
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1061 Session of
2018

INTRODUCED BY FONTANA, VULAKOVICH, STEFANO AND REGAN,
MARCH 9, 2018

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
MARCH 9, 2018

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 tavern gaming,
9 further providing for definitions, for licenses, for
10 application, for distribution of net revenue, for tavern
11 games tax, for host municipality tavern games tax and for
12 enforcement.

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

15 Section 1. Section 902 of the act of December 19, 1988
16 (P.L.1262, No.156), known as the Local Option Small Games of
17 Chance Act, is amended by adding a definition to read:

18 Section 902. Definitions.

19 The following words and phrases when used in this chapter
20 shall have the meanings given to them in this section unless the
21 context clearly indicates otherwise:

22 * * *

1 "Tavern games." A tavern daily drawing, tavern weekly
2 drawing, tavern raffle and games of chance.

3 * * *

4 Section 2. Sections 903(b) and (e), 904, 909, 909.1(a) and
5 (c) and 909.2(a) and (c) of the act are amended to read:

6 Section 903. Licenses.

7 * * *

8 (b) Information.--The application under subsection (a) shall
9 include the following information:

10 (1) The name, address and photograph of the applicant.

11 (2) A current tax lien certificate issued by the
12 department and a certificate from the Department of Labor and
13 Industry of payment of all workers' compensation and
14 unemployment compensation owed.

15 (3) The details of any license issued under 4 Pa.C.S.
16 Pt. II (relating to gaming), the act of April 12, 1951
17 (P.L.90, No.21), known as the Liquor Code, or this act which
18 was applied for or in which the applicant or other owner has
19 an interest.

20 (4) [Certified consent by the applicant, including each
21 owner and officer of the restaurant licensee, to a background
22 investigation by the bureau.] A criminal history record
23 information report issued under 18 Pa.C.S. Ch. 91 (relating
24 to criminal history record information).

25 (5) Relating to criminal information under paragraph
26 (4), disclosure of all arrests and citations of the
27 applicant, including nontraffic summary offenses. The
28 information shall include all of the following:

29 (i) A brief description of the circumstances
30 surrounding the arrest or issuance of the citation.

1 (ii) The specific offense charged.

2 (iii) The ultimate disposition of the charge,
3 including any dismissal, plea bargain, conviction,
4 sentence, pardon, expungement or order of Accelerated
5 Rehabilitative Disposition.

6 (6) Financial background and interests and transactions
7 as required by the bureau.

8 (7) Relating to citations of the applicant issued under
9 the Liquor Code or any other discipline or penalty
10 administered or issued by a Commonwealth agency.

11 (8) Relating to disclosure of conditional license
12 agreements entered into under the Liquor Code.

13 (9) Any other information required by the board.

14 * * *

15 [(e) Background investigation.--Each applicant shall include
16 information and documentation as required to establish personal
17 and financial suitability, honesty and integrity. Information
18 shall include:

19 (1) Criminal history record information.

20 (2) Financial background information.

21 (3) Regulatory history before the board or other
22 Commonwealth agency.

23 (4) Other information required by the bureau.]

24 * * *

25 Section 904. Application.

26 (a) Application fee.--An applicant shall pay the board a
27 nonrefundable application fee of [\$1,000] \$500.

28 [(b) Investigative fee.--An applicant shall pay an
29 investigative fee of \$1,000 to the bureau.]

30 (c) [Costs.--In addition to the fee under subsection (b),

1 an] Investigative costs.--An applicant and any owner and officer
2 of the applicant shall pay for the actual costs of a background
3 investigation conducted by the bureau [that exceed the
4 application fee] not to exceed \$1,000. The bureau may:

5 (1) Charge an estimated amount to be provided prior to
6 the background investigation.

7 (2) Submit for reimbursement from the applicant for the
8 additional costs incurred in the background investigation.

9 (d) Funds.--Funds collected under subsections (b) and (c)
10 shall augment the funds appropriated to the Pennsylvania Gaming
11 Control Board under 4 Pa.C.S. (relating to amusements).

12 Section 909. Distribution of net revenue.

13 Beginning January 1, [2014] 2019, the net revenue from tavern
14 games received by a licensee shall be distributed as follows:

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

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

21 (3) Five percent shall be paid to the Commonwealth and
22 deposited into the restricted receipts account established in
23 section 909.3.

24 Section 909.1. Tavern games tax.

25 (a) Imposition.--There is imposed a tax of [60%] 50% of the
26 net revenue from tavern games sold by a licensed distributor to
27 a licensee within this Commonwealth.

28 * * *

29 (c) Other games.--In an instance where the tavern game is
30 not required to be purchased from a licensed distributor under

1 this act, a tax of [60%] 50% is imposed upon the net revenue
2 from tavern daily drawings, tavern weekly drawings and tavern
3 raffles under section 908.1 and must be paid to the Commonwealth
4 by the licensee.

5 * * *

6 Section 909.2. Host municipality tavern games tax.

7 (a) Imposition.--There is imposed, in a municipality which
8 has adopted an ordinance imposing a host municipality tavern
9 games tax under this section and filed the ordinance with the
10 Department of Revenue, a tax of 5% of the net revenue from
11 tavern games sold by a licensed distributor to a licensee within
12 this Commonwealth in addition to the tax imposed under section
13 909.1.

14 * * *

15 (c) Other games.--In an instance where the tavern game is
16 not required to be purchased from a licensed distributor under
17 this act, a tax of 5% is imposed in a municipality which has
18 adopted an ordinance imposing a host municipality tavern games
19 tax under subsection (a) upon the net revenue from tavern daily
20 drawings and tavern raffles under section 908.1 and must be paid
21 to the Commonwealth and deposited into the restricted receipts
22 account established in section 909.3.

23 * * *

24 Section 3. Section 913(f) of the act is amended by adding a
25 paragraph to read:

26 Section 913. Enforcement.

27 * * *

28 (f) Suspension, revocation or failure to renew.--

29 * * *

30 (3) A third violation of this chapter shall result in a

1 revocation of a license issued under this chapter. A licensee
2 shall be ineligible to apply for or be awarded a license
3 under this chapter for a period of five years following a
4 revocation.

5 Section 4. This act shall take effect in 60 days.