

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 864 Session of 2017

INTRODUCED BY MUSTIO, D. COSTA, DeLUCA, ORTITAY, SANKEY, WARD, MILLARD, DEASY, MATZIE, KORTZ, MICCARELLI, JOZWIAK AND ROTHMAN, MARCH 16, 2017

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, JUNE 21, 2018

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," in preliminary
 9 provisions, further providing for legislative intent and for
 10 definitions; in games of chance, REPEALING PROVISIONS <--
 11 RELATING TO PROHIBITION REGARDING POOLS, further providing
 12 for prize limits, FOR DISTRIBUTOR LICENSES AND FOR MAJOR <--
 13 LEAGUE SPORTS DRAWING, providing for airport 50/50 drawing
 14 and further providing for REGISTRATION OF MANUFACTURERS AND <--
 15 FOR licensing of eligible organizations; in club licensees,
 16 further providing for club licensee and for distribution of
 17 proceeds; and, in enforcement, further providing for <--
 18 enforcement, REPEALING PROVISIONS RELATING TO ADVERTISING <--
 19 AND FURTHER PROVIDING FOR CRIMINAL PENALTIES; AND, IN TAVERN
 20 GAMING, FURTHER PROVIDING FOR DEFINITIONS, FOR LICENSES, FOR
 21 APPLICATION, FOR APPROVAL, FOR CHANGE IN OWNERSHIP, FOR PRIZE
 22 LIMITS, FOR TAVERN RAFFLE, FOR DISTRIBUTION OF NET REVENUE,
 23 FOR TAVERN GAMES TAX AND FOR REPORTS, PROVIDING FOR E-TAB
 24 MANUFACTURER REQUIREMENTS AND FURTHER PROVIDING FOR
 25 ENFORCEMENT AND FOR PROHIBITIONS.

26 The General Assembly of the Commonwealth of Pennsylvania
 27 hereby enacts as follows:

28 Section 1. Section 102 of the act of December 19, 1988

1 (P.L.1262, No.156), known as the Local Option Small Games of
2 Chance Act, is amended to read:
3 Section 102. Legislative intent.

4 The General Assembly hereby declares that the playing of
5 games of chance for the purpose of raising funds, by certain
6 nonprofit associations, for the promotion of charitable or civic
7 purposes, is in the public interest. In some cases, the proceeds
8 from games of chance may be utilized to support certain
9 operating expenses of certain organizations.

10 The General Assembly hereby declares that raising public
11 funds from games of chance in licensed restaurants and
12 protecting the competitiveness of these restaurants is also in
13 the public interest.

14 The General Assembly hereby declares that raising funds from
15 a 50/50 drawing conducted in airport systems, the net proceeds
16 of which will be used for charitable purposes, is in the public
17 interest.

18 It is hereby declared to be the policy of the General
19 Assembly that all phases of licensing, operation and regulation
20 of games of chance be strictly controlled, and that all laws and
21 regulations with respect thereto as well as all gambling laws
22 should be strictly construed and rigidly enforced.

23 The General Assembly recognizes the possibility of
24 association between commercial gambling and organized crime, and
25 wishes to prevent participation by organized crime and prevent
26 the diversion of funds from the purposes herein authorized.

27 ~~Section 2. Section 103 of the act is amended by adding~~ <--
28 ~~definitions to read:~~

29 ~~SECTION 2. THE DEFINITIONS OF "AFFILIATED NONPROFIT~~ <--
30 ~~ORGANIZATION," "ELIGIBLE ORGANIZATION," "MAJOR LEAGUE SPORTS~~

1 ~~DRAWING" AND "MAJOR LEAGUE SPORTS TEAM" IN SECTION 103 OF THE~~
2 ~~ACT ARE AMENDED AND THE SECTION IS AMENDED BY ADDING DEFINITIONS~~
3 ~~TO READ:~~

4 SECTION 2. THE DEFINITIONS OF "AFFILIATED NONPROFIT <--
5 ORGANIZATION," "ELIGIBLE ORGANIZATION," "GAMES OF CHANCE,"
6 "MAJOR LEAGUE SPORTS DRAWING," "MAJOR LEAGUE SPORTS TEAM,"
7 "POOL" AND "TAVERN GAMES" IN SECTION 103 OF THE ACT ARE AMENDED
8 AND THE SECTION IS AMENDED BY ADDING DEFINITIONS TO READ:

9 Section 103. Definitions.

10 The following words and phrases when used in this act shall,
11 except as provided under section 902, have the meanings given to
12 them in this section unless the context clearly indicates
13 otherwise:

14 * * *

15 "AFFILIATED NONPROFIT ORGANIZATION." AN ORGANIZATION <--
16 ESTABLISHED BY OR AFFILIATED WITH [A MAJOR LEAGUE BASEBALL,
17 NATIONAL HOCKEY LEAGUE, NATIONAL BASKETBALL ASSOCIATION OR MAJOR
18 LEAGUE SOCCER TEAM] AN ATHLETIC TEAM FOR THE PURPOSE OF RAISING
19 FUNDS FOR CHARITY, WHICH IS QUALIFIED FOR AN EXEMPTION UNDER
20 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC
21 LAW 99-514, 26 U.S.C. § 101(C)(3)).

22 "Airport." A publicly owned commercial service airport that
23 is designated by the Federal Government as an international
24 airport.

25 "Airport 50/50 drawing." A 50/50 drawing that is conducted
26 by an airport in accordance with section 304.2.

27 "ATHLETIC EVENT DRAWING." A 50/50 DRAWING THAT IS CONDUCTED <--
28 BY AN AFFILIATED NONPROFIT ORGANIZATION IN ACCORDANCE WITH
29 SECTION 304.1.

30 "ATHLETIC TEAM." A SPORTS TEAM OR RACING FACILITY THAT IS

1 ANY OF THE FOLLOWING:

2 (1) A MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL
3 HOCKEY LEAGUE, THE NATIONAL BASKETBALL ASSOCIATION, THE
4 NATIONAL FOOTBALL LEAGUE OR MAJOR LEAGUE SOCCER.

5 (2) A PROFESSIONAL SPORTS TEAM AFFILIATED WITH A TEAM
6 UNDER PARAGRAPH (1).

7 (3) ANY OTHER PROFESSIONAL SPORTS TEAM THAT HAS A SPORTS
8 FACILITY OR AN AGREEMENT WITH A SPORTS FACILITY TO CONDUCT
9 HOME GAMES AT THE FACILITY.

10 (4) A STADIUM, GRANDSTAND OR BLEACHER AT A CLOSED-COURSE
11 MOTOR FACILITY WHERE SPECTATORS DIRECTLY OBSERVE MOTOR RACES
12 WITH NASCAR, INDY, STOCK OR DRAG RACING CARS.

13 (5) A COLLEGIATE TEAM THAT COMPETES ON BEHALF OF AN
14 INSTITUTION OF HIGHER EDUCATION.

15 * * *

16 "E-TAB." A PULL-TAB THAT IS PLAYED ON AN ELECTRONIC PULL-TAB <--
17 DEVICE.

18 "ELECTRONIC PULL-TAB DEVICE." A HAND HELD, PORTABLE
19 ELECTRONIC DEVICE USED TO PLAY PULL-TAB GAMES THAT REQUIRES A
20 CODED ENTRY TO ACTIVATE PLAY BUT DOES NOT ALLOW THE USE OF
21 COINS, CURRENCY OR TOKENS TO ACTIVATE PLAY AND REQUIRES A PLAYER
22 TO ACTIVATE OR OPEN AN E-TAB TICKET ON EACH INDIVIDUAL LINE, ROW
23 OR COLUMN OR EACH TICKET.

24 "ELIGIBLE ORGANIZATION." A CHARITABLE, RELIGIOUS, FRATERNAL
25 OR VETERANS' ORGANIZATION, CLUB, CLUB LICENSEE OR CIVIC AND
26 SERVICE ASSOCIATION OR AN AIRPORT. IN ORDER TO QUALIFY AS AN
27 ELIGIBLE ORGANIZATION FOR PURPOSES OF THIS ACT, AN ORGANIZATION
28 SHALL HAVE BEEN IN EXISTENCE AND FULFILLING ITS PURPOSES FOR ONE
29 YEAR PRIOR TO THE DATE OF APPLICATION FOR A LICENSE. THE TERM
30 SHALL INCLUDE AN AFFILIATED NONPROFIT ORGANIZATION LICENSED

1 UNDER SECTION 307.

2 * * *

3 "GAMES OF CHANCE."

