
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 826 Session of
2019

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

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
APRIL 17, 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 conducting 50/50 drawings
10 at athletic events for the purpose of raising funds, by certain
11 nonprofit associations, for the promotion of charitable or civic
12 purposes, is in the public interest.

13 Section 3. Definitions.

14 The following words and phrases when used in this act shall
15 have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 "Affiliated nonprofit organization." An organization

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

5 "Athletic event drawing." A 50/50 drawing that is conducted
6 by an affiliated nonprofit organization in accordance with this
7 act.

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

10 (1) A member of Major League Baseball, the National
11 Hockey League, the National Basketball Association, the
12 National Football League or Major League Soccer.

13 (2) A professional sports team affiliated with a team
14 under paragraph (1).

15 (3) Any other professional sports team that has a sports
16 facility or an agreement with a sports facility to conduct
17 home games at the facility.

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

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

24 "County authority." The county treasurer, or in a home rule
25 county or city of the first class where there is no elected
26 treasurer, the designee of the governing authority.

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

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

29 (1) A community college operating under Article XIX-A of
30 the act of March 10, 1949 (P.L.30, No.14), known as the

1 Public School Code of 1949.

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

4 (3) The Pennsylvania State University.

5 (4) The University of Pittsburgh.

6 (5) Temple University.

7 (6) Lincoln University.

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

10 (8) An accredited private or independent college or
11 university.

12 "Public interest purpose." One or more of the following:

13 (1) The activities and operations of a nonprofit
14 organization that provides a benevolent, charitable,
15 religious, educational, philanthropic, humane, scientific,
16 patriotic, social welfare, social advocacy, public health,
17 public safety, emergency response, environmental, historic or
18 civic objective.

19 (2) Initiating, performing or fostering worthy public
20 works or enabling or furthering the erection or maintenance
21 of public structures.

22 (3) Lessening the burdens borne by government or
23 voluntarily supporting, augmenting or supplementing services
24 which government would normally render to the people.

25 (4) Improving, expanding, maintaining or repairing real
26 property owned or leased by a nonprofit organization and
27 relating operational expenses used for purposes specified in
28 paragraphs (1), (2) and (3).

29 (5) Nonprofit youth sports activities.

30 (6) Activities relating to the provision of volunteer

1 fire, ambulance or rescue services.

2 (7) Activities conducted by a veterans organization,
3 including:

4 (i) Scholarships.

5 (ii) Services to economically or socially support
6 veterans.

7 (iii) Activities to honor veterans.

8 (iv) Other activities that qualify under paragraphs
9 (1), (2), (3), (4), (5) and (6).

10 The term does not include the erection or acquisition of real
11 property, unless the property will be used exclusively for one
12 or more of the purposes specified in this definition.

13 Section 4. Athletic event drawing.

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

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

24 (c) Sales restricted.--Tickets for an athletic event drawing
25 may not be sold in any seating area designated as a family
26 section or to an individual under 18 years of age.

27 (d) Charitable event.--An athletic event drawing may be
28 conducted by the affiliated nonprofit organization during a
29 charitable event held within the same arena, stadium,
30 grandstand, bleachers or other facility during a home game, team

1 event or car race of the athletic team. Drawings may only be
2 held within spectator areas within the arena, stadium,
3 grandstand or bleachers where the home game or car race is being
4 conducted and not at ancillary areas or facilities, including
5 parking areas, restaurants and bars or areas outside the arena,
6 stadium, grandstand or bleachers or areas where the sport is
7 shown on remote electronic equipment.

8 (e) Distribution.--The prize amount of an athletic event
9 drawing shall be 50% of the total amount collected from the sale
10 of athletic event drawing tickets. Except as provided under
11 subsection (f), the other 50% of the total amount collected from
12 the sale of athletic event drawing tickets shall be donated
13 within seven days from the date of the drawing by the affiliated
14 nonprofit organization conducting the athletic event drawing to
15 one or more designated charitable organizations for which the
16 drawing was conducted and shall be used exclusively for public
17 interest purposes.

