

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 826 Session of 2019

INTRODUCED BY MARSHALL, DUNBAR, KAIL, PYLE, DeLUCA, BERNSTINE, BURGOS, TOOHIL, MASSER AND KORTZ, MARCH 14, 2019

AS REPORTED FROM COMMITTEE ON GAMING OVERSIGHT, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 27, 2019

AN ACT

1 Providing for sports raffles for charity; and making related
2 repeals.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Sports Raffle
7 Charities Act.

8 Section 2. Legislative intent.

9 The General Assembly declares that ~~the playing of games of~~ <--
10 ~~chance~~ CONDUCTING 50/50 DRAWINGS AT ATHLETIC EVENTS for the <--
11 purpose of raising funds, by certain nonprofit associations, for
12 the promotion of charitable or civic purposes, is in the public
13 interest. ~~In some cases, the proceeds from games of chance may~~ <--
14 ~~be utilized to support certain operating expenses of certain~~
15 ~~charitable organizations.~~

16 Section 3. Definitions.

17 The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Affiliated nonprofit organization." An organization
4 established by or affiliated with an athletic team for the
5 purpose of raising funds for charity, which is qualified for an
6 exemption under section 501(c)(3) of the Internal Revenue Code
7 of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)).

8 "Athletic event drawing." A 50/50 drawing that is conducted
9 by an affiliated nonprofit organization in accordance with this
10 act.

11 "Athletic team." A sports team or racing facility that is
12 any of the following:

13 (1) A member of Major League Baseball, the National
14 Hockey League, the National Basketball Association, the
15 National Football League or Major League Soccer.

16 (2) A professional sports team affiliated with a team
17 under paragraph (1).

18 (3) Any other professional sports team that has a sports
19 facility or an agreement with a sports facility to conduct
20 home games at the facility.

21 (4) A stadium, grandstand, bleacher or contiguous
22 parking lot at a closed-course motor facility where
23 spectators directly observe motor races with NASCAR, Indy,
24 stock or drag racing cars.

25 (5) A collegiate team that competes on behalf of an
26 institution of higher education.

27 "COUNTY AUTHORITY." THE COUNTY TREASURER, OR IN A HOME RULE <--
28 COUNTY OR CITY OF THE FIRST CLASS WHERE THERE IS NO ELECTED
29 TREASURER, THE DESIGNEE OF THE GOVERNING AUTHORITY.

30 "Department." The Department of Revenue of the Commonwealth.

1 "Institution of higher education." Any of the following:

2 (1) A community college operating under Article XIX-A of
3 the act of March 10, 1949 (P.L.30, No.14), known as the
4 Public School Code of 1949.

5 (2) A university within the State System of Higher
6 Education.

7 (3) The Pennsylvania State University.

8 (4) The University of Pittsburgh.

9 (5) Temple University.

10 (6) Lincoln University.

11 (7) Any other institution that is designated as "State-
12 related" by the Commonwealth.

13 (8) An accredited private or independent college or
14 university.

15 "PUBLIC INTEREST PURPOSE." ONE OR MORE OF THE FOLLOWING: <--

16 (1) THE ACTIVITIES AND OPERATIONS OF A NONPROFIT
17 ORGANIZATION THAT PROVIDES A BENEVOLENT, CHARITABLE,
18 RELIGIOUS, EDUCATIONAL, PHILANTHROPIC, HUMANE, SCIENTIFIC,
19 PATRIOTIC, SOCIAL WELFARE, SOCIAL ADVOCACY, PUBLIC HEALTH,
20 PUBLIC SAFETY, EMERGENCY RESPONSE, ENVIRONMENTAL, HISTORIC OR
21 CIVIC OBJECTIVE.

22 (2) INITIATING, PERFORMING OR FOSTERING WORTHY PUBLIC
23 WORKS OR ENABLING OR FURTHERING THE ERECTION OR MAINTENANCE
24 OF PUBLIC STRUCTURES.

25 (3) LESSENING THE BURDENS BORNE BY GOVERNMENT OR
26 VOLUNTARILY SUPPORTING, AUGMENTING OR SUPPLEMENTING SERVICES
27 WHICH GOVERNMENT WOULD NORMALLY RENDER TO THE PEOPLE.