<--

4 (1) ANY OF THE FOLLOWING:

5 (I) PUNCHBOARDS, DAILY DRAWINGS, WEEKLY DRAWINGS,
6 50/50 DRAWINGS, RAFFLES, TAVERN GAMES, POOLS, RACE NIGHT
7 GAMES AND PULL-TABS, AS DEFINED IN THIS ACT, PROVIDED
8 THAT NO SUCH GAME SHALL BE PLAYED BY OR WITH THE
9 ASSISTANCE OF ANY MECHANICAL OR ELECTRICAL DEVICES OR
10 MEDIA OTHER THAN A DISPENSING MACHINE OR PASSIVE
11 SELECTION DEVICE AND FURTHER PROVIDED THAT THE PARTICULAR
12 CHANCE TAKEN BY ANY PERSON IN ANY SUCH GAME SHALL NOT BE
13 MADE CONTINGENT UPON ANY OTHER OCCURRENCE OR THE WINNING
14 OF ANY OTHER CONTEST, BUT SHALL BE DETERMINED SOLELY AT
15 THE DISCRETION OF THE PURCHASER.

16 (II) E-TABS.

17 (2) THIS DEFINITION SHALL NOT BE CONSTRUED TO AUTHORIZE
18 ANY OTHER FORM OF GAMBLING CURRENTLY PROHIBITED UNDER ANY
19 PROVISION OF 18 PA.C.S. (RELATING TO CRIMES AND OFFENSES) OR
20 AUTHORIZED UNDER 4 PA.C.S. (RELATING TO AMUSEMENTS).

21 (3) NOTHING IN THIS ACT SHALL BE CONSTRUED TO AUTHORIZE
22 GAMES COMMONLY KNOWN AS "SLOT MACHINES" OR "VIDEO POKER" OR
23 OTHER GAMES REGULATED BY THE PENNSYLVANIA GAMING CONTROL
24 BOARD.

25 "INSTITUTION OF HIGHER EDUCATION." ANY OF THE FOLLOWING:

26 (1) A COMMUNITY COLLEGE OPERATING UNDER ARTICLE XIX-A OF
27 THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE
28 PUBLIC SCHOOL CODE OF 1949.

29 (2) A UNIVERSITY WITHIN THE STATE SYSTEM OF HIGHER
30 EDUCATION.

- 1 (3) THE PENNSYLVANIA STATE UNIVERSITY.
2 (4) THE UNIVERSITY OF PITTSBURGH.
3 (5) TEMPLE UNIVERSITY.
4 (6) LINCOLN UNIVERSITY.
5 (7) ANY OTHER INSTITUTION THAT IS DESIGNATED AS "STATE
6 RELATED" BY THE COMMONWEALTH.
7 (8) ANY ACCREDITED PRIVATE OR INDEPENDENT COLLEGE OR
8 UNIVERSITY.

9 * * *

10 ["MAJOR LEAGUE SPORTS DRAWING." A 50/50 DRAWING CONDUCTED BY
11 A NONPROFIT AFFILIATE OF A MAJOR LEAGUE SPORTS TEAM IN
12 ACCORDANCE WITH SECTION 304.1.

13 "MAJOR LEAGUE SPORTS TEAM." A SPORTS TEAM OR RACING FACILITY
14 THAT IS ANY OF THE FOLLOWING:

15 (1) A MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL
16 HOCKEY LEAGUE, THE NATIONAL BASKETBALL ASSOCIATION, THE
17 NATIONAL FOOTBALL LEAGUE OR MAJOR LEAGUE SOCCER.

18 (2) A PROFESSIONAL SPORTS TEAM AFFILIATED WITH A TEAM
19 UNDER PARAGRAPH (1).

20 (3) ANY OTHER PROFESSIONAL SPORTS TEAM THAT HAS A SPORTS
21 FACILITY OR AN AGREEMENT WITH A SPORTS FACILITY TO CONDUCT
22 HOME GAMES AT THE FACILITY.

23 (4) A STADIUM, GRANDSTAND OR BLEACHER AT A CLOSED-COURSE
24 MOTOR FACILITY WHERE SPECTATORS ARE DIRECTLY OBSERVING MOTOR
25 RACES WITH NASCAR, INDY, STOCK OR DRAG RACING CARS.]

26 * * *

27 ~~Section 3. Section 302 of the act is amended to read:--~~ <--

28 ~~SECTIONS 302 AND 304.1 OF THE ACT ARE AMENDED TO READ:--~~ <--

29 "POOL." AN ACTIVITY IN WHICH A PERSON PAYS AN ENTRY FEE FOR <--
30 EACH CHANCE TO WIN CASH OR MERCHANDISE BASED ON THE OUTCOME OF

1 AN EVENT OR SERIES OF EVENTS WHEREIN THE PARTICIPANTS IN THE
2 EVENT OR SERIES OF EVENTS ARE NATURAL PERSONS OR ANIMALS, AND
3 TO WHICH ALL OF THE FOLLOWING APPLY:

4 (1) THE MAXIMUM NUMBER OF INDIVIDUALS THAT MAY
5 PARTICIPATE IN A POOL IS 100 PEOPLE.

6 (2) THE MAXIMUM ENTRY FEE FOR EACH INDIVIDUAL ENTRY IN A
7 POOL IS \$20.

8 (3) OTHER THAN THE ENTRY FEE, NO OTHER MONEY OR THING OF
9 VALUE IS PAID OR GIVEN FOR PARTICIPATION IN A POOL.

10 (4) THERE IS AT LEAST ONE GUARANTEED WINNER FROM AMONG
11 THE PARTICIPANTS.

12 (5) ALL ENTRY FEES COLLECTED FOR ENTRY INTO THE POOL ARE
13 PAID AS PRIZES TO ONE OR MORE PARTICIPANTS IN THE POOL.

14 (6) NO ENTRY FEES OR PORTIONS THEREOF ARE RETAINED BY
15 THE PERSON OR ELIGIBLE ORGANIZATION OPERATING THE POOL.]

16 * * *

17 "TAVERN GAMES." PULL-TABS, TAVERN DAILY DRAWINGS, 50/50
18 DRAWINGS, E-TABS, POOLS AND TAVERN RAFFLES.

19 * * *

20 SECTION 3. SECTION 301.1 OF THE ACT IS REPEALED:

21 [SECTION 301.1. PROHIBITION REGARDING POOLS.

22 THE OPERATION OF A POOL MUST COMPLY WITH THE PROFESSIONAL AND
23 AMATEUR SPORTS PROTECTION ACT (PUBLIC LAW 102-559, 28 U.S.C. §
24 3701 ET SEQ.) OR OTHER FEDERAL LAW IN THE OPERATION OF OR
25 PARTICIPATION IN THE POOL.]

26 SECTION 4. SECTIONS 302, 304(G)(1) AND 304.1 OF THE ACT ARE
27 AMENDED TO READ:

28 Section 302. Prize limits.

29 (a) Individual prize limit.--

30 (1) Except as provided under subsections (d) and (d.1),

1 the maximum prize which may be awarded for any single chance
2 shall be \$2,000[.], other than a weekly drawing.

3 (2) The maximum prize which may be awarded for any
4 weekly drawing shall be \$14,000.

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

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

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

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

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

19 (2) A licensed eligible organization shall be eligible
20 to receive no more than ten special permits in any licensed
21 term except that a volunteer fire, ambulance, rescue or
22 conservation organization that is not a club licensee shall
23 be eligible to receive 12 special permits in any licensed
24 term.

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

27 [(4) Except as provided under subsection (d.1), the <--
28 total of all prizes awarded under this subsection shall be no
29 more than \$150,000 per calendar year, which shall not be
30 subject to the aggregate limit under subsection †(b) or† <--

1 (c).] <--

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

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

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

24 (h) Weekly drawing carryover exception.--Weekly drawings
25 shall be governed by the prize limitation contained in
26 subsection [(b)] (a). The prize limitation contained in
27 subsection [(b)] (a) may be exceeded by a weekly drawing under
28 the following circumstances: a weekly drawing may award a prize
29 where the cash value is in excess of [\$35,000] \$14,000 if such
30 prize is the result of a carryover of a drawing or drawings

1 which resulted from the winning number or numbers in such
2 drawing or drawings not being among the eligible entrants in
3 such drawings. Nothing contained in this chapter shall authorize
4 the prize limitation under subsection [(b)] (a) to be exceeded
5 as a result of a failure to conduct a drawing for a week during
6 which chances were sold for a weekly drawing or for a weekly
7 drawing for which chances were sold in excess of \$1.

