

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, OCTOBER 17, 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, further providing for
11 PROHIBITION REGARDING POOLS, FOR prize limits, AND FOR MAJOR <--
12 LEAGUE SPORTS DRAWING, providing for airport 50/50 drawing
13 and further providing for licensing of eligible
14 organizations; in club licensees, further providing for club
15 licensee and for distribution of proceeds; and, in <--
16 enforcement, further providing for enforcement-; AND, IN <--
17 TAVERN GAMING, FURTHER PROVIDING FOR LICENSES, FOR
18 APPLICATION, FOR ENFORCEMENT AND FOR PROHIBITION.

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

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

24 Section 102. Legislative intent.

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

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

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

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

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

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

26 SECTION 2. THE DEFINITIONS OF "AFFILIATED NONPROFIT" <--
27 ORGANIZATION," "ELIGIBLE ORGANIZATION," "MAJOR LEAGUE SPORTS
28 DRAWING" AND "MAJOR LEAGUE SPORTS TEAM" IN SECTION 103 OF THE
29 ACT ARE AMENDED AND THE SECTION IS AMENDED BY ADDING DEFINITIONS
30 TO READ:

1 Section 103. Definitions.

2 The following words and phrases when used in this act shall,
3 except as provided under section 902, have the meanings given to
4 them in this section unless the context clearly indicates
5 otherwise:

6 * * *

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

14 "Airport." A publicly owned commercial service airport that
15 is designated by the Federal Government as an international
16 airport.

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

19 "ATHLETIC EVENT DRAWING." A 50/50 DRAWING THAT IS CONDUCTED <--
20 BY AN AFFILIATED NONPROFIT ORGANIZATION IN ACCORDANCE WITH
21 SECTION 304.1.

22 "ATHLETIC TEAM." A SPORTS TEAM OR RACING FACILITY THAT IS
23 ANY OF THE FOLLOWING:

24 (1) A MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL
25 HOCKEY LEAGUE, THE NATIONAL BASKETBALL ASSOCIATION, THE
26 NATIONAL FOOTBALL LEAGUE OR MAJOR LEAGUE SOCCER.

27 (2) A PROFESSIONAL SPORTS TEAM AFFILIATED WITH A TEAM
28 UNDER PARAGRAPH (1).

29 (3) ANY OTHER PROFESSIONAL SPORTS TEAM THAT HAS A SPORTS
30 FACILITY OR AN AGREEMENT WITH A SPORTS FACILITY TO CONDUCT

1 HOME GAMES AT THE FACILITY.

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

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

7 * * *

8 "ELIGIBLE ORGANIZATION." A CHARITABLE, RELIGIOUS, FRATERNAL
9 OR VETERANS' ORGANIZATION, CLUB, CLUB LICENSEE OR CIVIC AND
10 SERVICE ASSOCIATION OR AN AIRPORT. IN ORDER TO QUALIFY AS AN
11 ELIGIBLE ORGANIZATION FOR PURPOSES OF THIS ACT, AN ORGANIZATION
12 SHALL HAVE BEEN IN EXISTENCE AND FULFILLING ITS PURPOSES FOR ONE
13 YEAR PRIOR TO THE DATE OF APPLICATION FOR A LICENSE. THE TERM
14 SHALL INCLUDE AN AFFILIATED NONPROFIT ORGANIZATION LICENSED
15 UNDER SECTION 307.

16 * * *

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

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

21 (2) A UNIVERSITY WITHIN THE STATE SYSTEM OF HIGHER
22 EDUCATION.

23 (3) THE PENNSYLVANIA STATE UNIVERSITY.

24 (4) THE UNIVERSITY OF PITTSBURGH.

25 (5) TEMPLE UNIVERSITY.

26 (6) LINCOLN UNIVERSITY.

27 (7) ANY OTHER INSTITUTION THAT IS DESIGNATED AS "STATE
28 RELATED" BY THE COMMONWEALTH.

29 (8) ANY ACCREDITED PRIVATE OR INDEPENDENT COLLEGE OR
30 UNIVERSITY.

1 * * *

2 ["MAJOR LEAGUE SPORTS DRAWING." A 50/50 DRAWING CONDUCTED BY
3 A NONPROFIT AFFILIATE OF A MAJOR LEAGUE SPORTS TEAM IN
4 ACCORDANCE WITH SECTION 304.1.

