
 THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. **1098** Session of
2013

INTRODUCED BY PAYNE, TURZAI, CALTAGIRONE, COHEN, HARHAI, KOTIK,
MILLARD, MOUL, PASHINSKI, READSHAW, TOOHIL, WHITE, D. COSTA,
DEASY, BARBIN, ROZZI, STEPHENS, EVERETT AND FARRY,
APRIL 3, 2013

SENATOR WARD, COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
IN SENATE, AS AMENDED, JUNE 19, 2013

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," further providing for
9 definitions, for major league sports drawing and for ~~licensing of eligible organizations to conduct games of~~ <--
10 ~~chance~~ DEFINITION APPLICABILITY, AND "MAJOR LEAGUE SPORTS TEAM," <--
11 "MAJOR LEAGUE SPORTS DRAWING" AND "MAJOR LEAGUE SPORTS TEAM,"
12 FOR DISTRIBUTOR LICENSES, FOR MAJOR LEAGUE SPORTS DRAWING,
13 FOR CLUB LICENSEE, FOR DISTRIBUTION OF PROCEEDS, FOR RECORDS
14 AND FOR RAFFLE TICKETS; PROVIDING FOR BACKGROUND CHECKS;
15 FURTHER PROVIDING FOR ENFORCEMENT; PROVIDING FOR TAVERN
16 GAMING AND FOR A TRANSFER; AND MAKING AN EDITORIAL CHANGE.
17

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

20 ~~Section 1. The definitions of "affiliated nonprofit~~ <--
21 ~~organization," "major league sports drawing" and "major league~~
22 ~~sports team" in section 103 of act of December 19, 1988~~
23 ~~(P.L.1262, No.156), known as the Local Option Small Games of~~

1 ~~Chance Act, added October 24, 2012 (P.L.1462, No.184), are~~
2 ~~amended and the section is amended by adding definitions to~~
3 ~~read:~~

4 ~~Section 103. Definitions.~~

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

8 ~~* * *~~

9 ~~"Affiliated nonprofit organization." An organization~~
10 ~~established by or affiliated with a Major League Baseball,~~
11 ~~National Football League, National Hockey League, National~~
12 ~~Basketball Association or Major League Soccer team, or its~~
13 ~~affiliate, for the purpose of raising funds for charity, which~~
14 ~~is qualified for an exemption under section 501(c)(3) of the~~
15 ~~Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §~~
16 ~~101(e)(3)).~~

17 ~~* * *~~

18 ~~"Home game." A game of a major league sports team or its~~
19 ~~affiliate, including, but not limited to, a league sponsored~~
20 ~~game, exhibition, regular season game, All Star game, play off~~
21 ~~game, and championship game, held at the home facility of the~~
22 ~~major league sports team or its affiliate.~~

23 ~~["Major league sports drawing." A 50/50 drawing conducted by~~
24 ~~an affiliated nonprofit organization at a home game of a major~~
25 ~~league sports team in which 50% of the money collected from~~
26 ~~ticket sales from the drawing are offered as the prize and the~~
27 ~~remaining 50% is retained by the affiliated nonprofit~~
28 ~~organization sponsoring the drawing for distribution to~~
29 ~~charitable organizations.]~~

30 ~~"Major league sports team." A professional team that is a~~

1 ~~member of Major League Baseball, the National Football League,~~
2 ~~the National Hockey League, the National Basketball Association~~
3 ~~or Major League Soccer.~~

4 * * *

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

11 * * *

12 Section 2. ~~Section 304.1 of the act, added October 24, 2012~~
13 ~~(P.L.1462, No.184), is amended to read:~~

14 Section 304.1. [Major league] Professional sports drawing.

15 (a) ~~General rule.~~ A person may purchase one or more [major
16 league] professional sports drawing tickets at a home game, and
17 each ticket purchased shall represent one entry in the drawing
18 for a winner. A single ticket shall be randomly chosen as the
19 winner after a certain number of tickets are sold or a specified
20 time period expires as designated by the affiliated nonprofit
21 organization.

22 (b) ~~Frequency.~~ An affiliated nonprofit organization may
23 conduct no more than one [major league] professional sports
24 drawing per home game.

25 (b.1) ~~Sales restricted.~~ Tickets for a [major league]
26 professional sports drawing may not be sold in any seating area
27 designated as a family section.

28 (c) ~~Distribution.~~ The prize amount of a [major league]
29 professional sports drawing shall be 50% of the total amount
30 collected from the sale of [major league] professional sports

1 ~~drawing tickets. The other 50% of the total amount collected~~
2 ~~from the sale of [major league] professional sports drawing~~
3 ~~tickets shall be donated within seven days from the date of the~~
4 ~~drawing by the affiliated nonprofit organization conducting the~~
5 ~~[major league] professional sports drawing to a designated~~
6 ~~charitable organization for which the drawing was conducted.~~

7 ~~(d) Designated charitable organization. The affiliated~~
8 ~~nonprofit organization conducting the [major league]~~
9 ~~professional sports drawing shall disclose to all ticket~~
10 ~~purchasers the designated charitable organization for which the~~
11 ~~[major league] professional sports drawing is being conducted.~~

