

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1797 Session of 2023

INTRODUCED BY MUSTELLO, KAUFFMAN, BERNSTINE, JAMES AND STRUZZI,  
OCTOBER 27, 2023

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, OCTOBER 27, 2023

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 games of chance,  
9 further providing for prize limits, providing for raffle  
10 prize limits and further providing for licensing of eligible  
11 organizations and for special permits; and, in club  
12 licensees, further providing for distribution of proceeds.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. Section 302(a), (b), (c), (c.1), (d) and (d.1) of  
16 the act of December 19, 1988 (P.L.1262, No.156), known as the  
17 Local Option Small Games of Chance Act, are amended to read:

18 Section 302. Prize limits.

19 (a) Individual prize limit.--[Except as provided under  
20 subsections (d) and (d.1), the] The maximum prize which may be  
21 awarded for any single chance shall be [~~\$2,000~~] \$3,000.

22 (b) Aggregate prize limit.--No more than [~~\$35,000~~] \$50,000  
23 in prizes shall be awarded from games of chance by a licensed

1 eligible organization in any seven-day period.

2 [(c) Raffle prize limit.--Up to \$15,000 in prizes may be  
3 awarded in raffles in any calendar month.]

4 (c.1) Total limit.--All prizes awarded under this section  
5 shall be subject to the aggregate prize limits under subsection  
6 (b).

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

11 (1) The licensing authority has issued a special permit  
12 for the raffle under section 308.

13 (2) A licensed eligible organization shall be eligible  
14 to receive no more than ten special permits in any licensed  
15 term except that a volunteer fire, ambulance, rescue or  
16 conservation organization that is not a club licensee shall  
17 be eligible to receive 12 special permits in any licensed  
18 term.

19 (3) Only one raffle may be conducted under each special  
20 permit issued under section 308.

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

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

30 \* \* \*

1 Section 2. The act is amended by adding a section to read:

2 Section 302.1. Raffle prize limits.

3 (a) Raffle prize limit.--The maximum prize which may be  
4 awarded for a raffle shall be \$5,000.

5 (b) Monthly raffle prize limit.--Up to \$30,000 in prizes may  
6 be awarded in raffles in a calendar month.

7 (c) Exception for raffles.--A licensed eligible organization  
8 may conduct a raffle under section 308 and award a prize or  
9 prizes valued in excess of \$5,000 each only under the following  
10 conditions:

11 (1) The licensing authority has issued a special permit  
12 for the raffle under section 308.

13 (2) There shall be no limit on the number of special  
14 permits a licensed eligible organization may obtain under  
15 section 308.

16 (3) Only one raffle may be conducted under each special  
17 permit issued under section 308.

18 (4) Except as provided under subsection (d), the total  
19 of all prizes awarded under this subsection shall be no more  
20 than \$300,000 per calendar year, which is not subject to the  
21 limit under subsection (a).

22 (d) Additional award.--A volunteer fire, ambulance, rescue  
23 or conservation organization may, in addition to the total under  
24 subsection (c) (4), award up to \$500,000 which is not subject to  
25 the limit under subsection (a).

26 Section 3. Section 307(a), (b) and (b.2) of the act are  
27 amended and the section is amended by adding a subsection to  
28 read:

29 Section 307. Licensing of eligible organizations.

30 (a) License required.--The following shall apply:

1 (1) An eligible organization shall not conduct or  
2 operate games of chance unless the eligible organization has  
3 obtained a valid license as follows:

4 (i) A regular license which must be renewed  
5 annually.

6 (ii) A monthly license which permits the eligible  
7 organization to conduct games of chance for a 30-  
8 consecutive-day period.

9 (2) An auxiliary group of a licensed eligible  
10 organization may conduct games of chance using the license  
11 issued to the eligible organization if the auxiliary group is  
12 listed on the application and license of the eligible  
13 organization. An auxiliary group shall not be eligible to  
14 obtain a license if the auxiliary group is listed on the  
15 application. No additional licensing fee shall be charged for  
16 an auxiliary group[. **If the eligible organization is a club**  
17 **licensee,**] if the auxiliary group is listed on the  
18 application. If the auxiliary group is listed on the  
19 application of the licensed organization, the games of chance  
20 conducted by the auxiliary group must be held on the [**club's**]  
21 licensed organization's licensed premises.

22 (3) Auxiliary groups not listed on the application with  
23 an eligible organization may apply for their own license as  
24 an eligible organization.

25 (b) Issuance.--The licensing authority shall issue a license  
26 within [**30**] 10 days of the submission of an application by an  
27 eligible organization that meets the requirements under this  
28 chapter.