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

7 (1) A MEMBER OF MAJOR LEAGUE BASEBALL, THE NATIONAL
8 HOCKEY LEAGUE, THE NATIONAL BASKETBALL ASSOCIATION, THE
9 NATIONAL FOOTBALL LEAGUE OR MAJOR LEAGUE SOCCER.

10 (2) A PROFESSIONAL SPORTS TEAM AFFILIATED WITH A TEAM
11 UNDER PARAGRAPH (1).

12 (3) ANY OTHER PROFESSIONAL SPORTS TEAM THAT HAS A SPORTS
13 FACILITY OR AN AGREEMENT WITH A SPORTS FACILITY TO CONDUCT
14 HOME GAMES AT THE FACILITY.

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

18 * * *

19 Section 3. ~~Section 302 of the act is amended to read:--~~ <--
20 SECTIONS 301.1, 302 AND 304.1 OF THE ACT ARE AMENDED TO READ: <--
21 SECTION 301.1. PROHIBITION REGARDING POOLS. <--

22 THE OPERATION OF A POOL MUST COMPLY WITH [THE PROFESSIONAL
23 AND 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 302. Prize limits.

27 (a) Individual prize limit.--

28 (1) Except as provided under subsections (d) and (d.1),
29 the maximum prize which may be awarded for any single chance
30 shall be \$2,000[.], other than a weekly drawing.

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

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

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

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

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

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

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

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

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

29 (d.1) Additional award.--A volunteer fire, ambulance, rescue
30 or conservation organization may, in addition to the total under

1 subsection (d) (4), award up to \$100,000 from raffles which shall
2 not be subject to the aggregate limit under subsection [(b),]
3 (c) or (d).

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

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

21 (h) Weekly drawing carryover exception.--Weekly drawings
22 shall be governed by the prize limitation contained in
23 subsection [(b)] (a). The prize limitation contained in
24 subsection [(b)] (a) may be exceeded by a weekly drawing under
25 the following circumstances: a weekly drawing may award a prize
26 where the cash value is in excess of [\$35,000] \$14,000 if such
27 prize is the result of a carryover of a drawing or drawings
28 which resulted from the winning number or numbers in such
29 drawing or drawings not being among the eligible entrants in
30 such drawings. Nothing contained in this chapter shall authorize

1 the prize limitation under subsection [(b)] (a) to be exceeded
2 as a result of a failure to conduct a drawing for a week during
3 which chances were sold for a weekly drawing or for a weekly
4 drawing for which chances were sold in excess of \$1.

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

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

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

16 (B) FREQUENCY.--AN AFFILIATED NONPROFIT ORGANIZATION MAY
17 CONDUCT NO MORE THAN ONE [MAJOR LEAGUE SPORTS] ATHLETIC EVENT
18 DRAWING PER HOME GAME OR TEAM EVENT. <--

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

22 (B.2) CHARITABLE EVENT.--[A MAJOR LEAGUE SPORTS] AN ATHLETIC
23 EVENT DRAWING MAY BE CONDUCTED BY THE AFFILIATED NONPROFIT
24 ORGANIZATION DURING A CHARITABLE EVENT HELD WITHIN THE SAME
25 ARENA, STADIUM, GRANDSTAND, BLEACHERS OR OTHER FACILITY DURING A
26 HOME GAME, TEAM EVENT OR CAR RACE OF THE [MAJOR LEAGUE SPORTS] <--
27 ATHLETIC TEAM. DRAWINGS MAY ONLY BE HELD WITHIN SPECTATOR AREAS
28 WITHIN THE ARENA, STADIUM, GRANDSTAND OR BLEACHERS WHERE THE
29 HOME GAME, TEAM EVENT OR CAR RACE IS BEING CONDUCTED AND NOT AT <--
30 ANCILLARY AREAS OR FACILITIES, INCLUDING PARKING AREAS,

1 RESTAURANTS AND BARS OR AREAS OUTSIDE THE ARENA, STADIUM,
2 GRANDSTAND OR BLEACHERS OR AREAS WHERE THE SPORT IS SHOWN ON
3 REMOTE ELECTRONIC EQUIPMENT.

