
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1313 Session of
2015

INTRODUCED BY MOUL, SNYDER, PICKETT, MILLARD, GROVE AND KLUNK,
SEPTEMBER 29, 2015

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, SEPTEMBER 29, 2015

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 games of chance permitted, for prize limits,
10 for distributor licenses, for registration of manufacturers
11 and for licensing of eligible organizations; and imposing a
12 club licensee tax.

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

15 Section 1. The definition of "games of chance" in section
16 103 of the act of December 19, 1988 (P.L.1262, No.156), known as
17 the Local Option Small Games of Chance Act, amended November 27,
18 2013 (P.L.1045, No.90) and November 27, 2013 (P.L.1062, No.92),
19 is amended and the section is amended by adding definitions to
20 read:

21 Section 103. Definitions.

22 The following words and phrases when used in this act shall,
23 except as provided under section 902, have the meanings given to

1 them in this section unless the context clearly indicates
2 otherwise:

3 * * *

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

7 * * *

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

26 * * *

27 "Vertical wheel game." A game in which a participant places
28 a coin or token on a color, number or word or purchases a ticket
29 containing a color, number or word and watches a spinning
30 vertical wheel until the pointer of the wheel rests on a section

1 of the wheel designating a winner.

2 * * *

3 Section 2. Section 301 of the act, amended November 27, 2013
4 (P.L.1045, No.90) and November 27, 2013 (P.L.1062, No.92), is
5 amended to read:

6 Section 301. Games of chance permitted.

7 [Every] (a) General rule.--Except as otherwise provided in
8 subsection (b), every eligible organization to which a license
9 has been issued under the provisions of this chapter may conduct
10 games of chance for the purpose of raising funds for public
11 interest purposes. Except as provided in Chapter 5, all proceeds
12 of a licensed eligible organization shall be used exclusively
13 for public interest purposes, for the purchase of games of
14 chance or for the payment of the license fee, as required by
15 this act. An eligible organization whose primary purpose is the
16 promotion of a public interest may utilize the proceeds from
17 small games of chance to fulfill that purpose.

18 (b) Exception.--A club licensee may not operate a vertical
19 wheel game or coin action.

20 Section 3. Sections 302, 304(i) and 305(d) of the act,
21 amended or added November 27, 2013 (P.L.1062, No.92), are
22 amended to read:

23 Section 302. Prize limits.

24 (a) Individual prize limit.--Except as provided under
25 subsections (d) and (d.1), the maximum prize which may be
26 awarded for any single chance shall be \$2,000.

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

30 (c) Raffle prize limit.--Up to \$15,000 in prizes may be

1 awarded in raffles in any calendar month.

2 [(c.1) Total limit.--All prizes awarded under this section
3 shall be subject to the aggregate prize limits under subsection
4 (b).]

5 (d) Exception for raffles.--Notwithstanding subsection [(b)
6 or] (c), a licensed eligible organization may conduct a raffle
7 under section 308 and award a prize or prizes valued in excess
8 of \$3,000 each only under the following conditions:

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

11 (2) A licensed eligible organization shall be eligible
12 to receive no more than ten special permits in any licensed
13 term except that a volunteer fire, ambulance, rescue or
14 conservation organization that is not a club licensee shall
15 be eligible to receive 12 special permits in any licensed
16 term.

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

19 (4) Except as provided under subsection (d.1), the total
20 of all prizes awarded under this subsection shall be no more
21 than \$150,000 per calendar year, which shall not be subject
22 to the aggregate limit under subsection [(b) or] (c).

23 (d.1) Additional award.--A volunteer fire, ambulance, rescue
24 or conservation organization may, in addition to the total under
25 subsection (d) (4), award up to \$100,000 from raffles which shall
26 not be subject to the aggregate limit under subsection [(b),]
27 (c) or (d).

28 (f) Daily drawing carryover.--The prize limitation contained
29 in [subsections] subsection (a) [and (b)] may be exceeded by a
30 daily drawing under the following circumstances: a daily drawing

1 may award a prize in excess of \$2,000 if such prize is the
2 result of a carryover of a drawing which resulted from the
3 winning number in such drawing not being among the eligible
4 entrants in such drawings. Nothing contained herein shall
5 authorize the prize limitation as contained in [subsections]
6 subsection (a) [and (b)] to be exceeded as a result of a failure
7 to conduct a drawing on an operating day during which chances
8 were sold for a daily drawing or for a daily drawing for which
9 chances were sold in excess of \$1 or for which more than one
10 chance was sold to an eligible participant.

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

15 (h) Weekly drawing carryover exception.--Weekly drawings
16 shall be governed by the prize limitation contained in
17 subsection (b). The prize limitation contained in subsection (b)
18 may be exceeded by a weekly drawing under the following
19 circumstances: a weekly drawing may award a prize where the cash
20 value is in excess of \$35,000 if such prize is the result of a
21 carryover of a drawing or drawings which resulted from the
22 winning number or numbers in such drawing or drawings not being
23 among the eligible entrants in such drawings. Nothing contained
24 in this chapter shall authorize the prize limitation under
25 subsection (b) to be exceeded as a result of a failure to
26 conduct a drawing for a week during which chances were sold for
27 a weekly drawing or for a weekly drawing for which chances were
28 sold in excess of \$1.]