8 (i) Concurrent operation.--Nothing under this act shall
9 prohibit the concurrent operation of daily or weekly drawings.

10 SECTION 304. DISTRIBUTOR LICENSES. <--

11 * * *

12 (G) INELIGIBILITY.--THE DEPARTMENT SHALL NOT ISSUE OR RENEW
13 A DISTRIBUTOR LICENSE FOR THE SALE OF GAMES OF CHANCE TO A
14 PERSON, INCLUDING ANY CORPORATION, FIRM OR PARTNERSHIP WHICH HAS
15 AS AN OFFICER, DIRECTOR OR OTHER PERSON IN A SUPERVISORY OR
16 MANAGEMENT POSITION, OR EMPLOYEE ELIGIBLE TO MAKE SALES ON
17 BEHALF OF THE DISTRIBUTOR, WHO:

18 (1) HAS BEEN CONVICTED OF A [FELONY] MISDEMEANOR IN A
19 STATE OR FEDERAL COURT WITHIN THE PAST FIVE YEARS; OR

20 * * *

21 SECTION 304.1. [MAJOR LEAGUE SPORTS] ATHLETIC EVENT DRAWING. <--

22 (A) GENERAL RULE.--A PERSON MAY PURCHASE ONE OR MORE [MAJOR
23 LEAGUE SPORTS] ATHLETIC EVENT DRAWING TICKETS AT A HOME GAME OR <--
24 TEAM EVENT, AND EACH TICKET PURCHASED SHALL REPRESENT ONE ENTRY
25 IN THE DRAWING FOR A WINNER. A SINGLE TICKET SHALL BE RANDOMLY
26 CHOSEN AS THE WINNER AFTER A CERTAIN NUMBER OF TICKETS ARE SOLD
27 OR A SPECIFIED TIME PERIOD EXPIRES AS DESIGNATED BY THE
28 AFFILIATED NONPROFIT ORGANIZATION. PURCHASE OF ATHLETIC EVENT
29 DRAWING TICKETS MAY BE MADE BY CASH, CREDIT CARD OR DEBIT CARD.

30 (B) FREQUENCY.--AN AFFILIATED NONPROFIT ORGANIZATION MAY

1 CONDUCT NO MORE THAN ONE [MAJOR LEAGUE SPORTS] ATHLETIC EVENT
2 DRAWING PER HOME GAME OR TEAM EVENT. <--

3 (B.1) SALES RESTRICTED.--TICKETS FOR [A MAJOR LEAGUE SPORTS]
4 AN ATHLETIC EVENT DRAWING MAY NOT BE SOLD IN ANY SEATING AREA
5 DESIGNATED AS A FAMILY SECTION.

6 (B.2) CHARITABLE EVENT.--[A MAJOR LEAGUE SPORTS] AN ATHLETIC
7 EVENT DRAWING MAY BE CONDUCTED BY THE AFFILIATED NONPROFIT
8 ORGANIZATION DURING A CHARITABLE EVENT HELD WITHIN THE SAME
9 ARENA, STADIUM, GRANDSTAND, BLEACHERS OR OTHER FACILITY DURING A
10 HOME GAME, TEAM EVENT OR CAR RACE OF THE [MAJOR LEAGUE SPORTS] <--
11 ATHLETIC TEAM. DRAWINGS MAY ONLY BE HELD WITHIN SPECTATOR AREAS
12 WITHIN THE ARENA, STADIUM, GRANDSTAND OR BLEACHERS WHERE THE
13 HOME GAME, TEAM EVENT OR CAR RACE IS BEING CONDUCTED AND NOT AT <--
14 ANCILLARY AREAS OR FACILITIES, INCLUDING PARKING AREAS,
15 RESTAURANTS AND BARS OR AREAS OUTSIDE THE ARENA, STADIUM,
16 GRANDSTAND OR BLEACHERS OR AREAS WHERE THE SPORT IS SHOWN ON
17 REMOTE ELECTRONIC EQUIPMENT.

18 (B.3) OUTSIDE SALES.--NOTWITHSTANDING SUBSECTION (B.2), <--
19 ATHLETIC EVENT DRAWING TICKETS MAY BE SOLD PRIOR TO A HOME GAME
20 OR CAR RACE IN AN OFF-ALLY DESIGNATED PARKING AREA ADJACENT TO
21 THE ARENA, STADIUM, GRANDSTAND OR BLEACHERS OR SIMILAR FACILITY
22 WHERE THE HOME GAME OR CAR RACE IS BEING CONDUCTED AND WHICH IS
23 NOT SEPARATED BY A HIGHWAY OR STREET, UNLESS THE HIGHWAY OR
24 STREET IS ADJACENT TO THE ARENA, STADIUM, GRANDSTAND, BLEACHERS
25 OR SIMILAR FACILITY.

26 (C) DISTRIBUTION.--THE PRIZE AMOUNT OF [A MAJOR LEAGUE
27 SPORTS] AN ATHLETIC EVENT DRAWING SHALL BE 50% OF THE TOTAL
28 AMOUNT COLLECTED FROM THE SALE OF [MAJOR LEAGUE SPORTS] ATHLETIC
29 EVENT DRAWING TICKETS. EXCEPT AS SET FORTH IN SUBSECTION (C.1),
30 THE OTHER 50% OF THE TOTAL AMOUNT COLLECTED FROM THE SALE OF

1 [MAJOR LEAGUE SPORTS] ATHLETIC EVENT DRAWING TICKETS SHALL BE
2 DONATED WITHIN SEVEN DAYS FROM THE DATE OF THE DRAWING BY THE
3 AFFILIATED NONPROFIT ORGANIZATION CONDUCTING THE [MAJOR LEAGUE
4 SPORTS] ATHLETIC EVENT DRAWING TO ONE OR MORE DESIGNATED
5 CHARITABLE ORGANIZATIONS FOR WHICH THE DRAWING WAS CONDUCTED.

6 (C.1) USE OF FUNDS.--

7 (1) THE AFFILIATED NONPROFIT ORGANIZATION MAY UTILIZE
8 NONPRIZE MONEY COLLECTED FOR THE FOLLOWING:

9 (I) TO EMPLOY OR PROVIDE PAYMENT TO INDIVIDUALS 18
10 YEARS OF AGE OR OLDER TO SELL [MAJOR LEAGUE SPORTS]
11 ATHLETIC EVENT DRAWING TICKETS [AT A PROFESSIONAL
12 SPORTING EVENT].

13 (II) FOR ADMINISTRATIVE EXPENSES DIRECTLY RELATED TO
14 THE CONDUCT OF THE ATHLETIC EVENT DRAWING UNDER THIS
15 SECTION.

16 (2) AUTHORIZED EXPENSES UNDER PARAGRAPH (1) (II) MAY NOT
17 EXCEED 2% OF THE TOTAL AMOUNT COLLECTED FROM THE SALE OF
18 [MAJOR LEAGUE SPORTS] ATHLETIC EVENT DRAWING TICKETS.

19 (D) DESIGNATED CHARITABLE ORGANIZATION.--THE AFFILIATED
20 NONPROFIT ORGANIZATION CONDUCTING THE [MAJOR LEAGUE SPORTS]
21 ATHLETIC EVENT DRAWING SHALL DISCLOSE TO ALL TICKET PURCHASERS
22 THE DESIGNATED CHARITABLE ORGANIZATION FOR WHICH THE [MAJOR
23 LEAGUE SPORTS] ATHLETIC EVENT DRAWING IS BEING CONDUCTED.

24 (E) ELIGIBILITY.--IN ORDER TO RECEIVE PROCEEDS FROM [A MAJOR
25 LEAGUE SPORTS] AN ATHLETIC EVENT DRAWING, A CHARITABLE
26 ORGANIZATION MUST BE IN EXISTENCE AND FULFILLING ITS PURPOSES
27 FOR AT LEAST TWO YEARS PRIOR TO THE DRAWING AND SHALL BE
28 ELIGIBLE FOR EXEMPTION UNDER SECTION 501 (C) (3) OF THE INTERNAL
29 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 501 (C) (3)).
30 A POLITICAL SUBDIVISION SHALL NOT QUALIFY AS A CHARITABLE

1 ORGANIZATION UNDER THIS SECTION.

2 (F) UNCLAIMED PRIZES.--ANY [MAJOR LEAGUE SPORTS] ATHLETIC
3 EVENT DRAWING PRIZE REMAINING UNCLAIMED BY A WINNER AT THE END
4 OF THE [MAJOR LEAGUE SPORTS] ATHLETIC TEAM'S SEASON SHALL BE
5 DONATED WITHIN 30 DAYS FROM THE END OF THE SEASON BY THE
6 AFFILIATED NONPROFIT ORGANIZATION TO THE DESIGNATED CHARITABLE
7 ORGANIZATION FOR WHICH THE [MAJOR LEAGUE SPORTS] ATHLETIC EVENT
8 DRAWING WAS CONDUCTED.

