

## LEGISLATIVE REFERENCE BUREAU

## AMENDMENTS TO HOUSE BILL NO. 290

Sponsor:

Printer's No. 814

1 Amend Bill, page 1, lines 8 through 17, by striking out "in  
2 preliminary" in line 8 and all of lines 9 through 17 and  
3 inserting  
4 further providing for the definitions of "daily drawing," "games  
5 of chance," "raffle," "public interest purpose" and "weekly  
6 drawing"; providing for the definitions of "auxiliary group,"  
7 "conservation organization" and "race night game"; further  
8 providing for games of chance permitted, for prize limits,  
9 for limited sales, for distributor licenses, for regulations  
10 of department and for licensing of eligible organizations to  
11 conduct games of chance.

12 Amend Bill, page 1, lines 20 and 21; pages 2 through 28,  
13 lines 1 through 30; page 29, lines 1 through 6, by striking out  
14 all of said lines on said pages and inserting

15 Section 1. The definitions of "daily drawing," "games of  
16 chance," "raffle," "public interest purpose" and "weekly  
17 drawing" in section 103 of the act of December 19, 1988  
18 (P.L.1262, No.156), known as the Local Option Small Games of  
19 Chance Act, amended or added February 2, 2012 (P.L.7, No.2) and  
20 October 24, 2012 (P.L.1462, No.184), are amended and the section  
21 is amended by adding definitions to read:

22 Section 103. Definitions.

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

26 \* \* \*

27 "Auxiliary group." The term shall not include a branch,  
28 lodge or chapter of a Statewide organization.

29 \* \* \*

30 "Conservation organization." A local federation, club or  
31 chapter of a national or Statewide nonprofit organization whose  
32 mission includes any of the following:

33 (1) Environmental education to promote conservation,  
34 maintenance, acquisition or improvement of a natural area for

1 public use.

2 (2) Protection, preservation or management of natural  
3 resources.

4 (3) Restoration, conservation or maintenance of  
5 wildlife. This paragraph includes the creation or  
6 preservation of wildlife sanctuaries or preserves.

7 "Daily drawing." A game of chance in which a bona fide  
8 member selects or is assigned a number for a chance at a prize  
9 with the winner determined by random drawing to take place on  
10 the licensed eligible organization's licensed premises during  
11 the same operating day. The term includes games of chance  
12 commonly known as "member sign-in lotteries" and "half-and-half  
13 lotteries." Daily drawing winners may be determined with the aid  
14 of a passive selection device or reference to drawings conducted  
15 by the department pursuant to the act of August 26, 1971  
16 (P.L.351, No.91), known as the State Lottery Law. Daily drawing  
17 chances may not be sold for an amount in excess of \$1, and no  
18 more than one chance per individual may be sold per drawing.  
19 Nothing in this definition shall restrict an eligible  
20 organization from conducting more than one drawing per day.

21 After a daily drawing is held, a bona fide member may  
22 immediately select a number for a chance at a prize for the next  
23 day's daily drawing.

24 \* \* \*

25 "Games of chance." Punchboards, daily drawings, weekly  
26 drawings, 50/50 drawings, raffles and pull-tabs, as defined in  
27 this act, provided that no such game shall be played by or with  
28 the assistance of any mechanical or electrical devices or media  
29 other than a dispensing machine or passive selection device and  
30 further provided that the particular chance taken by any person  
31 in any such game shall not be made contingent upon any other  
32 occurrence or the winning of any other contest, but shall be  
33 determined solely at the discretion of the purchaser. This  
34 definition includes a race night game. This definition shall not  
35 be construed to authorize any other form of gambling currently  
36 prohibited under any provision of [Title 18 of the Pennsylvania  
37 Consolidated Statutes] 18 Pa.C.S. (relating to crimes and  
38 offenses) or authorized under 4 Pa.C.S. (relating to  
39 amusements). Nothing in this act shall be construed to authorize  
40 games commonly known as "slot machines" or "video [poker.]"  
41 poker" or other games regulated by the Pennsylvania Gaming  
42 Control Board.

