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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 826 Session of  
2019

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

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SENATOR KILLION, COMMUNITY, ECONOMIC AND RECREATIONAL  
DEVELOPMENT, IN SENATE, AS AMENDED, JUNE 11, 2019

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AN ACT

1 Providing for sports raffles for charity; and making related  
2 repeals.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Sports Raffle  
7 Charities Act.

8 Section 2. Legislative intent.

9 The General Assembly declares that conducting 50/50 drawings  
10 at athletic events for the purpose of raising funds, by certain  
11 nonprofit associations, for the promotion of charitable or civic  
12 purposes, is in the public interest.

13 Section 3. Definitions.

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

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

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

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

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

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

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

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

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

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

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

29 "HOME GAME." AS APPLIED TO A UNITED STATES SERVICE ACADEMY, <--  
30 A GAME PLAYED AT A NEUTRAL SPORTS FACILITY.

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

2 (1) A community college operating under Article XIX-A of  
3 the act of March 10, 1949 (P.L.30, No.14), known as the  
4 Public School Code of 1949.

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

7 (3) The Pennsylvania State University.

8 (4) The University of Pittsburgh.

9 (5) Temple University.

10 (6) Lincoln University.

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

13 (8) An accredited private or independent college or  
14 university.

15 (9) A UNITED STATES SERVICE ACADEMY. <--

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

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

23 (2) Initiating, performing or fostering worthy public  
24 works or enabling or furthering the erection or maintenance  
25 of public structures.

26 (3) Lessening the burdens borne by government or  
27 voluntarily supporting, augmenting or supplementing services  
28 which government would normally render to the people.

29 (4) Improving, expanding, maintaining or repairing real  
30 property owned or leased by a nonprofit organization and

1 relating operational expenses used for purposes specified in  
2 paragraphs (1), (2) and (3).

3 (5) Nonprofit youth sports activities.

4 (6) Activities relating to the provision of volunteer  
5 fire, ambulance or rescue services.

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

8 (i) Scholarships.

9 (ii) Services to economically or socially support  
10 veterans.

11 (iii) Activities to honor veterans.

12 (iv) Other activities that qualify under paragraphs  
13 (1), (2), (3), (4), (5) and (6).

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

17 "TEAM EVENT." A PRACTICE, SCRIMMAGE OR EXHIBITION OR SIMILAR <--  
18 EVENT AT THE HOME STADIUM OR TRAINING CAMP FACILITY OF AN  
19 ATHLETIC TEAM.

20 Section 4. Athletic event drawing.

21 (a) General rule.--A person may purchase one or more  
22 athletic event drawing tickets at a home game OR TEAM EVENT, and <--  
23 each ticket purchased shall represent one entry in the drawing  
24 for a winner. A single ticket shall be randomly chosen as the  
25 winner after a certain number of tickets are sold or a specified  
26 time period expires as designated by the affiliated nonprofit  
27 organization. Purchase of athletic event drawing tickets may be  
28 made by cash, credit card or debit card.

29 (b) Frequency.--An affiliated nonprofit organization may  
30 conduct no more than one athletic event drawing per home game OR <--

1 TEAM EVENT.

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

5 (d) Charitable event.--An athletic event drawing may be  
6 conducted by the affiliated nonprofit organization during a  
7 charitable event held within the same arena, stadium,  
8 grandstand, bleachers or other facility during a home game, team  
9 event or car race of the athletic team. Drawings may only be  
10 held within spectator areas within the arena, stadium,  
11 grandstand or bleachers where the home game, TEAM EVENT or car <--  
12 race is being conducted and not at ancillary areas or  
13 facilities, including parking areas, restaurants and bars or  
14 areas outside the arena, stadium, grandstand or bleachers or  
15 areas where the sport is shown on remote electronic equipment.