12 ~~(e) Eligibility. In order to receive proceeds from a [major~~
13 ~~league] professional sports drawing, a charitable organization~~
14 ~~must be in existence and fulfilling its purposes for at least~~
15 ~~two years prior to the drawing and shall be eligible for~~
16 ~~exemption under section 501(c) (3) of the Internal Revenue Code~~
17 ~~of 1986 (Public Law 99 514, 26 U.S.C. § 501(c) (3)). A political~~
18 ~~subdivision shall not qualify as a charitable organization under~~
19 ~~this section.~~

20 ~~(f) Unclaimed prizes. Any [major league baseball]~~
21 ~~professional sports drawing prize remaining unclaimed by a~~
22 ~~winner at the end of the major league sports team's, or its~~
23 ~~affiliate's, season shall be donated within 30 days from the end~~
24 ~~of the season by the affiliated nonprofit organization to the~~
25 ~~designated charitable organization for which the [major league]~~
26 ~~professional sports drawing was conducted.~~

27 ~~(g) Applicability. The limitations under sections 302,~~
28 ~~303(b), 308 and 704 shall not apply to a [major league]~~
29 ~~professional sports drawing.~~

30 ~~Section 3. Section 307(b.1)(5) of the act, amended October~~

1 ~~24, 2012 (P.L.1462, No.184), is amended to read:~~

2 ~~Section 307. Licensing of eligible organizations to conduct~~
3 ~~games of chance.~~

4 * * *

5 ~~(b.1) Location of games of chance.~~

6 * * *

7 ~~(5) For purposes of [major league] professional sports~~
8 ~~drawings, the facility at which a major league sports team,~~
9 ~~or its affiliate, conducts its games shall constitute a~~
10 ~~premises for purposes of this act.~~

11 * * *

12 ~~Section 4. This act shall take effect in 60 days.~~

13 SECTION 1. THE INTRODUCTORY PARAGRAPH AND THE DEFINITIONS OF <--
14 "MAJOR LEAGUE SPORTS DRAWING" AND "MAJOR LEAGUE SPORTS TEAM" IN
15 SECTION 103 OF THE ACT OF DECEMBER 19, 1988 (P.L.1262, NO.156),
16 KNOWN AS THE LOCAL OPTION SMALL GAMES OF CHANCE ACT, AMENDED
17 OCTOBER 24, 2012 (P.L.1462, NO.184), ARE AMENDED TO READ:

18 SECTION 103. DEFINITIONS.

19 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL,
20 EXCEPT AS PROVIDED UNDER SECTION 901, HAVE THE MEANINGS GIVEN TO
21 THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES
22 OTHERWISE:

23 * * *

24 "MAJOR LEAGUE SPORTS DRAWING." [A 50/50 DRAWING CONDUCTED BY
25 AN AFFILIATED NONPROFIT ORGANIZATION AT A HOME GAME OF A MAJOR
26 LEAGUE SPORTS TEAM IN WHICH 50% OF THE MONEY COLLECTED FROM
27 TICKET SALES FROM THE DRAWING ARE OFFERED AS THE PRIZE AND THE
28 REMAINING 50% IS RETAINED BY THE AFFILIATED NONPROFIT
29 ORGANIZATION SPONSORING THE DRAWING FOR DISTRIBUTION TO
30 CHARITABLE ORGANIZATIONS.] A 50/50 DRAWING CONDUCTED BY A

1 NONPROFIT AFFILIATE OF A MAJOR LEAGUE SPORTS TEAM IN ACCORDANCE
2 WITH SECTION 304.1.

3 "MAJOR LEAGUE SPORTS TEAM." [A PROFESSIONAL TEAM THAT IS A
4 MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL HOCKEY LEAGUE, THE
5 NATIONAL BASKETBALL ASSOCIATION OR MAJOR LEAGUE SOCCER.] A
6 SPORTS TEAM THAT IS ANY OF THE FOLLOWING:

7 (1) A MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL
8 HOCKEY LEAGUE, THE NATIONAL BASKETBALL ASSOCIATION, THE
9 NATIONAL FOOTBALL LEAGUE OR MAJOR LEAGUE SOCCER.

10 (2) A PROFESSIONAL SPORTS TEAM AFFILIATED WITH A TEAM
11 UNDER PARAGRAPH (1).

12 (3) ANY OTHER PROFESSIONAL SPORTS TEAM THAT HAS A SPORTS
13 FACILITY OR AN AGREEMENT WITH A SPORTS FACILITY TO CONDUCT
14 HOME GAMES AT THE FACILITY.

15 * * *

16 SECTION 1.1. SECTION 304(A) OF THE ACT, AMENDED FEBRUARY 2,
17 2012 (P.L.7, NO.2), IS AMENDED TO READ:

18 SECTION 304. DISTRIBUTOR LICENSES.

19 (A) LICENSE REQUIRED.--NO PERSON SHALL SELL, OFFER FOR SALE
20 OR FURNISH GAMES OF CHANCE TO ELIGIBLE ORGANIZATIONS LICENSED
21 UNDER THIS CHAPTER OR A LICENSEE UNDER CHAPTER 9 UNLESS SUCH
22 PERSON SHALL HAVE OBTAINED A DISTRIBUTOR LICENSE AS PROVIDED IN
23 THIS SECTION.

