

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 390 Session of 2013

INTRODUCED BY SOLOBAY, KASUNIC, SMITH, VOGEL, BREWSTER, MENSCH, VULAKOVICH, FONTANA, TARTAGLIONE, BAKER, YUDICHAK, ARGALL, COSTA AND WAUGH, FEBRUARY 4, 2013

REFERRED TO FINANCE, FEBRUARY 4, 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 the definitions of "daily drawing," "games of chance" and  
 10 "law enforcement official," "weekly drawing"; adding  
 11 definitions of "a night at the races," "cash or merchandise  
 12 bash," "coin auction," "monthly drawing," "selective raffle,"  
 13 "Texas hold 'em card tournament" and "vertical wheel game";  
 14 further providing for an additional exception to prize  
 15 limits; providing for a monthly drawing and carryover  
 16 exception; permitting concurrent operation of daily, weekly  
 17 and monthly drawings; permitting eligible organizations to  
 18 impose a penalty of up to 50% of the amount of the prize if  
 19 winner not present at time of drawing; further providing for  
 20 reporting requirements; repealing provisions relating to  
 21 location of games of chance, for off-premises games of chance  
 22 and limited occasion licenses; further providing for  
 23 operation of games of chance with certain repeals; further  
 24 providing for background checks, for distribution of certain  
 25 reports, for distribution of proceeds, for records, for  
 26 revocation of licenses, for enforcement authority, for powers  
 27 and duties, and abrogating regulations.

28 The General Assembly of the Commonwealth of Pennsylvania  
 29 hereby enacts as follows:

30 Section 1. The definitions of "daily drawing," "games of

1 chance," "law enforcement official" and "weekly drawing" in  
2 section 103 of the act of December 19, 1988 (P.L.1262, No.156),  
3 known as the Local Option Small Games of Chance Act, amended  
4 February 2, 2012 (P.L.7, No.2) and October 24, 2012 (P.L.1462,  
5 No.184), are amended and the section is amended by adding  
6 definitions to read:

7 Section 103. Definitions.

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

11 \* \* \*

12 "A night at the races." A game in which a participant places  
13 a wager on a prerecorded horse race.

14 \* \* \*

15 "Cash or merchandise bash." A game of chance in which a  
16 participant purchases a ticket or tickets to attend an event  
17 during which a random drawing of tickets occurs at certain timed  
18 intervals. The winner of the cash or merchandise prize is  
19 determined by a corresponding ticket number.

20 \* \* \*

21 "Coin auction." A game in which a participant buys a  
22 numbered paddle for a chance to bid on a donated prize with the  
23 winner determined by a random drawing of corresponding numbers.

24 "Daily drawing." A game of chance in which a bona fide  
25 member selects or is assigned a number for a chance at a prize  
26 with the winner determined by random drawing to take place [on  
27 the licensed eligible organization's licensed premises] during  
28 the same operating day. The term includes games of chance  
29 commonly known as "member sign-in lotteries" and "half-and-half  
30 lotteries." Daily drawing winners may be determined with the aid

1 of a passive selection device or reference to drawings conducted  
2 by the department pursuant to the act of August 26, 1971  
3 (P.L.351, No.91), known as the State Lottery Law. Daily drawing  
4 chances may not be sold for an amount in excess of \$1, and no  
5 more than one chance per individual may be sold per drawing.  
6 Nothing in this definition shall restrict an eligible  
7 organization from conducting more than one drawing per day.  
8 After the daily drawing is held a bona fide member may select a  
9 number for a chance at a prize for the next day's daily drawing.

