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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 354 Session of  
2017

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INTRODUCED BY DAY, D. COSTA, ROTHMAN, READSHAW, PYLE AND KORTZ,  
FEBRUARY 6, 2017

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REFERRED TO COMMITTEE ON GAMING OVERSIGHT, FEBRUARY 6, 2017

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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 games of chance,  
9 further providing for major league sports drawing.

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

12 Section 1. Section 304.1 of the act of December 19, 1988  
13 (P.L.1262, No.156), known as the Local Option Small Games of  
14 Chance Act, is amended to read:

15 Section 304.1. Major league sports drawing.

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

1 (b) Frequency.--An affiliated nonprofit organization may  
2 conduct no more than one major league sports drawing per home  
3 game.

4 (b.1) Sales restricted.--Tickets for a major league sports  
5 drawing may not be sold in any seating area designated as a  
6 family section.

7 (b.2) Charitable event.--A major league sports drawing may  
8 be conducted by the affiliated nonprofit organization during a  
9 charitable event held within the same arena, stadium,  
10 grandstand, bleachers or other facility during a home game or  
11 car race of the major league sports team. Drawings may only be  
12 held within spectator areas within the arena, stadium,  
13 grandstand or bleachers where the home game or car race is being  
14 conducted and not at ancillary areas or facilities, including  
15 parking areas, restaurants and bars or areas outside the arena,  
16 stadium, grandstand or bleachers or areas where the sport is  
17 shown on remote electronic equipment.

18 (c) Distribution.--The prize amount of a major league sports  
19 drawing shall be 50% of the total amount collected from the sale  
20 of major league sports drawing tickets. Except as set forth in  
21 subsection (c.1), the other 50% of the total amount collected  
22 from the sale of major league sports drawing tickets during the  
23 calendar year shall be donated [within seven days from the date  
24 of the drawing] by the affiliated nonprofit organization  
25 conducting the major league sports drawing [to one or more  
26 designated charitable organizations for which the drawing was  
27 conducted.] by February 1 of the proceeding calendar year and in  
28 the following manner:

29 (1) Except as provided for in paragraph (2), 25% to one  
30 or more charitable organizations of the affiliated nonprofit

1 organization's choice and 25% distributed equally to each  
2 volunteer fire company and volunteer ambulance association  
3 located within or providing services to the county in which  
4 the affiliated nonprofit organization conducts major league  
5 sports drawings.

6 (2) If the affiliated nonprofit organization conducts  
7 major league sports drawings in a county of the first or  
8 second class, 25% to one or more charitable organizations of  
9 the affiliated nonprofit organization's choice and 25%  
10 distributed equally to:

11 (i) each volunteer fire company and volunteer  
12 ambulance association located within or providing  
13 services to the county of the first or second class; and

14 (ii) the general fund of the county of the first or  
15 second class to be used for fire and ambulance services.

16 (c.1) Use of funds.--

17 (1) The affiliated nonprofit organization may utilize  
18 nonprize money collected for the following:

19 (i) To employ or provide payment to individuals 18  
20 years of age or older to sell major league sports drawing  
21 tickets at a professional sporting event.

22 (ii) For administrative expenses directly related to  
23 the conduct of the drawing under this section.

24 (2) Authorized expenses under paragraph (1)(ii) may not  
25 exceed 2% of the total amount collected from the sale of  
26 major league sports drawing tickets.

27 (d) Designated charitable organization.--The affiliated  
28 nonprofit organization conducting the major league sports  
29 drawing shall disclose to all ticket purchasers the designated  
30 charitable [organization] organizations for which the major

1 league sports drawing is being conducted.

2 (e) Eligibility.--In order to receive proceeds from a major  
3 league sports drawing, a charitable organization must be in  
4 existence and fulfilling its purposes for at least two years  
5 prior to the drawing and shall be eligible for exemption under  
6 section 501(c)(3) of the Internal Revenue Code of 1986 (Public  
7 Law 99-514, 26 U.S.C. § 501(c)(3)). [A] Except for a county of  
8 the first or second class, a political subdivision shall not  
9 qualify as a charitable organization under this section.

10 (f) Unclaimed prizes.--Any major league sports drawing prize  
11 remaining unclaimed by a winner at the end of the major league  
12 sports team's season shall be donated within 30 days from the  
13 end of the season by the affiliated nonprofit organization to  
14 the designated charitable organization for which the major  
15 league sports drawing was conducted.

16 (g) Applicability.--The limitations under sections 302,  
17 303(b), 308 and 704 shall not apply to a major league sports  
18 drawing.

19 (h) Additional recordkeeping.--The department may require  
20 additional recordkeeping or accountability measures for major  
21 league sports drawings. Beginning in 2018, the department shall  
22 require an affiliated nonprofit organization that conducts major  
23 league sports drawings to submit to the department, on a form  
24 and in a manner prescribed by the department, an annual report  
25 by April 1 for the preceding calendar year. The report shall be  
26 filed under oath or affirmation of an authorized officer of the  
27 affiliated nonprofit organization and shall include all of the  
28 following information:

29 (1) The proceeds received by the affiliated nonprofit  
30 organization, itemized by home game.

1           (2) The amount of prizes paid from all major league  
2 sports drawings, itemized by home game.

3           (3) Any information or documentation required by the  
4 department to ensure compliance with subsection (c).

5           (4) Other information or documentation required by the  
6 department.

7 Section 2. This act shall take effect in 60 days.