
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 933 Session of
2013

INTRODUCED BY P. DALEY, HARHAI, COHEN, SNYDER, KORTZ, READSHAW,
CARROLL, MUNDY, NEILSON, CALTAGIRONE, C. HARRIS, MAHONEY,
DeLUCA, KAUFFMAN, MATZIE AND GIBBONS, MARCH 11, 2013

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, MARCH 11, 2013

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),
2 entitled, as amended, "An act providing for the licensing of
3 eligible organizations to conduct games of chance, for the
4 licensing 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," further providing for
9 legislative intent, for definitions, for games of chance
10 permitted, for prize limits, for sales limited, for
11 regulations of department, for licensing of eligible
12 organizations to conduct games of chance, for special
13 permits, for club licensee, for distribution of proceeds, for
14 records, for raffle tickets, for weekly drawings, for
15 applicability, for revocation of licenses, for enforcement,
16 for certain persons prohibited, for civil penalties and for
17 criminal penalties.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. Section 102 of the act of December 19, 1988
21 (P.L.1262, No.156), known as the Local Option Small Games of
22 Chance Act, amended February 2, 2012 (P.L.7, No.2), is amended
23 to read:

24 Section 102. Legislative intent.

25 The General Assembly hereby declares that the playing of

1 small games of chance for the purpose of raising funds, by
2 certain nonprofit associations, for the promotion of charitable
3 or civic purposes, is in the public interest. [In some cases,
4 the proceeds from games of chance may be utilized to support
5 certain operating expenses of certain organizations.]

6 It is hereby declared to be the policy of the General
7 Assembly that all phases of licensing, operation and regulation
8 of small games of chance be strictly controlled, and that all
9 laws and regulations with respect thereto as well as all
10 gambling laws should be strictly construed and rigidly enforced.

11 The General Assembly recognizes the possibility of
12 association between commercial gambling and organized crime, and
13 wishes to discourage commercialization of small games of chance,
14 prevent participation by organized crime and prevent the
15 diversion of funds from the purposes herein authorized.

16 Section 2. Section 103 of the act, amended February 2, 2012
17 (P.L.7, No.2) and October 24, 2012 (P.L.1462, No.184), is
18 amended to read:

19 Section 103. Definitions.

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

23 "50/50 drawing." A game in which:

24 (1) A participant buys a ticket for a chance to win a
25 prize where the winner is determined by a random drawing of
26 corresponding tickets sold for that drawing.

27 (2) The prize paid to the winner is comprised of one-
28 half of the money collected from tickets from the drawing and
29 the remaining money retained by the eligible organization for
30 distribution in accordance with this act.

1 "Affiliated nonprofit organization." An organization
2 established by or affiliated with a Major League Baseball,
3 National Hockey League, National Basketball Association or Major
4 League Soccer team for the purpose of raising funds for charity,
5 which is qualified for an exemption under section 501(c)(3) of
6 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.
7 § 101(c)(3)).

8 "Bona fide member." Any individual who holds a membership in
9 the eligible organization as defined by that organization's
10 constitution, charter, articles of incorporation or bylaws.

11 "Charitable organization." A not-for-profit group or body of
12 persons which is created and exists for the purpose of
13 performing a humane service; promoting the good and welfare of
14 the aged, poor, infirm or distressed; combating juvenile
15 delinquency; or advancing the spiritual, mental, social and
16 physical improvement of young men and women.

17 "Civic and service association." Any Statewide or branch,
18 lodge or chapter of a nonprofit national or State organization
19 which is authorized by its written constitution, charter,
20 articles of incorporation or bylaws to engage in a civic or
21 service purpose within this Commonwealth, which shall have
22 existed in this Commonwealth for one year. The term also means a
23 similar local nonprofit organization, not affiliated with a
24 national or State organization, which is recognized by a
25 resolution adopted by the governing body of the municipality in
26 which the organization conducts its principal activities. The
27 term shall include Statewide or local bona fide sportsmen's and
28 wildlife associations, federations or clubs, volunteer fire
29 companies, volunteer rescue squads and volunteer ambulance
30 associations and bona fide senior citizens organizations. In the

1 case of bona fide senior citizens organizations, the licensing
2 authority may accept alternative documentation for proof of
3 purposes when there are no bylaws or articles of incorporation
4 in existence. The term shall also include nonprofit
5 organizations which are established to promote and encourage
6 participation and support for extracurricular activities within
7 the established primary and secondary public, private and
8 parochial school systems. Such organizations must be recognized
9 by a resolution adopted by the appropriate governing body. In
10 the case of organizations associated with the public school
11 system, the governing body shall be the school board of the
12 school district. In the case of private or parochial school
13 organizations, that body shall be either the board of trustees
14 or the Archdiocese.

15 "Club." An organization that:

16 (1) [is licensed to sell liquor under section 404] meets
17 the definition of "club" under section 102 of the act of
18 April 12, 1951 (P.L.90, No.21), known as the Liquor Code;
19 [and]

20 (2) qualifies as an exempt organization under section
21 501(c) or 527 of the Internal Revenue Code of 1986 (Public
22 Law 99-514, 26 U.S.C. § 501(c) or 527) []; and

23 (3) is licensed to sell liquor at retail and has a
24 charitable, religious or civic purpose or is organized to
25 benefit a political party.

26 ["Club licensee." A club that holds a license to conduct
27 small games of chance.]