10 \* \* \*

11 "Games of chance." Punchboards, coin auctions, vertical  
12 wheel games, a night at the races, selective raffles, Texas  
13 hold'em card tournaments, cash or merchandise bashes, daily  
14 drawings, weekly drawings, monthly drawings, 50/50 drawings,  
15 raffles and pull-tabs, as defined in this act, provided that,  
16 except for vertical wheel games, no such game shall be played by  
17 or with the assistance of any mechanical or electrical devices  
18 or media other than a dispensing machine or passive selection  
19 device and further provided that the particular chance taken by  
20 any person in any such game shall not be made contingent upon  
21 any other occurrence or the winning of any other contest, but  
22 shall be determined solely at the discretion of the purchaser.  
23 This definition shall not be construed to authorize any other  
24 form of gambling currently prohibited under any provision of  
25 Title 18 of the Pennsylvania Consolidated Statutes (relating to  
26 crimes and offenses) or authorized under 4 Pa.C.S. (relating to  
27 amusements). Nothing in this act shall be construed to authorize  
28 games commonly known as "slot machines" or "video poker."

29 "Law enforcement official." A municipal police officer, a  
30 member of the Pennsylvania State Police, excluding members of

1 the Bureau of Liquor Control Enforcement, the sheriff of a  
2 county or a deputy sheriff.

3 \* \* \*

4 "Monthly drawing." A game of chance in which a bona fide  
5 member selects or is assigned a number for a chance at a prize  
6 with the winner determined by random drawing to take place  
7 during any operating month. Nothing in this act shall be  
8 construed to prohibit the carrying over of a prize where the  
9 winning number has not been entered in the game in a particular  
10 month. Monthly drawing winners may be determined with the aid of  
11 a passive selection device or reference to drawings conducted by  
12 the Department of Revenue under the act of August 26, 1971  
13 (P.L.351, No.91), known as the State Lottery Law. Monthly  
14 drawing chances may not be sold for an amount in excess of \$5.  
15 After the monthly drawing is held, a bona fide member may select  
16 a number for a chance at a prize for the next month's drawing.

17 \* \* \*

18 "Selective raffle." A game of chance in which a participant  
19 buys a ticket or tickets for a chance to win a donated prize.  
20 The participant places his or her ticket or tickets in a  
21 designated location for the prize which he or she would like to  
22 win. The winner for each prize is determined by a random drawing  
23 of tickets with a corresponding number for the prize.

24 "Texas hold'em card tournament." A poker variant or  
25 community card game where each player may use any combination of  
26 five community cards and the player's own two hold cards to make  
27 a poker hand. In tournament format, a player may bet up to the  
28 amount of chips he possesses.

29 "Vertical wheel game." A game in which a participant places  
30 a coin or chip on a color, number or word or purchases a ticket

1 containing a color, number or word and watches a spinning  
2 vertical wheel until the pointer of the wheel rests on a section  
3 of the wheel designating a winner. For the purposes of this act,  
4 the term is not a "table game" as defined in 4 Pa.C.S. § 1103  
5 (relating to definitions).

6 \* \* \*

7 "Weekly drawing." A game of chance in which a bona fide  
8 member selects or receives a number or numbers for a chance at a  
9 prize with the winner determined by a random drawing to take  
10 place [on the licensed eligible organization's licensed  
11 premises] at the end of a seven-day period. Weekly drawing  
12 winners may be determined with the aid of a passive selection  
13 device or reference to drawings conducted by the Department of  
14 Revenue pursuant to the act of August 26, 1971 (P.L.351, No.91),  
15 known as the State Lottery Law. Weekly drawing chances may not  
16 be sold for an amount in excess of \$1. After the weekly drawing  
17 is held a bona fide member may select a number for a chance at a  
18 prize for the next week's weekly drawing.

19 Section 2. Sections 302 and 305(d) of the act, amended  
20 February 2, 2012 (P.L.7, No.2), are amended to read:

21 Section 302. Prize limits.

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

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

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

30 (c.1) Total limit.--[All] Except as provided for in

1 subsection (i), all prizes awarded under this section shall be  
2 subject to the aggregate prize limits under subsection (b).