9 (G) APPLICABILITY.--THE LIMITATIONS UNDER SECTIONS 302,
10 303(B), 308 AND 704 SHALL NOT APPLY TO [A MAJOR LEAGUE SPORTS]
11 AN ATHLETIC EVENT DRAWING.

12 (H) ADDITIONAL RECORDKEEPING.--THE DEPARTMENT MAY REQUIRE
13 ADDITIONAL RECORDKEEPING OR ACCOUNTABILITY MEASURES FOR [MAJOR
14 LEAGUE SPORTS] ATHLETIC EVENT DRAWINGS.

15 (I) DEFINITION.--AS USED IN THIS SECTION, THE TERM "TEAM <--
16 EVENT" MEANS A PRACTICE, SCRIMMAGE, EXHIBITION, OR SIMILAR EVENT
17 AT THE HOME STADIUM OR TRAINING CAMP FACILITY OF AN ATHLETIC
18 TEAM UNDER PARAGRAPH (1), (2), (3) OR (4) OF THE DEFINITION OF
19 "ATHLETIC TEAM" IN SECTION 103.

20 Section 4 5. The act is amended by adding a section to read: <--
21 Section 304.2. Airport 50/50 drawing.

22 (a) General rule.--A person may purchase one or more airport
23 50/50 drawing tickets, and each ticket shall represent one entry
24 in the drawing for a winner. A single ticket shall be randomly
25 chosen as the winner after a certain number of tickets are sold
26 or a specified time period expires, as designated by the
27 airport. Purchase of airport 50/50 drawing tickets may be made
28 by cash, credit card or debit card. AN AIRPORT 50/50 DRAWING MAY <--
29 ONLY TAKE PLACE PURSUANT TO AUTHORIZATION BY THE AIRPORT
30 GOVERNING BODY.

1 (b) Frequency and location.--An airport 50/50 drawing may be
2 conducted at an airport no more than one time per calendar day.
3 Drawings may only be held within the spaces of an airport
4 terminal to which the general public, including ticketed <--
5 passengers, regularly has access. ACCESSIBLE ONLY BY THE GENERAL <--
6 PUBLIC WHO ARE TICKETED PASSENGERS AND HAVE PROCEEDED THROUGH A
7 SECURITY CHECKPOINT.

8 (c) Distribution.--The prize amount of an airport 50/50
9 drawing shall be 50% of the total amount collected from the sale
10 of airport 50/50 drawing tickets. The other 50% of the total
11 amount collected from the sale of airport 50/50 drawing tickets
12 shall be donated within seven days from the date of the drawing
13 by the airport to the designated charitable organization for
14 which the drawing was conducted.

15 (d) Designated charitable organization.--The identity of the
16 designated charitable organization for which the airport 50/50
17 drawing is being conducted shall be disclosed to all ticket
18 purchasers.

19 (e) Eligibility.--In order to receive proceeds from an
20 airport 50/50 drawing, a charitable organization must be in
21 existence and fulfill its purposes prior to the airport 50/50
22 drawing and shall be eligible for exemption under section 501(c)
23 (3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26
24 U.S.C. § 501(c)(3)). A political subdivision shall not qualify
25 as a charitable organization under this act, but an organization
26 formed by a political subdivision that is eligible for exemption
27 under section 501(c)(3) of the Internal Revenue Code of 1986
28 shall qualify as a charitable organization under this act.

29 (f) Unclaimed prizes.--Any airport 50/50 drawing prize
30 remaining unclaimed by a winner 180 days after the drawing shall

1 be donated to the designated charitable organization for which
2 the airport 50/50 drawing was conducted.

3 (g) Applicability.--The limitations under sections 302,
4 303(b), 308 and 704 shall not apply to an airport 50/50 drawing.

5 (h) Additional recordkeeping.--The department may require
6 additional recordkeeping or accountability measures for airport
7 50/50 drawings.

8 (I) RESTRICTION ON AIRPORTS.--NOTWITHSTANDING ANY OTHER <--
9 PROVISIONS OF THIS ACT, AN AIRPORT SHALL ONLY BE PERMITTED TO
10 CONDUCT AIRPORT 50/50 DRAWINGS UNDER THIS SECTION AND NO OTHER
11 GAMES OF CHANCE.

12 SECTION 6. SECTION 305 OF THE ACT IS AMENDED BY ADDING <--
13 SUBSECTIONS TO READ:

14 SECTION 305. REGISTRATION OF MANUFACTURERS.

15 * * *

16 (E) E-TAB MANUFACTURER REPORTING REQUIREMENTS.--

17 (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 501(A),
18 THE MANUFACTURER OF E-TABS SHALL SUBMIT AN ANNUAL REPORT TO
19 THE DEPARTMENT FOR THE PRECEDING 12-MONTH PERIOD IN A FORM
20 AND MANNER AS PRESCRIBED BY THE DEPARTMENT.

21 (2) THE REPORT SHALL BE FILED UNDER OATH OR AFFIRMATION
22 OF THE MANUFACTURER AND SHALL INCLUDE THE FOLLOWING
23 INFORMATION:

24 (I) THE PROCEEDS RECEIVED BY EACH CLUB LICENSEE FROM
25 EACH E-TAB GAME CONDUCTED, ITEMIZED BY WEEK.

26 (II) THE AMOUNT OF PRIZES PAID FROM ALL E-TAB GAMES,
27 ITEMIZED BY WEEK.

28 (III) ANY OTHER COSTS INCURRED RELATED TO THE
29 CONDUCT OF E-TAB GAMES.

30 (3) THE REPORT SHALL BE DISTRIBUTED AND PUBLISHED IN THE

1 MANNER AS PROVIDED UNDER SECTION 501(B) AND (C).
2 (F) RECORDS.--A MANUFACTURER OF E-TABS SHALL MAINTAIN
3 RECORDS AS REQUIRED BY THE DEPARTMENT FOR THE ENFORCEMENT OF
4 THIS ACT. SUCH RECORDS NECESSARY TO CONDUCT RANDOM AUDITS SHALL
5 BE MADE AVAILABLE TO THE BUREAU OF LIQUOR CONTROL ENFORCEMENT,
6 THE DEPARTMENT AND ANY OTHER ENTITY AUTHORIZED TO ENFORCE OR
7 CONDUCT AUDITS UNDER THIS ACT.

8 Section ~~5~~ 7. Sections 307(d.1), 501(a)(1), 502(a.1)(1) and <--
9 702(g) of the act are amended to read:

10 Section 307. Licensing of eligible organizations.

11 * * *

12 (d.1) Bank account and records.--An eligible organization
13 with proceeds of games of chance that exceed [\$40,000] \$60,000
14 per year shall maintain a bank account, which shall be separate
15 from all other funds belonging to the licensed eligible
16 organization. Account records shall show all expenditures and
17 income and shall be retained by the licensed eligible
18 organization for at least two years.

19 * * *

20 Section 501. Club licensee.

21 (a) Report.--

22 (1) Beginning in 2014, a club licensee with proceeds in
23 excess of [\$20,000] \$30,000 in a calendar year shall submit
24 annual reports to the department for the preceding 12-month
25 period on a form and in a manner prescribed by the
26 department.

27 * * *

28 Section 502. Distribution of proceeds.

29 * * *

30 (a.1) Amounts retained.--

1 (1) Notwithstanding subsection (a), if in a calendar
2 year beginning January 1, 2013, the proceeds from a game of
3 chance for a club licensee are [\$40,000] \$60,000 or less, the
4 licensee shall be eligible to retain the first [\$20,000]
5 \$30,000 in proceeds in the following calendar year before
6 subsection (a) applies.