28 "Daily drawing." A game [of chance] in which a bona fide
29 member selects or is assigned a number for a chance at a prize
30 with the winner determined by random drawing to take place on

1 the [licensed] eligible organization's [licensed] premises
2 during the same operating day. The term includes games [of
3 chance] commonly known as "member sign-in lotteries" and "half-
4 and-half lotteries." Nothing in this act shall be construed to
5 prohibit the carrying over of a jackpot where the winning number
6 has not been entered in the game on a particular operating day.
7 Daily drawing winners may be determined with the aid of a
8 passive selection device or reference to drawings conducted by
9 the department pursuant to the act of August 26, 1971 (P.L.351,
10 No.91), known as the State Lottery Law. Daily drawing chances
11 may not be sold for an amount in excess of \$1, and no more than
12 one chance per individual may be sold per drawing. [Nothing in
13 this definition shall restrict an eligible organization from
14 conducting more than one drawing per day.]

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

16 "Dispensing machine." A device designed exclusively for the
17 dispensing of the games of chance authorized by this act,
18 including, but not limited to, ticket jars, fish bowls and stamp
19 machines. Nothing in this act shall be construed to authorize
20 devices commonly known as "slot machines" or "video poker."

21 "Eligible organization." A charitable, religious, fraternal
22 or veterans' organization, club[, club licensee] or civic and
23 service association. In order to qualify as an eligible
24 organization for purposes of this act, an organization shall
25 have been in existence and fulfilling its purposes for one year
26 prior to the date of application for a license. The term shall
27 include an affiliated nonprofit organization licensed under
28 section 307.

29 "Fraternal organization." A nonprofit organization within
30 this Commonwealth which is created and carried on for the mutual

1 benefit of its members, has a limited membership and a
2 representative form of government and is a branch, lodge or
3 chapter of a national or State organization. Such organizations
4 shall have been in existence in this Commonwealth and fulfilling
5 their purposes for one year prior to the date of application for
6 a license.

7 "Games of chance." Punchboards, daily drawings, weekly
8 drawings, 50/50 drawings, raffles and pull-tabs, as defined in
9 this act, provided that no such game shall be played by or with
10 the assistance of any mechanical or electrical devices or media
11 other than a dispensing machine or passive selection device and
12 further provided that the particular chance taken by any person
13 in any such game shall not be made contingent upon any other
14 occurrence or the winning of any other contest, but shall be
15 determined solely at the discretion of the purchaser. This
16 definition shall not be construed to authorize any other form of
17 gambling currently prohibited under any provision of Title 18 of
18 the Pennsylvania Consolidated Statutes (relating to crimes and
19 offenses) [or authorized under 4 Pa.C.S. (relating to
20 amusements)]. Nothing in this act shall be construed to
21 authorize games commonly known as "slot machines" or "video
22 poker."

23 "Law enforcement official." A municipal police officer, a
24 member of the Pennsylvania State Police, the sheriff of a county
25 or a deputy sheriff.

26 "License." A license to conduct games of chance.

27 "Licensed distributor." A distributor of games of chance
28 licensed under section 307.

29 "Licensing authority." The county treasurer, or in any home
30 rule county or city of the first class, where there is no

1 elected treasurer, the designee of the governing authority.

2 "Major league sports drawing." A 50/50 drawing conducted by
3 an affiliated nonprofit organization at a home game of a major
4 league sports team in which 50% of the money collected from
5 ticket sales from the drawing are offered as the prize and the
6 remaining 50% is retained by the affiliated nonprofit
7 organization sponsoring the drawing for distribution to
8 charitable organizations.

9 "Major league sports team." A professional team that is a
10 member of Major League Baseball, the National Hockey League, the
11 National Basketball Association or Major League Soccer.

12 "Municipality." A city, borough, incorporated town or
13 township or a home rule municipality formerly classified as a
14 city, borough, incorporated town or township.

15 "Passive selection device." A device which is used to hold
16 or denote the universe of possible winning numbers or entrants
17 in a daily drawing or raffle. Such a device may not have the
18 capability of being utilized to conduct or aid in the conducting
19 of unauthorized or illegal forms of gambling.

20 ["Prize." Cash or merchandise awarded for games of chance.

21 "Proceeds." The difference between:

22 (1) the actual gross revenue collected by a licensed
23 eligible organization from a game of chance; and

24 (2) the actual amount of prizes paid by a licensed
25 eligible organization from a game of chance, plus the cost to
26 purchase games of chance.]

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

28 (1) The activities and operations of a nonprofit
29 benevolent, religious, educational, philanthropic, humane,
30 scientific, patriotic, social welfare, social advocacy,

1 public health, public safety, emergency response,
2 environmental or civic objective.

3 (2) Initiating, performing or fostering worthy public
4 works or enabling or furthering the erection or maintenance
5 of public structures.

6 (3) Lessening the burdens borne by government or
7 voluntarily supporting, augmenting or supplementing services
8 which government would normally render to the people.

9 (4) Improving, expanding, maintaining or repairing real
10 property owned or leased by an eligible organization and
11 [relating operational expenses] used for purposes specified
12 in paragraphs (1), (2) and (3).

13 The term does not include the erection or acquisition of any
14 real property, unless the property will be used exclusively for
15 one or more of the purposes specified in this definition.

16 "Pull-tab." A single folded or banded ticket or a strip
17 ticket or card with a face covered to conceal one or more
18 numbers or symbols, where one or more of each set of tickets or
19 cards has been designated in advance as a winner.

20 "Punchboard." A board, placard or other device marked off in
21 a grid or columns, in which each section contains a hidden
22 number or numbers, or other symbol, which determines the winning
23 chances.

24 "Raffle." A game [of chance] in which a participant buys a
25 ticket for a chance at a prize with the winner determined by a
26 random drawing of corresponding ticket stubs to take place at a
27 location and date or dates printed upon each ticket. Such games
28 [of chance] shall include lotteries but not daily drawings.

29 Raffle winners may be determined by reference to drawings
30 conducted by the department pursuant to the act of August 26,

1 1971 (P.L.351, No.91), known as the State Lottery Law.