43 \* \* \*

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

45 (1) The activities and operations of a nonprofit  
46 benevolent, charitable, religious, educational,  
47 philanthropic, humane, scientific, patriotic, social welfare,  
48 social advocacy, public health, public safety, emergency  
49 response, environmental or civic objective.

50 (2) Initiating, performing or fostering worthy public  
51 works or enabling or furthering the erection or maintenance

1 of public structures.

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

5 (4) Improving, expanding, maintaining or repairing real  
6 property owned or leased by an eligible organization and  
7 relating operational expenses used for purposes specified in  
8 paragraphs (1), (2) and (3).

9 (5) Nonprofit youth sports activities, services to  
10 support or honor veterans and activities relating to the  
11 provision of volunteer fire and rescue activities.

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

15 \* \* \*

16 "Race night game." A game of chance in which multiple  
17 participants place wagers on a prerecorded horse race displayed  
18 on a single screen to multiple participants simultaneously  
19 during a gaming session that does not exceed eight consecutive  
20 hours and is not conducted more frequently than once a month.  
21 This definition does not include an instant racing machine,  
22 historical racing machine or other similar pari-mutuel device.

23 "Raffle." A game of chance in which a participant buys a  
24 ticket for a chance at a prize with the winner determined by [a  
25 random drawing] random drawings of corresponding ticket stubs  
26 [to take place at a]. Except for ticket sales by a conservation  
27 organization, the location and date or dates shall be printed  
28 upon each ticket. Such games of chance shall include lotteries  
29 but not daily drawings. Raffle winners may be determined by  
30 reference to drawings conducted by the department pursuant to  
31 the act of August 26, 1971 (P.L.351, No.91), known as the State  
32 Lottery Law.

33 \* \* \*

34 "Weekly drawing." A game of chance in which a bona fide  
35 member selects or receives a number or numbers for a chance at a  
36 prize with the winner determined by a random drawing to take  
37 place on the licensed eligible organization's licensed premises  
38 at the end of a seven-day period. Weekly drawing winners may be  
39 determined with the aid of a passive selection device or  
40 reference to drawings conducted by the Department of Revenue  
41 pursuant to the act of August 26, 1971 (P.L.351, No.91), known  
42 as the State Lottery Law. Weekly drawing chances may not be sold  
43 for an amount in excess of \$1. After a weekly drawing is held, a  
44 bona fide member may immediately select a number for a chance at  
45 a prize for the next day's weekly drawing.

46 Section 2. Section 301 of the act, amended October 24, 2012  
47 (P.L.1462, No.184), is amended to read:  
48 Section 301. Games of chance permitted.

49 Every eligible organization to which a license has been  
50 issued under the provisions of this chapter may conduct games of  
51 chance for the purpose of raising funds for public interest

1 purposes. Except as provided in Chapter 5, all proceeds of a  
2 licensed eligible organization shall be used exclusively for  
3 public interest purposes, for the purchase of games of chance[,]  
4 or for the payment of the license fee [or for the payment of the  
5 fee for background checks], as required by this act.

6 Section 3. Section 302(a), (b), (c), (d), (d.1) and (f) of  
7 the act, amended February 2, 2012 (P.L.7, No.2), are amended and  
8 the section is amended by adding a subsection to read:

9 Section 302. Prize limits.

10 (a) Individual prize limit.--Except as provided under  
11 subsections (d) and (d.1), the maximum prize which may be  
12 awarded for any single chance shall be [\$1,000] \$2,000.

13 (b) Aggregate prize limit.--No more than [\$25,000] \$35,000  
14 in prizes shall be awarded from games of chance by a licensed  
15 eligible organization in any seven-day period.

16 (c) Raffle prize limit.--Up to [\$10,000] \$15,000 in prizes  
17 may be awarded in raffles in any calendar month.