18 (f) Use of funds.--

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

21 (i) To employ or provide payment to individuals 18
22 years of age or older to sell athletic event drawing
23 tickets.

24 (ii) For administrative expenses directly related to
25 the conduct of the athletic event drawing under this
26 section.

27 (2) Authorized expenses under paragraph (1)(ii) may not
28 exceed 2% of the total amount collected from the sale of
29 athletic event drawing tickets.

30 (g) Designated charitable organization.--The affiliated

1 nonprofit organization conducting the athletic event drawing
2 shall disclose to each ticket purchaser the designated
3 charitable organization for which the athletic event drawing is
4 being conducted.

5 ~~(h) Eligibility. In order to receive proceeds from an~~ <--
6 ~~athletic event drawing, a charitable organization must be in~~
7 ~~existence and fulfilling its purposes for at least two years~~
8 ~~prior to the drawing and shall be eligible for exemption under~~
9 ~~section 501(c)(3) of the Internal Revenue Code of 1986 (Public~~
10 ~~Law 99-514, 26 U.S.C. § 501(c)(3)). A political subdivision~~
11 ~~shall not qualify as a charitable organization under this~~
12 ~~section. An institution of higher education that is qualified~~
13 ~~for an exemption under section 501(c)(3) of the Internal Revenue~~
14 ~~Code of 1986 and has been in existence and fulfilling its~~
15 ~~purpose for at least two years prior to the drawing may conduct~~

16 (H) ELIGIBILITY.-- <--

17 (1) IN ORDER TO RECEIVE PROCEEDS FROM AN ATHLETIC EVENT
18 DRAWING, A CHARITABLE ORGANIZATION MUST BE:

19 (I) IN EXISTENCE AND FULFILLING ITS PURPOSES FOR AT
20 LEAST TWO YEARS PRIOR TO THE DRAWING; AND

21 (II) ELIGIBLE FOR EXEMPTION UNDER SECTION 501(C)(3)
22 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,
23 26 U.S.C. § 501(C)(3)).

24 (2) A POLITICAL SUBDIVISION SHALL NOT QUALIFY AS A
25 CHARITABLE ORGANIZATION UNDER THIS SECTION.

26 (3) AN INSTITUTION OF HIGHER EDUCATION THAT IS QUALIFIED
27 FOR AN EXEMPTION UNDER SECTION 501(C)(3) OF THE INTERNAL
28 REVENUE CODE OF 1986 AND MEETS THE ELIGIBILITY REQUIREMENTS
29 UNDER PARAGRAPH (1)(I) MAY CONDUCT an athletic event drawing
30 as the affiliated nonprofit organization and may receive the

1 proceeds therefrom as the designated charitable organization
2 at any home game or charitable event of any of its own
3 collegiate athletic teams provided that the proceeds are used
4 exclusively for public interest purposes or for purposes
5 permitted under subsection (f).

6 (4) NOTWITHSTANDING PARAGRAPH (1)(II), AN INSTITUTION OF <--
7 HIGHER EDUCATION THAT IS QUALIFIED FOR AN EXEMPTION UNDER
8 SECTION 115 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
9 99-514, 26 U.S.C. § 115) AND MEETS THE ELIGIBILITY
10 REQUIREMENTS UNDER PARAGRAPH (1)(I) MAY CONDUCT AN ATHLETIC
11 EVENT DRAWING AS THE AFFILIATED NONPROFIT ORGANIZATION AND
12 MAY RECEIVE THE PROCEEDS THEREFROM AS THE DESIGNATED
13 CHARITABLE ORGANIZATION AT ANY HOME GAME OR CHARITABLE EVENT
14 OF ANY OF ITS OWN COLLEGIATE ATHLETIC TEAMS, PROVIDED THAT
15 THE PROCEEDS ARE USED EXCLUSIVELY FOR PUBLIC INTEREST
16 PURPOSES OR FOR PURPOSES PERMITTED UNDER SUBSECTION (F).

17 (i) Unclaimed prizes.--An athletic event drawing prize
18 remaining unclaimed by a winner at the end of the athletic
19 team's season shall be donated within 30 days from the end of
20 the season by the affiliated nonprofit organization to the
21 designated charitable organization for which the athletic event
22 drawing was conducted.