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

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

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

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

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

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

24 (f) Daily drawing carryover.--The prize limitation contained  
25 in subsections (a) and (b) may be exceeded by a daily drawing  
26 under the following circumstances: a daily drawing may award a  
27 prize in excess of \$1,000 if such prize is the result of a  
28 carryover of a drawing which resulted from the winning number in  
29 such drawing not being among the eligible entrants in such  
30 drawings. Nothing contained herein shall authorize the prize

1 limitation as contained in subsections (a) and (b) to be  
2 exceeded as a result of a failure to conduct a drawing on an  
3 operating day during which chances were sold for a daily drawing  
4 or for a daily drawing for which chances were sold in excess of  
5 \$1 or for which more than one chance was sold to an eligible  
6 participant.

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

12 (h) Weekly drawing carryover exception.--Weekly drawings  
13 shall be governed by the prize limitation contained in  
14 subsection (b). The prize limitation contained in subsection (b)  
15 may be exceeded by a weekly drawing under the following  
16 circumstances: a weekly drawing may award a prize where the cash  
17 value is in excess of \$25,000 if such prize is the result of a  
18 carryover of a drawing or drawings which resulted from the  
19 winning number or numbers in such drawing or drawings not being  
20 among the eligible entrants in such drawings. Nothing contained  
21 in this chapter shall authorize the prize limitation under  
22 subsection (b) to be exceeded as a result of a failure to  
23 conduct a drawing for a week during which chances were sold for  
24 a weekly drawing or for a weekly drawing for which chances were  
25 sold in excess of \$1.

26 (i) Monthly drawing carryover exception.--Monthly drawings  
27 shall not exceed \$25,000. The prize limitation may be exceeded  
28 by a monthly drawing under the following circumstances, a  
29 monthly drawing may award a prize where the cash value is in  
30 excess of \$25,000 if such prize is the result of a carryover of

1 a drawing or drawings which resulted from the winning number or  
2 numbers in such drawing or drawings not being among the eligible  
3 entrants in such drawings. Nothing contained in this chapter  
4 shall authorize the prize limitation of \$25,000 to be exceeded  
5 as a result of a failure to conduct a drawing for a month during  
6 which chances were sold for a monthly drawing or for a monthly  
7 drawing for which chances were sold in excess of \$5.

8 (j) Concurrent operation.--Nothing in this act shall  
9 prohibit the concurrent operation of daily, weekly and monthly  
10 drawings.

11 Section 305. Registration of manufacturers.

12 \* \* \*

13 (d) Exception.--This section shall not apply to the  
14 manufacture or distribution of raffle tickets, 50/50 drawings,  
15 daily drawings [or], weekly drawings or monthly drawings.

16 Section 3. Section 306 of the act, amended October 24, 2012  
17 (P.L.1462, No.184), is amended to read:

18 Section 306. Regulations of department.

19 (a) Authorization.--The department shall promulgate  
20 regulations to:

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

1           (2) Establish procedures by which manufacturers may  
2 register and distributors of games of chance may apply for  
3 licensure on forms which the department shall provide.  
4 Procedures shall include a requirement that manufacturer and  
5 distributor applicants provide criminal history record  
6 information obtained from the Pennsylvania State Police under  
7 18 Pa.C.S. § 9121(b) (relating to general regulations) for  
8 each officer and manager of the manufacturer's or  
9 distributor's organization and for any other individual  
10 specified by the department. As used in this paragraph, the  
11 term "criminal history record information" has the meaning  
12 given in 18 Pa.C.S. § 9102 (relating to definitions).

13           (3) Provide for the suspension or revocation of  
14 distribution licenses or manufacturer certificates for  
15 violations of this act or regulations of the department.

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

17       (a.1) Prohibition.--Notwithstanding any other provision of  
18 law, the department may not adopt a regulation, rule, guideline,  
19 practice or procedure that prohibits an eligible organization  
20 from imposing a penalty of up to 50% of the amount of a prize  
21 for a daily drawing, weekly drawing or monthly drawing if the  
22 winner of the drawing is not present at the time of the drawing.