24 * * *

25 SECTION 1.2. SECTION 304.1(C) AND (F) OF THE ACT, ADDED
26 OCTOBER 24, 2012 (P.L.1462, NO.184), ARE AMENDED AND THE SECTION
27 IS AMENDED BY ADDING SUBSECTIONS TO READ:

28 SECTION 304.1. MAJOR LEAGUE SPORTS DRAWING.

29 * * *

30 (C) DISTRIBUTION.--THE PRIZE AMOUNT OF A MAJOR LEAGUE SPORTS

1 DRAWING SHALL BE 50% OF THE TOTAL AMOUNT COLLECTED FROM THE SALE
2 OF MAJOR LEAGUE SPORTS DRAWING TICKETS. THE OTHER 50% OF THE
3 TOTAL AMOUNT COLLECTED FROM THE SALE OF MAJOR LEAGUE SPORTS
4 DRAWING TICKETS SHALL BE DONATED WITHIN SEVEN DAYS FROM THE DATE
5 OF THE DRAWING BY THE AFFILIATED NONPROFIT ORGANIZATION
6 CONDUCTING THE MAJOR LEAGUE SPORTS DRAWING TO [A] ONE OR MORE
7 DESIGNATED CHARITABLE [ORGANIZATION] ORGANIZATIONS FOR WHICH THE
8 DRAWING WAS CONDUCTED.

9 (C.1) USE OF FUNDS.--

10 (1) THE AFFILIATED NONPROFIT ORGANIZATION MAY UTILIZE
11 NONPRIZE MONEY COLLECTED FOR THE FOLLOWING:

12 (I) TO EMPLOY OR PROVIDE PAYMENT TO INDIVIDUALS 18
13 YEARS OF AGE OR OLDER TO SELL MAJOR LEAGUE SPORTS DRAWING
14 TICKETS AT A PROFESSIONAL SPORTING EVENT.

15 (II) FOR ADMINISTRATIVE EXPENSES DIRECTLY RELATED TO
16 THE CONDUCT OF THE DRAWING UNDER THIS SECTION.

17 (2) AUTHORIZED EXPENSES UNDER PARAGRAPH (1) (II) MAY NOT
18 EXCEED 2% OF THE TOTAL AMOUNT COLLECTED FROM THE SALE OF
19 MAJOR LEAGUE SPORTS DRAWING TICKETS.

20 * * *

21 (F) UNCLAIMED PRIZES.--ANY MAJOR LEAGUE [BASEBALL] SPORTS
22 DRAWING PRIZE REMAINING UNCLAIMED BY A WINNER AT THE END OF THE
23 MAJOR LEAGUE SPORTS TEAM'S SEASON SHALL BE DONATED WITHIN 30
24 DAYS FROM THE END OF THE SEASON BY THE AFFILIATED NONPROFIT
25 ORGANIZATION TO THE DESIGNATED CHARITABLE ORGANIZATION FOR WHICH
26 THE MAJOR LEAGUE SPORTS DRAWING WAS CONDUCTED.

27 * * *

28 (H) ADDITIONAL RECORDKEEPING.--THE DEPARTMENT MAY REQUIRE
29 ADDITIONAL RECORDKEEPING OF ACCOUNTABILITY MEASURES FOR MAJOR
30 LEAGUE SPORTS DRAWINGS.

1 SECTION 2. SECTIONS 501(A), 502(A) AND (A.1) AND 503 OF THE
2 ACT, ADDED FEBRUARY 2, 2012 (P.L.7, NO.2), ARE AMENDED TO READ:
3 SECTION 501. CLUB LICENSEE.

4 (A) REPORT.--

5 (1) [BEGINNING IN 2013, A CLUB LICENSEE SHALL SUBMIT
6 SEMIANNUAL REPORTS TO THE DEPARTMENT FOR THE PRECEDING SIX-
7 MONTH PERIOD ON A FORM AND IN A MANNER PRESCRIBED BY THE
8 DEPARTMENT.] BEGINNING JANUARY 1, 2014, AND EACH JANUARY 1
9 THEREAFTER, A CLUB LICENSEE THAT HAS PROCEEDS IN EXCESS OF
10 \$30,000 IN A CALENDAR YEAR SHALL SUBMIT AN ANNUAL REPORT TO
11 THE DEPARTMENT FOR THE PRECEDING YEAR ON A FORM AND IN A
12 MANNER PRESCRIBED BY THE DEPARTMENT.

13 (1.1) THE REPORT UNDER PARAGRAPH (1) SHALL INCLUDE:

14 (I) PRIZES AWARDED AS REQUIRED UNDER SECTION 335 OF
15 THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX
16 REFORM CODE OF 1971.

17 (II) AMOUNTS EXPENDED FOR PUBLIC INTEREST PURPOSES.