23 (j) Additional recordkeeping.--The department may require
24 additional recordkeeping or accountability measures for athletic
25 event drawings.

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

1 (1) Prohibitions.--

2 (1) no person who has been convicted of a felony or of a
3 violation of the act of July 10, 1981 (P.L.214, No.67), known
4 as the Bingo Law, or the act of December 19, 1988 (P.L.1262,
5 No.156), known as the Local Option Small Games of Chance Act,
6 or this act or any comparable Federal or State law shall have
7 a pecuniary interest in the operation of or in proceeds from
8 an athletic event drawing.

9 (2) No person who has been convicted of a felony in a
10 Federal or State court within the past five years or has been
11 convicted in a Federal or State court within the past 10
12 years of a violation of the Bingo Law, the Local Option Small
13 Games of Chance Act or this act may manage, set up, supervise
14 or participate in the operation of an athletic event drawing.

15 (3) No person under 18 years of age may operate or play
16 an athletic event drawing.

17 (m) Enforcement.--

18 (1) The county authority of the county in which an
19 athletic event drawing is conducted may enforce the
20 provisions of this act and may impose civil penalties under
21 subsection (n).

22 (2) The district attorney of the county in which the
23 athletic event drawing is conducted shall investigate alleged
24 violations of this act. If the district attorney finds
25 probable cause to believe that a criminal violation has
26 occurred, the district attorney may file criminal charges and
27 prosecute the complaint against the alleged violator in the
28 court of common pleas of the county except in counties of the
29 first class where the complaint may be filed in the municipal
30 court.

1 (3) Nothing in this act may restrict or limit the power
2 of a State, county or local law enforcement official to
3 conduct investigations and file criminal charges under this
4 act.

5 (4) The district attorney may require an affiliated
6 nonprofit organization to produce its books, accounts and
7 records relating to the conduct of athletic event drawings in
8 order to determine if a violation of this act has occurred.
9 Affiliated nonprofit organizations shall also be required,
10 upon request, to provide their books, accounts and records
11 relating to the conduct of athletic event drawings to the
12 county authority or to a law enforcement agency or official.

13 (n) Civil penalties.--An affiliated nonprofit organization
14 that violates the provisions of this act shall be subject to the
15 following civil penalties:

16 (1) For an initial violation, up to \$500.

17 (2) For a second violation, up to \$1,000.

18 (3) For a third or subsequent violation, up to \$1,500.

19 (o) Criminal penalties.--

20 (1) An affiliated nonprofit organization violating the
21 provisions of this act shall be guilty of a summary offense
22 and, upon conviction thereof, shall be sentenced to pay a
23 fine not exceeding \$1,000 for a first offense and \$1,500 for
24 a subsequent offense.

25 (2) A person who conducts or assists in the conducting
26 of an athletic event drawing in violation of the provisions
27 of this act is guilty of a summary offense for a first
28 violation. A second violation of this act shall be punishable
29 as a misdemeanor of the third degree. A third or subsequent
30 violation shall be punishable as a misdemeanor of the first

1 degree.

2 (3) A person commits a misdemeanor of the first degree
3 if, with intent to prevent an athletic event drawing from
4 being conducted in accordance with the requirements of this
5 act or the rules and usages governing the athletic event
6 drawing, the person:

7 (i) confers or offers or agrees to confer any
8 benefit upon or threatens any injury to a participant or
9 other person associated with the athletic event drawing;

10 (ii) tampers with any person or athletic event
11 drawing; or

12 (iii) solicits, accepts or agrees to accept any
13 benefit.

14 Section 5. Repeals.

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

17 (b) Repeal.--The following provisions of the act of December
18 19, 1988 (P.L.1262, No.156), known as the Local Option Small
19 Games of Chance Act, are repealed:

20 (1) The definition of "major league sports drawing" in
21 section 103.

22 (2) Section 304.1.

23 Section 6. Effective date.

24 This act shall take effect in 30 days.