29 (i) Concurrent operation.--Nothing under this act shall
30 prohibit the concurrent operation of daily or weekly drawings.

1 Section 304. Distributor licenses.

2 * * *

3 (i) Exception.--This section shall not apply to the
4 manufacture or distribution of raffle tickets, 50/50 drawings,
5 daily drawings, weekly drawings, coin auctions, vertical wheel
6 games or pools.

7 Section 305. Registration of manufacturers.

8 * * *

9 (d) Exception.--This section shall not apply to the
10 manufacture or distribution of raffle tickets, 50/50 drawings,
11 daily drawings, weekly drawings, coin auctions, vertical wheel
12 games or pools.

13 Section 4. Section 307(a)(1), (b) and (b.1) of the act,
14 amended November 27, 2013 (P.L.1062, No.92), are amended and the
15 section is amended by adding a subsection to read:

16 Section 307. Licensing of eligible organizations.

17 (a) License required.--The following shall apply:

18 (1) An eligible organization shall not conduct or
19 operate games of chance unless the eligible organization has
20 obtained a valid license as follows:

21 (i) A regular license which must be renewed
22 annually.

23 (ii) A triennial license which must be renewed every
24 three years.

25 ~~[(ii)]~~ (iii) A monthly license which permits the
26 eligible organization to conduct games of chance for a
27 30-consecutive-day period.

28 * * *

29 (b) Issuance.--The licensing authority shall issue a license
30 within 30 days of the submission of an application by an

1 eligible organization that meets the requirements under this
2 chapter. Upon issuance, the licensing authority shall provide
3 the eligible organization with a unique license number.

4 (b.1) Fee.--The [license fee to be charged to each eligible
5 organization for a regular license shall be \$125. The license
6 fee to be charged for a monthly license shall be \$25. A regular
7 license must be renewed annually. The fee shall be used by the
8 licensing authority to administer this act.] licensing authority
9 shall charge a license fee to each eligible organization to be
10 used by the licensing authority to administer this act. The fees
11 shall be as follows:

12 (1) A regular license fee shall be \$125.

13 (2) A triennial license fee shall be \$375.

14 (3) A monthly license fee shall be \$25.

15 * * *

16 (b.5) License renewal.--A regular license or triennial
17 license may be renewed by the eligible organization up to 90
18 days prior to the expiration of the license. A renewed regular
19 or triennial license shall contain the same unique license
20 number provided to the eligible organization under subsection
21 (b).

22 * * *

23 Section 5. The act is amended by adding a section to read:
24 Section 501.1. Club licensee tax.

25 (a) Imposition.--A \$5 tax is imposed on each set bearing a
26 common serial number of a game of chance sold by a licensed
27 distributor to a club licensee within this Commonwealth.

28 (b) Collection.--The tax imposed under subsection (a) shall
29 be collected by the licensed distributor from the club licensee
30 in an instance where the game of chance is required to be

1 purchased from a licensed distributor under this act and must be
2 paid to the Commonwealth.

3 (c) Returns.--

4 (1) A licensed distributor subject to this section shall
5 file with the department, upon a form prescribed by the
6 department, a club licensee tax return. The return must be
7 filed under oath or affirmation of an authorized officer of
8 the licensed distributor reporting the total number of games
9 of chance sold to club licensees and the tax due under this
10 section in the prior calendar month. A return is due by the
11 20th day following the end of the reporting period.

12 (2) The return must include the following:

13 (i) The total number of games of chance sold to club
14 licensees in the prior calendar month, which must be
15 calculated by indicating the number of each type of game
16 of chance sold.

17 (ii) Calculation of the tax due under this section.

18 (iii) Other information required by the department.

19 (d) Payment.--A licensed distributor required to collect the
20 tax under this section shall remit the tax to the department
21 when the return in subsection (c) is made.

22 (e) Penalties and interest.--If the licensed distributor
23 fails to file the return required under subsection (c) or fails
24 to pay the tax imposed under subsection (a), the department may
25 do the following:

26 (1) assess the amount of tax due;

27 (2) impose and assess an administrative penalty equal to
28 10% of the tax due but unpaid for each quarter or fraction
29 thereof that the tax remains unpaid together with interest at
30 the rate established under section 806 of the act of April 9,

1 1929 (P.L.343, No.176), known as The Fiscal Code, on the tax
2 from the time the tax became due. The penalty provided in
3 this paragraph must be added to the tax and assessed and
4 collected at the same time and in the same manner as a part
5 of the tax. Unless otherwise specified, the tax shall be
6 assessed, collected and enforced by the department under the
7 provisions of Article II of the act of March 4, 1971 (P.L.6,
8 No.2), known as the Tax Reform Code of 1971; or

9 (3) revoke a licensed distributor's license.

10 (f) Funds held in trust.--The funds owed to the Commonwealth
11 under this section shall be held in trust by a licensed
12 distributor.

13 (g) Deposit.--Beginning in fiscal year 2015-2016, the taxes
14 imposed by this section shall be deposited as follows:

15 (1) Ninety percent shall be deposited into the General
16 Fund.

17 (2) Ten percent shall be deposited into the State Stores
18 Fund and allocated to the Pennsylvania State Police for
19 liquor control enforcement expenses.

20 Section 6. This act shall take effect in 60 days.