28 (4) IMPROVING, EXPANDING, MAINTAINING OR REPAIRING REAL
29 PROPERTY OWNED OR LEASED BY A NONPROFIT ORGANIZATION AND
30 RELATING OPERATIONAL EXPENSES USED FOR PURPOSES SPECIFIED IN

1 PARAGRAPHS (1), (2) AND (3).

2 (5) NONPROFIT YOUTH SPORTS ACTIVITIES.

3 (6) ACTIVITIES RELATING TO THE PROVISION OF VOLUNTEER
4 FIRE, AMBULANCE OR RESCUE SERVICES.

5 (7) ACTIVITIES CONDUCTED BY A VETERANS ORGANIZATION,
6 INCLUDING:

7 (I) SCHOLARSHIPS.

8 (II) SERVICES TO ECONOMICALLY OR SOCIALLY SUPPORT
9 VETERANS.

10 (III) ACTIVITIES TO HONOR VETERANS.

11 (IV) OTHER ACTIVITIES THAT QUALIFY UNDER PARAGRAPHS
12 (1), (2), (3), (4), (5) AND (6).

13 THE TERM DOES NOT INCLUDE THE ERECTION OR ACQUISITION OF REAL
14 PROPERTY, UNLESS THE PROPERTY WILL BE USED EXCLUSIVELY FOR ONE
15 OR MORE OF THE PURPOSES SPECIFIED IN THIS DEFINITION.

16 Section 4. Athletic event drawing.

17 (a) General rule.--A person may purchase one or more
18 athletic event drawing tickets at a home game, and each ticket
19 purchased shall represent one entry in the drawing for a winner.
20 A single ticket shall be randomly chosen as the winner after a
21 certain number of tickets are sold or a specified time period
22 expires as designated by the affiliated nonprofit organization.
23 Purchase of athletic event drawing tickets may be made by cash,
24 credit card or debit card.

25 (b) Frequency.--An affiliated nonprofit organization may
26 conduct no more than one athletic event drawing per home game.

27 (c) Sales restricted.--Tickets for an athletic event drawing
28 may not be sold in any seating area designated as a family
29 section OR TO AN INDIVIDUAL UNDER 18 YEARS OF AGE. <--

30 (d) Charitable event.--An athletic event drawing may be

1 conducted by the affiliated nonprofit organization during a
2 charitable event held within the same arena, stadium,
3 grandstand, bleachers or other facility during a home game, team
4 event or car race of the athletic team. Drawings may only be
5 held within spectator areas within the arena, stadium,
6 grandstand or bleachers where the home game or car race is being
7 conducted and not at ancillary areas or facilities, including
8 parking areas, restaurants and bars or areas outside the arena,
9 stadium, grandstand or bleachers or areas where the sport is
10 shown on remote electronic equipment.

11 (e) Distribution.--The prize amount of an athletic event
12 drawing shall be 50% of the total amount collected from the sale
13 of athletic event drawing tickets. Except as provided under
14 subsection (f), the other 50% of the total amount collected from
15 the sale of athletic event drawing tickets shall be donated
16 within seven days from the date of the drawing by the affiliated
17 nonprofit organization conducting the athletic event drawing to
18 one or more designated charitable organizations for which the
19 drawing was conducted AND SHALL BE USED EXCLUSIVELY FOR PUBLIC <--
20 INTEREST PURPOSES.

21 (f) Use of funds.--

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

24 (i) To employ or provide payment to individuals 18
25 years of age or older to sell athletic event drawing
26 tickets.

27 (ii) For administrative expenses directly related to
28 the conduct of the athletic event drawing under this
29 section.

30 (2) Authorized expenses under paragraph (1)(ii) may not

1 exceed 2% of the total amount collected from the sale of
2 athletic event drawing tickets.

3 (g) Designated charitable organization.--The affiliated
4 nonprofit organization conducting the athletic event drawing
5 shall disclose to each ticket purchaser the designated
6 charitable organization for which the athletic event drawing is
7 being conducted.