16 (e) Distribution.--The prize amount of an athletic event  
17 drawing shall be 50% of the total amount collected from the sale  
18 of athletic event drawing tickets. Except as provided under  
19 subsection (f), the other 50% of the total amount collected from  
20 the sale of athletic event drawing tickets shall be donated  
21 within seven days from the date of the drawing by the affiliated  
22 nonprofit organization conducting the athletic event drawing to  
23 one or more designated charitable organizations for which the  
24 drawing was conducted and shall be used exclusively for public  
25 interest purposes.

26 (f) Use of funds.--

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

29 (i) To employ or provide payment to individuals 18  
30 years of age or older to sell athletic event drawing

1 tickets.

2 (ii) For administrative expenses directly related to  
3 the conduct of the athletic event drawing under this  
4 section.

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

8 (g) Designated charitable organization.--The affiliated  
9 nonprofit organization conducting the athletic event drawing  
10 shall disclose to each ticket purchaser the designated  
11 charitable organization for which the athletic event drawing is  
12 being conducted.

13 (h) Eligibility.--

14 (1) In order to receive proceeds from an athletic event  
15 drawing, a charitable organization must be:

16 (i) in existence and fulfilling its purposes for at  
17 least two years prior to the drawing; and

18 (ii) eligible for exemption under section 501(c)(3)  
19 of the Internal Revenue Code of 1986 (Public Law 99-514,  
20 26 U.S.C. § 501(c)(3)).

21 (2) A political subdivision shall not qualify as a  
22 charitable organization under this section.

23 (3) An institution of higher education that is qualified  
24 for an exemption under section 501(c)(3) of the Internal  
25 Revenue Code of 1986 and meets the eligibility requirements  
26 under paragraph (1)(i) may conduct an athletic event drawing  
27 as the affiliated nonprofit organization and may receive the  
28 proceeds therefrom as the designated charitable organization  
29 at any home game or charitable event of any of its own  
30 collegiate athletic teams provided that the proceeds are used

1 exclusively for public interest purposes or for purposes  
2 permitted under subsection (f).

3 (4) Notwithstanding paragraph (1)(ii), an institution of  
4 higher education that is qualified for an exemption under  
5 section 115 of the Internal Revenue Code of 1986 (Public Law  
6 99-514, 26 U.S.C. § 115) and meets the eligibility  
7 requirements under paragraph (1)(i) may conduct an athletic  
8 event drawing as the affiliated nonprofit organization and  
9 may receive the proceeds therefrom as the designated  
10 charitable organization at any home game or charitable event  
11 of any of its own collegiate athletic teams, provided that  
12 the proceeds are used exclusively for public interest  
13 purposes or for purposes permitted under subsection (f).

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

20 (j) Additional recordkeeping.--The department may require  
21 additional recordkeeping or accountability measures for athletic  
22 event drawings.

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

28 (l) Prohibitions.--

29 (1) no person who has been convicted of a felony or of a  
30 violation of the act of July 10, 1981 (P.L.214, No.67), known

1 as the Bingo Law, or the act of December 19, 1988 (P.L.1262,  
2 No.156), known as the Local Option Small Games of Chance Act,  
3 or this act or any comparable Federal or State law shall have  
4 a pecuniary interest in the operation of or in proceeds from  
5 an athletic event drawing.

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

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

14 (m) Enforcement.--

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

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

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



1 act.

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

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

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

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

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

16 (o) Criminal penalties.--

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

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

29 (3) A person commits a misdemeanor of the first degree  
30 if, with intent to prevent an athletic event drawing from

1 being conducted in accordance with the requirements of this  
2 act or the rules and usages governing the athletic event  
3 drawing, the person:

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

7 (ii) tampers with any person or athletic event  
8 drawing; or

9 (iii) solicits, accepts or agrees to accept any  
10 benefit.

11 Section 5. Repeals.

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

14 (b) Repeal.--The following provisions of the act of December  
15 19, 1988 (P.L.1262, No.156), known as the Local Option Small  
16 Games of Chance Act, are repealed:

17 (1) The definition of "major league sports drawing" in  
18 section 103.

19 (2) Section 304.1.

20 Section 6. Effective date.

21 This act shall take effect in 30 days.