7 * * *

8 Section 702. Enforcement.

9 * * *

10 (g) [General rule] Violations of Liquor Code.--

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

14 (2) If a club licensee has committed [~~three~~] FOUR or <--
15 more violations of this act, the Bureau of Liquor Control
16 Enforcement may enforce a violation of this act as a
17 violation of the Liquor Code.

18 (3) A violation of this act shall not constitute a
19 violation of the Liquor Code for the purposes of section
20 471(c) of the Liquor Code.

21 (4) A violation of section 304.1 or 304.2 shall not
22 constitute a violation of the Liquor Code.

23 SECTION 8. SECTION 704 OF THE ACT IS REPEALED: <--

24 [SECTION 704. ADVERTISING.

25 IT SHALL BE UNLAWFUL FOR ANY ELIGIBLE ORGANIZATION OR PERSON
26 TO ADVERTISE THE PRIZES OR THEIR DOLLAR VALUE TO BE AWARDED IN
27 GAMES OF CHANCE, PROVIDED THAT PRIZES MAY BE IDENTIFIED ON
28 RAFFLE TICKETS. NOTWITHSTANDING THE PROHIBITION OF ADVERTISING
29 CONTAINED WITHIN THIS SECTION, AN ELIGIBLE ORGANIZATION MAY
30 ADVERTISE PRIZES AND VALUES THEREOF IN PERIODIC PUBLICATIONS

1 WHICH ARE LIMITED IN THEIR CIRCULATION TO MEMBERS OF THE
2 ELIGIBLE ORGANIZATION.]

3 SECTION 9. SECTION 707(C) OF THE ACT IS AMENDED TO READ:
4 SECTION 707. CRIMINAL PENALTIES.

5 * * *

6 (C) DISTRIBUTORS AND MANUFACTURERS.--ANY PERSON WHO
7 DISTRIBUTES GAMES OF CHANCE WITHOUT A LICENSE OR IN VIOLATION OF
8 ANY PROVISION OF THIS ACT OR APPLICABLE REGULATIONS, AND ANY
9 MANUFACTURER OF GAMES OF CHANCE WHO DELIVERS GAMES OF CHANCE FOR
10 SALE OR DISTRIBUTION IN THIS COMMONWEALTH WHO FAILS TO REGISTER
11 AND OBTAIN A PERMIT THEREFOR IS GUILTY OF A [MISDEMEANOR OF THE
12 FIRST DEGREE] FELONY OF THE THIRD DEGREE, PROVIDED THAT NO
13 LICENSE OR PERMIT SHALL BE REQUIRED FOR THE MANUFACTURE OR
14 DISTRIBUTION OF RAFFLE TICKETS.

15 * * *

16 SECTION 10. SECTION 902 OF THE ACT IS AMENDED BY ADDING A
17 DEFINITION TO READ:

18 SECTION 902. DEFINITIONS.

19 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
20 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
21 CONTEXT CLEARLY INDICATES OTHERWISE:

22 * * *

23 "EATING PLACE LICENSEE." AN EATING PLACE OR HOTEL AS DEFINED
24 IN SECTION 102 OF THE ACT OF APRIL 12, 1951 (P.L.90, NO.21),
25 KNOWN AS THE LIQUOR CODE, THAT IS LICENSED TO SELL LIQUOR UNDER
26 THE LIQUOR CODE.

27 * * *

28 SECTION 11. SECTIONS 903, 904, 905, 906, 907(B), 908.1, 909,
29 909.1(A), (B), (C) AND (H) AND 912 OF THE ACT ARE AMENDED TO
30 READ:

1 SECTION 903. LICENSES.

2 (A) APPLICATION.--A RESTAURANT LICENSEE OR EATING PLACE
3 LICENSEE MAY APPLY TO THE BOARD FOR A LICENSE TO CONDUCT TAVERN
4 GAMES AT A LICENSED PREMISES LOCATED IN A MUNICIPALITY THAT HAS
5 ADOPTED A REFERENDUM TO ALLOW SMALL GAMES OF CHANCE UNDER
6 SECTION 703.

7 (B) INFORMATION.--THE APPLICATION UNDER SUBSECTION (A) SHALL
8 INCLUDE THE FOLLOWING INFORMATION AND MUST BE LESS THAN THREE
9 PAGES IN LENGTH:

10 (1) THE NAME, ADDRESS AND PHOTOGRAPH OF THE APPLICANT.

11 (2) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE
12 DEPARTMENT AND A CERTIFICATE FROM THE DEPARTMENT OF LABOR AND
13 INDUSTRY OF PAYMENT OF ALL WORKERS' COMPENSATION AND
14 UNEMPLOYMENT COMPENSATION OWED.

15 (3) THE DETAILS OF ANY LICENSE ISSUED UNDER 4 PA.C.S.
16 PT. II (RELATING TO GAMING), THE ACT OF APRIL 12, 1951
17 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, OR THIS ACT WHICH
18 WAS APPLIED FOR OR IN WHICH THE APPLICANT OR OTHER OWNER HAS
19 AN INTEREST.

20 (4) CERTIFIED CONSENT BY THE APPLICANT, INCLUDING EACH
21 OWNER AND OFFICER OF THE RESTAURANT LICENSEE OR EATING PLACE
22 LICENSEE, TO A PENNSYLVANIA STATE POLICE BACKGROUND
23 INVESTIGATION BY THE BUREAU.

24 (5) RELATING TO CRIMINAL INFORMATION, DISCLOSURE OF ALL
25 ARRESTS AND CITATIONS OF THE APPLICANT, INCLUDING NONTRAFFIC
26 SUMMARY OFFENSES. THE INFORMATION SHALL INCLUDE ALL OF THE
27 FOLLOWING:

28 (I) A BRIEF DESCRIPTION OF THE CIRCUMSTANCES
29 SURROUNDING THE ARREST OR ISSUANCE OF THE CITATION.

30 (II) THE SPECIFIC OFFENSE CHARGED.

1 (III) THE ULTIMATE DISPOSITION OF THE CHARGE,
2 INCLUDING ANY DISMISSAL, PLEA BARGAIN, CONVICTION,
3 SENTENCE[, PARDON, EXPUNGEMENT] OR ORDER OF ACCELERATED
4 REHABILITATIVE DISPOSITION.

5 (6) FINANCIAL INTERESTS AND TRANSACTIONS AS REQUIRED BY
6 THE BUREAU.

7 (7) RELATING TO CITATIONS OF THE APPLICANT ISSUED UNDER
8 THE LIQUOR CODE.

9 (8) RELATING TO DISCLOSURE OF CONDITIONAL LICENSE
10 AGREEMENTS ENTERED INTO UNDER THE LIQUOR CODE.

11 (9) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

12 (C) DUTY OF BUREAU.--THE BUREAU SHALL CONDUCT A BACKGROUND
13 INVESTIGATION OF EACH APPLICANT, THE SCOPE OF WHICH SHALL BE
14 DETERMINED BY THE BUREAU.

15 (D) REVIEW.--WITHIN [SIX MONTHS] 30 DAYS OF RECEIPT OF THE
16 BACKGROUND INVESTIGATION REPORT FROM THE BUREAU, THE BOARD SHALL
17 APPROVE OR DISAPPROVE THE APPLICATION.

18 (E) BACKGROUND INVESTIGATION.--EACH APPLICANT SHALL INCLUDE
19 INFORMATION AND DOCUMENTATION AS REQUIRED TO ESTABLISH PERSONAL
20 AND FINANCIAL SUITABILITY, HONESTY AND INTEGRITY. INFORMATION
21 SHALL INCLUDE:

22 (1) [CRIMINAL HISTORY RECORD INFORMATION.] A CRIMINAL
23 HISTORY RECORD INFORMATION CHECK OBTAINED FROM THE
24 PENNSYLVANIA STATE POLICE, AS DEFINED IN 18 PA.C.S. § 9102
25 (RELATING TO DEFINITIONS) AND PERMITTED BY 18 PA.C.S. §
26 9121(B) (RELATING TO GENERAL REGULATIONS).

27 (2) FINANCIAL BACKGROUND INFORMATION.

28 (3) REGULATORY HISTORY BEFORE THE BOARD OR OTHER
29 COMMONWEALTH AGENCY.

30 (4) OTHER INFORMATION REQUIRED BY THE BUREAU.

1 (F) PERSONAL INTERVIEW.--IF THE BUREAU DETERMINES THAT THE
2 RESULTS OF THE BACKGROUND REPORT INVESTIGATION WARRANT
3 ADDITIONAL REVIEW OF THE INDIVIDUAL, THE BUREAU SHALL CONDUCT A
4 PERSONAL INTERVIEW WITH THE APPLICANT AND MAY REQUEST
5 INFORMATION AND INTERVIEWS FROM OTHER PERSONAL OR PROFESSIONAL
6 ASSOCIATES.

