

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2444 Session of 2024

INTRODUCED BY MEHAFFIE, MERSKI, ABNEY, BURGOS, CABELL, CONKLIN, DALEY, GROVE, GUZMAN, JOZWIAK, KINSEY, MADDEN, MADSEN, MAJOR, MALAGARI, ORTITAY, ROZZI, STENDER, STRUZZI, WARREN AND D. WILLIAMS, JUNE 24, 2024

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, JUNE 24, 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 and for sales
 11 limited, providing for pull-tab deals, further providing for
 12 distributor licenses, for registration of manufacturers, for
 13 regulations of department and for licensing of eligible
 14 organizations; in club licensees, further providing for
 15 distribution of proceeds; and, in enforcement, further
 16 providing for revocation of licenses and providing for other
 17 penalties and for licensed eligible organizations subject to
 18 audit by Auditor General.

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

21 Section 1. The definitions of "games of chance" and "passive
 22 selection device" in section 103 of the act of December 19, 1988
 23 (P.L.1262, No.156), known as the Local Option Small Games of
 24 Chance Act, are amended and the section is amended by adding
 25 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 device." An electronic device used by a
8 player solely to facilitate the play of an electronic pull-tab
9 game. For the purpose of this definition, the following shall
10 apply:

11 (1) An electronic pull-tab device shall be a cabinet or
12 portable tablet, not including a mobile phone or other
13 personal computing device.

14 (2) An electronic pull-tab device shall be incorporated
15 into an electronic pull-tab system and may not be used for
16 personal communication or capable of connection to an
17 unsecured or publicly accessible communication network.

18 "Electronic pull-tab game." An electronic or digital
19 representation of a pull-tab game played on an electronic pull-
20 tab device. For the purpose of this definition, an electronic
21 pull-tab game may not replicate or simulate the game of keno,
22 blackjack, roulette, poker, craps, any other casino-style table
23 game or slot machine. The reveal of numbers or symbols in an
24 electronic pull-tab game may incorporate an entertainment or
25 bonus theme if all of the following apply:

26 (1) The reveal does not include spinning reels that
27 resemble a slot machine.

28 (2) The reveal theme does not require an additional
29 consideration or award any prize other than the predetermined
30 prize associated with the winning electronic pull-tab ticket.

1 "Electronic pull-tab system." Electronic pull-tab games,
2 electronic pull-tab devices and an associated computer or
3 device, including all related hardware and software, used to
4 facilitate the play of electronic pull-tab games and store and
5 manage game data between and from points-of-sale.

6 * * *

7 "Event game." A pull-tab game, played with or without a seal
8 card, in which certain prizes are determined by the draw of a
9 bingo ball or some other approved specified event which randomly
10 selects numbers or symbols that correspond to the numbers or
11 symbols printed by the manufacturer on the pull-tab. For the
12 purpose of this definition, the following shall apply:

13 (1) An event pull-tab may not be both an instant winner
14 and a hold card.

15 (2) A game may not contain duplicate hold combinations.
16 If a game contains multiple sets of hold combinations, each
17 set shall be distinguishable by color or distinguishing
18 features.

19 (3) An event pull-tab may contain more than one hold
20 combination.

21 (4) The number of winners and prize amounts shall be
22 built into the payout structure for the game by the
23 manufacturer.

24 * * *

25 "Games of chance." Punchboards, daily drawings, weekly
26 drawings, 50/50 drawings, raffles, tavern games, pools, race
27 night games and [pull-tabs] pull-tab games, including paper and
28 electronic pull-tab games, event games, subset pull-tab games,
29 pick-board games and progressive pull-tab games, as defined in
30 this act, provided that no such game shall be played by or with

1 the assistance of any mechanical or electrical devices or media
2 other than a dispensing machine [or], passive selection device
3 or electronic pull-tab system and further provided [that] the
4 particular chance taken by any person in any such game shall not
5 be made contingent upon any other occurrence or the winning of
6 any other contest, but shall be determined solely at the
7 discretion of the purchaser. This definition shall not be
8 construed to authorize any other form of gambling currently
9 prohibited under any provision of 18 Pa.C.S. (relating to crimes
10 and offenses) or authorized under 4 Pa.C.S. (relating to
11 amusements). Nothing in this act shall be construed to authorize
12 games commonly known as "slot machines" or "video poker" or
13 other games regulated by the Pennsylvania Gaming Control Board.