29 \* \* \*

30 (b.2) Location.--An eligible organization that is not a club

1 licensee that holds a license under subsection (a) [and that is  
2 not a club licensee] may conduct small games of chance in the  
3 county where the license is issued at a premises which is the  
4 operating site of the eligible organization or at a premises or  
5 other location not prohibited by local ordinance, and for which  
6 the treasurer has been notified. The following shall apply:

7 (1) No more than three licensees, including the licensee  
8 that owns or leases the premises, may conduct small games of  
9 chance simultaneously at a premises or location.

10 (2) A licensee shall ensure that the conduct of small  
11 games of chance by different organizations are separate and  
12 clearly identified within a premises or location.

13 [(3) A licensee that is not a club licensee may conduct  
14 games of chance simultaneously with the conduct of games of  
15 chance by a club licensee on not more than three occasions  
16 covering a total of seven days during the year.]

17 (4) The following shall apply:

18 (i) Notwithstanding paragraph (1), if a club  
19 licensee is unable to conduct games of chance at the  
20 location listed on its application and license due to  
21 natural disaster, fire or other circumstance that renders  
22 the location unusable, the club licensee may submit a  
23 written request to the district attorney to conduct games  
24 of chance in a different location, including the licensed  
25 premises of another eligible organization.

26 (ii) A request under subparagraph (i) must include  
27 the change in the location and the dates and times the  
28 games of chance will be operated at the alternative  
29 location.

30 (iii) The district attorney shall approve or deny

1 the request and shall establish a limit on the duration  
2 of the authorization to conduct games of chance at the  
3 alternative location. Following the expiration of the  
4 authorization period, the club licensee must return to  
5 the location specified in its application and license or  
6 apply to the licensing authority for a new permanent  
7 location. The district attorney may stipulate additional  
8 requirements as a condition of approval.

9 (iv) If a club licensee permits another club  
10 licensee to use its licensed premises under this  
11 paragraph to conduct games of chance, the host club  
12 licensee must cease its operation of games of chance  
13 during the time the club licensee utilizing its premises  
14 is conducting its games of chance.]

15 (b.3) Location for a club licensee.--A club licensee may  
16 conduct small games of chance in the county where the license is  
17 issued at a premises which is the operating site of the club  
18 licensee or at a premises or other location not prohibited by  
19 local ordinance, for which the treasurer has been notified. The  
20 following shall apply:

21 (1) No more than three eligible organizations, including  
22 the club licensee, that own or lease the premises, may  
23 conduct small games of chance simultaneously at a premises or  
24 location.

25 (2) A club licensee shall ensure that the conduct of  
26 small games of chance by different organizations are separate  
27 and clearly identified within a premises or location.

28 (3) Notwithstanding paragraph (1), if a club licensee is  
29 unable to conduct games of chance at the location listed on  
30 the club licensee's application and license due to natural

1 disaster, fire or other circumstance that renders the  
2 location unusable, the club licensee may submit a written  
3 request to the district attorney to conduct games of chance  
4 in a different location, including the licensed premises of  
5 another eligible organization.

6 (4) A request under paragraph (3) must include the  
7 change in the location and the dates and times the games of  
8 chance will be operated at the alternative location.

9 (5) The district attorney shall approve or deny the  
10 request and shall establish a limit on the duration of the  
11 authorization to conduct games of chance at the alternative  
12 location. Following the expiration of the authorization  
13 period, the club licensee must return to the location  
14 specified in the club licensee's application and license or  
15 apply to the licensing authority for a new permanent  
16 location. The district attorney may stipulate additional  
17 requirements as a condition of approval.

18 (6) If a club licensee permits another club licensee to  
19 use the licensed premises under this paragraph to conduct  
20 games of chance, the host club licensee must cease the  
21 operation of games of chance during the time the club  
22 licensee utilizing the premises is conducting the games of  
23 chance.

24 \* \* \*

25 Section 4. Sections 308(a) and 502(a) of the act are amended  
26 to read:

27 Section 308. Special permits.

28 (a) Issuance and fee.--The licensing authority shall issue a  
29 special permit for each raffle in which the licensed eligible  
30 organization proposes to award individual prizes in excess of

1 [~~\$3,000~~] \$5,000. The licensing authority may establish and  
2 collect a fee not to exceed \$25 for the issuance of special  
3 permits under this section.

4 \* \* \*

5 Section 502. Distribution of proceeds.

6 (a) Distribution.--The proceeds from games of chance  
7 received by a club licensee shall be distributed as follows:

8 (1) No less than [~~60%~~] 40% of the proceeds shall be paid  
9 for public interest purposes within one year of the end of  
10 the calendar year in which the proceeds were obtained.

11 (2) No more than [~~40%~~] 60% of the proceeds obtained in a  
12 calendar year may be retained by a club licensee.

13 \* \* \*

14 Section 5. This act shall take effect in 60 days.