18 (2) THE REPORT UNDER PARAGRAPH (1) MUST BE FILED UNDER
19 OATH OR AFFIRMATION OF AN AUTHORIZED OFFICER OF THE CLUB
20 LICENSEE.

21 (3) THE REPORT UNDER PARAGRAPH (1) SHALL INCLUDE ALL OF
22 THE FOLLOWING INFORMATION:

23 (I) THE PROCEEDS RECEIVED BY THE CLUB LICENSEE FROM
24 EACH GAME OF CHANCE CONDUCTED, ITEMIZED BY WEEK.

25 (II) THE AMOUNT OF PRIZES PAID FROM ALL GAMES OF
26 CHANCE, ITEMIZED BY WEEK.

27 (III) OTHER COSTS INCURRED RELATED TO THE CONDUCT OF
28 GAMES OF CHANCE.

29 (IV) THE VERIFICATION OF AMOUNTS DISTRIBUTED FOR
30 PUBLIC INTEREST PURPOSES ITEMIZED UNDER SECTION

1 502 (A) (1), ITEMIZED BY THE RECIPIENT.

2 (V) AN ITEMIZED LIST OF EXPENDITURES MADE OR AMOUNTS
3 RETAINED AND EXPENDITURES UNDER SECTION 502 (A) (2) .

4 (VI) THE ADDRESS AND THE COUNTY IN WHICH THE CLUB
5 LICENSEE IS LOCATED.

6 (VII) OTHER INFORMATION OR DOCUMENTATION REQUIRED BY
7 THE DEPARTMENT.

8 * * *

9 SECTION 502. DISTRIBUTION OF PROCEEDS.

10 (A) DISTRIBUTION.--THE PROCEEDS FROM GAMES OF CHANCE
11 RECEIVED BY A CLUB LICENSEE SHALL BE DISTRIBUTED AS FOLLOWS:

12 (1) NO LESS THAN [70%] 60% OF THE PROCEEDS SHALL BE PAID
13 TO ORGANIZATIONS FOR PUBLIC INTEREST PURPOSES [IN THE
14 CALENDAR YEAR IN WHICH] WITHIN ONE YEAR OF THE DATE THE
15 PROCEEDS WERE OBTAINED.

16 (2) NO MORE THAN [30%] 40% OF THE PROCEEDS OBTAINED IN A
17 CALENDAR YEAR MAY BE RETAINED BY A CLUB LICENSEE AND USED FOR
18 THE FOLLOWING OPERATIONAL EXPENSES RELATING TO THE CLUB
19 LICENSEE:

20 (I) REAL PROPERTY TAXES.

21 (II) UTILITY AND FUEL COSTS.

22 (III) HEATING AND AIR CONDITIONING EQUIPMENT OR
23 REPAIR COSTS.

24 (IV) WATER AND SEWER COSTS.

25 (V) PROPERTY OR LIABILITY INSURANCE COSTS.

26 (VI) MORTGAGE PAYMENTS.

27 (VII) INTERIOR AND EXTERIOR REPAIR COSTS, INCLUDING
28 REPAIR TO PARKING LOTS.

29 (VIII) NEW FACILITY CONSTRUCTION COSTS.

30 (IX) ENTERTAINMENT EQUIPMENT, INCLUDING TELEVISION,

1 VIDEO AND ELECTRONIC GAMES.

2 (X) PERSONNEL, OTHER THAN A BARTENDER OR INDIVIDUAL
3 WHO OPERATES GAMES OF CHANCE.

4 [(X)] (XI) OTHER EXPENSES ADOPTED IN REGULATION BY
5 THE DEPARTMENT.

6 (A.1) AMOUNTS RETAINED.--AMOUNTS RETAINED BY A CLUB LICENSEE
7 UNDER SUBSECTION (A) (2) SHALL BE EXPENDED WITHIN [THE SAME
8 CALENDAR YEAR] ONE YEAR FROM THE TIME THE PROCEEDS WERE OBTAINED
9 UNLESS THE CLUB LICENSEE NOTIFIES THE DEPARTMENT THAT FUNDS ARE
10 BEING RETAINED FOR A SUBSTANTIAL PUBLIC INTEREST PURCHASE OR
11 PROJECT. [NOTIFICATION SHALL INCLUDE A DESCRIPTION OF THE
12 PURCHASE OR PROJECT, THE COST AND THE ANTICIPATED DATE OF THE
13 PURCHASE OR PROJECT.]

14 * * *

15 SECTION 503. RECORDS.

16 A CLUB LICENSEE SHALL MAINTAIN RECORDS AS REQUIRED BY THIS
17 ACT OR BY THE DEPARTMENT, INCLUDING INVOICES FOR GAMES OF CHANCE
18 PURCHASED. RECORDS NECESSARY TO CONDUCT AN AUDIT UNDER SECTION
19 702(B) SHALL BE MADE AVAILABLE TO THE [BUREAU OF LIQUOR CONTROL
20 ENFORCEMENT] DEPARTMENT OR OTHER ENTITY AUTHORIZED TO ENFORCE
21 THIS ACT.

