

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 784 Session of 2019

INTRODUCED BY YAW, SCHWANK, STEFANO AND BREWSTER, JULY 8, 2019

SENATOR KILLION, COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, AS AMENDED, OCTOBER 30, 2019

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),
2 entitled "An act providing for the licensing of eligible
3 organizations to conduct games of chance, for the licensing
4 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 preliminary
9 provisions, further providing for definitions; in games of
10 chance, further providing for prize limits, providing for
11 pull-tab deal and further providing for regulations of
12 department; and, in tavern gaming, further providing for
13 DEFINITIONS, FOR licenses, for application, for approval, for <--
14 enforcement and for prohibitions.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. The definition of "games of chance" in section
18 103 of the act of December 19, 1988 (P.L.1262, No.156), known as
19 the Local Option Small Games of Chance Act, is amended and the
20 section is amended by adding definitions to 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
24 them in this section unless the context clearly indicates

1 otherwise:

2 * * *

3 "Event game." A pull-tab game, played with or without a seal
4 card, in which certain prizes are determined by the draw of a
5 bingo ball or some other approved specified event which randomly
6 selects numbers or symbols that correspond to the numbers or
7 symbols printed by the manufacturer on the pull-tab. All of the
8 following shall apply:

9 (1) No event pull-tab may be both an instant winner and
10 a hold card.

11 (2) No game may contain duplicate hold combinations. If
12 a game contains multiple sets of hold combinations, each set
13 must be distinguishable by color or distinguishing features.

14 (3) An event pull-tab ticket may contain more than one
15 hold combination.

16 (4) The number of winners and prize amount shall be
17 built into the payout structure for the game by the
18 manufacturer.

19 * * *

20 "Games of chance." Punchboards, daily drawings, weekly
21 drawings, 50/50 drawings, raffles, tavern games, pools, race
22 night games and [pull-tabs,] pull-tab games, including event
23 games, subset pull-tab games, pick-board games and progressive
24 pull-tab games as defined in this act, provided that no such
25 game shall be played by or with the assistance of any mechanical
26 or electrical devices or media other than a dispensing machine
27 or passive selection device and further provided that, except
28 for pull-tab event games, the particular chance taken by any
29 person in any such game shall not be made contingent upon any
30 other occurrence or the winning of any other contest, but shall

1 be determined solely at the discretion of the purchaser. This
2 definition shall not be construed to authorize any other form of
3 gambling currently prohibited under any provision of 18 Pa.C.S.
4 (relating to crimes and offenses) or authorized under 4 Pa.C.S.
5 (relating to amusements). Nothing in this act shall be construed
6 to authorize games commonly known as "slot machines" or "video
7 poker" or other games regulated by the Pennsylvania Gaming
8 Control Board.

9 * * *

10 "Pick-board game." A pull-tab game played with a flare
11 containing more than one sealed tab that when opened reveal
12 predesignated winning numbers or symbols. Certain tickets in the
13 deal shall bear a designation providing one or more players the
14 opportunity to win a prize by selecting which sealed tab to open
15 from among the sealed tabs on the flare.

16 * * *

17 "Progressive pull-tab game." A pull-tab game played with a
18 seal card or seal cards that is designed by the manufacturer to
19 include a jackpot prize that is carried over to a subsequent
20 deal of the same form number if the jackpot prize is not won.
21 The amount dedicated to the progressive jackpot must be
22 predetermined by the manufacturer and built into the payout
23 structure for the game.

24 * * *

25 "Subset pull-tab game." A pull-tab game consisting of a
26 single pull-tab deal, with all tickets bearing the same serial
27 number, that is packaged by the manufacturer into smaller
28 subsets, each of which is played separately. Each subset shall
29 have a corresponding flare, which must contain at least one
30 sealed tab. Certain tickets in each subset shall bear a

1 designation providing one or more players the opportunity to win
2 a prize when the sealed tab or tabs are opened.

3 * * *

4 Section 2. Section 302(b), (c.1), (d) introductory paragraph
5 and (4), (d.1), (f), (g) and (h) of the act are amended to read:
6 Section 302. Prize limits.