7 (G) COOPERATION.--THE APPLICANT SHALL COOPERATE WITH THE
8 BUREAU AS REQUESTED DURING THE CONDUCT OF THE BACKGROUND
9 INVESTIGATION. ANY REFUSAL TO PROVIDE THE INFORMATION REQUIRED
10 UNDER THIS SECTION OR TO CONSENT TO A BACKGROUND INVESTIGATION
11 SHALL RESULT IN THE IMMEDIATE DENIAL OF A LICENSE BY THE BOARD.

12 (H) [COSTS.--THE APPLICANT SHALL REIMBURSE THE BUREAU FOR
13 THE ACTUAL COSTS OF CONDUCTING THE BACKGROUND INVESTIGATION. THE
14 BOARD SHALL NOT APPROVE AN APPLICANT THAT HAS NOT FULLY
15 REIMBURSED THE BUREAU FOR THE INVESTIGATION.] (RESERVED).

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

20 (1) FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY.

21 (2) SUFFICIENT BUSINESS EXPERIENCE AND ABILITY TO
22 EFFECTIVELY OPERATE TAVERN GAMES AS PART OF THE RESTAURANT
23 LICENSEE'S OPERATOR OR EATING PLACE LICENSEE'S OPERATOR.

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

26 (J) DISAPPROVAL.--THE BOARD MAY DISAPPROVE THE ISSUANCE OF A
27 TAVERN GAMING LICENSE FOR THE FOLLOWING REASONS:

28 (1) A LICENSE SHALL NOT BE ISSUED TO A RESTAURANT
29 LICENSEE OR EATING PLACE LICENSEE WHOSE LIQUOR LICENSE IS IN
30 SAFEKEEPING PURSUANT TO SECTION 474.1 OF THE LIQUOR CODE.

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

4 (3) A LICENSE SHALL NOT BE ISSUED TO A LOCATION THAT IS
5 SUBJECT TO:

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

8 (II) A ONE-YEAR PROHIBITION ON THE ISSUANCE OR
9 TRANSFER OF A LICENSE UNDER SECTION 471 (B) OF THE LIQUOR
10 CODE.

11 SECTION 904. APPLICATION.

12 (A) APPLICATION FEE.--AN APPLICANT SHALL PAY THE BOARD A
13 NONREFUNDABLE APPLICATION FEE OF [\$1,000.] \$500. IF POSSIBLE,
14 THE APPLICATION SHOULD NOT EXCEED TWO PAGES IN LENGTH.

15 [(B) INVESTIGATIVE FEE.--AN APPLICANT SHALL PAY AN
16 INVESTIGATIVE FEE OF \$1,000 TO THE BUREAU.

17 (C) COSTS.--IN ADDITION TO THE FEE UNDER SUBSECTION (B), AN
18 APPLICANT AND ANY OWNER AND OFFICER OF THE APPLICANT SHALL PAY
19 FOR THE ACTUAL COSTS OF A BACKGROUND INVESTIGATION CONDUCTED BY
20 THE BUREAU THAT EXCEED THE APPLICATION FEE. THE BUREAU MAY:

21 (1) CHARGE AN ESTIMATED AMOUNT TO BE PROVIDED PRIOR TO
22 THE BACKGROUND INVESTIGATION.

23 (2) SUBMIT FOR REIMBURSEMENT FROM THE APPLICANT FOR THE
24 ADDITIONAL COSTS INCURRED IN THE BACKGROUND INVESTIGATION.

25 (D) FUNDS.--FUNDS COLLECTED UNDER SUBSECTIONS (B) AND (C)
26 SHALL AUGMENT THE FUNDS APPROPRIATED TO THE PENNSYLVANIA GAMING
27 CONTROL BOARD UNDER 4 PA.C.S. (RELATING TO AMUSEMENTS).]

28 SECTION 905. APPROVAL.

29 (A) ISSUANCE.--UPON BEING SATISFIED THAT THE REQUIREMENTS OF
30 SECTION 903 HAVE BEEN MET, THE BOARD MAY APPROVE THE APPLICATION

1 AND ISSUE A TAVERN GAMES LICENSE FOR A PERIOD OF ONE YEAR. [THE
2 BOARD MAY ENTER INTO AN AGREEMENT WITH THE LICENSEE CONCERNING
3 ADDITIONAL RESTRICTIONS ON THE LICENSE, AND THIS AGREEMENT SHALL
4 BE BINDING ON THE LICENSEE. FAILURE OF THE LICENSEE TO ADHERE TO
5 THE AGREEMENT WILL BE CAUSE FOR PENALTIES UNDER SECTION 913(C)
6 AND FOR THE NONRENEWAL OF THE LICENSE UNDER SECTION 913(F).]

7 (B) RENEWAL.--A LICENSE SHALL BE RENEWED ANNUALLY. A LICENSE
8 RENEWAL SHALL NOT REQUIRE REVIEW OF THE BUREAU, UNLESS REQUESTED
9 BY THE BOARD. THE BOARD MAY REFUSE TO RENEW A TAVERN GAMING
10 LICENSE FOR THE FOLLOWING REASONS:

11 (1) A LICENSE SHALL NOT BE ISSUED TO A RESTAURANT
12 LICENSEE OR EATING PLACE LICENSEE WHOSE LIQUOR LICENSE IS IN
13 SAFEKEEPING UNDER SECTION 474.1 OF THE ACT OF APRIL 12, 1951
14 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE.

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

18 (3) A LICENSE SHALL NOT BE ISSUED TO A LOCATION THAT IS
19 SUBJECT TO:

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

22 (II) A ONE-YEAR PROHIBITION ON THE ISSUANCE OR
23 TRANSFER OF A LICENSE UNDER SECTION 471(B) OF THE LIQUOR
24 CODE.

25 (C) [FEE.--UPON APPROVAL, THE] RENEWAL FEE.--AN APPROVED
26 APPLICANT SHALL PAY [A \$2,000 LICENSE FEE TO BE DEPOSITED IN THE
27 GENERAL FUND. THE ANNUAL RENEWAL FEE SHALL BE \$1,000.] AN ANNUAL
28 RENEWAL FEE OF \$1,000.

29 (D) ENTITLEMENT.--NOTHING UNDER THIS CHAPTER SHALL BE
30 CONSTRUED TO CREATE AN ENTITLEMENT TO A LICENSE BY A PERSON. THE

1 BOARD SHALL HAVE SOLE DISCRETION TO ISSUE, RENEW, CONDITION,
2 SUSPEND, REVOKE OR DENY A LICENSE BASED ON THE REQUIREMENTS OF
3 THIS CHAPTER AND WHETHER THE ISSUANCE AND MAINTENANCE OF THE
4 LICENSE ARE IN THE BEST INTERESTS OF THE COMMONWEALTH.

5 (E) NONTRANSFERABILITY.--A LICENSE SHALL BE A GRANT OF
6 PRIVILEGE TO CONDUCT TAVERN GAMES. A LICENSE MAY NOT BE SOLD,
7 TRANSFERRED OR ASSIGNED TO ANY OTHER PERSON. A LICENSEE MAY NOT
8 PLEDGE OR OTHERWISE GRANT A SECURITY INTEREST IN OR LIEN ON THE
9 LICENSE. THE BOARD SHALL HAVE THE SOLE DISCRETION TO ISSUE,
10 RENEW, CONDITION OR DENY THE ISSUANCE OF A LICENSE.

11 SECTION 906. CHANGE IN OWNERSHIP.

12 (A) NOTICE.--A LICENSEE SHALL NOTIFY THE BOARD OF A CHANGE
13 OF OWNERSHIP OF THE PREMISES OR SALE OR TRANSFER OF THE
14 RESTAURANT LICENSE.

15 (B) QUALIFICATION.--THE PURCHASER OR TRANSFEREE OF THE
16 ASSETS OR PREMISES OF A LICENSEE MUST INDEPENDENTLY QUALIFY FOR
17 A LICENSE[,] AND PAY THE LICENSE FEE [AND UNDERGO AND PAY FEES
18 AND COSTS FOR A BACKGROUND INVESTIGATION] UNDER SECTION 903.