22 SECTION 3. SECTION 504 OF THE ACT, ADDED FEBRUARY 2, 2012
23 (P.L.7, NO.2), IS REPEALED:

24 [SECTION 504. RAFFLE TICKETS.

25 A CLUB LICENSEE SHALL MAINTAIN RECORDS RELATING TO THE
26 PRINTING OR PURCHASE OF RAFFLE TICKETS. RECORDS SHALL INCLUDE A
27 RECEIPT OR INVOICE FROM THE PLACE OF PURCHASE THAT SHOWS THE
28 COST AND NUMBER OR AMOUNT OF TICKETS PURCHASED.]

29 SECTION 4. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

30 SECTION 505.1. BACKGROUND CHECKS.

1 EACH APPLICATION FOR A CLUB LICENSE UNDER THIS ACT SUBMITTED
2 BY AN ELIGIBLE ORGANIZATION WHICH HAS PROCEEDS IN EXCESS OF
3 \$30,000 IN A YEAR SHALL INCLUDE THE RESULTS OF A CRIMINAL
4 HISTORY RECORD INFORMATION CHECK OBTAINED FROM THE PENNSYLVANIA
5 STATE POLICE, AS DEFINED IN 18 PA.C.S. § 9102 (RELATING TO
6 DEFINITIONS) AND PERMITTED BY 18 PA.C.S. § 9121(B) (RELATING TO
7 GENERAL REGULATIONS), FOR THE EXECUTIVE OFFICER AND SECRETARY OF
8 THE ELIGIBLE ORGANIZATION MAKING THE APPLICATION FOR A CLUB
9 LICENSE OR ANY OTHER PERSON REQUIRED BY THE DEPARTMENT.

10 SECTION 5. SECTION 702(C) OF THE ACT, AMENDED FEBRUARY 2,
11 2012 (P.L.7, NO.2), IS AMENDED TO READ:

12 SECTION 702. ENFORCEMENT.

13 * * *

14 (C) RANDOM AUDITS.--THE [BUREAU OF LIQUOR CONTROL
15 ENFORCEMENT] DEPARTMENT SHALL CONDUCT ANNUAL RANDOM AUDITS OF 5%
16 OF ALL CLUB LICENSEES.

17 * * *

18 SECTION 6. THE ACT IS AMENDED BY ADDING A CHAPTER TO READ:

19 CHAPTER 9

20 TAVERN GAMING

21 SECTION 901. SCOPE OF CHAPTER.

22 THIS CHAPTER RELATES TO TAVERN GAMING.

23 SECTION 902. DEFINITIONS.

24 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
25 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
26 CONTEXT CLEARLY INDICATES OTHERWISE:

27 "BOARD." THE PENNSYLVANIA LIQUOR CONTROL BOARD.

28 "BUREAU." THE BUREAU OF INVESTIGATIONS AND ENFORCEMENT OF
29 THE PENNSYLVANIA GAMING CONTROL BOARD.

30 "LICENSE." A LICENSE TO CONDUCT TAVERN GAMES UNDER THIS

1 CHAPTER.

2 "LICENSEE." A PERSON THAT HOLDS A LICENSE UNDER THIS
3 CHAPTER.

4 "PULL-TAB." A SINGLE FOLDED OR BANDED TICKET OR A STRIP
5 TICKET OR CARD WITH A FACE COVERED TO CONCEAL ONE OR MORE
6 NUMBERS OR SYMBOLS, WHERE ONE OR MORE OF EACH SET OF TICKETS OR
7 CARDS HAS BEEN DESIGNATED IN ADVANCE AS A WINNER.

8 "RESTAURANT LICENSEE." A FOR-PROFIT HOTEL, RESTAURANT,
9 PRIVATELY OWNED PUBLIC GOLF COURSE, BREW PUB OR MICRO BREWERY
10 EATING PLACE LICENSED TO SELL LIQUOR UNDER THE ACT OF APRIL 12,
11 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE.

12 "TAVERN GAME." THE CONDUCT OF PULL-TAB GAMES, DAILY DRAWINGS
13 OR TAVERN RAFFLES BY A FOR-PROFIT RESTAURANT LICENSEE IN
14 ACCORDANCE WITH THIS CHAPTER.

15 "TAVERN RAFFLE." A RAFFLE HELD FOR A CHARITABLE OR PUBLIC
16 PURPOSE IN ACCORDANCE WITH SECTION 908.1.
17 SECTION 903. LICENSES.

18 (A) APPLICATION.--A RESTAURANT LICENSEE MAY APPLY TO THE
19 BOARD FOR A LICENSE TO CONDUCT TAVERN GAMES AT A LICENSED
20 PREMISES IN ACCORDANCE WITH THIS CHAPTER.

21 (B) INFORMATION.--THE APPLICATION UNDER SUBSECTION (A) SHALL
22 INCLUDE THE FOLLOWING INFORMATION REGARDING THE APPLICANT AND
23 ALL OWNERS OF THE RESTAURANT LICENSE:

24 (1) THE NAME, ADDRESS AND PHOTOGRAPH.

