
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1263 Session of
2024

INTRODUCED BY ROBINSON, LANGERHOLC, REGAN, FONTANA AND
BARTOLOTTA, JUNE 20, 2024

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
JUNE 20, 2024

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),
2 entitled "An act providing for the licensing of eligible
3 organizations to conduct games of chance, for the licensing
4 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 definitions; in games of
10 chance, further providing for prize limits, for sales
11 limited, for distributor licenses, for registration of
12 manufacturers and for regulations of department; in club
13 licensees, further providing for club licensee and for
14 distribution of proceeds; in enforcement, further providing
15 for revocation of licenses, for local option and for
16 advertising; in tavern gaming, further providing for
17 licenses, for application, for approval, for prize limits,
18 for distribution of net revenue, for tavern games tax, for
19 invoice, for reports and for enforcement.

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

22 Section 1. The definitions of "games of chance," "passive
23 selection device" and "tavern games" in section 103 of the act
24 of December 19, 1988 (P.L.1262, No.156), known as the Local
25 Option Small Games of Chance Act, are amended and the section is
26 amended by adding definitions 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 "Electronic pull-tab." An electronic facsimile of a paper
8 pull-tab that is played on an electronic pull-tab device and
9 purchased from a licensed distributor.

10 "Electronic pull-tab device." A hand-held portable
11 electronic passive device, including, but not limited to, a cell
12 phone or tablet, owned by the individual playing an electronic
13 pull-tab game or a tablet owned by the manufacturer and supplied
14 to the licensee at no additional fee and to which the following
15 apply:

16 (1) The device must access an electronic pull-tab
17 software application from the licensee that can only be
18 played on-site at the licensee's location through a router or
19 similar computer hardware that links the device so that
20 electronic pull-tabs can be viewed and played.

21 (2) The device requires a coded entry from the licensee
22 to activate credits, but does not allow the use of coins,
23 currency or tokens to activate credits.

24 (3) The device requires a player to activate or open
25 each electronic pull-tab ticket.

26 (4) The device does not determine the outcome of an
27 electronic pull-tab game, but is merely a device used to view
28 electronic pull-tabs that are provided randomly to the player
29 the same as a paper pull-tab, except in an electronic format.

30 (5) The device maintains credit play accumulated that

1 may be applied to games in play or redeemed at the licensee
2 location upon termination of play.

3 (6) The device may incorporate an amusement feature as
4 part of the game, but may not require additional
5 consideration or award a prize or other benefit for that
6 feature.

7 This definition shall not be construed to authorize any other
8 form of gambling currently prohibited under any provision of 18
9 Pa.C.S. (relating to crimes and offenses) or authorized under 4
10 Pa.C.S. (relating to amusements).

11 * * *

12 "Games of chance." Punchboards, daily drawings, weekly
13 drawings, 50/50 drawings, raffles, tavern games, pools, race
14 night [games and pull-tabs] games, pull-tabs and electronic
15 pull-tabs, as defined in this act, provided that no such game
16 shall be played by or with the assistance of any mechanical or
17 electrical devices or media other than [a] an electronic pull-
18 tab device, dispensing machine or passive selection device,
19 including an electronic pull-tab, and further provided that the
20 particular chance taken by any person in any such game shall not
21 be made contingent upon any other occurrence or the winning of
22 any other contest, but shall be determined solely at the
23 discretion of the purchaser. This definition shall not be
24 construed to authorize any other form of gambling currently
25 prohibited under any provision of 18 Pa.C.S. (relating to crimes
26 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" or
29 other games regulated by the Pennsylvania Gaming Control Board.
30 (Def. amended Nov. 27, 2013, P.L.1045, No.90 and Nov. 27, 2013,

1 P.L.1062, No.92)

2 * * *

3 "Passive selection device." A device which is used to hold
4 or denote the universe of possible winning numbers or entrants
5 in a daily drawing or raffle or for electronic pull-tabs. Such a
6 device may not have the capability of being utilized to conduct
7 or aid in the conducting of unauthorized or illegal forms of
8 gambling.

9 * * *

10 "Tavern games." Pull-tabs, electronic pull-tabs, tavern
11 daily drawings and tavern raffles.

12 * * *

13 Section 2. Sections 302, 303, 304(a) and (g), 305 and 306(a)
14 of the act are amended to read:

15 Section 302. Prize limits.

16 (a) Individual prize [limit].--Except as provided under
17 subsections (d) and (d.1), [the] there is no maximum prize which
18 may be awarded for any single chance [shall be \$2,000].

19 (b) Aggregate prize [limit].--[No more than \$35,000 in
20 prizes shall be] There is no limit on prizes awarded from games
21 of chance by a licensed eligible organization in any seven-day
22 period.