18 \* \* \*

19 (d) Exception for raffles.--Notwithstanding subsection (b)  
20 or (c), a licensed eligible organization may conduct a raffle  
21 and award a prize or prizes valued in excess of [\$1,000] \$2,000  
22 each only under the following conditions:

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

25 (2) A licensed eligible organization shall be eligible  
26 to receive no more than eight special permits in any licensed  
27 term except that a volunteer fire, ambulance or rescue or  
28 conservation organization that is not a club licensee shall  
29 be eligible to receive ten special permits in any licensed  
30 term.

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

33 (4) Except as provided under subsection (d.1), the total  
34 of all prizes awarded under this subsection shall be no more  
35 than [\$100,000] \$150,000 per calendar year.

36 (d.1) Additional award.--A volunteer fire, ambulance [or],  
37 rescue or conservation organization may, in addition to the  
38 total under subsection (d)(4), award up to \$50,000 from raffles  
39 which shall not be subject to the aggregate limit under  
40 subsection (b), (c) or (d).

41 \* \* \*

42 (f) Daily drawing carryover.--The prize limitation contained  
43 in subsections (a) and (b) may be exceeded by a daily drawing  
44 under the following circumstances: a daily drawing may award a  
45 prize in excess of [\$1,000] \$2,000 if such prize is the result  
46 of a carryover of a drawing which resulted from the winning  
47 number in such drawing not being among the eligible entrants in  
48 such drawings. Nothing contained herein shall authorize the  
49 prize limitation as contained in subsections (a) and (b) to be  
50 exceeded as a result of a failure to conduct a drawing on an  
51 operating day during which chances were sold for a daily drawing



1 or for a daily drawing for which chances were sold in excess of  
2 \$1 or for which more than one chance was sold to an eligible  
3 participant.

4 \* \* \*

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

7 Section 3.1. Section 303(b) of the act, amended February 2,  
8 2012 (P.L.7, No.2), is amended to read:

9 Section 303. Sales limited.

10 \* \* \*

11 (b) Limitation.--No game of chance, other than a raffle  
12 under section 302(d), sold, offered for sale or furnished to a  
13 licensed eligible organization for use within this Commonwealth  
14 shall contain, permit, depict or designate a prize having a  
15 prize limit in excess of [\$1,000] \$2,000.

16 Section 4. Section 304(g) and (h) of the act, amended  
17 February 2, 2012 (P.L.7, No.2), are amended and the section is  
18 amended by adding a subsection to read:

19 Section 304. Distributor licenses.

20 \* \* \*

21 (c.1) Background.--The department shall conduct and annually  
22 update a criminal history record check on each individual listed  
23 under subsection (b)(6).

24 \* \* \*

25 (g) Ineligibility.--The department shall not issue or renew  
26 a distributor license for the sale of games of chance to a  
27 person, including any corporation, firm or partnership which has  
28 as an officer, director or other person in a supervisory or  
29 management position, or employee eligible to make sales on  
30 behalf of the distributor, who:

31 (1) has been convicted of a felony in a state or Federal  
32 court within the past five years; or

33 (2) has been convicted within ten years of the date of  
34 application in a state or Federal court of a violation of  
35 [the act of July 10, 1981 (P.L.214, No.67), known as the  
36 Bingo Law, or of this act or of a gambling-related offense  
37 under Title 18 of the Pennsylvania Consolidated Statutes  
38 (relating to crimes and offenses) or other comparable State  
39 or Federal law.] any of the following:

40 (i) This act.

41 (ii) The act of July 10, 1981 (P.L.214, No.67),  
42 known as the Bingo Law.

43 (iii) A gambling-related offense under 4 Pa.C.S.  
44 (relating to amusements).

45 (iv) A gambling-related offense under 18 Pa.C.S.  
46 (relating to crimes and offenses).