23       (b) Limitation on recordkeeping requirements.--This section  
24 shall not be construed to authorize the department to promulgate  
25 regulations providing for recordkeeping requirements for  
26 licensed eligible organizations which require unreasonable or  
27 unnecessary information or a repetitious listing of information.  
28 The department shall strive to keep such recordkeeping  
29 requirements from being an undue hardship or burden on licensed  
30 eligible organizations. For individual prizes in excess of \$600,

1 records shall include the name and address of the winner. An  
2 eligible organization shall not obtain or retain receipts of  
3 prizes that are donated. An eligible organization shall provide  
4 each winner with a receipt of the value of the prize won, unless  
5 the prize is cash. Except as provided under section 701(b), the  
6 department may not require the retention of records for a period  
7 in excess of two years.

8 (c) Reporting requirements.--Each eligible organization  
9 which has proceeds in excess of [\$2,500] \$150,000 in a calendar  
10 year shall submit an annual report to the department including:

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

14 (2) Amounts expended for public interest purposes.

15 Section 4. Section 307 of the act, amended February 2, 2012  
16 (P.L.7, No.2) and October 24, 2012 (P.L.1462, No.184), is  
17 amended to read:

18 Section 307. Licensing of eligible organizations to conduct  
19 games of chance.

20 (a) License required.--No eligible organization shall  
21 conduct or operate any games of chance unless such eligible  
22 organization has obtained and maintains a valid license or  
23 limited occasion license issued pursuant to this section. An  
24 auxiliary group of a licensed eligible organization shall be  
25 eligible to conduct games of chance using the license issued to  
26 the eligible organization provided that the auxiliary group or  
27 groups are listed on the application and license of the eligible  
28 organization. An auxiliary group is not eligible to obtain a  
29 license or a limited occasion license. No additional licensing  
30 fee shall be charged for an auxiliary group's eligibility under

1 this chapter. Auxiliary groups shall not include branches,  
2 lodges or chapters of a Statewide organization.

3 (b) Issuance and fees.--The licensing authority shall  
4 license, upon application, within 30 days any eligible  
5 organization meeting the requirements for licensure contained in  
6 this chapter to conduct and operate games of chance at such  
7 locations within the county or in such manner as stated on the  
8 application as limited by subsection (b.1). The license fee to  
9 be charged to each eligible organization shall be \$100, except  
10 for limited occasion licenses which shall be \$10. Licenses shall  
11 be renewable annually upon the anniversary of the date of issue.  
12 The license fee shall be used by the licensing authority to  
13 administer this act.

14 [(b.1) Location of games of chance.--

15 (1) Except as otherwise provided in this section, a  
16 licensed eligible organization, except a limited occasion  
17 licensee, may conduct small games of chance at a licensed  
18 premises. The licensed premises shall be indicated on the  
19 eligible organization's license application. Only one license  
20 shall be issued per licensed premises. Except as provided  
21 under paragraph (4), a licensed eligible organization may not  
22 share a licensed premises with another licensed eligible  
23 organization; and no licensed eligible organization may  
24 permit its premises to be used for small games of chance by  
25 another licensed eligible organization.

26 (2) Where there exists a location or premises which is  
27 the normal business or operating site of the eligible  
28 organization and the location or premises is owned or leased  
29 by that eligible organization to conduct its normal business,  
30 that site shall be the eligible organization's licensed

1 premises. If that location consists of more than one  
2 building, the eligible organization shall identify the  
3 building that will be designated as the licensed premises.

4 (3) When an eligible organization does not own or lease  
5 a specific location to conduct its normal business, the  
6 eligible organization may make arrangements that are  
7 consistent with this act to establish a licensed premises,  
8 including leasing a premise under a written agreement for a  
9 rental; however, the rental may not be determined by either  
10 the amount of receipts realized from the conduct of games of  
11 chance or the number of people attending. An eligible  
12 organization may lease a facility for a banquet in connection  
13 with the serving of a meal based on a per-head charge.