2 "Religious organization." A not-for-profit group or body of
3 persons which is created and which exists for the predominant
4 purpose of regularly holding or conducting religious activities
5 or religious education, without pecuniary benefit to any
6 officer, member or shareholder except as reasonable compensation
7 for actual services rendered to the organization.

8 "Veterans organization." Any congressionally chartered
9 organization within this Commonwealth, or any branch or lodge or
10 chapter of a nonprofit national or State organization within
11 this Commonwealth, the membership of which consists of
12 individuals who were members of the armed services or armed
13 forces of the United States. The term shall also include home
14 associations. Such organizations shall have been in existence in
15 this Commonwealth fulfilling their purposes for one year prior
16 to the date of application for a license.

17 "Weekly drawing." A game [of chance] in which a bona fide
18 member selects or receives a number or numbers for a chance at a
19 prize with the winner determined by a random drawing to take
20 place on the [licensed] eligible organization's [licensed]
21 premises at the end of a seven-day period. Nothing in this act
22 shall be construed to prohibit the carrying over of a jackpot
23 where the winning number has not been entered in the game in a
24 particular week. Weekly drawing winners may be determined with
25 the aid of a passive selection device or reference to drawings
26 conducted by the Department of Revenue pursuant to the act of
27 August 26, 1971 (P.L.351, No.91), known as the State Lottery
28 Law. Weekly drawing chances may not be sold for an amount in
29 excess of \$1.

30 Section 3. Section 301 of the act, amended October 24, 2012

1 (P.L.1462, No.184), is amended to read:

2 Section 301. Games of chance permitted.

3 Every eligible organization to which a license has been
4 issued under the provisions of this chapter may conduct games of
5 chance for the purpose of raising funds for public interest
6 purposes. [Except as provided in Chapter 5, all proceeds of a
7 licensed eligible organization shall] Proceeds from a game of
8 chance must be used exclusively for public interest purposes,
9 for the purchase of games of chance, for the payment of the
10 license fee or for the payment of the fee for background checks,
11 as required by this act.

12 Section 4. Sections 302 and 303 of the act, amended February
13 2, 2012 (P.L.7, No.2), are amended to read:

14 Section 302. Prize limits.

15 [(a) Individual prize limit.--Except as provided under
16 subsections (d) and (d.1), the maximum prize which may be
17 awarded for any single chance shall be \$1,000.

18 (b) Aggregate prize limit.--No more than \$25,000 in prizes
19 shall be awarded from games of chance by a licensed eligible
20 organization in any seven-day period.

21 (c) Raffle prize limit.--Up to \$10,000 in prizes may be
22 awarded in raffles in any calendar month.

23 (c.1) Total limit.--All prizes awarded under this section
24 shall be subject to the aggregate prize limits under subsection
25 (b).]

26 (a) Individual prize limit.--The maximum cash value which
27 may be awarded for any single chance shall be \$500.

28 (b) Weekly limit.--No more than \$5,000 in cash or
29 merchandise shall be awarded by an eligible organization in any
30 seven-day period.

1 (c) Limit on raffles.--No more than \$5,000 in cash or
2 merchandise shall be awarded in raffles in any calendar month.

3 (d) Exception for raffles.--[Notwithstanding subsection (b)
4 or (c), a licensed] An eligible organization may conduct a
5 raffle and award a prize or prizes valued in excess of [\$1,000]
6 \$500 each only under the following conditions:

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

9 (2) [A licensed] An eligible organization shall be
10 eligible to receive no more than [eight] two special permits
11 in any licensed [term] year except that a volunteer fire,
12 ambulance or rescue organization [that is not a club
13 licensee] shall be eligible to receive [ten] no more than
14 three special permits in any licensed [term] year.

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

17 (4) [Except as provided under subsection (d.1), the] The
18 total cash value of all prizes [awarded under this
19 subsection] shall be no more than \$100,000 per calendar year.

20 [(d.1) Additional award.--A volunteer fire, ambulance or
21 rescue organization may, in addition to the total under
22 subsection (d) (4), award up to \$50,000 from raffles which shall
23 not be subject to the aggregate limit under subsection (b), (c)
24 or (d).]

25 (e) Limit on daily drawings.--Daily drawings shall be
26 governed by the prize limitations under subsections (a) and (b).
27 An eligible organization may not conduct daily drawings during a
28 period when a weekly drawing is taking place.

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

1 under the following circumstances: a daily drawing may award a
2 prize with a cash value in excess of [\$1,000] \$500 if such prize
3 is the result of a carryover of a drawing which resulted from
4 the 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) to be exceeded as a result of a failure to conduct a
8 drawing on an operating day during which chances were sold for a
9 daily drawing or for a daily drawing for which chances were sold
10 in excess of \$1 or for which more than one chance was sold to an
11 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). The prize limitation contained in subsection (b)
19 may be exceeded by a weekly drawing under the following
20 circumstances: a weekly drawing may award a prize where the cash
21 value is in excess of [\$25,000] \$5,000 if such prize is the
22 result of a carryover of a drawing or drawings which resulted
23 from the winning number or numbers in such drawing or drawings
24 not being among the eligible entrants in such drawings. Nothing
25 contained in this chapter shall authorize the prize limitation
26 under subsection (b) to be exceeded as a result of a failure to
27 conduct a drawing for a week during which chances were sold for
28 a weekly drawing or for a weekly drawing for which chances were
29 sold in excess of \$1. An eligible organization may not conduct
30 weekly drawings during a period when a daily drawing is taking

1 place.

2 Section 303. Sales limited.

3 (a) General rule.--No person shall sell, offer for sale or
4 furnish games of chance for use within this Commonwealth except
5 to an eligible organization or licensed distributor under this
6 chapter.

7 (b) Limitation.--No game of chance, other than a raffle
8 under section 302(d), sold, offered for sale or furnished [to a
9 licensed eligible organization] for use within this Commonwealth
10 shall contain, permit, depict or designate a prize having a
11 [prize limit] cash value in excess of [\$1,000] \$500.