7 * * *

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

11 * * *

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

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

19 * * *

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

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

29 (f) Daily drawing carryover.--The prize limitation contained
30 in [subsections (a) and (b)] subsection (a) may be exceeded by a

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

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

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

30 * * *

1 Section 3. The act is amended by adding a section to read:

2 Section 303.2. Pull-tab deal.

3 Nothing in this act shall be construed to prohibit a person
4 from selling or transferring to another person for use within
5 this Commonwealth a pull-tab deal which contains more than 4,000
6 individual pull-tabs, nor shall this act place any restriction
7 on the number of pull-tabs which can be put out for public play
8 as part of a single deal.

9 ~~Section 4. Sections 306(a) (1), 903(b) (4), (5), (6) and (7), <--~~
10 ~~(d) and (e), 904 and 905(c) of the act are amended to read:~~

11 SECTION 4. SECTION 306(A) (1) OF THE ACT IS AMENDED TO READ: <--

12 Section 306. Regulations of department.

13 (a) Authorization.--The department shall promulgate
14 regulations to:

15 (1) Impose minimum standards [and restrictions]
16 applicable to games of chance manufactured for sale in this
17 Commonwealth[, which may include standards and restrictions
18 which specify the maximum number of chances available to be
19 sold for any single game of chance or prize and such other
20 standards and restrictions] as the department deems necessary
21 for the purposes of this chapter. The department shall
22 consider standards adopted by the National Association of
23 Gambling Regulatory Agencies and other standards commonly
24 accepted in the industry.

25 * * *

26 SECTION 5. THE DEFINITION OF "BUREAU" IN SECTION 902 OF THE <--
27 ACT IS AMENDED TO READ:

28 SECTION 902. DEFINITIONS.

29 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
30 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

1 CONTEXT CLEARLY INDICATES OTHERWISE:

2 * * *

3 ["BUREAU." THE BUREAU OF INVESTIGATIONS AND ENFORCEMENT OF
4 THE PENNSYLVANIA GAMING CONTROL BOARD.]

5 * * *

6 SECTION 6. SECTIONS 903(B) (4), (5), (6) AND (7), (C), (D),
7 (E), (F), (G), (H) AND (I), 904(A), (B) AND (C) AND 905(B) AND
8 (C) OF THE ACT ARE AMENDED TO READ:

9 Section 903. Licenses.

10 * * *

11 (b) Information.--The application under subsection (a) shall
12 include the following information:

13 * * *

14 (4) [Certified consent by the applicant, including each
15 owner and officer of the restaurant licensee, to a background
16 investigation by the bureau.] A criminal history record
17 information report issued under 18 Pa.C.S. Ch. 91 (relating
18 to criminal history record information) obtained from the
19 Pennsylvania State Police.

20 (5) Relating to criminal information under paragraph
21 (4), disclosure of all arrests and citations of the
22 applicant, including nontraffic summary offenses. The
23 information shall include all of the following:

24 (i) A brief description of the circumstances
25 surrounding the arrest or issuance of the citation.

26 (ii) The specific offense charged.

27 (iii) The ultimate disposition of the charge,
28 including any dismissal, plea bargain, conviction,
29 sentence, pardon, expungement or order of Accelerated
30 Rehabilitative Disposition.

1 (6) Financial background and interests and transactions
2 as required by the [bureau] BOARD. <--

3 (7) Relating to citations of the applicant issued under
4 the Liquor Code or any other discipline or penalty
5 administered or issued by a Commonwealth agency.

6 * * *

7 (C) DUTY OF [BUREAU] BOARD.--THE [BUREAU] BOARD SHALL <--
8 CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT[, THE SCOPE
9 OF WHICH SHALL BE DETERMINED BY THE BUREAU].

10 (d) Review.--Within six months of receipt of the background
11 investigation report [from the bureau], the board shall approve <--
12 or disapprove the application within 30 days of receipt of the
13 application.

14 [(e) Background investigation.--Each applicant shall include
15 information and documentation as required to establish personal
16 and financial suitability, honesty and integrity. Information
17 shall include:

18 (1) Criminal history record information.

19 (2) Financial background information.

20 (3) Regulatory history before the board or other
21 Commonwealth agency.

22 (4) Other information required by the bureau.]