25 (2) A PHOTOGRAPH OF THE APPLICANT.

26 (3) THE PROPOSED LOCATION OF THE CONDUCT OF TAVERN
27 GAMES.

28 (4) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE
29 DEPARTMENT.

30 (5) THE DETAILS OF ANY GAMING, SLOT MACHINE OR ANY

1 CASINO LICENSE APPLIED FOR OR IN WHICH THE APPLICANT OR OTHER
2 OWNER HAS AN INTEREST.

3 (6) CONSENT TO CONDUCT A BACKGROUND INVESTIGATION BY THE
4 BUREAU.

5 (7) THE FOLLOWING RELATING TO CRIMINAL INFORMATION:

6 (I) DISCLOSURE OF ALL ARRESTS AND ALL CITATIONS OF
7 THE APPLICANT AND ALL OWNERS OF THE RESTAURANT LICENSE
8 FOR NONTRAFFIC SUMMARY OFFENSES. THE INFORMATION SHALL
9 INCLUDE ALL OF THE FOLLOWING:

10 (A) A BRIEF DESCRIPTION OF THE CIRCUMSTANCES
11 SURROUNDING THE ARREST OF ISSUANCE OF THE CITATION.

12 (B) THE SPECIFIC OFFENSE CHARGED.

13 (C) THE ULTIMATE DISPOSITION OF THE CHARGE,
14 INCLUDING ANY DISMISSAL, PLEA BARGAIN, CONVICTION,
15 SENTENCE, PARDON, EXPUNGEMENT OR ORDER OF ACCELERATED
16 REHABILITATIVE DISPOSITION.

17 (II) NO APPLICANT SHALL BE REQUIRED TO PROVIDE
18 DOCUMENTATION RELATING TO A SUMMARY OFFENSE. FAILURE OF
19 THE BOARD OR THE BUREAU TO RECOVER A RECORD OF A SUMMARY
20 OFFENSE MAY NOT BE GROUNDS FOR DENYING AN APPLICATION.

21 (8) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

22 (C) REVIEW.--WITHIN SIX MONTHS OF RECEIPT OF AN APPLICATION
23 UNDER SUBSECTION (A), THE BOARD SHALL APPROVE OR DISAPPROVE THE
24 APPLICATION.

25 (D) BACKGROUND INVESTIGATION.--EVERY APPLICANT AND OWNER OF
26 A PROPOSED LICENSE SHALL INCLUDE INFORMATION AND DOCUMENTATION
27 AS REQUIRED TO ESTABLISH THE APPLICANT'S AND EACH OWNER'S
28 SUITABILITY, HONESTY AND INTEGRITY. INFORMATION SHALL INCLUDE:

29 (1) CRIMINAL HISTORY RECORD INFORMATION.

30 (2) FINANCIAL BACKGROUND INFORMATION.

1 (3) DATA INVESTIGATION BY THE BUREAU.

2 (4) REGULATORY HISTORY BEFORE THE BOARD OR OTHER
3 COMMONWEALTH AGENCY.

4 (5) OTHER INFORMATION REQUIRED BY THE BUREAU.

5 (E) PERSONAL INTERVIEW.--IF THE BUREAU DETERMINES THAT A
6 CRIMINAL HISTORY RECORD WARRANTS ADDITIONAL REVIEW OF THE
7 INDIVIDUAL, THE BUREAU SHALL CONDUCT A PERSONAL INTERVIEW WITH
8 THE APPLICANT AND MAY REQUEST INFORMATION FROM PERSONAL OR
9 PROFESSIONAL ASSOCIATES.

10 (F) COOPERATION.--THE BUREAU SHALL CONDUCT A BACKGROUND
11 INVESTIGATION OF THE APPLICANT AND ALL OTHER OWNERS OF THE
12 RESTAURANT LICENSE IN COOPERATION WITH THE BOARD.

13 (G) COSTS.--THE APPLICANT AND EACH OWNER SHALL REIMBURSE THE
14 BOARD AND THE BUREAU FOR THE ACTUAL COSTS OF CONDUCTING THE
15 INVESTIGATION.

16 (H) APPROVAL.--THE BUREAU SHALL MAKE A RECOMMENDATION TO THE
17 BOARD. THE BOARD SHALL REVIEW THE INFORMATION OBTAINED AND THE
18 RECOMMENDATION UNDER THIS SECTION TO DETERMINE IF THE APPLICANT
19 AND OTHER OWNERS OF THE LICENSE POSSESS THE FOLLOWING:

20 (1) FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY.

21 (2) SUFFICIENT BUSINESS EXPERIENCE AND ABILITY TO
22 EFFECTIVELY OPERATE TAVERN GAMES AS PART OF THE RESTAURANT
23 LICENSEE'S OPERATOR.

24 (3) CHARACTER, HONESTY AND INTEGRITY TO OPERATE TAVERN
25 GAMES IN A RESPONSIBLE AND LAWFUL MANNER.

26 SECTION 904. APPLICATION.

27 (A) APPLICATION FEE.--AN APPLICANT SHALL PAY AN APPLICATION
28 FEE OF \$1,000.