12 Section 5. Section 306 of the act, amended October 24, 2012
13 (P.L.1462, No.184), is amended to read:

14 Section 306. Regulations of department.

15 (a) Authorization.--The department shall promulgate
16 regulations to:

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

27 (2) Establish procedures by which manufacturers may
28 register and distributors of games of chance may apply for
29 licensure on forms which the department shall provide.

30 [Procedures shall include a requirement that manufacturer and

1 distributor applicants provide criminal history record
2 information obtained from the Pennsylvania State Police under
3 18 Pa.C.S. § 9121(b) (relating to general regulations) for
4 each officer and manager of the manufacturer's or
5 distributor's organization and for any other individual
6 specified by the department. As used in this paragraph, the
7 term "criminal history record information" has the meaning
8 given in 18 Pa.C.S. § 9102 (relating to definitions).]

9 (3) Provide for the suspension or revocation of
10 distribution licenses or manufacturer certificates for
11 violations of this act or regulations of the department.

12 (4) Carry out other provisions of this act.

13 (b) Limitation on recordkeeping requirements.--This section
14 shall not be construed to authorize the department to promulgate
15 regulations providing for recordkeeping requirements for
16 [licensed] eligible organizations which require unreasonable or
17 unnecessary information or a repetitious listing of information.
18 The department shall strive to keep such recordkeeping
19 requirements from being an undue hardship or burden on
20 [licensed] eligible organizations. [Except as provided under
21 section 701(b), the] The department may not require the
22 retention of records for a period in excess of two years.

23 [(c) Reporting requirements.--Each eligible organization
24 which has proceeds in excess of \$2,500 in a calendar year shall
25 submit an annual report to the department including:

26 (1) Prizes awarded as required under section 335 of the
27 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
28 Code of 1971.

29 (2) Amounts expended for public interest purposes.]

30 Section 6. Section 307 of the act, amended February 2, 2012

1 (P.L.7, No.2) and October 24, 2012 (P.L.1462, No.184), is
2 amended to read:

3 Section 307. Licensing of eligible organizations to conduct
4 games of chance.

5 (a) License required.--No eligible organization shall
6 conduct or operate any games of chance unless such eligible
7 organization has obtained and maintains a valid license [or
8 limited occasion] license issued pursuant to this section. An
9 auxiliary group of [a licensed] an eligible organization shall
10 be eligible to conduct games of chance using the license issued
11 to the eligible organization provided that the auxiliary group
12 or groups are listed on the application and license of the
13 eligible organization. [An auxiliary group is not eligible to
14 obtain a license or a limited occasion license.] No additional
15 licensing fee shall be charged for an auxiliary group's
16 eligibility under this chapter. Auxiliary groups shall not
17 include branches, lodges or chapters of a Statewide
18 organization.

19 (b) Issuance and fees.--The licensing authority shall
20 license, upon application, within 30 days any eligible
21 organization meeting the requirements for licensure contained in
22 this chapter to conduct and operate games of chance at such
23 locations within the county or in such manner as stated on the
24 application as limited by subsection (b.1). The license fee to
25 be charged to each eligible organization shall be \$100, except
26 for limited occasion licenses which shall be \$10. Licenses shall
27 be renewable annually upon the anniversary of the date of issue.
28 [The license fee shall be used by the licensing authority to
29 administer this act.]

30 (b.1) Location of small games of chance.--

1 [(1) Except as otherwise provided in this section, a
2 licensed eligible organization, except a limited occasion
3 licensee, may conduct small games of chance at a licensed
4 premises. The licensed premises shall be indicated on the
5 eligible organization's license application. Only one license
6 shall be issued per licensed premises. Except as provided
7 under paragraph (4), a licensed eligible organization may not
8 share a licensed premises with another licensed eligible
9 organization; and no licensed eligible organization may
10 permit its premises to be used for small games of chance by
11 another licensed eligible organization.]

12 (2) Where there exists a location or premises which is
13 the normal business or operating site of the eligible
14 organization and the location or premises is owned or leased
15 by that eligible organization to conduct its normal business,
16 that site shall be the eligible organization's licensed
17 premises. If that location consists of more than one
18 building[, the eligible organization shall identify the
19 building that will be designated the licensed premises.] and
20 the eligible organization wishes to conduct its games in a
21 different building at that location from the one that is
22 listed on its application and license, the eligible
23 organization must notify in writing the district attorney and
24 the licensing authority of the change in building site and
25 the dates and times that will be affected.

26 (3) [When an eligible organization does not own or lease
27 a specific location to conduct its normal business, the
28 eligible organization may make arrangements that are
29 consistent with this act to establish a licensed premises,
30 including leasing a premise under a written agreement for a

1 rental; however, the rental may not be determined by either
2 the amount of receipts realized from the conduct of games of
3 chance or the number of people attending. An eligible
4 organization may lease a facility for a banquet in connection
5 with the serving of a meal based on a per-head charge.] If an
6 eligible organization does not own or lease a specific
7 location to conduct its normal business, the eligible
8 organization may use another eligible organization's premises
9 to conduct its games or may make other arrangements that are
10 consistent with this act, including leasing a premise under a
11 written agreement for a rental which is not determined by
12 either the amount of receipts realized from the playing of
13 games of chance or the number of people attending. An
14 eligible organization may lease a facility for a banquet in
15 connection with the serving of a meal based on a per-head
16 charge. If the eligible organization changes the site of its
17 games from that which is listed on its application and
18 license, the eligible organization must notify in writing the
19 district attorney and licensing authority of the change in
20 its games' site and dates and times that will be affected.