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

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

28 (d) Exception for raffles.--Notwithstanding subsection [(b)
29 or] (c), a licensed eligible organization may conduct a raffle
30 under section 308 and award a prize or prizes valued in excess

1 of \$3,000 each only under the following conditions:

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

4 (2) A licensed eligible organization shall be eligible
5 to receive no more than ten special permits in any licensed
6 term except that a volunteer fire, ambulance, rescue or
7 conservation organization that is not a club licensee shall
8 be eligible to receive 12 special permits in any licensed
9 term.

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

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

16 (5) The prize limit of any individual raffle ticket
17 shall be 500 times the amount of the purchase price of the
18 ticket, with the maximum prize not to exceed \$5,000.

19 (d.1) Additional award.--A volunteer fire, ambulance, rescue
20 or conservation organization may, in addition to the total under
21 subsection (d) (4), award up to \$100,000 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
25 contained in subsections (a) and (b) may be exceeded by a daily
26 drawing under the following circumstances: a] A daily drawing
27 may award a prize in excess of \$2,000 if such prize is the
28 result of a carryover of a drawing which resulted from the
29 winning number in such drawing not being among the eligible
30 entrants in such drawings. Nothing contained herein shall

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

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

12 (h) Weekly drawing carryover exception.--Weekly drawings
13 shall be governed by the prize limitation contained in
14 subsection [(b)] (c). The prize limitation contained in
15 subsection [(b)] (c) may be exceeded by a weekly drawing under
16 the following circumstances: a weekly drawing may award a prize
17 where the cash value is in excess of \$35,000 if such prize is
18 the result of a carryover of a drawing or drawings which
19 resulted from the winning number or numbers in such drawing or
20 drawings not being among the eligible entrants in such drawings.
21 Nothing contained in this chapter shall authorize the prize
22 limitation under subsection [(b)] (c) to be exceeded as a result
23 of a failure to conduct a drawing for a week during which
24 chances were sold for a weekly drawing or for a weekly drawing
25 for which chances were sold in excess of \$1.

26 (i) Concurrent operation.--Nothing under this act shall
27 prohibit the concurrent operation of daily or weekly drawings.
28 Section 303. Sales limited.

29 [(a) General rule.--]No person shall sell, offer for sale or
30 furnish games of chance for use within this Commonwealth except

1 to an eligible organization or licensed distributor under this
2 chapter.

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

8 Section 304. Distributor licenses.

9 (a) License required.--No person shall sell, offer for sale
10 or furnish games of chance to eligible organizations licensed
11 under this chapter or licensed under Chapter 9 unless such
12 person shall have obtained a distributor license as provided in
13 this section. A registered manufacturer may obtain a distributor
14 license.

15 * * *

16 (g) Ineligibility.--The department shall not issue or renew
17 a distributor license for the sale of games of chance to a
18 person, including any corporation, [firm or partnership] firm,
19 partnership or entity which has as an officer, director,
20 shareholder, person related by blood or through marriage or
21 other person in a supervisory or management position, or
22 employee [eligible to make sales on behalf of the distributor],
23 who:

24 (1) has been convicted of a felony in a state or Federal
25 court within the past [five] ten years; or

26 (2) has been convicted within ten years of the date of
27 application in a state or Federal court of a violation of any
28 of the following:

29 (i) This act.

30 (ii) The act of July 10, 1981 (P.L.214, No.67),

1 known as the Bingo Law.

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

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

6 (v) A Federal or State law comparable to the
7 statutes listed under subparagraphs (i), (ii), (iii) and
8 (iv).

9 * * *

10 Section 305. Registration of manufacturers.

11 (a) Registration required.--No manufacturer of games of
12 chance shall sell any games of chance to any person, eligible
13 organization or tavern unless the manufacturer has registered
14 with the department and has been issued a certificate of
15 registration. A registered manufacturer may apply to be a
16 licensed distributor.

17 (b) Annual certificate; fee.--A certificate under this
18 section shall be valid for one year. The annual fee for
19 registration shall be \$2,000.

20 (c) Prohibited sales.--A manufacturer shall not sell games
21 of chance to any person not licensed as a distributor unless the
22 manufacturer is also a licensed distributor.

23 (c.1) Requirements for software.--Software supplied by a
24 manufacturer of electronic pull-tabs must meet the following
25 requirements:

26 (1) Software used in a passive selection device must be
27 owned by the manufacturer, including the designs of the
28 central system, database, program architecture and source
29 code used in the passive selection device. A manufacturer
30 shall not license from or pay any other person, corporation,

1 entity, firm or partnership an ongoing or continuing fee of
2 any kind for the software used in a passive selection device.

3 (2) Software to be used must first be tested and
4 certified, at the cost of the manufacturer, by an authorized
5 third-party testing laboratory approved by the department.