23 (F) PERSONAL INTERVIEW.--IF THE [BUREAU] BOARD DETERMINES <--
24 THAT THE RESULTS OF THE BACKGROUND REPORT INVESTIGATION WARRANT
25 ADDITIONAL REVIEW OF THE INDIVIDUAL, THE [BUREAU] BOARD SHALL
26 CONDUCT A PERSONAL INTERVIEW WITH THE APPLICANT AND MAY REQUEST
27 INFORMATION AND INTERVIEWS FROM OTHER PERSONAL OR PROFESSIONAL
28 ASSOCIATES.

29 (G) COOPERATION.--THE APPLICANT SHALL COOPERATE [WITH THE
30 BUREAU] AS REQUESTED DURING THE CONDUCT OF THE BACKGROUND

1 INVESTIGATION. ANY REFUSAL TO PROVIDE THE INFORMATION REQUIRED
2 UNDER THIS SECTION OR TO CONSENT TO A BACKGROUND INVESTIGATION
3 SHALL RESULT IN THE IMMEDIATE DENIAL OF A LICENSE BY THE BOARD.

4 (H) COSTS.--THE APPLICANT SHALL REIMBURSE THE [BUREAU] BOARD
5 FOR THE ACTUAL COSTS OF CONDUCTING THE BACKGROUND INVESTIGATION.
6 THE BOARD SHALL NOT APPROVE AN APPLICANT THAT HAS NOT FULLY
7 REIMBURSED THE [BUREAU FOR] COST OF THE INVESTIGATION.

8 (I) APPROVAL.--[THE BUREAU SHALL TRANSMIT THE INVESTIGATIVE
9 REPORT AND MAY MAKE A RECOMMENDATION TO THE BOARD.] THE BOARD
10 SHALL REVIEW THE INFORMATION OBTAINED UNDER THIS SECTION TO
11 DETERMINE IF THE APPLICANT POSSESSES THE FOLLOWING:

12 (1) FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY.

13 (2) SUFFICIENT BUSINESS EXPERIENCE AND ABILITY TO
14 EFFECTIVELY OPERATE TAVERN GAMES AS PART OF THE RESTAURANT
15 LICENSEE'S OPERATOR.

16 (3) CHARACTER, HONESTY AND INTEGRITY TO BE LICENSED TO
17 OPERATE TAVERN GAMES IN A RESPONSIBLE AND LAWFUL MANNER.

18 * * *

19 Section 904. Application.

20 (a) Application fee.--An applicant shall pay the board a
21 nonrefundable application fee of [\$1,000] \$500.

22 [(b) Investigative fee.--An applicant shall pay an
23 investigative fee of \$1,000 to the bureau.]

24 (c) [Costs.--In addition to the fee under subsection (b),
25 an] Investigative costs--An applicant and any owner and officer
26 of the applicant shall pay for the [actual] reasonable and
27 necessary costs of a background investigation [conducted by the <--
28 bureau {that exceed the application fee}]. The [bureau] BOARD <--
29 may:

30 (1) Charge an estimated amount to be provided prior to

1 the background investigation.

2 (2) Submit for reimbursement from the applicant for the
3 additional costs incurred in the background investigation.

4 ~~(d) Funds. Funds collected under [subsections (b) and (c)] <--~~
5 ~~subsection (c) shall augment the funds appropriated to the~~
6 ~~Pennsylvania Gaming Control Board under 4 Pa.C.S. (relating to~~
7 ~~amusements).~~

8 * * * <--

9 Section 905. Approval.

10 * * *

11 (B) RENEWAL.--A LICENSE SHALL BE RENEWED ANNUALLY. [A <--
12 LICENSE RENEWAL SHALL NOT REQUIRE REVIEW OF THE BUREAU, UNLESS
13 REQUESTED BY THE BOARD.] THE BOARD MAY REFUSE TO RENEW A TAVERN
14 GAMING LICENSE FOR THE FOLLOWING REASONS:

15 (1) A LICENSE SHALL NOT BE ISSUED TO A RESTAURANT
16 LICENSEE WHOSE LIQUOR LICENSE IS IN SAFEKEEPING UNDER SECTION
17 474.1 OF THE ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS
18 THE LIQUOR CODE.