29 (B) COSTS.--A RESTAURANT LICENSEE AND ANY ADDITIONAL OWNERS
30 SHALL PAY FOR THE ACTUAL COSTS OF A BACKGROUND INVESTIGATION

1 CONDUCTED BY THE BUREAU. THE BUREAU MAY:

2 (1) CHARGE AN ESTIMATED AMOUNT TO BE PROVIDED PRIOR TO
3 THE BACKGROUND INVESTIGATION.

4 (2) SUBMIT FOR REIMBURSEMENT FOR ADDITIONAL COSTS
5 INCURRED IN THE BACKGROUND INVESTIGATION.

6 SECTION 905. APPROVAL.

7 (A) ISSUANCE.--UPON BEING SATISFIED THAT THE REQUIREMENTS OF
8 SECTION 903 HAVE BEEN MET, THE BOARD MAY APPROVE THE APPLICATION
9 AND ISSUE AN INITIAL LICENSE FOR A PERIOD OF ONE YEAR. THE BOARD
10 MAY PLACE CONDITIONS ON THE LICENSE AS IT DEEMS APPROPRIATE.

11 (B) RENEWAL.--A LICENSE SHALL BE RENEWED ANNUALLY.

12 (C) FEE.--THE LICENSE FEE AND RENEWAL FEE SHALL BE \$1,000.

13 (D) ENTITLEMENT.--NOTHING UNDER THIS CHAPTER SHALL BE
14 CONSTRUED TO CREATE AN ENTITLEMENT TO A LICENSE BY A PERSON. THE
15 BOARD SHALL HAVE SOLE DISCRETION TO ISSUE, RENEW, CONDITION OR
16 DENY A LICENSE BASED ON THE REQUIREMENTS OF THIS CHAPTER AND
17 WHETHER THE ISSUANCE IS IN THE BEST INTERESTS OF THE
18 COMMONWEALTH.

19 (E) NONTRANSFERABILITY.--A LICENSE SHALL BE A GRANT OF
20 PRIVILEGE TO CONDUCT TAVERN GAMES. A LICENSE MAY NOT BE SOLD,
21 TRANSFERRED OR ASSIGNED TO ANY OTHER PERSON. A LICENSEE MAY NOT
22 PLEDGE OR OTHERWISE GRANT A SECURITY INTEREST IN OR LIEN ON THE
23 LICENSE. THE BOARD SHALL HAVE THE SOLE DISCRETION TO ISSUE,
24 RENEW, CONDITION OR DENY THE ISSUANCE OF A LICENSE.

25 SECTION 906. CHANGE IN OWNERSHIP.

26 (A) NOTICE.--A LICENSEE SHALL NOTIFY THE BOARD UPON BECOMING
27 AWARE OF A PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP OF THE
28 PREMISES OF THE RESTAURANT LICENSE.

29 (B) QUALIFICATION.--THE PURCHASER OF THE ASSETS OR PREMISES
30 OF A LICENSEE MUST INDEPENDENTLY QUALIFY FOR A LICENSE, PAY THE

1 LICENSE FEE AND UNDERGO A BACKGROUND INVESTIGATION UNDER SECTION
2 903. A NEW LICENSE FEE SHALL BE PAID UPON THE ASSIGNMENT AND
3 ACTUAL CHANGE OF CONTROL OR OWNERSHIP OF THE LICENSE.

4 SECTION 907. PRIZE LIMITS.

5 (A) INDIVIDUAL PRIZE LIMIT.--THE MAXIMUM PRIZE WHICH MAY BE
6 AWARDED FOR ANY SINGLE CHANCE SHALL BE \$2,000. NO TAVERN GAME
7 SOLD, OFFERED FOR SALE OR FURNISHED MAY CONTAIN, PERMIT, DEPICT
8 OR DESIGNATE A PRIZE HAVING A PRIZE LIMIT IN EXCESS OF \$2,000.

9 (B) AGGREGATE PRIZE LIMIT.--NO MORE THAN \$35,000 IN PRIZES
10 MAY BE AWARDED FROM TAVERN GAMES BY A LICENSEE IN A SEVEN-DAY
11 PERIOD.

12 SECTION 908. BANK ACCOUNT.

13 A LICENSEE SHALL MAINTAIN A BANK ACCOUNT TO HOLD THE PROCEEDS
14 OF TAVERN GAMES WHICH SHALL BE SEPARATE FROM ALL OTHER FUNDS
15 BELONGING TO THE LICENSEE. ACCOUNT RECORDS SHALL SHOW ALL
16 EXPENDITURES AND INCOME AND SHALL BE RETAINED BY THE LICENSEE
17 FOR AT LEAST TWO YEARS.

18 SECTION 908.1. TAVERN RAFFLE.

19 THE FOLLOWING SHALL APPLY TO A TAVERN RAFFLE:

20 (1) NO MORE THAN ONE TAVERN RAFFLE MAY BE HELD IN A
21 CALENDAR MONTH.

22 (2) A TAVERN RAFFLE MUST BE HELD FOR A DESIGNATED
23 CHARITABLE PURPOSE.