21 (3.1) Notwithstanding paragraphs (1), (2) and (3), if an
22 eligible organization is unable to conduct games of chance at
23 the location listed on its application and license due to
24 natural disaster, fire or other circumstance that renders the
25 location unusable, the eligible organization may submit a
26 written request to the district attorney to conduct games of
27 chance in a different location, including the licensed
28 premises of another eligible organization. The request must
29 include the change in the location and the dates and times
30 the games of chance will be operated at the alternative

1 location. The district attorney shall establish a limit on
2 the duration of the authorization to conduct games of chance
3 at the alternative location. Following the expiration of the
4 authorization period, the eligible organization must return
5 to the location specified in its application and license or
6 apply to the licensing authority for a new permanent location
7 for the conduct of games of chance. The district attorney may
8 approve or deny the request or stipulate additional
9 requirements as a condition of approval. If an eligible
10 organization permits another eligible organization to use its
11 licensed premises to conduct games of chance under this
12 paragraph, the eligible organization shall cease its
13 operation of games of chance during the time the eligible
14 organization utilizing its premises is conducting its games
15 of chance.

16 (3.2) Notwithstanding paragraphs (1), (2) and (3), the
17 following eligible organizations established to raise funds
18 shall not be required to conduct a 50/50 drawing or a raffle
19 at a licensed premises or to own, lease or establish a
20 licensed premises:

21 (i) A nonprofit sports team.

22 (ii) A primary or secondary school-sponsored club,
23 sports team or organization.

24 [(4) An eligible organization that has obtained a
25 limited occasion license under subsection (b.3) may use
26 another eligible organization's licensed premises to conduct
27 its games of chance. When a licensed eligible organization is
28 permitting a limited occasion licensee to use its licensed
29 premises for purposes of games of chance, it shall cease the
30 operation of its own games of chance during the period that

1 the limited occasion licensee is conducting its games on the
2 premises.]

3 (5) For purposes of major league sports drawings, the
4 facility at which a major league sports team conducts its
5 games shall constitute a premises for purposes of this act.

6 (b.2) Off-premises games of chance.--Notwithstanding any
7 other provisions of this section, [all of the following apply:

8 (1) A licensed] an eligible organization may conduct
9 games of chance at a location off its premises when the games
10 of chance are part of an annual carnival, fair, picnic or
11 banquet held or participated in by that [licensed] eligible
12 organization on a historical basis. The [licensed] eligible
13 organization must notify, in writing, the district attorney
14 and licensing authority of the location, date and times of
15 the event where it will be conducting small games of chance.

16 [(2) Raffle tickets may be sold off the licensed
17 premises in a municipality which has adopted the provisions
18 of this act by an affirmative vote in a municipal referendum.
19 A licensed eligible organization which plans to sell raffle
20 tickets in a municipality located in a county other than the
21 county in which the eligible organization is licensed shall
22 notify that county's district attorney and licensing
23 authority as to the location and the dates that the licensed
24 eligible organization plans to sell raffle tickets.]

25 (b.3) Limited occasion licenses.--Eligible organizations
26 which do not own their own premises or which do not lease a
27 specific location to conduct their normal business may apply for
28 a limited occasion license to conduct games of chance on not
29 more than three occasions covering a total of seven days during
30 a licensed year. A limited occasion license entitles an eligible

1 organization to conduct no more than two raffles during a
2 licensed year where prizes may not exceed the established limits
3 for regular monthly raffles. Holders of a limited occasion
4 license may not apply or be granted any other license or special
5 permit under this act. No holder of a regular license or special
6 permit under this act shall apply or be granted a limited
7 occasion license.

8 (b.4) Gambling facility prohibited.--It shall be unlawful
9 for a person, corporation, association, partnership or other
10 business entity to offer for rent or offer for use a building or
11 facility to be used exclusively for the conduct of games of
12 chance. It shall also be unlawful for any eligible organization
13 to lease under any terms a building or facility which is used
14 exclusively for the conduct of small games of chance.

15 (c) Display.--Licenses issued pursuant to this section shall
16 be publicly displayed at the site where small games of chance
17 are conducted.

18 (d) Operation.--Each licensed eligible organization shall be
19 prohibited from the following:

20 (1) Permitting any person under 18 years of age to
21 operate or play games of chance.

22 (2) Permitting any person who has been convicted of a
23 felony in a Federal or State court within the past five years
24 or has been convicted in a Federal or State court within the
25 past ten years of a violation of the act of July 10, 1981
26 (P.L.214, No.67), known as the Bingo Law, or of this act to
27 manage, set up, supervise or participate in the operation of
28 games of chance.

29 (3) Paying any compensation to any person for conducting
30 any games of chance. Games of chance may only be conducted by

1 managers, officers, directors, bar personnel and bona fide
2 members of the eligible organization.

3 (4) Conducting games of chance on any premises other
4 than on the licensed premises or as otherwise provided by
5 this chapter.

6 (5) Leasing the licensed premises under either an oral
7 or a written agreement for a rental which is determined by
8 either the amount of receipts realized from the playing of
9 games of chance or the number of people attending, except
10 that an eligible organization may lease a facility for a
11 banquet where a per head charge is applied in connection with
12 the serving of a meal. An eligible organization shall not
13 lease such premises from any person who has been convicted of
14 a violation of this act [or the Bingo Law] within the past
15 ten years.

16 (6) Purchasing games of chance, other than raffles,
17 50/50 drawings, daily drawings and weekly drawings, from any
18 person other than a registered manufacturer or licensed
19 distributor approved by the department.

20 (7) Permitting its premises to be used for small games
21 of chance by another licensed eligible organization at the
22 same time that it is conducting small games of chance on the
23 premises. If a licensed eligible organization is permitting
24 another licensed eligible organization to use its premises
25 for purposes of small games of chance, it must cease the
26 operation of its own small games of chance during the period
27 that the other licensed eligible organization is conducting
28 its games on the premises.