14 * * *

15 "Passive selection device." A device which is used to hold
16 or denote the universe of possible winning numbers or entrants
17 in a daily drawing, bingo game, event game or raffle. Such a
18 device may not have the capability of being utilized to conduct
19 or aid in the conducting of unauthorized or illegal forms of
20 gambling.

21 "Pick-board game." A pull-tab game played with a flare
22 containing more than one sealed tab that when opened reveal
23 predesignated winning numbers or symbols. For the purpose of
24 this definition, certain tickets in the game shall bear a
25 designation providing one or more players the opportunity to win
26 a prize by selecting which sealed tab to open from among the
27 sealed tabs on the flare.

28 * * *

29 "Progressive pull-tab game." A pull-tab game played with a
30 seal card or multiple seal cards designed by the manufacturer to

1 include a jackpot prize that is carried over to a subsequent
2 deal of pull-tab tickets of the same form number if the jackpot
3 prize is not won. For the purpose of this definition, the amount
4 dedicated to the progressive jackpot shall be predetermined by
5 the manufacturer and built into the payout structure for the
6 game, however, the progressive jackpot does not need to be a
7 predetermined amount.

8 * * *

9 "Pull-tab game." A deal of pull-tab tickets with a finite
10 number of winning and losing tickets and a predetermined prize
11 structure. For the purpose of this definition, each pull-tab
12 within a game shall have a unique serial number and be sold for
13 the same price.

14 * * *

15 "Subset pull-tab game." A pull-tab game consisting of a
16 single pull-tab deal, with all tickets bearing the same serial
17 number, that is packaged by the manufacturer into smaller
18 subsets, each of which is played separately. For the purpose of
19 this definition, the following shall apply:

20 (1) Each subset shall have a corresponding flare, which
21 shall contain at least one sealed tab.

22 (2) Certain tickets in each subset shall bear a
23 designation providing one or more players the opportunity to
24 win a prize when the sealed tab or tabs are opened.

25 * * *

26 Section 2. Section 302(a), (b), (c), (c.1), (d)(4), (d.1),
27 (f) and (h) of the act are amended and the section is amended by
28 adding a subsection to read:

29 Section 302. Prize limits.

30 (a) Individual prize limit.--Except as provided under

1 subsections [(d) and (d.1)] (a.1), (d), (d.1), (f) and (h), the
2 maximum prize which may be awarded for any single chance shall
3 be [\$2,000] \$10,000.

4 (a.1) Progressive or subset pull-tab games.--Notwithstanding
5 subsection (a), the maximum prize for an individual jackpot
6 prize in a progressive pull-tab game or subset pull-tab game may
7 not exceed \$20,000.

8 (b) Aggregate prize limit.--No more than [\$35,000] \$150,000
9 in prizes shall be awarded from [games of chance] a daily or
10 weekly drawing by a licensed eligible organization in any seven-
11 day period.

12 (c) Raffle prize limit.--Up to [\$15,000] \$50,000 in prizes
13 may be awarded in raffles in any calendar month.

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

17 (d) Exception for raffles.--Notwithstanding subsection [(b)]
18 (a) or (c), a licensed eligible organization may conduct a
19 raffle under section 308 and award a prize or prizes valued in
20 excess of [\$3,000] \$15,000 each only under the following
21 conditions:

22 * * *

23 (4) Except as provided under subsection (d.1), the total
24 of all prizes awarded under this subsection shall be no more
25 than [\$150,000] \$300,000 per calendar year[, which shall not
26 be subject to the aggregate limit under subsection (b) or
27 (c)].

28 (d.1) Additional award.--A volunteer fire, ambulance, rescue
29 or conservation organization may, in addition to the total under
30 subsection (d) (4), award up to [\$100,000] \$250,000 from raffles

1 which shall not be subject to the aggregate limit under
2 subsection [(b), (c) or (d)] (c).