19 SECTION 907. PRIZE LIMITS.

20 * * *

21 (B) AGGREGATE PRIZE LIMIT.--NO MORE THAN [~~\$35,000~~] \$50,000
22 IN PRIZES MAY BE AWARDED FROM TAVERN GAMES BY A LICENSEE IN A
23 SEVEN-DAY PERIOD.

24 SECTION 908.1. TAVERN RAFFLE.

25 THE FOLLOWING SHALL APPLY TO A TAVERN RAFFLE:

26 (1) NO MORE THAN ONE TAVERN RAFFLE MAY BE HELD IN A
27 CALENDAR MONTH.

28 (2) A TAVERN RAFFLE MUST BE HELD FOR A DESIGNATED
29 CHARITABLE PURPOSE.

30 (3) EACH INDIVIDUAL PARTICIPATING IN THE TAVERN RAFFLE

1 MUST BE INFORMED OF THE CHARITABLE PURPOSE INVOLVED.

2 (4) AT LEAST 50% OF THE NET REVENUES FROM THE TAVERN
3 RAFFLE SHALL BE TRANSMITTED TO THE DESIGNATED CHARITY WITHIN
4 SEVEN DAYS OF THE TAVERN RAFFLE.

5 (5) ANY NET REVENUES NOT TRANSMITTED UNDER PARAGRAPH (4)
6 SHALL BE DISTRIBUTED AS FOLLOWS:

7 (I) [~~SIXTY~~] FIFTY PERCENT SHALL BE PAID TO THE
8 COMMONWEALTH.

9 (II) [~~THIRTY-FIVE~~] FORTY-FIVE PERCENT MAY BE
10 RETAINED BY THE LICENSEE.

11 (III) FIVE PERCENT SHALL BE PAID TO THE COMMONWEALTH
12 AND DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT
13 ESTABLISHED IN SECTION 909.3.

14 (6) A TAVERN RAFFLE PRIZE REMAINING UNCLAIMED BY A
15 WINNER 60 DAYS AFTER THE TAVERN RAFFLE WAS HELD SHALL BE
16 DONATED BY THE LICENSEE WITHIN 30 DAYS TO THE DESIGNATED
17 CHARITABLE ORGANIZATION FOR WHICH THE TAVERN RAFFLE WAS
18 CONDUCTED.

19 SECTION 909. DISTRIBUTION OF NET REVENUE.

20 BEGINNING JANUARY 1, 2014, THE NET REVENUE FROM TAVERN GAMES
21 RECEIVED BY A LICENSEE SHALL BE DISTRIBUTED AS FOLLOWS:

22 (1) [~~SIXTY~~] FIFTY PERCENT OF THE NET REVENUE OBTAINED IN
23 ANY CALENDAR YEAR SHALL BE PAID TO THE COMMONWEALTH.

24 (2) [~~THIRTY-FIVE~~] FORTY-FIVE PERCENT OF THE NET REVENUE
25 OBTAINED IN ANY CALENDAR YEAR MAY BE RETAINED BY THE
26 LICENSEE.

27 (3) FIVE PERCENT SHALL BE PAID TO THE COMMONWEALTH AND
28 DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT ESTABLISHED IN
29 SECTION 909.3.

30 SECTION 909.1. TAVERN GAMES TAX.

1 (A) IMPOSITION.--THERE IS IMPOSED A TAX OF [60%] 51% OF THE
2 NET REVENUE FROM TAVERN GAMES SOLD BY A LICENSED DISTRIBUTOR TO
3 A LICENSEE WITHIN THIS COMMONWEALTH. SALES TAX MAY ONLY BE
4 CHARGED ON THE LICENSED DISTRIBUTOR'S FEE ON THE COST OF
5 TICKETS.

6 * * *

<--

7 (B) COLLECTION.--THE TAX IMPOSED UNDER SUBSECTION (A) MUST
8 BE COLLECTED BY THE LICENSED DISTRIBUTOR FROM THE LICENSEE IN AN
9 INSTANCE WHERE THE TAVERN GAME IS REQUIRED TO BE PURCHASED FROM
10 A LICENSED DISTRIBUTOR UNDER THIS ACT AND MUST BE PAID OVER TO
11 THE COMMONWEALTH[.] WITH THE COMMONWEALTH DISTRIBUTING 5% OF THE
12 NET REVENUE SPECIFIED UNDER SUBSECTION (A) TO THE STATE LOTTERY
13 FUND.

14 (C) OTHER GAMES.--IN AN INSTANCE WHERE THE TAVERN GAME IS
15 NOT REQUIRED TO BE PURCHASED FROM A LICENSED DISTRIBUTOR UNDER
16 THIS ACT, A TAX OF [60%] 55% IS IMPOSED UPON THE NET REVENUE
17 FROM TAVERN DAILY DRAWINGS AND TAVERN RAFFLES UNDER SECTION
18 908.1 AND MUST BE PAID TO THE COMMONWEALTH BY THE LICENSEE.

19 * * *

20 (H) PENALTIES AND INTEREST.--IF A LICENSEE OR LICENSED
21 DISTRIBUTOR FAILS TO FILE THE RETURN REQUIRED UNDER SUBSECTION
22 (E) OR FAILS TO PAY THE TAX IMPOSED UNDER SUBSECTION (A) OR (C),
23 THE DEPARTMENT MAY DO THE FOLLOWING:

24 (1) ASSESS THE AMOUNT OF TAX DUE;

25 (2) IMPOSE AND ASSESS AN ADMINISTRATIVE PENALTY EQUAL TO
26 10% OF THE TAX DUE BUT UNPAID FOR EACH QUARTER OR FRACTION
27 THEREOF THAT THE TAX REMAINS UNPAID TOGETHER WITH INTEREST AT
28 THE RATE ESTABLISHED UNDER SECTION 806 OF THE ACT OF APRIL 9,
29 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, ON THE TAX
30 FROM THE TIME THE TAX BECAME DUE. THE PENALTY PROVIDED IN

1 THIS PARAGRAPH MUST BE ADDED TO THE TAX AND ASSESSED AND
2 COLLECTED AT THE SAME TIME AND IN THE SAME MANNER AS A PART
3 OF THE TAX. UNLESS OTHERWISE SPECIFIED, THE TAX MUST BE
4 ASSESSED, COLLECTED AND ENFORCED BY THE DEPARTMENT UNDER THE
5 PROVISIONS OF ARTICLE II OF THE ACT OF MARCH 4, 1971 (P.L.6,
6 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971;

7 (3) [NOTIFY THE BOARD THAT A LICENSEE HAS NOT FILED
8 RETURNS OR HAS NOT PAID TAX. THE BOARD MAY] SUSPEND OR REVOKE
9 A LICENSEE'S LICENSE; OR

10 (4) REVOKE A LICENSED DISTRIBUTOR'S LICENSE.

11 * * *

12 SECTION 912. REPORTS.

13 A LICENSEE SHALL SUBMIT AN ANNUAL REPORT TO THE [BOARD AND
14 THE] DEPARTMENT FOR THE PRECEDING YEAR ON A FORM AND IN A MANNER
15 PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL DEVELOP A
16 SCHEDULE FOR THE SUBMISSION OF THE ANNUAL REPORT. THE REPORT
17 SHALL INCLUDE:

18 (1) PRIZES AWARDED AS REQUIRED UNDER SECTION 335 OF THE
19 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM
20 CODE OF 1971.

21 [(2) NET REVENUE RECEIVED FROM EACH TAVERN GAME
22 CONDUCTED, ITEMIZED BY WEEK.

23 (3) AMOUNT OF PRIZES PAID FROM ALL TAVERN GAMES,
24 ITEMIZED BY WEEK.]

25 (4) AMOUNT OF TAX REMITTED TO THE DEPARTMENT.

26 (5) AMOUNT GIVEN TO DESIGNATED CHARITIES FROM TAVERN
27 RAFFLES.

28 (6) OTHER INFORMATION AS REQUIRED BY THE DEPARTMENT.

29 SECTION 12. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

30 SECTION 912.1. E-TAB MANUFACTURER REQUIREMENTS.

1 (A) MANUFACTURER REPORTING REQUIREMENTS.--

2 (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 501(A),
3 THE MANUFACTURER OF E-TABS SHALL SUBMIT AN ANNUAL REPORT TO
4 THE DEPARTMENT FOR THE PRECEDING 12-MONTH PERIOD IN A FORM
5 AND MANNER AS PRESCRIBED BY THE DEPARTMENT.