24 (3) EACH INDIVIDUAL PARTICIPATING IN THE TAVERN RAFFLE
25 MUST BE INFORMED OF THE CHARITABLE PURPOSE INVOLVED.

26 (4) AT LEAST 50% OF THE PROCEEDS FROM THE TAVERN RAFFLE
27 SHALL BE TRANSMITTED TO THE DESIGNATED CHARITY WITHIN SEVEN
28 DAYS OF THE TAVERN RAFFLE.

29 (5) ANY PROCEEDS NOT TRANSMITTED UNDER PARAGRAPH (4)
30 SHALL BE DISTRIBUTED AS FOLLOWS:

1 (I) SIXTY PERCENT SHALL BE PAID TO THE COMMONWEALTH.

2 (II) FORTY PERCENT MAY BE RETAINED BY THE LICENSEE.

3 SECTION 909. DISTRIBUTION OF PROCEEDS.

4 BEGINNING JANUARY 1, 2014, THE PROCEEDS FROM TAVERN GAMES
5 RECEIVED BY A LICENSEE SHALL BE DISTRIBUTED AS FOLLOWS:

6 (1) SIXTY PERCENT OF THE PROCEEDS OBTAINED IN ANY
7 CALENDAR YEAR SHALL BE PAID TO THE COMMONWEALTH.

8 (2) FORTY PERCENT OF THE PROCEEDS OBTAINED IN ANY
9 CALENDAR YEAR MAY BE RETAINED BY THE LICENSEE.

10 SECTION 910. REPORTS.

11 (A) REPORTS.--A LICENSEE SHALL SUBMIT ANNUAL REPORTS TO THE
12 BOARD FOR THE PRECEDING YEAR ON A FORM AND IN A MANNER
13 PRESCRIBED BY THE DEPARTMENT. THE REPORT SHALL INCLUDE:

14 (1) PRIZES AWARDED AS REQUIRED UNDER SECTION 335 OF THE
15 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM
16 CODE OF 1971.

17 (2) AMOUNTS TRANSFERRED TO THE GENERAL FUND.

18 (3) AMOUNTS GIVEN TO DESIGNATED CHARITIES.

19 (4) OTHER INFORMATION AS REQUIRED BY THE DEPARTMENT.

20 (B) PRIZES.--THE REPORT SHALL INCLUDE PRIZES AWARDED AS
21 REQUIRED UNDER SECTION 335 OF THE ACT OF MARCH 4, 1971 (P.L.6,
22 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

23 SECTION 911. ENFORCEMENT.

24 (A) BOARD.--THE BOARD MAY, FOLLOWING NOTICE AND HEARING
25 IMPOSE THE FOLLOWING PENALTIES OR SUSPEND OR REVOKE A LICENSE
26 UNDER THIS CHAPTER.

27 (B) PENALTIES.--THE BOARD MAY IMPOSE A CIVIL PENALTY FOR A
28 VIOLATION OF THIS CHAPTER IN ACCORDANCE WITH THE FOLLOWING:

29 (1) UP TO \$1,000 FOR AN INITIAL VIOLATION OF THIS ACT.

30 (2) UP TO \$3,000 FOR A SECOND OR SUBSEQUENT VIOLATION.

1 (C) CRIMINAL PENALTY.--A VIOLATION OF THIS ACT SHALL BE A
2 SUMMARY OFFENSE.

3 (D) DEPARTMENT OF REVENUE.--THE DEPARTMENT OF REVENUE SHALL
4 ENFORCE THE PROVISIONS OF SECTION 909 AS A TAX IN ACCORDANCE
5 WITH THE ENFORCEMENT PROVISIONS UNDER ARTICLE XXVII OF THE ACT
6 OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF
7 1971.

8 SECTION 7. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
9 SECTION 3101. TRANSFER FROM GENERAL FUND TO STATE LOTTERY FUND.

10 IF, ON JUNE 15, 2015, AND JUNE 15 OF EACH YEAR THEREAFTER,
11 THE DEPARTMENT DETERMINES THAT A DECREASE IN THE REVENUE
12 DEPOSITED IN THAT FISCAL YEAR IN THE STATE LOTTERY FUND IS DUE
13 TO THE PLAY OF SMALL GAMES OF CHANCE IN RETAIL LICENSED
14 ESTABLISHMENTS IN THIS COMMONWEALTH, THE DEPARTMENT SHALL
15 CERTIFY THE AMOUNT OF THE DECREASE DUE TO THE ACTIVITY. THE
16 DEPARTMENT'S DETERMINATION SHALL BE BASED UPON AN AUDIT OR OTHER
17 REPORT OF AN INDEPENDENT EXPERT REGARDING THE DECREASE.

18 SECTION 8. SECTION 3101 OF THE ACT, ADDED FEBRUARY 2, 2012
19 (P.L.7, NO.2), IS AMENDED TO READ:

20 SECTION [3101] 3110. EFFECTIVE DATE.

21 THIS ACT SHALL TAKE EFFECT IN 60 DAYS.

22 SECTION 9. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.