29 (8) Selling raffle tickets off the licensed premise in
30 any municipality in this Commonwealth which has adopted the

1 provisions of this act by an affirmative vote in a municipal
2 referendum. A licensed eligible organization which plans to
3 sell raffle tickets in a municipality located in a county
4 other than the county in which the eligible organization is
5 licensed must notify that county's district attorney and
6 licensing authority as to the location and the dates that the
7 eligible organization plans to sell raffle tickets.

8 [(d.1) Bank account and records.--The licensed eligible
9 organization shall keep a bank account to hold the proceeds of
10 games of chance, which shall be separate from all other funds
11 belonging to the licensed eligible organization. Account records
12 shall show all expenditures and income and shall be retained by
13 the licensed eligible organization for at least two years.]

14 (e) Application for license.--Each eligible organization
15 shall apply to the licensing authority for a license on a form
16 to be prescribed by the Secretary of Revenue. [For a club
17 license, the application and each renewal application shall
18 include the most recent annual report filed by the club licensee
19 under Chapter 5.] The form shall contain an affidavit to be
20 affirmed by the executive officer or secretary of the eligible
21 organization stating that:

22 (1) No person under 18 years of age will be permitted by
23 the eligible organization to operate or play games of chance.

24 (2) The facility in which the games of chance are to be
25 played has adequate means of ingress and egress and adequate
26 sanitary facilities available in the area.

27 (3) The eligible organization is not leasing such
28 premises from the owner thereof under an oral agreement, nor
29 is it leasing such premises from the owner thereof under a
30 written agreement at a rental which is determined by the

1 amount of receipts realized from the playing of games of
2 chance or by the number of people attending, except that an
3 eligible organization may lease a facility for a banquet
4 where a per head charge is applied in connection with the
5 serving of a meal.

6 [(e.1) Proceedings.--Proceedings before the licensing
7 authority are subject to 2 Pa.C.S. Chs. 5 Subch. B (relating to
8 practice and procedure of local agencies) and 7 Subch. B
9 (relating to judicial review of local agency action).]

10 (f) List of licensees.--The licensing authority, on a
11 semiannual basis, shall send a copy of all licensees to the
12 department.

13 (g) List of municipalities.--The licensing authority shall
14 include with any license or renewal license issued to an
15 eligible organization, an up-to-date listing of those
16 municipalities within the licensing county which have approved
17 the referendum question on small games of chance.

18 [(h) Background checks.--Each application for a license
19 submitted by an eligible organization which has proceeds in
20 excess of \$2,500 in a year shall include the results of a
21 criminal history record information check obtained from the
22 Pennsylvania State Police, as defined in 18 Pa.C.S. § 9102
23 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b)
24 (relating to general regulations), for the executive officer and
25 secretary of the eligible organization making the application
26 for a license or any other person required by the department.]

27 Section 7. Section 308 of the act, amended February 2, 2012
28 (P.L.7, No.2), is amended to read:

29 Section 308. Special permits.

30 (a) Issuance and fee.--The licensing authority shall issue a

1 special permit for each raffle in which the licensed eligible
2 organization proposes to award individual prizes having a cash
3 value in excess of [\$1,000] \$500. The licensing authority may
4 establish and collect a fee not to exceed \$25 for the issuance
5 of special permits under this section.

6 (b) Permit application.--Each special permit application
7 shall specify the location where the actual drawing will be
8 held, the number of chances to be sold, the price per chance and
9 the cash value of the prize to be awarded.

10 Section 8. Chapter 5 heading of the act, added February 2,
11 2012 (P.L.7, No.2), is amended to read:

12 CHAPTER 5

13 [CLUB LICENSES]

14 (Reserved)

15 Section 9. Sections 501, 502, 503, 504 and 505 of the act,
16 added February 2, 2012 (P.L.7, No.2), are repealed:

17 [Section 501. Club licensee.

18 (a) Report.--

19 (1) Beginning in 2013, a club licensee shall submit
20 semiannual reports to the department for the preceding six-
21 month period on a form and in a manner prescribed by the
22 department.

23 (2) The report must be filed under oath or affirmation
24 of an authorized officer of the club licensee.

25 (3) The report shall include all of the following
26 information:

27 (i) The proceeds received by the club licensee from
28 each game of chance conducted, itemized by week.

29 (ii) The amount of prizes paid from all games of
30 chance, itemized by week.

1 (iii) Other costs incurred related to the conduct of
2 games of chance.

3 (iv) The verification of amounts distributed for
4 public interest purposes itemized under section
5 502(a) (1), itemized by the recipient.

6 (v) An itemized list of expenditures made or amounts
7 retained and expenditures under section 502(a) (2).

8 (vi) The address and the county in which the club
9 licensee is located.

10 (vii) Other information or documentation required by
11 the department.

12 (b) Distribution.--The department shall provide a copy of
13 the report to the Bureau of Liquor Control Enforcement.

14 (c) Posting.--The reports under subsection (a) shall be
15 published on the department's Internet website.

16 Section 502. Distribution of proceeds.

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

19 (1) No less than 70% of the proceeds shall be paid to
20 organizations for public interest purposes in the calendar
21 year in which the proceeds were obtained.

22 (2) No more than 30% of the proceeds obtained in a
23 calendar year may be retained by a club licensee and used for
24 the following operational expenses relating to the club
25 licensee:

26 (i) Real property taxes.

27 (ii) Utility and fuel costs.

28 (iii) Heating and air conditioning equipment or
29 repair costs.

30 (iv) Water and sewer costs.

- 1 (v) Property or liability insurance costs.
- 2 (vi) Mortgage payments.
- 3 (vii) Interior and exterior repair costs, including
- 4 repair to parking lots.
- 5 (viii) New facility construction costs.
- 6 (ix) Entertainment equipment, including television,
- 7 video and electronic games.
- 8 (x) Other expenses adopted in regulation by the
- 9 department.