8 (h) Eligibility.--In order to receive proceeds from an
9 athletic event drawing, a charitable organization must be in
10 existence and fulfilling its purposes for at least two years
11 prior to the drawing and shall be eligible for exemption under
12 section 501(c)(3) of the Internal Revenue Code of 1986 (Public
13 Law 99-514, 26 U.S.C. § 501(c)(3)). A political subdivision
14 shall not qualify as a charitable organization under this
15 section. AN INSTITUTION OF HIGHER EDUCATION THAT IS QUALIFIED <--
16 FOR AN EXEMPTION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE
17 CODE OF 1986 AND HAS BEEN IN EXISTENCE AND FULFILLING ITS
18 PURPOSE FOR AT LEAST TWO YEARS PRIOR TO THE DRAWING MAY CONDUCT
19 AN ATHLETIC EVENT DRAWING AS THE AFFILIATED NONPROFIT
20 ORGANIZATION AND MAY RECEIVE THE PROCEEDS THEREFROM AS THE
21 DESIGNATED CHARITABLE ORGANIZATION AT ANY HOME GAME OR
22 CHARITABLE EVENT OF ANY OF ITS OWN COLLEGIATE ATHLETIC TEAMS
23 PROVIDED THAT THE PROCEEDS ARE USED EXCLUSIVELY FOR PUBLIC
24 INTEREST PURPOSES OR FOR PURPOSES PERMITTED UNDER SUBSECTION
25 (F).

26 (i) Unclaimed prizes.--An athletic event drawing prize
27 remaining unclaimed by a winner at the end of the athletic
28 team's season shall be donated within 30 days from the end of
29 the season by the affiliated nonprofit organization to the
30 designated charitable organization for which the athletic event

1 drawing was conducted.

2 (j) Additional recordkeeping.--The department may require
3 additional recordkeeping or accountability measures for athletic
4 event drawings.

5 (k) Mechanical or electrical devices.--An athletic event
6 drawing may be played with the assistance of a mechanical or
7 electrical device. Nothing under this subsection shall be
8 construed to authorize any other form of gambling authorized
9 under 4 Pa.C.S. (relating to amusements).

10 (L) PROHIBITIONS.--

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11 (1) NO PERSON WHO HAS BEEN CONVICTED OF A FELONY OR OF A
12 VIOLATION OF THE ACT OF JULY 10, 1981 (P.L.214, NO.67), KNOWN
13 AS THE BINGO LAW, OR THE ACT OF DECEMBER 19, 1988 (P.L.1262,
14 NO.156), KNOWN AS THE LOCAL OPTION SMALL GAMES OF CHANCE ACT,
15 OR THIS ACT OR ANY COMPARABLE FEDERAL OR STATE LAW SHALL HAVE
16 A PECUNIARY INTEREST IN THE OPERATION OF OR IN PROCEEDS FROM
17 AN ATHLETIC EVENT DRAWING.

18 (2) NO PERSON WHO HAS BEEN CONVICTED OF A FELONY IN A
19 FEDERAL OR STATE COURT WITHIN THE PAST FIVE YEARS OR HAS BEEN
20 CONVICTED IN A FEDERAL OR STATE COURT WITHIN THE PAST 10
21 YEARS OF A VIOLATION OF THE BINGO LAW, THE LOCAL OPTION SMALL
22 GAMES OF CHANCE ACT OR THIS ACT MAY MANAGE, SET UP, SUPERVISE
23 OR PARTICIPATE IN THE OPERATION OF AN ATHLETIC EVENT DRAWING.

24 (3) NO PERSON UNDER 18 YEARS OF AGE MAY OPERATE OR PLAY
25 AN ATHLETIC EVENT DRAWING.

26 (M) ENFORCEMENT.--

27 (1) THE COUNTY AUTHORITY OF THE COUNTY IN WHICH AN
28 ATHLETIC EVENT DRAWING IS CONDUCTED MAY ENFORCE THE
29 PROVISIONS OF THIS ACT AND MAY IMPOSE CIVIL PENALTIES UNDER
30 SUBSECTION (N).

1 (2) THE DISTRICT ATTORNEY OF THE COUNTY IN WHICH THE
2 ATHLETIC EVENT DRAWING IS CONDUCTED SHALL INVESTIGATE ALLEGED
3 VIOLATIONS OF THIS ACT. IF THE DISTRICT ATTORNEY FINDS
4 PROBABLE CAUSE TO BELIEVE THAT A CRIMINAL VIOLATION HAS
5 OCCURRED, THE DISTRICT ATTORNEY MAY FILE CRIMINAL CHARGES AND
6 PROSECUTE THE COMPLAINT AGAINST THE ALLEGED VIOLATOR IN THE
7 COURT OF COMMON PLEAS OF THE COUNTY EXCEPT IN COUNTIES OF THE
8 FIRST CLASS WHERE THE COMPLAINT MAY BE FILED IN THE MUNICIPAL
9 COURT.