4 (C) DISTRIBUTION.--THE PRIZE AMOUNT OF [A MAJOR LEAGUE
5 SPORTS] AN ATHLETIC EVENT DRAWING SHALL BE 50% OF THE TOTAL
6 AMOUNT COLLECTED FROM THE SALE OF [MAJOR LEAGUE SPORTS] ATHLETIC
7 EVENT DRAWING TICKETS. EXCEPT AS SET FORTH IN SUBSECTION (C.1),
8 THE OTHER 50% OF THE TOTAL AMOUNT COLLECTED FROM THE SALE OF
9 [MAJOR LEAGUE SPORTS] ATHLETIC EVENT DRAWING TICKETS SHALL BE
10 DONATED WITHIN SEVEN DAYS FROM THE DATE OF THE DRAWING BY THE
11 AFFILIATED NONPROFIT ORGANIZATION CONDUCTING THE [MAJOR LEAGUE
12 SPORTS] ATHLETIC EVENT DRAWING TO ONE OR MORE DESIGNATED
13 CHARITABLE ORGANIZATIONS FOR WHICH THE DRAWING WAS CONDUCTED.

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

15 (1) THE AFFILIATED NONPROFIT ORGANIZATION MAY UTILIZE
16 NONPRIZE MONEY COLLECTED FOR THE FOLLOWING:

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

21 (II) FOR ADMINISTRATIVE EXPENSES DIRECTLY RELATED TO
22 THE CONDUCT OF THE ATHLETIC EVENT DRAWING UNDER THIS
23 SECTION.

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

27 (D) DESIGNATED CHARITABLE ORGANIZATION.--THE AFFILIATED
28 NONPROFIT ORGANIZATION CONDUCTING THE [MAJOR LEAGUE SPORTS]
29 ATHLETIC EVENT DRAWING SHALL DISCLOSE TO ALL TICKET PURCHASERS
30 THE DESIGNATED CHARITABLE ORGANIZATION FOR WHICH THE [MAJOR

1 LEAGUE SPORTS] ATHLETIC EVENT DRAWING IS BEING CONDUCTED.

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

10 (F) UNCLAIMED PRIZES.--ANY [MAJOR LEAGUE SPORTS] ATHLETIC
11 EVENT DRAWING PRIZE REMAINING UNCLAIMED BY A WINNER AT THE END
12 OF THE [MAJOR LEAGUE SPORTS] ATHLETIC TEAM'S SEASON SHALL BE
13 DONATED WITHIN 30 DAYS FROM THE END OF THE SEASON BY THE
14 AFFILIATED NONPROFIT ORGANIZATION TO THE DESIGNATED CHARITABLE
15 ORGANIZATION FOR WHICH THE [MAJOR LEAGUE SPORTS] ATHLETIC EVENT
16 DRAWING WAS CONDUCTED.

17 (G) APPLICABILITY.--THE LIMITATIONS UNDER SECTIONS 302,
18 303(B), 308 AND 704 SHALL NOT APPLY TO [A MAJOR LEAGUE SPORTS]
19 AN ATHLETIC EVENT DRAWING.

20 (H) ADDITIONAL RECORDKEEPING.--THE DEPARTMENT MAY REQUIRE
21 ADDITIONAL RECORDKEEPING OR ACCOUNTABILITY MEASURES FOR [MAJOR
22 LEAGUE SPORTS] ATHLETIC EVENT DRAWINGS.

23 (I) 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 (J) DEFINITION.--AS USED IN THIS SECTION, THE TERM "TEAM
29 EVENT" MEANS A PRACTICE, SCRIMMAGE, EXHIBITION OR SIMILAR EVENT
30 AT THE HOME STADIUM OR TRAINING CAMP FACILITY OF AN ATHLETIC

1 TEAM UNDER PARAGRAPH (1), (2), (3) OR (4) OF THE DEFINITION OF
2 "ATHLETIC TEAM" IN SECTION 103.

3 Section 4. The act is amended by adding a section to read:
4 Section 304.2. Airport 50/50 drawing.

5 (a) General rule.--A person may purchase one or more airport
6 50/50 drawing tickets, and each ticket shall represent one entry
7 in the drawing for a winner. A single ticket shall be randomly
8 chosen as the winner after a certain number of tickets are sold
9 or a specified time period expires, as designated by the
10 airport. Purchase of airport 50/50 drawing tickets may be made
11 by cash, credit card or debit card. AN AIRPORT 50/50 DRAWING MAY <--
12 ONLY TAKE PLACE PURSUANT TO AUTHORIZATION BY THE AIRPORT
13 GOVERNING BODY.