10 (a.1) Amounts retained.--Amounts retained by a club licensee
11 under subsection (a)(2) shall be expended within the same
12 calendar year unless the club licensee notifies the department
13 that funds are being retained for a substantial purchase or
14 project. Notification shall include a description of the
15 purchase or project, the cost and the anticipated date of the
16 purchase or project.

17 (b) Prohibition.--

18 (1) Proceeds shall not be used for wages, alcohol or
19 food purchases or for the payment of any fine levied against
20 the club licensee.

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

24 Section 503. Records.

25 A club licensee shall maintain records as required by this
26 act or by the department, including invoices for games of chance
27 purchased. Records necessary to conduct an audit under section
28 702(b) shall be made available to the Bureau of Liquor Control
29 Enforcement or other entity authorized to enforce this act.

30 Section 504. Raffle tickets.

1 A club licensee shall maintain records relating to the
2 printing or purchase of raffle tickets. Records shall include a
3 receipt or invoice from the place of purchase that shows the
4 cost and number or amount of tickets purchased.

5 Section 505. Weekly drawings.

6 A club licensee shall maintain records relating to the
7 printing or purchase of materials to be used for weekly
8 drawings. Records shall include a receipt or invoice from the
9 place of purchase that shows the cost and number or amount of
10 materials purchased.]

11 Section 10. Section 506 of the act, added October 24, 2012
12 (P.L.1462, No.184), is repealed:

13 [Section 506. Applicability.

14 This chapter shall only apply to eligible organizations that
15 have a club license.]

16 Section 11. Section 701 of the act, amended February 2, 2012
17 (P.L.7, No.2), is amended to read:

18 Section 701. Revocation of licenses.

19 (a) Grounds.--The [following shall be grounds for
20 suspension, revocation or nonrenewal of a license] licensing
21 authority shall revoke or refuse to renew the license of an
22 eligible organization if the district attorney finds upon
23 complaint and investigation that:

24 (1) Any of the [proceeds] funds derived from the
25 operation of games of chance [by an eligible organization]
26 are used for any purpose other than for:

- 27 (i) public interest purposes;
28 (ii) the purchase of games of chance; or
29 (iii) a purpose permitted by [Chapter 5] this act.

30 [(1.1) Any of the funds derived from the operation of

1 games of chance by a club licensee are used in a manner that
2 does not comply with section 502.]

3 (2) Any person under 18 years of age is operating or
4 playing games of chance.

5 (3) The eligible organization has permitted any person
6 who has been convicted of a felony in a Federal or State
7 court within the past five years or has been convicted in a
8 Federal or State court within the past ten years of a
9 violation of the act of July 10, 1981 (P.L.214, No.67), known
10 as the Bingo Law, or of this act, to manage, set up,
11 supervise or participate in the operation of games of chance.

12 (4) The facility in which the games of chance are played
13 does not have adequate means of ingress and egress and does
14 not have adequate sanitary facilities available in the area.

15 (5) Any person or persons other than a manager, officer,
16 director, bar personnel or a bona fide member of an eligible
17 organization have been involved in managing, setting up,
18 operating or running games of chance.

19 (6) Any person has received compensation for conducting
20 games of chance.

21 (7) Any prize has been awarded in excess of the limits
22 permitted under this act.

23 (8) The eligible organization has violated any condition
24 of a special permit issued pursuant to section 308.

25 (9) The eligible organization conducts the games of
26 chance under a lease which calls for:

27 (i) leasing such premises from the owner thereof
28 under an oral agreement; or

29 (ii) leasing such premises from the owner thereof
30 under a written agreement at a rental which is determined

1 by the amount of receipts realized from the playing of
2 games of chance.

3 (10) False or erroneous information was provided in the
4 original application [or in any information provided to the
5 licensing authority or the department in any report].

6 (11) An eligible organization has been convicted of a
7 violation of this act as evidenced by a certified record of
8 the conviction.

9 (12) The eligible organization has permitted another
10 eligible organization to conduct games of chance on its
11 licensed premises without suspending its own operation of
12 games of chance during the period that the other licensed
13 eligible organization is conducting its games on the
14 premises.

15 [(13) A club licensee has failed to file an accurate
16 report under section 501(a).

17 (14) A club licensee has failed to comply with section
18 502.

19 (15) Failure to file reports under section 501.]

20 (b) Production of records.--[The district attorney may
21 require licensees to produce their books, accounts and records
22 relating to the conduct of games of chance in order to determine
23 if a violation of this act has occurred. Licensees shall also be
24 required, upon request, to provide their license, books,
25 accounts and records relating to the conduct of games of chance
26 to the licensing authority, the Bureau of Liquor Control
27 Enforcement or to a law enforcement agency or official. A club
28 licensee shall retain records for a period of five years.] The
29 district attorney may require licensees to produce their books,
30 accounts and records relating to the conduct of games of chance

1 in order to determine whether a license should be revoked or
2 renewal of the license denied. Licensees shall be required to
3 produce their license, books, accounts and records relating to
4 the conduct of games of chance to other law enforcement
5 officials upon proper request.

6 Section 12. Section 702 of the act, amended February 2, 2012
7 (P.L.7, No.2) and October 24, 2012 (P.L.1462, No.184), is
8 amended to read:

9 Section 702. Enforcement.

10 [(a) Licensing authority.--The licensing authority may
11 enforce the provisions of this act and may impose the penalties
12 under subsection (d).

13 (b) Bureau of Liquor Control Enforcement.--If the licensee
14 is a club licensee, the Bureau of Liquor Control Enforcement may
15 enforce the provisions of this act in accordance with subsection
16 (g). An administrative law judge under section 212 of the act of
17 April 12, 1951 (P.L.90, No.21), known as the Liquor Code, may
18 impose the penalties under subsection (d) following the issuance
19 of a citation by the bureau.

