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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1143 Session of  
2020

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INTRODUCED BY MASTRIANO, ARGALL, BAKER, BREWSTER, MARTIN,  
PITTMAN AND STEFANO, MAY 11, 2020

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
MAY 11, 2020

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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 club licensees,  
9 further providing for distribution of proceeds.

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

12 Section 1. Section 502 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 502. Distribution of proceeds.

16 (a) Distribution.--~~[The]~~ Except as otherwise provided in  
17 subsection (c), the proceeds from games of chance received by a  
18 club licensee shall be distributed as follows:

19 (1) No less than 60% of the proceeds shall be paid for  
20 public interest purposes within one year of the end of the  
21 calendar year in which the proceeds were obtained.

1 (2) No more than 40% of the proceeds obtained in a  
2 calendar year may be retained by a club licensee.

3 (a.1) Amounts retained.--

4 (1) Notwithstanding subsection (a) and subject to  
5 subsection (c), if in a calendar year beginning January 1,  
6 2013, the proceeds from a game of chance for a club licensee  
7 are \$40,000 or less, the licensee shall be eligible to retain  
8 the first \$20,000 in proceeds in the following calendar year  
9 before subsection (a) applies.

10 (2) Amounts retained by a club licensee under subsection  
11 (a)(2) shall be expended within one year of the end of the  
12 calendar year in which the proceeds were obtained unless the  
13 club licensee notifies the department that funds are being  
14 retained for a substantial public interest purchase or  
15 project.

16 (b) Prohibition.--

17 (1) Proceeds shall not be used for the payment of any  
18 fine levied against the club licensee.

19 (2) An officer or employee of a club licensee who  
20 operates the game of chance shall not participate in the  
21 game. This paragraph shall not apply to a raffle.

22 (c) Exception.--

23 (1) Notwithstanding subsections (a) and (a.1), from the  
24 time period that commences on the effective date of this  
25 subsection through 90 days after termination or expiration  
26 under 35 Pa.C.S. § 7301(c) (relating to general authority of  
27 Governor) of the proclamation of disaster emergency issued on  
28 March 6, 2020, issued at 50 Pa.B. 1644 (March 21, 2020), and  
29 any renewal of the state of disaster emergency, or the time  
30 period that commences on the effective date of this

1 subsection through 90 days after the effective date of this  
2 subsection, whichever time period ends later, a club licensee  
3 may retain 100% of the proceeds from a game of chance.

4 (2) Amounts retained by a club licensee under this  
5 subsection shall be expended within one year of the end of  
6 the calendar year in which the proceeds were obtained unless  
7 the club licensee notifies the department that funds are  
8 being retained for a substantial public interest purchase or  
9 project.

10 Section 2. This act shall take effect immediately.