19 (2) A LICENSE SHALL NOT BE ISSUED TO A LOCATION THAT IS
20 SUBJECT TO A PENDING OBJECTION UNDER SECTION 470(A.1) OF THE
21 LIQUOR CODE.

22 (3) A LICENSE SHALL NOT BE ISSUED TO A LOCATION THAT IS
23 SUBJECT TO:

24 (I) A PENDING LICENSE SUSPENSION UNDER SECTION 471
25 OF THE LIQUOR CODE; OR

26 (II) A ONE-YEAR PROHIBITION ON THE ISSUANCE OR
27 TRANSFER OF A LICENSE UNDER SECTION 471(B) OF THE LIQUOR
28 CODE.

29 (c) Fee.--Upon approval, the applicant shall pay a [\$2,000]
30 \$1,000 license fee to be deposited in the General Fund. The

1 annual renewal fee shall be \$1,000.

2 * * *

3 Section 5 7. Section 913(c), (d) and (f) of the act are <--
4 amended and the section is amended by adding subsections to
5 read:

6 Section 913. Enforcement.

7 * * *

8 (c) Penalties.--The board may impose a civil penalty for a
9 violation of this chapter in accordance with the following:

10 (1) Up to [\$2,000] \$800 for an initial violation.

11 (2) Up to [\$3,000] \$1,000 for a second violation.

12 (3) Up to [\$5,000] \$2,000 for a third violation.

13 (d) Criminal penalty.--A violation of this chapter shall be
14 a [misdemeanor of the third degree] summary offense. A second or
15 subsequent offense shall be a misdemeanor of the [second] third
16 degree.

17 * * *

18 (f) Suspension, revocation or failure to renew.--

19 (1) In addition to any other sanctions the board may
20 impose under this chapter or under the Liquor Code, the board
21 may, at its discretion, suspend, revoke or deny renewal of
22 any license issued under this chapter if it receives any
23 information from any source and determines that:

24 (i) The applicant or any of its officers, directors,
25 owners or employees:

26 (A) Is in violation of any provision of this
27 chapter.

28 (B) Furnished the board with false or misleading
29 information.

30 (ii) The information contained in the applicant's

1 initial application or any renewal application is no
2 longer true and correct.

3 (2) In the event of a revocation, suspension or failure
4 to renew, the applicant's authorization to conduct the
5 previously approved activity shall immediately cease, and all
6 fees paid in connection therewith shall be deemed to be
7 forfeited. In the event of a suspension, the applicant's
8 authorization to conduct the previously approved activity
9 shall immediately cease until the board has notified the
10 applicant that the suspension is no longer in effect.

11 (3) A third violation of this chapter shall result in
12 the revocation of a license issued under this chapter. A
13 licensee shall be ineligible to apply for or be awarded a
14 license under this chapter for a period of five years
15 following a revocation.

16 (g) Law enforcement officials.--Nothing in this chapter
17 shall be construed to restrict or limit the power of a State,
18 county or local law enforcement official to conduct
19 investigations and file criminal charges under this chapter.

20 (h) Violations by restaurant licensee.--

21 (1) Except as provided under paragraph (2), a violation
22 of this chapter by a restaurant licensee shall not constitute
23 a violation of the Liquor Code.

24 (2) If a restaurant licensee has committed three or more
25 violations of this act in a calendar year, the ~~bureau~~ BOARD <--
26 may enforce a violation of this chapter as a violation of the
27 Liquor Code.

28 Section ~~6~~ 8. Section 914(4) and (7) of the act are amended <--
29 to read:

30 Section 914. Prohibitions.

1 The following shall apply to any license authorized or issued
2 under this chapter:

3 * * *

4 (4) The board shall be prohibited from issuing a license
5 to any person who has been convicted of a felony offense or
6 misdemeanor gambling offense in [any jurisdiction] this
7 Commonwealth unless 15 years have elapsed from the date of
8 conviction of the offense.

9 * * *

10 (7) It shall be unlawful for an owner, officer or
11 employee of a licensee to sell, operate or otherwise
12 participate in the conduct of tavern games if the employee
13 has been convicted in [any jurisdiction] this Commonwealth of
14 a felony or a misdemeanor gambling offense unless 15 years
15 have elapsed from the date of conviction of the offense.

16 * * *

17 Section 7 9. This act shall take effect in 60 days.

<--