14 (B) AIRPORT.--PRIOR TO PURCHASING AN AIRPORT 50/50 DRAWING <--
15 TICKET, THE AIRPORT SHALL REQUEST CONTACT INFORMATION FROM
16 PROSPECTIVE BUYER.

17 ~~(b)~~ (C) Frequency and location.--An airport 50/50 drawing <--
18 may be conducted at an airport no more than one time per
19 calendar day. Drawings may only be held within the spaces of an
20 airport terminal to which the general public, including ticketed <--
21 passengers, regularly has access. ACCESSIBLE ONLY BY THE GENERAL <--
22 PUBLIC WHO ARE TICKETED PASSENGERS AND HAVE PROCEEDED THROUGH A
23 SECURITY CHECKPOINT.

24 ~~(c)~~ (D) Distribution.--The prize amount of an airport 50/50 <--
25 drawing shall be 50% of the total amount collected from the sale
26 of airport 50/50 drawing tickets. The other 50% of the total
27 amount collected from the sale of airport 50/50 drawing tickets
28 shall be donated within seven days from the date of the drawing
29 by the airport to the designated charitable organization for
30 which the drawing was conducted.

1 ~~(d)~~ (E) Designated charitable organization.--The identity of <--
2 the designated charitable organization for which the airport
3 50/50 drawing is being conducted shall be disclosed to all
4 ticket purchasers.

5 ~~(e)~~ (F) Eligibility.--In order to receive proceeds from an <--
6 airport 50/50 drawing, a charitable organization must be in
7 existence and fulfill its purposes prior to the airport 50/50
8 drawing and shall be eligible for exemption under section 501(c)
9 (3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26
10 U.S.C. § 501(c)(3)). A political subdivision, AIRPORT OR AIRPORT <--
11 AUTHORITY shall not qualify as a charitable organization under
12 this act, but an organization formed by a political subdivision
13 that is eligible for exemption under section 501(c)(3) of the
14 Internal Revenue Code of 1986 shall qualify as a charitable
15 organization under this act.

16 (G) NOTIFICATION.--AN AIRPORT SHALL CONTACT A WINNER BASED <--
17 ON THE INFORMATION SUBMITTED UNDER SUBSECTION (B).

18 ~~(f)~~ (H) Unclaimed prizes.--Any airport 50/50 drawing prize <--
19 remaining unclaimed by a winner 180 days after the drawing shall
20 be donated to the designated charitable organization for which
21 the airport 50/50 drawing was conducted.

22 ~~(g)~~ (I) Applicability.--The limitations under sections 302, <--
23 303(b), 308 and 704 shall not apply to an airport 50/50 drawing.

24 (J) MECHANICAL OR ELECTRICAL DEVICES.--AN AIRPORT 50/50 <--
25 DRAWING MAY BE PLAYED WITH THE ASSISTANCE OF A MECHANICAL OR
26 ELECTRICAL DEVICE, NOTHING UNDER THIS SUBSECTION SHALL BE
27 CONSTRUED TO AUTHORIZE ANY OTHER FORM OF GAMBLING AUTHORIZED
28 UNDER 4 PA.C.S. (RELATING TO AMUSEMENTS).

29 ~~(h)~~ (K) Additional recordkeeping.--The department may <--
30 require additional recordkeeping or accountability measures for

1 airport 50/50 drawings.

2 ~~(I)~~ (L) RESTRICTION ON AIRPORTS.--NOTWITHSTANDING ANY OTHER <--
3 PROVISIONS OF THIS ACT, AN AIRPORT SHALL ONLY BE PERMITTED TO
4 CONDUCT AIRPORT 50/50 DRAWINGS UNDER THIS SECTION AND NO OTHER
5 GAMES OF CHANCE.

6 Section 5. Sections 307(d.1), 501(a)(1), 502(a.1)(1) ~~and,~~ <--
7 702(g), 903(B) AND (E) AND 904 of the act are amended to read: <--
8 Section 307. Licensing of eligible organizations.