14 (3.1) Notwithstanding paragraphs (1), (2) and (3), if an  
15 eligible organization is unable to conduct games of chance at  
16 the location listed on its application and license due to  
17 natural disaster, fire or other circumstance that renders the  
18 location unusable, the eligible organization may submit a  
19 written request to the district attorney to conduct games of  
20 chance in a different location, including the licensed  
21 premises of another eligible organization. The request must  
22 include the change in the location and the dates and times  
23 the games of chance will be operated at the alternative  
24 location. The district attorney shall establish a limit on  
25 the duration of the authorization to conduct games of chance  
26 at the alternative location. Following the expiration of the  
27 authorization period, the eligible organization must return  
28 to the location specified in its application and license or  
29 apply to the licensing authority for a new permanent location  
30 for the conduct of games of chance. The district attorney may

1 approve or deny the request or stipulate additional  
2 requirements as a condition of approval. If an eligible  
3 organization permits another eligible organization to use its  
4 licensed premises to conduct games of chance under this  
5 paragraph, the eligible organization shall cease its  
6 operation of games of chance during the time the eligible  
7 organization utilizing its premises is conducting its games  
8 of chance.

9 (3.2) Notwithstanding paragraphs (1), (2) and (3), the  
10 following eligible organizations established to raise funds  
11 shall not be required to conduct a 50/50 drawing or a raffle  
12 at a licensed premises or to own, lease or establish a  
13 licensed premises:

14 (i) A nonprofit sports team.

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

17 (4) An eligible organization that has obtained a limited  
18 occasion license under subsection (b.3) may use another  
19 eligible organization's licensed premises to conduct its  
20 games of chance. When a licensed eligible organization is  
21 permitting a limited occasion licensee to use its licensed  
22 premises for purposes of games of chance, it shall cease the  
23 operation of its own games of chance during the period that  
24 the limited occasion licensee is conducting its games on the  
25 premises.

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

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

1           (1) A licensed eligible organization may conduct games  
2 of chance at a location off its premises when the games of  
3 chance are part of an annual carnival, fair, picnic or  
4 banquet held or participated in by that licensed eligible  
5 organization on a historical basis. The licensed eligible  
6 organization must notify, in writing, the district attorney  
7 and licensing authority of the location, date and times of  
8 the event where it will be conducting games of chance.

9           (2) Raffle tickets may be sold off the licensed premises  
10 in a municipality which has adopted the provisions of this  
11 act by an affirmative vote in a municipal referendum. A  
12 licensed eligible organization which plans to sell raffle  
13 tickets in a municipality located in a county other than the  
14 county in which the eligible organization is licensed shall  
15 notify that county's district attorney and licensing  
16 authority as to the location and the dates that the licensed  
17 eligible organization plans to sell raffle tickets.

18       (b.3) Limited occasion licenses.--Eligible organizations  
19 which do not own their own premises or which do not lease a  
20 specific location to conduct their normal business may apply for  
21 a limited occasion license to conduct games of chance on not  
22 more than three occasions covering a total of seven days during  
23 a licensed year. A limited occasion license entitles an eligible  
24 organization to conduct no more than two raffles during a  
25 licensed year where prizes may not exceed the established limits  
26 for regular monthly raffles. Holders of a limited occasion  
27 license may not apply or be granted any other license or special  
28 permit under this act. No holder of a regular license or special  
29 permit under this act shall apply or be granted a limited  
30 occasion license.]

1 (b.4) Gambling facility prohibited.--It shall be unlawful  
2 for a person, corporation, association, partnership or other  
3 business entity to offer for rent or offer for use a building or  
4 facility to be used exclusively for the conduct of games of  
5 chance. It shall also be unlawful for any eligible organization  
6 to lease under any terms a building or facility which is used  
7 exclusively for the conduct of games of chance.

8 (c) Display.--Licenses issued pursuant to this section shall  
9 be publicly displayed at the site where games of chance are  
10 conducted.

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

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

15 (2) Permitting any person who has been convicted of a  
16 felony in a Federal or State court within the past five years  
17 or has been convicted in a Federal or State court within the  
18 past ten years of a violation of the act of July 10, 1981  
19 (P.L.214, No.67), known as the Bingo Law, or of this act to  
20 manage, set up, supervise or participate in the operation of  
21 games of chance.