47 (v) A Federal or State law comparable to the  
48 statutes listed under subparagraphs (i), (ii), (iii) and  
49 (iv).

50 (h) License and renewal fees.--The fee for a distributor  
51 license shall be [\$1,000] \$2,000. Licenses shall be renewable on

1 an annual basis.

2 \* \* \*

3 Section 5. Section 306(b) and (c) of the act, amended  
4 October 24, 2012 (P.L.1462, No.184), are amended and subsection  
5 (a) is amended by adding a paragraph to read:

6 Section 306. Regulations of department.

7 (a) Authorization.--The department shall promulgate  
8 regulations to:

9 \* \* \*

10 (3.1) Establish procedures to ensure that race night  
11 games are secure, random and totally dependent upon chance.

12 \* \* \*

13 (b) Limitation on recordkeeping requirements.--This section  
14 shall not be construed to authorize the department to promulgate  
15 regulations providing for recordkeeping requirements for  
16 licensed eligible organizations which require unreasonable or  
17 unnecessary information or a repetitious listing of information.  
18 The department shall strive to keep such recordkeeping  
19 requirements from being an undue hardship or burden on licensed  
20 eligible organizations. Except as provided under section 701(b),  
21 the department may not require the retention of records for a  
22 period in excess of two years. If an individual prize is in  
23 excess of \$600, the record shall include the name and address of  
24 the winner. An eligible organization shall do all of the  
25 following:

26 (1) Obtain or retain a receipt of a prize that is  
27 donated.

28 (2) Provide each winner with a receipt of the value of  
29 the prize won, except if the prize is cash.

30 (c) Reporting requirements.--Each eligible organization  
31 which has proceeds in excess of [\$2,500] \$30,000 in a calendar  
32 year shall submit an annual report to the department including:

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

36 (2) Amounts expended for public interest purposes.

37 Section 6. Section 307(a), (b), (b.1), (b.2), (b.3), (d.1)  
38 and (h) of the act, amended February 2, 2012 (P.L.7, No.2) and  
39 October 24, 2012 (P.L.1482, No.184), are amended to read:

40 Section 307. Licensing of eligible organizations [to conduct  
41 games of chance].

42 [(a) License required.--No eligible organization shall  
43 conduct or operate any games of chance unless such eligible  
44 organization has obtained and maintains a valid license or  
45 limited occasion license issued pursuant to this section. An  
46 auxiliary group of a licensed eligible organization shall be  
47 eligible to conduct games of chance using the license issued to  
48 the eligible organization provided that the auxiliary group or  
49 groups are listed on the application and license of the eligible  
50 organization. An auxiliary group is not eligible to obtain a  
51 license or a limited occasion license. No additional licensing

1 fee shall be charged for an auxiliary group's eligibility under  
2 this chapter. Auxiliary groups shall not include branches,  
3 lodges or chapters of a Statewide organization.

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

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

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

27 (2) Where there exists a location or premises which is  
28 the normal business or operating site of the eligible  
29 organization and the location or premises is owned or leased  
30 by that eligible organization to conduct its normal business,  
31 that site shall be the eligible organization's licensed  
32 premises. If that location consists of more than one  
33 building, the eligible organization shall identify the  
34 building that will be designated as the licensed premises.

35 (3) When an eligible organization does not own or lease  
36 a specific location to conduct its normal business, the  
37 eligible organization may make arrangements that are  
38 consistent with this act to establish a licensed premises,  
39 including leasing a premise under a written agreement for a  
40 rental; however, the rental may not be determined by either  
41 the amount of receipts realized from the conduct of games of  
42 chance or the number of people attending. An eligible  
43 organization may lease a facility for a banquet in connection  
44 with the serving of a meal based on a per-head charge.