9 * * *

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

17 * * *

18 Section 501. Club licensee.

19 (a) Report.--

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

25 * * *

26 Section 502. Distribution of proceeds.

27 * * *

28 (a.1) Amounts retained.--

29 (1) Notwithstanding subsection (a), if in a calendar
30 year ~~beginning January 1, 2013,~~ the proceeds from a game of <--

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

5 * * *

6 Section 702. Enforcement.

7 * * *

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

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

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

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

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

21 SECTION 903. LICENSES.

<--

22 * * *

23 (B) INFORMATION.--THE APPLICATION UNDER SUBSECTION (A) SHALL
24 INCLUDE THE FOLLOWING INFORMATION:

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

26 (2) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE
27 DEPARTMENT AND A CERTIFICATE FROM THE DEPARTMENT OF LABOR AND
28 INDUSTRY OF PAYMENT OF ALL WORKERS' COMPENSATION AND
29 UNEMPLOYMENT COMPENSATION OWED.

30 (3) THE DETAILS OF ANY LICENSE ISSUED UNDER 4 PA.C.S.

1 PT. II (RELATING TO GAMING), THE ACT OF APRIL 12, 1951
2 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, OR THIS ACT WHICH
3 WAS APPLIED FOR OR IN WHICH THE APPLICANT OR OTHER OWNER HAS
4 AN INTEREST.

5 (4) [CERTIFIED CONSENT BY THE APPLICANT, INCLUDING EACH
6 OWNER AND OFFICER OF THE RESTAURANT LICENSEE, TO A BACKGROUND
7 INVESTIGATION BY THE BUREAU.] A CRIMINAL HISTORY RECORD
8 INFORMATION REPORT ISSUED UNDER 18 PA.C.S. CH. 91 (RELATING
9 TO CRIMINAL HISTORY RECORD INFORMATION) OBTAINED FROM THE
10 PENNSYLVANIA STATE POLICE.

11 (5) RELATING TO CRIMINAL INFORMATION UNDER PARAGRAPH
12 (4), DISCLOSURE OF ALL ARRESTS AND CITATIONS OF THE
13 APPLICANT, INCLUDING NONTRAFFIC SUMMARY OFFENSES. THE
14 INFORMATION SHALL INCLUDE ALL OF THE FOLLOWING:

15 (I) A BRIEF DESCRIPTION OF THE CIRCUMSTANCES
16 SURROUNDING THE ARREST OR ISSUANCE OF THE CITATION.

17 (II) THE SPECIFIC OFFENSE CHARGED.

18 (III) THE ULTIMATE DISPOSITION OF THE CHARGE,
19 INCLUDING ANY DISMISSAL, PLEA BARGAIN, CONVICTION,
20 SENTENCE, PARDON, EXPUNGEMENT OR ORDER OF ACCELERATED
21 REHABILITATIVE DISPOSITION.

22 (6) FINANCIAL BACKGROUND AND INTERESTS AND TRANSACTIONS
23 AS REQUIRED BY THE BUREAU.

24 (7) RELATING TO CITATIONS OF THE APPLICANT ISSUED UNDER
25 THE LIQUOR CODE OR ANY OTHER DISCIPLINE OR PENALTY
26 ADMINISTERED OR ISSUED BY A COMMONWEALTH AGENCY.

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

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

30 * * *

1 [(E) BACKGROUND INVESTIGATION.--EACH APPLICANT SHALL INCLUDE
2 INFORMATION AND DOCUMENTATION AS REQUIRED TO ESTABLISH PERSONAL
3 AND FINANCIAL SUITABILITY, HONESTY AND INTEGRITY. INFORMATION
4 SHALL INCLUDE:

5 (1) CRIMINAL HISTORY RECORD INFORMATION.

6 (2) FINANCIAL BACKGROUND INFORMATION.

7 (3) REGULATORY HISTORY BEFORE THE BOARD OR OTHER
8 COMMONWEALTH AGENCY.

9 (4) OTHER INFORMATION REQUIRED BY THE BUREAU.]

10 * * *

11 SECTION 904. APPLICATION.

12 (A) APPLICATION FEE.--AN APPLICANT SHALL PAY THE BOARD A
13 NONREFUNDABLE APPLICATION FEE OF [\$1,000] \$500.