22 (3) Paying any compensation to any person for conducting  
23 any games of chance. Games of chance may only be conducted by  
24 managers, officers, directors, bar personnel [and], bona fide  
25 members of the eligible organization and any other person who  
26 is at least 18 years of age and authorized by the officers of  
27 the eligible organization.

28 [(4) Conducting games of chance on any premises other  
29 than on the licensed premises or as otherwise provided by  
30 this chapter.

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

11           (6) Purchasing games of chance, other than raffles,  
12 50/50 drawings, daily drawings [and], weekly drawings and  
13 monthly drawings, from any person other than a registered  
14 manufacturer or licensed distributor approved by the  
15 department.

16           (d.1) Bank account and records.--The licensed eligible  
17 organization shall keep a bank account to hold the proceeds of  
18 games of chance, which shall be separate from all other funds  
19 belonging to the licensed eligible organization. Account records  
20 shall show all expenditures and income and shall be retained by  
21 the licensed eligible organization for at least two years.

22           (e) Application for license.--Each eligible organization  
23 shall apply to the licensing authority for a license on a form  
24 to be prescribed by the Secretary of Revenue. For a club  
25 license, the application and each renewal application shall  
26 include the most recent annual report filed by the club licensee  
27 under Chapter 5. The form shall contain an affidavit to be  
28 affirmed by the executive officer or secretary of the eligible  
29 organization stating that:

30           (1) No person under 18 years of age will be permitted by

1 the eligible organization to operate or play games of chance.

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

5 (3) The eligible organization is not leasing such  
6 premises from the owner thereof under an oral agreement, nor  
7 is it leasing such premises from the owner thereof under a  
8 written agreement at a rental which is determined by the  
9 amount of receipts realized from the playing of games of  
10 chance or by the number of people attending, except that an  
11 eligible organization may lease a facility for a banquet  
12 where a per head charge is applied in connection with the  
13 serving of a meal.

14 (e.1) Proceedings.--Proceedings before the licensing  
15 authority are subject to 2 Pa.C.S. Chs. 5 Subch. B (relating to  
16 practice and procedure of local agencies) and 7 Subch. B  
17 (relating to judicial review of local agency action).

18 (f) List of licensees.--The licensing authority, on a  
19 semiannual basis, shall send a copy of all licensees to the  
20 department.

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

26 (h) Background checks.--Each application for a license  
27 submitted by an eligible organization which has proceeds in  
28 excess of [\$2,500] \$150,000 in a year shall include the results  
29 of a criminal history record information check obtained from the  
30 Pennsylvania State Police, as defined in 18 Pa.C.S. § 9102

1 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b)  
2 (relating to general regulations), for the executive officer and  
3 secretary of the eligible organization making the application  
4 for a license or any other person required by the department.  
5 Applications shall not require the results of a criminal history  
6 record information check for an individual serving as an  
7 executive officer or secretary who previously submitted such  
8 information as an officer in that capacity with an application  
9 under this section unless that person has been the subject of a  
10 criminal history information since the first submission of  
11 information for application under this section.

12 Section 5. Sections 501(b), 502(a) and (a.1), 503 and 701 of  
13 the act, amended or added February 2, 2012 (P.L.7, No.2), are  
14 amended to read:

15 Section 501. Club licensee.

16 \* \* \*

17 [(b) Distribution.--The department shall provide a copy of  
18 the report to the Bureau of Liquor Control Enforcement.]

19 \* \* \*

20 Section 502. Distribution of proceeds.

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

23 (1) No less than [70%] 50% of the proceeds shall be paid  
24 to organizations for public interest purposes in the calendar  
25 year in which the proceeds were obtained. This paragraph  
26 includes charity events, scholarship programs and other  
27 philanthropic events held by the club and available to club  
28 members, club member families and the general public.

29 (2) No more than [30%] 50% of the proceeds obtained in a  
30 calendar year may be retained by a club licensee and used for

1 the following operational expenses relating to the club  
2 licensee:

3 (i) Real property taxes.