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

16 * * *

17 (h) Weekly drawing carryover exception.--Weekly drawings
18 shall be governed by the prize limitation contained in
19 subsection (b). The prize limitation contained in subsection (b)
20 may be exceeded by a weekly drawing under the following
21 circumstances: a weekly drawing may award a prize where the cash
22 value is in excess of [\$35,000] \$150,000 if such prize is the
23 result of a carryover of a drawing or drawings which resulted
24 from the winning number or numbers in such drawing or drawings
25 not being among the eligible entrants in such drawings. Nothing
26 contained in this chapter shall authorize the prize limitation
27 under subsection (b) to be exceeded as a result of a failure to
28 conduct a drawing for a week during which chances were sold for
29 a weekly drawing or for a weekly drawing for which chances were
30 sold in excess of \$1.

1 * * *

2 Section 3. Section 303(b) of the act is amended to read:

3 Section 303. Sales limited.

4 * * *

5 (b) Limitation.--No game of chance, other than a raffle
6 under section 302(d), a progressive pull-tab game or subset
7 pull-tab game, which is sold, offered for sale or furnished to a
8 licensed eligible organization for use within this Commonwealth
9 shall contain, permit, depict or designate a prize having a
10 prize limit in excess of [~~\$2,000~~] \$10,000.

11 Section 4. The act is amended by adding a section to read:

12 Section 303.2. Pull-tab deals.

13 (a) Sale or transfer.--Nothing in this act shall be
14 construed to prohibit a person from selling or transferring to
15 another person for use within this Commonwealth a pull-tab deal
16 or electronic pull-tab game that contains more than 4,000
17 individual pull-tabs.

18 (b) Paper pull-tabs.--Nothing in this section shall be
19 construed to impose a restriction on the number of paper pull-
20 tabs that can be put out for public play as part of a single
21 deal.

22 (c) Last remaining tickets.--Nothing in this section shall
23 prohibit a pull-tab deal from awarding a cash prize or chance at
24 a seal prize to the purchaser of the last remaining ticket in
25 the deal.

26 Section 5. Section 304(g) of the act is amended to read:

27 Section 304. Distributor licenses.

28 * * *

29 (g) Ineligibility.--The department shall not issue or renew
30 a distributor license for the sale of games of chance to a

1 person, including any corporation, firm or partnership which has
2 as an officer, director or other person in a supervisory or
3 management position, [or] an employee eligible to make sales on
4 behalf of the distributor or an affiliated person or entity,
5 who:

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

8 (2) has been convicted within ten years of the date of
9 application in a state or Federal court of a violation of any
10 of the following:

11 (i) This act.

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

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

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

18 (v) A Federal or State law comparable to the
19 statutes listed under subparagraphs (i), (ii), (iii) and
20 (iv) [.] ;

21 (3) has engaged in a business operation, whether through
22 direct participation or via an arm's-length sales
23 relationship, for which the product, device, service or
24 commodity sold or otherwise provided has been determined to
25 be illegal gambling in this Commonwealth or any other state
26 or jurisdiction where the product, device, service or
27 commodity is utilized; or

28 (4) has received direct or indirect financial benefit
29 from the operation of illegal gambling in this Commonwealth
30 or any other state or jurisdiction.

1 * * *

2 Section 6. Section 305 of the act is amended by adding a
3 subsection to read:

4 Section 305. Registration of manufacturers.

5 * * *

6 (c.1) Ineligibility.--The department shall not issue or
7 renew a certificate under this section for the sale of games of
8 chance to a person, including any corporation, firm or
9 partnership which has as an officer, director or other person in
10 a supervisory or management position, an employee eligible to
11 make sales on behalf of the manufacturer or an affiliated person
12 or entity, who:

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

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

18 (i) this act;

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

21 (iii) a gambling-related offense under 4 Pa.C.S.
22 (relating to amusements);

23 (iv) a gambling-related offense under 18 Pa.C.S.
24 (relating to crimes and offenses); and

25 (v) a Federal or state law comparable to the
26 statutes listed under subparagraphs (i), (ii), (iii) and
27 (iv);

28 (3) has engaged in a business operation, whether through
29 direct participation or via an arms-length sales
30 relationship, for which the product, device, service or

1 commodity sold or otherwise provided has been determined to
2 be illegal gambling in this Commonwealth or any other state
3 or jurisdiction where the product, device, service or
4 commodity is utilized; or

5 (4) has received direct or indirect financial benefit
6 from the operation of illegal gambling in this Commonwealth
7 or any other state or jurisdiction.