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

16 (C) [COSTS.--IN ADDITION TO THE FEE UNDER SUBSECTION (B),
17 AN] INVESTIGATIVE COSTS.--AN APPLICANT AND ANY OWNER AND OFFICER
18 OF THE APPLICANT SHALL PAY FOR THE [ACTUAL] REASONABLE AND
19 NECESSARY COSTS OF A BACKGROUND INVESTIGATION CONDUCTED BY THE
20 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]
26 SUBSECTION (C) SHALL AUGMENT THE FUNDS APPROPRIATED TO THE
27 PENNSYLVANIA GAMING CONTROL BOARD UNDER 4 PA.C.S. (RELATING TO
28 AMUSEMENTS).

29 SECTION 6. SECTION 913(C) AND (D) OF THE ACT ARE AMENDED,
30 SUBSECTION (F) IS AMENDED BY ADDING A PARAGRAPH AND THE SECTION

1 IS AMENDED BY ADDING SUBSECTIONS:

2 SECTION 913. ENFORCEMENT.

3 * * *

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

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

13 * * *

14 (F) SUSPENSION, REVOCATION OR FAILURE TO RENEW.--

15 * * *

16 (3) A THIRD VIOLATION OF THIS CHAPTER SHALL RESULT IN A
17 REVOCATION OF A LICENSE ISSUED UNDER THIS CHAPTER. A LICENSEE
18 SHALL BE INELIGIBLE TO APPLY FOR OR BE AWARDED A LICENSE
19 UNDER THIS CHAPTER FOR A PERIOD OF FIVE YEARS FOLLOWING A
20 REVOCATION.

21 (G) LAW ENFORCEMENT OFFICIALS.--NOTHING UNDER THIS CHAPTER
22 SHALL BE CONSTRUED TO RESTRICT OR LIMIT THE POWER OF A STATE,
23 COUNTY OR LOCAL LAW ENFORCEMENT OFFICIAL TO CONDUCT
24 INVESTIGATIONS AND FILE CRIMINAL CHARGES UNDER THIS CHAPTER.

25 (H) VIOLATIONS.--

26 (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2), A VIOLATION
27 OF THIS CHAPTER BY A RESTAURANT LICENSEE SHALL NOT CONSTITUTE
28 A VIOLATION OF THE LIQUOR CODE.

29 (2) IF A RESTAURANT LICENSEE HAS COMMITTED THREE OR MORE
30 VIOLATIONS OF THIS ACT IN A CALENDAR YEAR, THE BUREAU MAY

1 ENFORCE A VIOLATION OF THIS CHAPTER AS A VIOLATION OF THE
2 LIQUOR CODE.

3 SECTION 7. SECTION 914(4) AND (7) OF THE ACT ARE AMENDED TO
4 READ:

5 SECTION 914. PROHIBITIONS.

6 THE FOLLOWING SHALL APPLY TO ANY LICENSE AUTHORIZED OR ISSUED
7 UNDER THIS CHAPTER:

8 * * *

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

14 * * *

15 (7) IT SHALL BE UNLAWFUL FOR AN OWNER, OFFICER OR
16 EMPLOYEE OF A LICENSEE TO SELL, OPERATE OR OTHERWISE
17 PARTICIPATE IN THE CONDUCT OF TAVERN GAMES IF THE EMPLOYEE
18 HAS BEEN CONVICTED IN [ANY JURISDICTION] THIS COMMONWEALTH OF
19 A FELONY OR A MISDEMEANOR GAMBLING OFFENSE UNLESS 15 YEARS
20 HAVE ELAPSED FROM THE DATE OF CONVICTION OF THE OFFENSE.

21 * * *

22 Section ~~6~~ 8. Within two years of the effective date of this <--
23 section, the Department of Revenue shall publish regulations to
24 implement and administer the provisions of this act.

25 Section ~~7~~ 9. This act shall take effect ~~in 60 days~~. AS <--
26 FOLLOWS:

27 (1) THE AMENDMENT OF SECTIONS 307(D.1), 501(A)(1)~~7~~ AND <--
28 502(A.1)(1) ~~AND 702(G)~~ OF THE ACT SHALL TAKE EFFECT JANUARY <--
29 1, 2019.

30 (2) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

1 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
2 DAYS.