4 (ii) Utility and fuel costs.

5 (iii) Heating and air conditioning equipment or  
6 repair costs.

7 (iv) Water and sewer costs.

8 (v) Property or liability insurance costs.

9 (vi) Mortgage payments.

10 (vii) Interior and exterior repair costs, including  
11 repair to parking lots.

12 (viii) New facility construction costs.

13 (ix) Entertainment equipment, including television,  
14 video and electronic games.

15 (x) Other expenses adopted in regulation by the  
16 department.

17 (a.1) Amounts retained.--Amounts retained by a club licensee  
18 under subsection [(a)(2)] (a) shall be expended within the same  
19 calendar year unless the club licensee notifies the department  
20 that funds are being retained for a substantial purchase or  
21 project. [Notification shall include a description of the  
22 purchase or project, the cost and the anticipated date of the  
23 purchase or project.]

24 \* \* \*

25 Section 503. Records.

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

1 Section 701. Revocation of licenses.

2 (a) Grounds.--The following shall be grounds for suspension,  
3 revocation or nonrenewal of a license:

4 (1) Any of the proceeds derived from the operation of  
5 games of chance by an eligible organization are used for any  
6 purpose other than for:

- 7 (i) public interest purposes;
- 8 (ii) the purchase of games of chance; or
- 9 (iii) a purpose permitted by Chapter 5.

10 (1.1) Any of the funds derived from the operation of  
11 games of chance by a club licensee are used in a manner that  
12 does not comply with section 502.

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

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

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

25 (5) Any person or persons other than a manager, officer,  
26 director, bar personnel or a bona fide member of an eligible  
27 organization or other person who is at least 18 years of age  
28 authorized by the officers of the eligible organization have  
29 been involved in managing, setting up, operating or running  
30 games of chance.

1           (6) Any person has received compensation for conducting  
2 games of chance.

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

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

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

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

11                 (ii) leasing such premises from the owner thereof  
12                 under a written agreement at a rental which is determined  
13                 by the amount of receipts realized from the playing of  
14                 games of chance.

15           (10) False or erroneous information was provided in the  
16 original application or in any information provided to the  
17 licensing authority or the department in any report.

18           (11) An eligible organization has been convicted of a  
19 violation of this act as evidenced by a certified record of  
20 the conviction.

21           [(12) The eligible organization has permitted another  
22 eligible organization to conduct games of chance on its  
23 licensed premises without suspending its own operation of  
24 games of chance during the period that the other licensed  
25 eligible organization is conducting its games on the  
26 premises.]

27           (13) A club licensee has failed to file an accurate  
28 report under section 501(a).

29           (14) A club licensee has failed to comply with section  
30 502.

1 (15) Failure to file reports under section 501.

2 (b) Production of records.--The district attorney may  
3 require licensees to produce their books, accounts and records  
4 relating to the conduct of games of chance in order to determine  
5 if a violation of this act has occurred. Licensees shall also be  
6 required, upon request, to provide their license, books,  
7 accounts and records relating to the conduct of games of chance  
8 to the licensing authority[, the Bureau of Liquor Control  
9 Enforcement] or to a law enforcement agency or official. A club  
10 licensee shall retain records for a period of five years.

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

14 Section 702. Enforcement.

15 \* \* \*

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

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

25 (d) Powers and duties.--The licensing authority[, or, in the  
26 case of a club licensee, the Bureau of Liquor Control  
27 Enforcement,] may impose the following penalties:

28 (1) A civil penalty.

29 (2) Suspension or revocation of the license.

30 \* \* \*

1       Section 7. The provisions of 61 Pa. Code §§ 901.463(4)  
2 (relating to raffle records), 901.464(9) (relating to punchboard  
3 and pull-tab records), 901.464a(9) (relating to daily and weekly  
4 drawing records), 901.466(1) (relating to prize records) and  
5 901.733(f) (relating to control of prizes) are abrogated.

6       Section 8. This act shall take effect immediately.