

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 144 Session of 2013

INTRODUCED BY KASUNIC, SOLOBAY, FONTANA, SMITH, YUDICHAK,
TARTAGLIONE, RAFFERTY, VOGEL, VULAKOVICH AND HUTCHINSON,
JANUARY 18, 2013

REFERRED TO FINANCE, JANUARY 18, 2013

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),
2 entitled, as amended, "An act providing for the licensing of
3 eligible organizations to conduct games of chance, for the
4 licensing of persons to distribute games of chance, for the
5 registration of manufacturers of games of chance, and for
6 suspensions and revocations of licenses and permits;
7 requiring records; providing for local referendum by
8 electorate; and prescribing penalties," further providing for
9 regulation of department, for licensing of eligible
10 organizations to conduct games of chance, for club licensee
11 and for distribution of proceeds.

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

14 Section 1. Sections 306(c) and 307(b.1)(3.2), (b.2) and
15 (d)(3) of the act of December 19, 1988 (P.L.1262, No.156), known
16 as the Local Option Small Games of Chance Act, amended October
17 24, 2012 (P.L.1462, No.184), are amended to read:

18 Section 306. Regulations of department.

19 * * *

20 (c) Reporting requirements.--Each eligible organization
21 which has proceeds in excess of [\$2,500] \$100,000 in a calendar
22 year shall submit an annual report to the department including:

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

4 (2) Amounts expended for public interest purposes.
5 Section 307. Licensing of eligible organizations to conduct
6 games of chance.

7 * * *

8 (b.1) Location of games of chance.--

9 * * *

10 (3.2) Notwithstanding paragraphs (1), (2) and (3), the
11 following eligible organizations established to raise funds
12 shall not be required to conduct a 50/50 drawing or a raffle
13 at a licensed premises or to own, lease or establish a
14 licensed premises:

15 (i) A nonprofit sports team.

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

18 (iii) A volunteer fire company, volunteer ambulance
19 service or volunteer rescue company as defined in 35
20 Pa.C.S. § 7802 (relating to definitions).

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

23 (1) A licensed eligible organization may conduct games
24 of chance at a location off its premises when the games of
25 chance are part of an annual carnival, fair, picnic or
26 banquet held or participated in by that licensed eligible
27 organization on a historical basis. The licensed eligible
28 organization must notify, in writing, the district attorney
29 and licensing authority of the location, date and times of
30 the event where it will be conducting games of chance.

1 (2) Raffle tickets may be sold off the licensed premises
2 in a municipality which has adopted the provisions of this
3 act by an affirmative vote in a municipal referendum. [A
4 licensed eligible organization which plans to sell raffle
5 tickets in a municipality located in a county other than the
6 county in which the eligible organization is licensed shall
7 notify that county's district attorney and licensing
8 authority as to the location and the dates that the licensed
9 eligible organization plans to sell raffle tickets.]

10 * * *

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

13 * * *

14 (3) Paying any compensation to any person for conducting
15 any games of chance. [Games of chance may only be conducted
16 by managers, officers, directors, bar personnel and bona fide
17 members of the eligible organization.]

18 * * *

19 Section 2. Sections 501(a)(1) and 502(a) of the act, added
20 February 2, 2012 (P.L.7, No.2), are amended to read:

21 Section 501. Club licensee.

22 (a) Report.--

23 (1) Beginning in 2013, a club licensee shall submit
24 semiannual reports to the department for the preceding six-
25 month period on a form and in a manner prescribed by the
26 department if the proceeds from small games of chance during
27 the preceding six-month period exceed \$50,000.

28 * * *

29 Section 502. Distribution of proceeds.

30 (a) Distribution.--The proceeds from games of chance

1 received by a club licensee shall be distributed as follows:

2 (1) No less than [70%] 50% of the proceeds shall be paid
3 to organizations for public interest purposes in the calendar
4 year in which the proceeds were obtained.

5 (2) No more than [30%] 50% of the proceeds obtained in a
6 calendar year may be retained by a club licensee and used for
7 the following operational expenses relating to the club
8 licensee:

9 (i) Real property taxes.

10 (ii) Utility and fuel costs.

11 (iii) Heating and air conditioning equipment or
12 repair costs.

13 (iv) Water and sewer costs.

14 (v) Property or liability insurance costs.

15 (vi) Mortgage payments.

16 (vii) Interior and exterior repair costs, including
17 repair to parking lots.

18 (viii) New facility construction costs.

19 (ix) Entertainment equipment, including television,
20 video and electronic games.

21 (x) Other expenses adopted in regulation by the
22 department.

23 * * *

24 Section 3. This act shall take effect in 60 days.