45 (3.1) Notwithstanding paragraphs (1), (2) and (3), if an  
46 eligible organization is unable to conduct games of chance at  
47 the location listed on its application and license due to  
48 natural disaster, fire or other circumstance that renders the  
49 location unusable, the eligible organization may submit a  
50 written request to the district attorney to conduct games of  
51 chance in a different location, including the licensed

1 premises of another eligible organization. The request must  
2 include the change in the location and the dates and times  
3 the games of chance will be operated at the alternative  
4 location. The district attorney shall establish a limit on  
5 the duration of the authorization to conduct games of chance  
6 at the alternative location. Following the expiration of the  
7 authorization period, the eligible organization must return  
8 to the location specified in its application and license or  
9 apply to the licensing authority for a new permanent location  
10 for the conduct of games of chance. The district attorney may  
11 approve or deny the request or stipulate additional  
12 requirements as a condition of approval. If an eligible  
13 organization permits another eligible organization to use its  
14 licensed premises to conduct games of chance under this  
15 paragraph, the eligible organization shall cease its  
16 operation of games of chance during the time the eligible  
17 organization utilizing its premises is conducting its games  
18 of chance.

19 (3.2) Notwithstanding paragraphs (1), (2) and (3), the  
20 following eligible organizations established to raise funds  
21 shall not be required to conduct a 50/50 drawing or a raffle  
22 at a licensed premises or to own, lease or establish a  
23 licensed premises:

24 (i) A nonprofit sports team.

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

27 (4) An eligible organization that has obtained a limited  
28 occasion license under subsection (b.3) may use another  
29 eligible organization's licensed premises to conduct its  
30 games of chance. When a licensed eligible organization is  
31 permitting a limited occasion licensee to use its licensed  
32 premises for purposes of games of chance, it shall cease the  
33 operation of its own games of chance during the period that  
34 the limited occasion licensee is conducting its games on the  
35 premises.

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

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

41 (1) A licensed eligible organization may conduct games  
42 of chance at a location off its premises when the games of  
43 chance are part of an annual carnival, fair, picnic or  
44 banquet held or participated in by that licensed eligible  
45 organization on a historical basis. The licensed eligible  
46 organization must notify, in writing, the district attorney  
47 and licensing authority of the location, date and times of  
48 the event where it will be conducting games of chance.

49 (2) Raffle tickets may be sold off the licensed premises  
50 in a municipality which has adopted the provisions of this  
51 act by an affirmative vote in a municipal referendum. A



1 licensed eligible organization which plans to sell raffle  
2 tickets in a municipality located in a county other than the  
3 county in which the eligible organization is licensed shall  
4 notify that county's district attorney and licensing  
5 authority as to the location and the dates that the licensed  
6 eligible organization plans to sell raffle tickets.

7 (b.3) Limited occasion licenses.--Eligible organizations  
8 which do not own their own premises or which do not lease a  
9 specific location to conduct their normal business may apply for  
10 a limited occasion license to conduct games of chance on not  
11 more than three occasions covering a total of seven days during  
12 a licensed year. A limited occasion license entitles an eligible  
13 organization to conduct no more than two raffles during a  
14 licensed year where prizes may not exceed the established limits  
15 for regular monthly raffles. Holders of a limited occasion  
16 license may not apply or be granted any other license or special  
17 permit under this act. No holder of a regular license or special  
18 permit under this act shall apply or be granted a limited  
19 occasion license.] (a) License required.--The following shall  
20 apply:

21 (1) An eligible organization shall not conduct or  
22 operate games of chance unless the eligible organization has  
23 obtained a valid license or limited occasion license issued  
24 under this section.

25 (2) An auxiliary group of a licensed eligible  
26 organization shall be eligible to conduct games of chance  
27 using the license issued to the eligible organization if the  
28 auxiliary group is listed on the application and license of  
29 the eligible organization. An auxiliary group shall not be  
30 eligible to obtain a license. No additional licensing fee  
31 shall be charged for an auxiliary group. If the eligible  
32 organization is a club licensee, the games of chance must be  
33 held on the club's licensed premises.