6 (2) THE REPORT SHALL BE FILED UNDER OATH OR AFFIRMATION
7 OF THE MANUFACTURER AND SHALL INCLUDE THE FOLLOWING
8 INFORMATION:

9 (I) THE PROCEEDS RECEIVED BY EACH LICENSEE FROM EACH
10 E-TAB GAME CONDUCTED, ITEMIZED BY WEEK.

11 (II) THE AMOUNT OF PRIZES PAID FROM ALL E-TAB GAMES,
12 ITEMIZED BY WEEK.

13 (III) ANY OTHER COSTS INCURRED RELATED TO THE
14 CONDUCT OF E-TAB GAMES.

15 (3) THE REPORT SHALL BE DISTRIBUTED AND PUBLISHED IN THE
16 MANNER AS PROVIDED UNDER SECTION 501(B) AND (C).

17 (B) RECORDS.--A MANUFACTURER OF E-TABS SHALL MAINTAIN
18 RECORDS AS REQUIRED BY THE DEPARTMENT FOR THE ENFORCEMENT OF
19 THIS ACT. SUCH RECORDS NECESSARY TO CONDUCT RANDOM AUDITS SHALL
20 BE MADE AVAILABLE TO THE BUREAU OF LIQUOR CONTROL ENFORCEMENT,
21 THE DEPARTMENT AND ANY OTHER ENTITY AUTHORIZED TO ENFORCE OR
22 CONDUCT AUDITS UNDER THIS ACT.

23 SECTION 13. SECTIONS 913 AND 914 OF THE ACT ARE AMENDED TO
24 READ:

25 SECTION 913. ENFORCEMENT.

26 (A) BOARD.--THE BOARD MAY, FOLLOWING NOTICE AND HEARING,
27 IMPOSE PENALTIES OR SUSPEND OR REVOKE A LICENSE UNDER THIS
28 CHAPTER.

29 [(B) AUTHORITY OF DEPARTMENT.--NOTWITHSTANDING ANY LAW TO
30 THE CONTRARY, THE DEPARTMENT MAY REPORT VIOLATIONS OF THIS

1 CHAPTER TO THE BOARD AND TO THE BUREAU OF LIQUOR CONTROL
2 ENFORCEMENT.]

3 (C) [PENALTIES] CIVIL PENALTIES.--THE BOARD MAY IMPOSE A
4 CIVIL PENALTY FOR A VIOLATION OF THIS CHAPTER IN ACCORDANCE WITH
5 THE FOLLOWING:

6 (1) UP TO [\$2,000] \$800 FOR AN INITIAL VIOLATION.

7 (2) UP TO [\$3,000] \$1,000 FOR A SECOND VIOLATION.

8 (3) UP TO [\$5,000] \$2,000 FOR A THIRD OR SUBSEQUENT
9 VIOLATION.

10 (D) CRIMINAL PENALTY.--A VIOLATION OF THIS CHAPTER SHALL BE
11 A MISDEMEANOR OF THE THIRD DEGREE. A SECOND OR SUBSEQUENT
12 OFFENSE SHALL BE A MISDEMEANOR OF THE SECOND DEGREE.

13 [(E) ADMINISTRATIVE LAW JUDGE.--AN ADMINISTRATIVE LAW JUDGE
14 UNDER SECTION 212 OF THE ACT OF APRIL 12, 1951 (P.L.90, NO.21),
15 KNOWN AS THE LIQUOR CODE, MAY IMPOSE THE PENALTIES UNDER THIS
16 SECTION FOLLOWING THE ISSUANCE OF A CITATION BY THE BUREAU OF
17 LIQUOR CONTROL ENFORCEMENT.]

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
21 BOARD MAY, AT ITS DISCRETION, SUSPEND, REVOKE OR DENY RENEWAL
22 OF 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) THE BOARD SHALL IMMEDIATELY AND PERMANENTLY REVOKE A
12 LICENSE ISSUED UNDER THIS CHAPTER IF THE LICENSEE HAS
13 COMMITTED FOUR OR MORE VIOLATIONS OF THIS CHAPTER IN A TWO-
14 YEAR PERIOD.

15 (G) LAW ENFORCEMENT OFFICIALS.--NOTHING IN THIS CHAPTER MAY
16 RESTRICT OR LIMIT THE POWER OF A STATE, COUNTY OR LOCAL LAW
17 ENFORCEMENT OFFICIAL TO CONDUCT INVESTIGATIONS AND FILE CRIMINAL
18 CHARGES UNDER THIS CHAPTER.

19 (H) VIOLATIONS.--

20 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), A VIOLATION OF
21 THIS CHAPTER BY A RESTAURANT LICENSEE OR EATING PLACE
22 LICENSEE SHALL NOT CONSTITUTE A VIOLATION OF THE ACT OF APRIL
23 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE.

24 (2) IF A RESTAURANT LICENSEE OR EATING PLACE LICENSEE
25 HAS COMMITTED FOUR OR MORE VIOLATIONS OF THIS ACT, THE BUREAU
26 MAY ENFORCE A VIOLATION OF THIS CHAPTER AS A VIOLATION OF THE
27 LIQUOR CODE.

28 SECTION 914. PROHIBITIONS.

29 THE FOLLOWING SHALL APPLY TO ANY LICENSE AUTHORIZED OR ISSUED
30 UNDER THIS CHAPTER:

1 (1) NO LICENSE MAY BE ISSUED TO A RESTAURANT LICENSEE OR
2 EATING PLACE LICENSEE WHOSE PLACE OF BUSINESS IS LOCATED IN A
3 LICENSED FACILITY AS DEFINED IN 4 PA.C.S. § 1103 (RELATING TO
4 DEFINITIONS).

5 (2) NO LICENSE MAY BE ISSUED TO A PLACE OF BUSINESS ON
6 THE GROUNDS OF A FACILITY WHERE A MAJOR LEAGUE SPORTS TEAM
7 CONDUCTS GAMES OR RACES.

8 (3) NO LICENSE MAY BE ISSUED TO A PLACE OF BUSINESS THAT
9 HAS BEEN DECREED A NUISANCE PURSUANT TO SECTION 611 OF THE
10 ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR
11 CODE.

12 (4) THE BOARD SHALL BE PROHIBITED FROM ISSUING A LICENSE
13 TO ANY PERSON WHO HAS BEEN CONVICTED OF A FELONY OFFENSE OR
14 MISDEMEANOR GAMBLING OFFENSE IN ANY JURISDICTION UNLESS 15
15 YEARS HAVE ELAPSED FROM THE DATE OF CONVICTION OF THE
16 OFFENSE.

17 (5) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL UNDER 21
18 YEARS OF AGE TO PLAY OR ATTEMPT TO PLAY OR OTHERWISE
19 PARTICIPATE IN A TAVERN GAME.

20 (6) IT SHALL BE UNLAWFUL FOR A LICENSEE TO PERMIT AN
21 EMPLOYEE UNDER 18 YEARS OF AGE TO OPERATE TAVERN GAMES.

22 (7) IT SHALL BE UNLAWFUL FOR AN OWNER, OFFICER OR
23 EMPLOYEE OF A LICENSEE TO SELL, OPERATE OR OTHERWISE
24 PARTICIPATE IN THE CONDUCT OF TAVERN GAMES IF THE EMPLOYEE
25 HAS BEEN CONVICTED IN ANY JURISDICTION OF A FELONY OR A
26 MISDEMEANOR GAMBLING OFFENSE UNLESS 15 YEARS HAVE ELAPSED
27 FROM THE DATE OF CONVICTION OF THE OFFENSE.

28 (8) IT SHALL BE UNLAWFUL FOR AN OWNER OR OFFICER OF A
29 LICENSEE OR FOR AN EMPLOYEE OF THE LICENSEE WHO OPERATES THE
30 TAVERN GAME TO PARTICIPATE IN THE GAME. THIS PARAGRAPH SHALL

1 NOT APPLY TO A RAFFLE.

2 Section ~~6~~ 14. Within two years of the effective date of this <--
3 section, the Department of Revenue shall publish regulations to
4 implement and administer the provisions of this act.

5 Section ~~7~~ 15. This act shall take effect ~~in 60 days~~. AS <--
6 FOLLOWS:

7 (1) THE AMENDMENT OF SECTIONS 307(D.1), 501(A)(1),
8 502(A.1)(1) AND 702(G) OF THE ACT SHALL TAKE EFFECT JANUARY
9 1, 2019.

10 (2) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

11 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
12 DAYS.