or attempt  
30 to employ any device, scheme or artifice to cheat or

1 defraud any player in a card game.

2 (vii) Advertise any card game in violation of  
3 section 704.

4 (2) A licensed organization that violates paragraph (1)  
5 shall be subject to the penalties imposed under section  
6 702(d).

7 (e) Applicability.--The requirements of sections 502 and 503  
8 shall not apply to social card games authorized under this  
9 chapter.

10 Section 803. Card game tournaments.

11 (a) Authorization.--Notwithstanding any other provision of  
12 law or regulation to the contrary, an eligible organization may  
13 conduct nonbanking card game tournaments. A card game tournament  
14 conducted by an eligible organization shall comply with all of  
15 the following:

16 (1) Only nonbanking card games shall be played in a card  
17 game tournament.

18 (2) Each card game shall be conducted in a fair and  
19 honest manner and shall not be operated on a build-up or  
20 pyramid basis.

21 (3) Every player in a tournament shall be given the same  
22 chance of winning the tournament. Second-chance entries or  
23 multiple entries shall be prohibited.

24 (4) The eligible organization shall conduct each  
25 tournament and shall not contract with or permit another  
26 person to conduct the tournament or any card game during the  
27 tournament.

28 (5) Only the eligible organization may receive or have  
29 any fixed or contingent right to receive, directly or  
30 indirectly, any profit, remuneration or compensation from or

1 related to a card game in a card game tournament, except any  
2 amount that a person may win as a player on the same basis as  
3 the other players.

4 (6) The eligible organization shall not hold more than  
5 five card game tournaments annually.

6 (7) The eligible organization shall not hold a card game  
7 tournament within seven calendar days of another tournament  
8 conducted by the eligible organization.

9 (8) The eligible organization may hold only one card  
10 game tournament during any period of 24 consecutive hours,  
11 starting from the time the tournament begins.

12 (9) At the conclusion of each tournament, the eligible  
13 organization conducting the tournament shall announce the  
14 name of the winning player and the amount of winnings.

15 (10) The eligible organization shall limit the number of  
16 tables used in the tournament to not more than five with not  
17 more than ten players at each table.

18 (11) A card game tournament shall only be held in a room  
19 at the licensed premises designated by the eligible  
20 organization for the conduct of card games.

21 (12) Players in tournaments shall be limited to the  
22 members of the eligible organization.

23 (13) Players shall be 21 years of age or older.

24 (14) The card game tournament shall not provide any  
25 direct financial benefit to the eligible organization or any  
26 other person, except winning players in the tournament.

27 (15) The value of all prizes awarded for each  
28 tournament, except for a Texas Hold'em tournament, shall not  
29 exceed \$200.

30 (16) For a tournament involving Texas Hold'em, all of

1 the following shall apply:

2 (i) The payment of an entry fee or other  
3 consideration for participating is prohibited.

4 (ii) The value of all prizes awarded to an  
5 individual winner of a tournament or contest at a single  
6 table shall not exceed \$200 each day.

7 (17) The eligible organization shall ensure that  
8 reasonable accommodations are made for players with  
9 disabilities.

10 (b) Required postings.--Notwithstanding subsection (a), the  
11 eligible organization shall prominently post the tournament  
12 rules on a sign in the tournament playing room at least 24 hours  
13 before the tournament begins. The sign shall be at least 30  
14 inches by 30 inches, and the rules shall be easily readable. The  
15 sign shall include all of the following:

16 (1) In permanent letters three inches high, the words  
17 "Tournament Rules."

18 (2) Card game or games to be played in the tournament  
19 and the rules of each card game.

20 (3) The prize for each card game and tournament.

21 (4) How winners will be determined.

22 (5) Any other tournament rules.

23 (c) Prizes.--Cash or merchandise prizes may be awarded for  
24 each card game tournament. All of the following shall apply:

25 (1) The eligible organization shall distribute the  
26 prizes awarded on the day the prizes are won.

27 (2) Donated or merchandise prizes shall not be  
28 repurchased by the eligible organization.

29 (3) Only prizes that can be won shall be displayed in  
30 the room where the tournament will be held.

1       Section 10. The provisions of 61 Pa. Code §§ 901.463(4)  
2 (relating to raffle records), 901.464(9) (relating to punchboard  
3 and pull-tab records), 901.464a(9) (relating to daily and weekly  
4 drawing records), 901.466(1) (relating to prize records) and  
5 901.733(f) (relating to control of prizes) are abrogated.

6       Section 11. This act shall take effect immediately.