6 (c.2) Ineligibility.--The department shall not issue or
7 renew a manufacturer certificate of registration for the
8 manufacture of games of chance, including software for
9 electronic pull-tabs, to a person, including any corporation,
10 firm, partnership or any entity which has as an officer,
11 director, shareholder, person related by blood or through
12 marriage or other person in a supervisory or management
13 position, or employee of the manufacturer, who:

14 (1) has been convicted of a felony in any state or
15 Federal court within the past ten years; or

16 (2) has been convicted within ten years of the date of
17 application in a state or Federal court of a violation of any
18 of the following:

19 (i) This act.

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

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

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

26 (v) A Federal or State law comparable to the
27 statutes listed under subparagraphs (i), (ii), (iii) and
28 (iv).

29 (d) Exception.--This section shall not apply to the
30 manufacture or distribution of raffle tickets, 50/50 drawings,

1 daily drawings, weekly drawings or pools.

2 Section 306. Regulations of department.

3 (a) Authorization.--The department shall promulgate
4 regulations to:

5 (1) Impose minimum standards and restrictions applicable
6 to games of chance manufactured for sale in this
7 Commonwealth, which may include standards and restrictions
8 which specify the maximum number of chances available to be
9 sold for any single game of chance [or prize] and such other
10 standards and restrictions as the department deems necessary
11 for the purposes of this chapter. The department shall
12 consider standards adopted by the National Association of
13 Gambling Regulatory Agencies and other standards commonly
14 accepted in the industry.

15 (2) Establish procedures by which manufacturers may
16 register and distributors of games of chance may apply for
17 licensure on forms which the department shall provide.
18 Procedures shall include a requirement that manufacturer and
19 distributor applicants provide criminal history record
20 information obtained from the Pennsylvania State Police under
21 18 Pa.C.S. § 9121(b) (relating to general regulations) for
22 each [officer and manager] officer, manager and shareholder
23 of the manufacturer's or distributor's organization,
24 including any relative related by blood or through marriage
25 thereof, and for any other individual specified by the
26 department. As used in this paragraph, the term "criminal
27 history record information" has the meaning given in 18
28 Pa.C.S. § 9102 (relating to definitions).

29 (3) Provide for the suspension or revocation of
30 distribution licenses or manufacturer certificates for

1 violations of this act or regulations of the department.

2 (3.1) Establish procedures to ensure that race night
3 games are secure, random and totally dependent upon chance.

4 (3.2) Require distributors and manufacturers of
5 electronic pull-tabs to have the electronic pull-tab device
6 and software tested under the standards used by a laboratory
7 approved by the department.

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

9 * * *

10 Section 3. Section 501(a) of the act is amended by adding a
11 paragraph to read:

12 Section 501. Club licensee.

13 (a) Report.--

14 * * *

15 (4) If a licensee offers the use of electronic pull-
16 tabs:

17 (i) the licensed distributor of the electronic pull-
18 tab device or software shall:

19 (A) provide the department with the financial
20 reporting information generated by the manufacturer's
21 software required under this chapter; and

22 (B) be responsible for any penalties for failure
23 to provide the accurate financial reporting
24 information generated by the manufacturer's software
25 to both the Commonwealth and the licensee.

26 (ii) licensees utilizing the electronic pull-tab
27 device or software shall:

28 (A) use the manufacturer's reporting information
29 for any reporting required by the Commonwealth;

30 (B) be responsible for supplying the

1 Commonwealth with all required reports; and
2 (C) be responsible for any penalties for failure
3 to provide the Commonwealth with required reports.

4 * * *

5 Section 4. Sections 502(a), 701(a)(9)(ii) and 703(a) of the
6 act are amended to read:

7 Section 502. Distribution of proceeds.

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

10 (1) No less than [60%] 35% of the proceeds shall be paid
11 for public interest purposes within one year of the end of
12 the calendar year in which the proceeds were obtained.

13 (2) No more than [40%] 65% of the proceeds obtained in a
14 calendar year may be retained by a club licensee.

15 * * *

16 Section 701. Revocation of licenses.

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

19 * * *

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

22 * * *

23 (ii) leasing such premises from the owner thereof
24 under a written agreement at a rental which is determined
25 by the [amount] number of receipts realized from the
26 playing of games of chance.

27 * * *

28 Section 703. Local option.

29 (a) Election to be held.--In any municipality, an election
30 may be held on the date of the primary election immediately

1 advertise prizes and values thereof in periodic publications
2 which are limited in their circulation to members of the
3 eligible organization.]

4 Section 6. Sections 903(h), 904, 905(c), 907, 909, 909.1(a),
5 911, 912 and 913(c) and (d) of the act are amended to read:

6 Section 903. Licenses.

7 * * *

8 (h) Costs.--The applicant shall reimburse the bureau up to
9 \$250 for the actual costs of conducting the background
10 investigation. The board shall not approve an applicant that has
11 not fully reimbursed the bureau, up to \$250, for the
12 investigation.