10 (3) NOTHING IN THIS ACT MAY RESTRICT OR LIMIT THE POWER
11 OF A STATE, COUNTY OR LOCAL LAW ENFORCEMENT OFFICIAL TO
12 CONDUCT INVESTIGATIONS AND FILE CRIMINAL CHARGES UNDER THIS
13 ACT.

14 (4) THE DISTRICT ATTORNEY MAY REQUIRE AN AFFILIATED
15 NONPROFIT ORGANIZATION TO PRODUCE ITS BOOKS, ACCOUNTS AND
16 RECORDS RELATING TO THE CONDUCT OF ATHLETIC EVENT DRAWINGS IN
17 ORDER TO DETERMINE IF A VIOLATION OF THIS ACT HAS OCCURRED.
18 AFFILIATED NONPROFIT ORGANIZATIONS SHALL ALSO BE REQUIRED,
19 UPON REQUEST, TO PROVIDE THEIR BOOKS, ACCOUNTS AND RECORDS
20 RELATING TO THE CONDUCT OF ATHLETIC EVENT DRAWINGS TO THE
21 COUNTY AUTHORITY OR TO A LAW ENFORCEMENT AGENCY OR OFFICIAL.

22 (N) CIVIL PENALTIES.--AN AFFILIATED NONPROFIT ORGANIZATION
23 THAT VIOLATES THE PROVISIONS OF THIS ACT SHALL BE SUBJECT TO THE
24 FOLLOWING CIVIL PENALTIES:

25 (1) FOR AN INITIAL VIOLATION, UP TO \$500.

26 (2) FOR A SECOND VIOLATION, UP TO \$1,000.

27 (3) FOR A THIRD OR SUBSEQUENT VIOLATION, UP TO \$1,500.

28 (O) CRIMINAL PENALTIES.--

29 (1) AN AFFILIATED NONPROFIT ORGANIZATION VIOLATING THE
30 PROVISIONS OF THIS ACT SHALL BE GUILTY OF A SUMMARY OFFENSE

1 AND, UPON CONVICTION THEREOF, SHALL BE SENTENCED TO PAY A
2 FINE NOT EXCEEDING \$1,000 FOR A FIRST OFFENSE AND \$1,500 FOR
3 A SUBSEQUENT OFFENSE.

4 (2) A PERSON WHO CONDUCTS OR ASSISTS IN THE CONDUCTING
5 OF AN ATHLETIC EVENT DRAWING IN VIOLATION OF THE PROVISIONS
6 OF THIS ACT IS GUILTY OF A SUMMARY OFFENSE FOR A FIRST
7 VIOLATION. A SECOND VIOLATION OF THIS ACT SHALL BE PUNISHABLE
8 AS A MISDEMEANOR OF THE THIRD DEGREE. A THIRD OR SUBSEQUENT
9 VIOLATION SHALL BE PUNISHABLE AS A MISDEMEANOR OF THE FIRST
10 DEGREE.

11 (3) A PERSON COMMITS A MISDEMEANOR OF THE FIRST DEGREE
12 IF, WITH INTENT TO PREVENT AN ATHLETIC EVENT DRAWING FROM
13 BEING CONDUCTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
14 ACT OR THE RULES AND USAGES GOVERNING THE ATHLETIC EVENT
15 DRAWING, THE PERSON:

16 (I) CONFERS OR OFFERS OR AGREES TO CONFER ANY
17 BENEFIT UPON OR THREATENS ANY INJURY TO A PARTICIPANT OR
18 OTHER PERSON ASSOCIATED WITH THE ATHLETIC EVENT DRAWING;

19 (II) TAMPERS WITH ANY PERSON OR ATHLETIC EVENT
20 DRAWING; OR

21 (III) SOLICITS, ACCEPTS OR AGREES TO ACCEPT ANY
22 BENEFIT.

23 Section 5. Repeals.

24 (a) Declaration.--The General Assembly declares that the
25 repeal under subsection (b) is necessary to effectuate this act.

26 (b) Repeal.--The following provisions of the act of December
27 19, 1988 (P.L.1262, No.156), known as the Local Option Small
28 Games of Chance Act, are repealed:

29 (1) The ~~definitions of "major league sports drawing" and~~ <--
30 ~~"major league sports team"~~ DEFINITION OF "MAJOR LEAGUE SPORTS <--

1 DRAWING" in section 103.

2 (2) Section 304.1.

3 Section 6. Effective date.

4 This act shall take effect ~~immediately~~ IN 30 DAYS.

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