20 (c) Random audits.--The Bureau of Liquor Control Enforcement
21 shall conduct annual random audits of 5% of all club licensees.

22 (d) Powers and duties.--The licensing authority, or, in the
23 case of a club licensee, the Bureau of Liquor Control
24 Enforcement, may impose the following penalties:

25 (1) A civil penalty.

26 (2) Suspension or revocation of the license.

27 (e) District attorney.--The district attorney of the county
28 that issued the license shall investigate alleged violations of
29 this act. If the district attorney finds probable cause to
30 believe that a criminal violation has occurred, the district

1 attorney may file criminal charges and prosecute the complaint
2 against the alleged violator in the court of common pleas of the
3 county except in counties of the first class where the complaint
4 may be filed in the municipal court.

5 (f) Law enforcement officials.--Nothing in this act may
6 restrict or limit the power of a State, county or local law
7 enforcement official to conduct investigations and file criminal
8 charges under this act.

9 (g) General rule.--

10 (1) Except as provided in paragraph (2), a violation of
11 this act by a club licensee shall not constitute a violation
12 of the Liquor Code.

13 (2) If a club licensee has committed three or more
14 violations of this act, the Bureau of Liquor Control
15 Enforcement may enforce a violation of this act as a
16 violation of the Liquor Code.

17 (3) A violation of this act shall not constitute a
18 violation of the Liquor Code for the purposes of section
19 471(c) of the Liquor Code.]

20 (a) District attorney.--A district attorney shall
21 investigate alleged violations of this act. If the district
22 attorney finds probable cause to believe that a violation has
23 occurred, he may file a complaint against the alleged violator
24 in the court of common pleas of the county, except in counties
25 of the first class where the complaint may be filed in the
26 municipal court, and shall prosecute the complaint in the manner
27 provided by law.

28 (b) Other law enforcement officials.--Nothing in this act
29 shall be interpreted to restrict the power of State, county or
30 local law enforcement officials to conduct investigations and

1 enforce this act.

2 Section 13. Section 705 of the act, amended February 2, 2012
3 (P.L.7, No.2), is amended to read:

4 Section 705. Certain persons prohibited.

5 No [licensed] distributor nor any person who has been
6 convicted of a felony or of a violation of the act of July 10,
7 1981 (P.L.214, No.67), known as the Bingo Law, or of this act or
8 of any comparable State or Federal law shall have a pecuniary
9 interest in the operation or in proceeds.

10 Section 14. Section 706 of the act, added February 2, 2012
11 (P.L.7, No.2), is repealed:

12 [Section 706. Civil penalties.

13 (a) Penalty.--An eligible organization, other than a club
14 licensee, that violates the provisions of this act shall be
15 subject to the 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 (b) Club licensee.--A club licensee that violates the
20 provisions of this act shall be subject to the following civil
21 penalties:

22 (1) For an initial violation, up to \$800.

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

24 (3) For a third or subsequent violation, up to \$2,000.

25 (c) Records.--The intentional or willful failure of a club
26 licensee to provide accurate records shall result in a license
27 suspension of a minimum of six months.]

28 Section 15. Section 707 of the act, amended February 2, 2012
29 (P.L.7, No.2), is amended to read:

30 Section 707. Criminal penalties.

1 (a) Eligible organizations [and club licensees].--Any
2 eligible organization violating the provisions of this act shall
3 be guilty of a summary offense and, upon conviction thereof,
4 shall be sentenced to pay a fine not exceeding \$1,000 for a
5 first offense [and \$1,500 for a subsequent offense]. In
6 addition:

7 (1) For a first offense, the eligible organization shall
8 forfeit the license to conduct games of chance issued to the
9 eligible organization for [a period of not more than 30 days]
10 the remainder of the licensing period or six months,
11 whichever is longer.

12 (2) For a second offense, the eligible organization
13 shall forfeit its license for [a period of not less than 30
14 days nor more than 180 days] the remainder of the current
15 licensing period and shall be ineligible to be licensed for
16 the following licensing period.

17 (3) For a third or subsequent offense [within three
18 years of the first offense], the eligible organization shall
19 forfeit its license and be ineligible for a license renewal
20 for 30 months thereafter.

21 (b) Individuals.--Any person who conducts or assists in the
22 conducting of games of chance in violation of the provisions of
23 this act is guilty of a summary offense for a first violation. A
24 second violation of this act shall be punishable as a
25 misdemeanor of the third degree. A third or subsequent violation
26 shall be punishable as a misdemeanor of the first degree.

27 (c) Distributors and manufacturers.--Any person who
28 distributes games of chance without a license or in violation of
29 any provision of this act or applicable regulations, and any
30 manufacturer of games of chance who delivers games of chance for

1 sale or distribution in this Commonwealth who fails to [register
2 and] obtain a permit therefor is guilty of a misdemeanor of the
3 first degree, provided that no license or permit shall be
4 required for the manufacture or distribution of raffle tickets.

5 (d) Rigging.--A person commits a misdemeanor of the first
6 degree if, with intent to prevent a game of chance from being
7 conducted in accordance with the requirements of this act or the
8 rules and usages governing the game of chance, he:

9 (1) confers or offers or agrees to confer any benefit
10 upon or threatens any injury to a participant or other person
11 associated with the game of chance;

12 (2) tampers with any person or game of chance; or

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

14 (e) Contingent fees.--Any person who distributes,
15 manufactures or operates a small game of chance and who
16 requires, for equipment furnished or to play a game of chance,
17 payment equal to a percentage of the total winnings of any game
18 of chance commits a misdemeanor of the first degree.

19 Section 16. This act shall take effect in 60 days.