34 (b) Issuance.--The licensing authority shall issue a license  
35 within 30 days of the submission of an application by an  
36 eligible organization that meets the requirements under this  
37 chapter. The licensee may operate games of chance at any  
38 facility or location within the county.

39 (b.1) Fee.--The license fee to be charged to each eligible  
40 organization for a regular license shall be \$150. The license  
41 fee to be charged for a limited occasion license shall be \$10.  
42 Licenses shall be renewed annually. The fee shall be used by the  
43 licensing authority to administer this act.

44 (b.2) Location.--The following shall apply:

45 (1) A club licensee shall conduct small games of chance  
46 only at a licensed premises indicated on the license  
47 application. Only one license shall be issued to a club  
48 licensee per licensed premises. Except as provided under  
49 paragraph (3), a club licensee may not share a licensed  
50 premises with another club licensee.

51 (2) An eligible organization that holds a license or

1 limited occasion license that is not a club licensee may  
2 conduct small games of chance at a premises or other location  
3 which is the normal business or operating site of the  
4 eligible organization or at any premises or other location  
5 not prohibited by local ordinance, including the premises of  
6 a club licensee. A club licensee may continue to conduct  
7 games of chance simultaneously with the conduct of games of  
8 chance by a limited occasion licensee.

9 (3) The following shall apply:

10 (i) Notwithstanding paragraph (1), if a club  
11 licensee is unable to conduct games of chance at the  
12 location listed on its application and license due to  
13 natural disaster, fire or other circumstance that renders  
14 the location unusable, the eligible organization may  
15 submit a written request to the district attorney to  
16 conduct games of chance in a different location,  
17 including the licensed premises of another eligible  
18 organization.

19 (ii) A request under subparagraph (i) must include  
20 the change in the location and the dates and times the  
21 games of chance will be operated at the alternative  
22 location.

23 (iii) The district attorney shall establish a limit  
24 on the duration of the authorization to conduct games of  
25 chance at the alternative location. Following the  
26 expiration of the authorization period, the eligible  
27 organization must return to the location specified in its  
28 application and license or apply to the licensing  
29 authority for a new permanent location for the conduct of  
30 games of chance. The district attorney may approve or  
31 deny the request or stipulate additional requirements as  
32 a condition of approval.

33 (iv) If a club licensee permits another eligible  
34 organization to use its licensed premises under this  
35 paragraph to conduct games of chance under this  
36 paragraph, the eligible organization must cease its  
37 operation of games of chance during the time the eligible  
38 organization utilizing its premises is conducting its  
39 games of chance.

40 (b.3) Limited occasion license.--An eligible organization  
41 may apply for a limited occasion license to conduct games of  
42 chance on not more than three occasions covering a total of  
43 seven days during a licensed year. A limited occasion license  
44 shall entitle an eligible organization to conduct no more than  
45 two raffles during a licensed year where prizes may not exceed  
46 the established limits for regular raffles. The holder of a  
47 limited occasion license may not apply for or be granted any  
48 other license under this act.

49 \* \* \*

50 (d.1) Bank account and records.--The licensed eligible  
51 organization shall keep a bank account to hold the proceeds of

1 games of chance that exceed \$40,000 per year, which shall be  
2 separate from all other funds belonging to the licensed eligible  
3 organization. Account records shall show all expenditures and  
4 income and shall be retained by the licensed eligible  
5 organization for at least two years.

6 \* \* \*

7 [(h) Background checks.--Each application for a license  
8 submitted by an eligible organization which has proceeds in  
9 excess of \$2,500 in a year shall include the results of a  
10 criminal history record information check obtained from the  
11 Pennsylvania State Police, as defined in 18 Pa.C.S. § 9102  
12 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b)  
13 (relating to general regulations), for the executive officer and  
14 secretary of the eligible organization making the application  
15 for a license or any other person required by the department.]

16 Section 7. This act shall take effect in 60 days.