

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 707 Session of 2013

INTRODUCED BY READSHAW, CALTAGIRONE, RAVENSTAHL, D. COSTA,  
KORTZ, HARKINS, YOUNGBLOOD, PARKER, FABRIZIO AND MURT,  
FEBRUARY 13, 2013

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, FEBRUARY 13, 2013

AN ACT

1 Amending the act of August 26, 1971 (P.L.351, No.91), entitled  
2 "An act providing for a State Lottery and administration  
3 thereof; authorizing the creation of a State Lottery  
4 Commission; prescribing its powers and duties; disposition of  
5 funds; violations and penalties therefor; exemption of prizes  
6 from State and local taxation and making an appropriation,"  
7 providing for special lottery sales, for a source of funds  
8 for repayment of bond indebtedness for mass transit purposes  
9 and for the Economic Development Fund for Mass Transit; and  
10 making an editorial change.

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

13 Section 1. Section 301 of the act of August 26, 1971  
14 (P.L.351, No.91), known as the State Lottery Law, amended  
15 November 21, 1996 (P.L.741, No.134), is amended to read:

16 Section 301. Statement of purpose.

17 This chapter is enacted to establish a lottery to be operated  
18 by the State, the net proceeds of which are to be used after  
19 June 30, 1972, for the purposes of providing property tax relief  
20 for the elderly for taxes paid in 1971 and thereafter to persons  
21 65 years of age or older and for providing certain free fixed

1 route local transit services to persons 65 years of age or older  
2 and reduced fare on group ride transit service to persons 65  
3 years of age or older. It is further intended to provide a means  
4 through which to curb illegal gambling operations in  
5 Pennsylvania[.] and to provide a source of funds for the  
6 repayment of indebtedness on bonds issued for mass transit  
7 development by a government agency or authority.

8 Section 2. The act is amended by adding a section to read:  
9 Section 304.1. Special lottery sales.

10 (a) Special lotteries.--The secretary shall conduct annually  
11 at least 12 lotteries for the purpose of providing a source of  
12 funds for the repayment of indebtedness on bonds issued for the  
13 development of mass transit as economic development projects by  
14 a government agency or authority. For lotteries conducted for  
15 this purpose, the price of each ticket or share shall be \$5.00.

16 (b) Identification of special lotteries.--In all advertising  
17 and on tickets, the secretary shall identify any lottery under  
18 this section as being conducted for the benefit of the name and  
19 location of the project.

20 (c) Deposit of revenues.--Notwithstanding the provisions of  
21 section 303(a)(11), the secretary shall deposit all revenues  
22 received under this section, following the payment of prizes to  
23 holders of winning tickets or shares and the payment of costs  
24 incurred in the operation and administration of the lottery,  
25 including the expenses of the division and the costs resulting  
26 from any contract or contracts entered into for promotional,  
27 advertising or operational services or for the purchase or lease  
28 of lottery equipment and materials in the special fund in the  
29 State Treasury, to be known as the Economic Development Fund for  
30 Mass Transit. Moneys in the Economic Development Fund for Mass

1 Transit shall be used solely for the purposes described under  
2 subsection (a).

3 (d) Unclaimed prize money.--Unclaimed prize money on a  
4 winning lottery ticket or share sold under this section shall be  
5 retained by the secretary for payment to the person entitled  
6 thereto for one year after the drawing in which the prize was  
7 won. If no claim is made within such period, the prize money  
8 shall be paid into the Economic Development Fund for Mass  
9 Transit and used for purposes provided under this section.

10 Section 3. Sections 311, 313 and 314 of the act, amended  
11 November 21, 1996 (P.L.741, No.134), are amended to read:

12 Section 311. Disposition of funds.

13 (a) State Lottery Fund.--[All] Except as provided in section  
14 304.1, moneys received from the operation of the State lottery  
15 shall be deposited in a State Lottery Fund which is hereby  
16 created. Such moneys shall be used to the extent necessary for  
17 the payment of lottery prizes but the amount so used shall not  
18 be less than 40% of the amount of which tickets or shares have  
19 been sold. All payments of lottery prizes and for expenses of  
20 operation of the lottery shall be made as provided by law. All  
21 moneys remaining after payment of prizes and operating expenses  
22 shall remain in the State Lottery Fund and shall be allocated  
23 for the purpose of providing property tax relief for the elderly  
24 for taxes paid in 1971 and thereafter pursuant to the provisions  
25 of [the act of March 11, 1971 (P.L.104, No.3), known as the  
26 Senior Citizens Rebate and Assistance Act] Chapter 13 of the act  
27 of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the  
28 Taxpayer Relief Act, and for the purpose of providing free or  
29 reduced fare transit service for the elderly pursuant to Chapter  
30 9 and the act of February 11, 1976 (P.L.14, No.10), known as the

1 Pennsylvania Rural and Intercity Common Carrier Surface  
2 Transportation Assistance Act. In the event sufficient funds are  
3 not available from the lottery receipts to meet the requirements  
4 of the Senior Citizens Rebate and Assistance Act or for  
5 providing free or reduced fare transit service for the elderly  
6 under Chapter 9 and the Pennsylvania Rural and Intercity Common  
7 Carrier Surface Transportation Assistance Act, additional funds  
8 to fulfill these obligations shall be appropriated from the  
9 General Fund for this purpose.

10 (b) Appropriations.--The moneys in said State Lottery Fund  
11 shall be appropriated only:

12 (1) For the payment of prizes to the holders of winning  
13 lottery tickets or shares.

14 (2) For the expenses of the division in its operation of  
15 the lottery.

16 (3) For property tax relief and free or reduced fare  
17 transit service for the elderly as provided under subsection

18 (a).

19 Section 313. Unclaimed prize money.

20 [Unclaimed] Except as provided in section 304.1, unclaimed  
21 prize money on a winning lottery ticket or share shall be  
22 retained by the secretary for payment to the person entitled  
23 thereto for one year after the drawing in which the prize was  
24 won. If no claim is made within such period, the prize money  
25 shall be paid into the State Lottery Fund and used for purposes  
26 as otherwise herein provided.

27 Section 314. Deposits and transactions.

28 The secretary may, in his discretion, require any or all  
29 lottery sales agents to deposit to the credit of the State  
30 Lottery Fund or, where applicable, the Economic Development Fund

1 for Mass Transit, in banks, designated by the State Treasurer,  
2 all moneys received by such agents from the sale of lottery  
3 tickets or shares, less the amount, if any, retained as  
4 compensation for the sale of the tickets or shares, and to file  
5 with the secretary or his designated agents reports of their  
6 receipts and transactions in the sale of lottery tickets in such  
7 form and containing such information as he may require. The  
8 secretary may make such arrangements for any person, including a  
9 bank, to perform such functions, activities or services in  
10 connection with the operation of the lottery as he may deem  
11 advisable pursuant to this chapter and the rules and regulations  
12 of the department, and such functions, activities or services  
13 shall constitute lawful functions, activities and services of  
14 such person.

15 Section 4. This act shall take effect in 60 days.