13 * * *

14 Section 904. Application.

15 (a) Application fee.--An applicant shall pay the board a
16 nonrefundable application fee of [~~\$1,000~~] \$250.

17 (b) Investigative fee.--An applicant shall pay an
18 investigative fee of [~~\$1,000~~] no more than \$250 to the bureau.

19 (c) Costs.--[In addition to the fee under subsection (b), an
20 applicant and any owner and officer of the applicant shall pay
21 for the actual costs of a background investigation conducted by
22 the bureau that exceed the application fee.] The bureau may:

23 (1) Charge an estimated amount to be provided prior to
24 the background investigation, which shall not exceed \$250.

25 (2) Submit for reimbursement from the applicant for the
26 additional costs incurred in the background investigation, provided the total cost for the background investigation for
27 the applicant does not exceed \$250.

28 (d) Funds.--Funds collected under subsections (b) and (c)
29 shall augment the funds appropriated to the Pennsylvania Gaming
30

1 Control Board under 4 Pa.C.S. (relating to amusements).

2 Section 905. Approval.

3 * * *

4 (c) Fee.--Upon approval, the applicant shall pay a [~~\$2,000~~]
5 \$250 license fee to be deposited in the General Fund. The annual
6 renewal fee shall be [~~\$1,000~~] \$2,000.

7 * * *

8 Section 907. Prize limits.

9 (a) Individual prize limit.--[~~The maximum~~] There shall be no
10 maximum prize which may be awarded for any single chance [~~shall~~]
11 be \$2,000. No tavern game sold, offered for sale or furnished
12 may contain, permit, depict or designate a prize having a prize
13 limit in excess of \$2,000].

14 (b) Aggregate prize limit.--[~~No more than \$35,000 in prizes~~]
15 There shall be no prize limit for prizes that may be awarded
16 from tavern games by a licensee [~~in a seven-day period~~].

17 Section 909. Distribution of net revenue.

18 Beginning January 1, 2014, the net revenue from tavern games
19 received by a licensee shall be distributed as follows:

20 (1) [~~Sixty~~] Forty-five percent of the net revenue
21 obtained in any calendar year shall be paid to the
22 Commonwealth.

23 (2) [~~Thirty-five~~] Fifty percent of the net revenue
24 obtained in any calendar year may be retained by the
25 licensee.

26 (3) Five percent shall be paid to the Commonwealth and
27 deposited into the restricted receipts account established in
28 section 909.3.

29 Section 909.1. Tavern games tax.

30 (a) Imposition.--There is imposed a tax of [~~60%~~] 45% of the

1 net revenue from tavern games sold by a licensed distributor to
2 a licensee within this Commonwealth.

3 * * *

4 Section 911. Invoice.

5 A sale of a tavern game by a licensed distributor or
6 registered manufacturer to a licensee must be documented by an
7 invoice listing the names and types of games sold, quantities of
8 each game sold, the net revenue of each game and the aggregate
9 amount of tax due on the net revenue on each invoice. Failure to
10 provide a correct invoice shall result in a penalty of 50% of
11 the tax amount due payable to the Commonwealth.

12 Section 912. Reports.

13 (a) Report required.--A licensee shall submit an annual
14 report to the board and the department for the preceding year on
15 a form and in a manner prescribed by the department. The
16 department shall develop a schedule for the submission of the
17 annual report. The report shall include:

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

21 (2) Net revenue received from each tavern game
22 conducted, itemized by week.

23 (3) Amount of prizes paid from all tavern games,
24 itemized by week.

25 (4) Amount of tax remitted to the department.

26 (5) Amount given to designated charities from tavern
27 raffles.

28 (6) Other information as required by the department.

29 (b) Electronic pull-tabs.--For a licensee using electronic
30 pull-tabs, the licensed distributor of the electronic pull-tabs

1 shall be responsible for submitting the report regarding the
2 electronic pull-tabs under subsection (a). A licensed
3 distributor that fails to submit the report shall be liable to
4 any applicable penalty under section 913.

5 Section 913. Enforcement.

6 * * *

7 (c) Penalties.--The board may impose a civil penalty,
8 including against a licensed distributor that provides
9 electronic pull-tabs to a licensee, for a violation of this
10 chapter in accordance with the following:

11 (1) Up to \$2,000 for an initial violation.

12 (2) Up to \$3,000 for a second violation.

13 (3) Up to \$5,000 for a third violation.

14 (d) Criminal penalty.--A violation of this chapter,
15 including by a licensed distributor that provides electronic
16 pull-tabs to a licensee, shall be a misdemeanor of the third
17 degree. A second or subsequent offense shall be a misdemeanor of
18 the second degree.

19 * * *

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