8 * * *

9 Section 7. Section 306(a) (1) and (2) of the act are amended
10 to read:

11 Section 306. Regulations of department.

12 (a) Authorization.--The department shall promulgate
13 regulations to:

14 (1) Impose minimum standards and restrictions applicable
15 to games of chance manufactured for sale in this
16 Commonwealth, which may include standards and restrictions
17 which specify the maximum number of chances available to be
18 sold for any single game of chance or prize, except as
19 provided under section 303.2, and such other standards and
20 restrictions as the department deems necessary for the
21 purposes of this chapter. The department shall consider
22 standards adopted by the [National Association of Gambling
23 Regulatory Agencies] North American Gaming Regulators
24 Association and other standards commonly accepted in the
25 industry.

26 (2) Establish procedures by which manufacturers may
27 register and distributors of games of chance may apply for
28 licensure on forms which the department shall provide.
29 Procedures shall include a requirement that manufacturer and
30 distributor applicants provide criminal history record

1 information obtained from the Pennsylvania State Police under
2 18 Pa.C.S. § 9121(b) (relating to general regulations) for
3 each [officer and manager of the manufacturer's or
4 distributor's organization and for any other individual
5 specified by the department] person specified under sections
6 304(g) and 305(c.1). As used in this paragraph, the term
7 "criminal history record information" has the meaning given
8 in 18 Pa.C.S. § 9102 (relating to definitions).

9 * * *

10 Section 8. Section 307(d) of the act is amended by adding
11 paragraphs to read:

12 Section 307. Licensing of eligible organizations.

13 * * *

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

16 * * *

17 (7) Conducting electronic pull-tab games utilizing more
18 than the following number of devices at a location:

19 (i) Ten devices if occupancy limits for the location
20 are greater than 250.

21 (ii) Seven devices if occupancy limits for the
22 location are more than 100 and up to 250.

23 (iii) Five devices if occupancy limits for the
24 location are less than or equal to 100.

25 (8) Utilizing an electronic pull-tab system that has not
26 been tested by an independent gaming test laboratory approved
27 by the department as meeting the standards adopted by the
28 department.

29 * * *

30 Section 9. Section 502(a) of the act is amended to read:

1 Section 502. Distribution of proceeds.

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

4 (1) No less than [60%] 40% of the proceeds shall be
5 paid for public interest purposes within one year of the end
6 of the calendar year in which the proceeds were obtained.

7 (2) No more than [40%] 60% of the proceeds obtained in a
8 calendar year may be retained by a club licensee.

9 * * *

10 Section 10. Section 701(a) of the act is amended by adding a
11 paragraph to read:

12 Section 701. Revocation of licenses.

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

15 * * *

16 (16) Operation of an electronic pull-tab device that was
17 not obtained from a licensed distributor.

18 * * *

19 Section 11. The act is amended by adding sections to read:

20 Section 708.1. Other penalties.

21 In addition to any other penalty specified under this
22 chapter, a person who conducts, finances, manages, supervises,
23 directs or owns an electronic gambling device intended for use
24 in this Commonwealth in violation of this act shall be subject
25 to a civil penalty not to exceed \$25,000 for each device, which
26 shall be payable to the county where the device was operated.
27 The Attorney General or the district attorney of the county may
28 cause an action in equity to be brought in the name of the
29 Commonwealth or the county, as applicable, to:

30 (1) enjoin the operation of an electronic gambling

1 device specified under this section;

2 (2) request an attachment against the electronic
3 gambling device and money within the device; and

4 (3) recover the civil penalty specified under this
5 section.

6 Section 709. Licensed eligible organizations subject to audit
7 by Auditor General.

8 The Auditor General shall conduct random audits of licensed
9 eligible organizations to ensure compliance with this act and
10 other laws of this Commonwealth.

11 Section 12. This act shall take effect in 60 days.