SMALL GAMES OF CHANCE

Presented by the

Pennsylvania State Police

Bureau of Liquor Control Enforcement

THE SMALL GAMES OF CHANCE ACT

- Act 2 of 2012 was signed into law by the Governor on February 2, 2012 and made sweeping changes to the Local Option Small Games of Chance Act originally enacted in 1988.

- Act 184 of 2012 was signed into law on October 25th, 2012 amended some of the changes in Act 2.

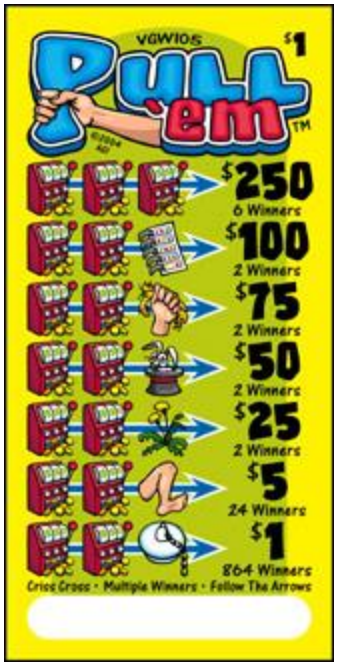
- Acts 90 & 92 of 2013, effective January 27, 2014, further modified the Act.

THE SMALL GAMES OF CHANCE ACT

The information being provided in this presentation is based upon our interpretation of the statute and like many new laws, is subject to interpretation and further clarification by the courts going forward.

OVERVIEW

- Gambling
  - Definition
  - Legal vs. Illegal Gambling
- Small Games of Chance Act
  - Application
  - Permitted Games
  - Use of Proceeds
  - Prize Limits



OVERVIEW

(CONTINUED)

- Small Games of Chance Act (CONTINUED)
  - Discussion of Individual Games
  - Licensed Premises and Location of Games
  - Gambling in P.L.C.B. licensed establishments
  - Record Keeping/Reporting Requirements
  - Penalties

GAMBLING

GAMBLING

- What activities constitute “gambling” in Pennsylvania?

- The Pennsylvania Crimes Code lists various gambling offenses:

PENNSYLVANIA CRIMES CODE

- Section 5513 Gambling Devices, Gambling, Etc…
  - (a) Offense Defined. A person is guilty of a misdemeanor of the first degree if he:

    (1) intentionally or knowingly makes, assembles, sets up, maintains, sells, lends, leases, gives away or offers for sale, loan, lease or gift, any punchboard, drawing card, slot machine or any device to be used for gambling purposes, except playing cards

PENNSYLVANIA CRIMES CODE

(continued)

(2) allows persons to collect and assemble for the purpose of unlawful gambling at any place under his control

(3) solicits or invites any person to visit any unlawful gambling place for the purpose of gambling; or

(4) being the owner, tenant, lessee, or occupant of any premise, knowingly permits or suffers the same, or any part thereof, to be used for the purpose of unlawful gambling

GAMBLING

- However, there is NO definition of gambling in the Crimes Code.
- Gambling is not specifically defined by Statute in Pennsylvania.
- Instead we must to refer to Commonwealth Court decisions to define gambling.

GAMBLING

PENNSYLVANIA COURTS HAVE DETERMINED THAT GAMBLING CONSISTS OF THREE BASIC ELEMENTS:

(PLCB V. PPC CIRCUS BAR, INC.)

CONSIDERATION + CHANCE + REWARD =

GAMBLING

ELEMENTS OF GAMBLING

- Let's look at each of the three elements individually:
  - Consideration
  - Chance
  - Reward

Keep in mind…

- All three elements <u>must</u> be present to establish that an activity constitutes gambling.

CONSIDERATION

- COST TO BEGIN PLAY OR EVENT
  - bet
  - wager
- EXAMPLES
  - block purchase in pool
  - “buy-in” in poker tournament
  - purchase of pull tab
  - money in slot machine

CHANCE

- EVENT OUTCOME BASED WHOLLY OR PREDOMINANTLY ON CHANCE
  - “Dominant Factor Test”
  - Individual has little to no effect over outcome
- EXAMPLES
  - roll of dice or turn of card
  - result of race or sporting event

- SKILL
  - to be considered a skill, a person would have to be able to master the game
    - Darts, billiards, etc.
    - Playing poker may involve some skill or knowledge, however the cards are still dealt randomly

REWARD

- Return to player for winning event
  - May be cash, merchandise, service or anything of value
  - For video games, free games DO NOT constitute reward.
- If the value of the available prize(s) for an individual chance is less than the cost of the chance (consideration), then the contest is not gambling
  - E.G. Duck Pond Game

LEGAL VS. ILLEGAL GAMBLING

- Currently, the only forms of gambling authorized by statute in Pennsylvania are:
  - Gambling activities conducted pursuant to the Horse Racing Industry Reform Act.
  - Pennsylvania Lottery
  - Bingo conducted pursuant to the Bingo Law
  - Gambling activities conducted pursuant to the Local Option Small Games of Chance Act (including tavern games)
  - Gambling activities conducted pursuant to the Pennsylvania Race Horse Development and Gaming Act (slots).

LEGAL VS. ILLEGAL GAMBLING

Commonwealth vs. Betres

"Unlawful gambling is ANY gambling that has not been authorized by Legislature."

COMMON UNLAWFUL GAMBLING ACTIVITIES

- Texas Hold'em Tournaments
- Paddle Auctions
- Casino Nights
- Sports Pools – football, basketball, NASCAR, etc.
- Vertical wheel or "Chuck-a-Luck Wheel"
- Video Gambling Devices - video poker or slots

NONE OF THESE ACTIVITIES ARE AUTHORIZED
BY THE SMALL GAMES OF CHANCE ACT

THE SMALL GAMES OF CHANCE ACT

LEGISLATIVE INTENT

§ 102. Legislative intent

The General Assembly hereby declares that the playing of small games of chance for the purpose of raising funds, by certain nonprofit associations, *for the promotion of charitable or civic purposes*, is in the public interest. In some cases the proceeds from games of chance may be utilized to support certain operating expenses of certain organizations.

The General Assembly hereby declares that raising public funds from games of chance in licensed restaurants and protecting the competitiveness of these restaurants is also in the public interest.

It is hereby declared to be the policy of the General Assembly that all phases of licensing, operation and regulation of games of chance be *strictly controlled*, and that all laws and regulations with respect thereto as well as all gambling laws *should be strictly construed and rigidly enforced.*

The General Assembly recognizes the possibility of association between commercial gambling and organized crime, and wishes to discourage commercialization of small games of chance, prevent participation by organized crime and prevent the diversion of funds from the purposes herein authorized.

(EMPHASIS ADDED)

TYPES OF LICENSES

- Regular License – issued to eligible organizations which own their own premise or lease a specific location to conduct normal business. Permits holders to operate SGOC during entire licensing year. ($125)
- Monthly License - permits eligible organizations with or without a premise to conduct games of chance for a 30-consecutive-day period. ($25)
  - No restriction on number of monthly licenses.
  - Monthly licensing periods may not overlap.

ELIGIBLE ORGANIZATIONS

A charitable, religious, fraternal or veterans' organization, club, club licensee or civic and service association. In order to qualify as an eligible organization for purposes of this act, an organization shall have been in existence and fulfilling its purposes for one year prior to the date of application for a license. The term shall include an affiliated nonprofit organization of a Major League sports team licensed under section 307.

ELIGIBLE ORGANIZATIONS

A Major League Sports Team is one of the following:

- A member of Major League Baseball, the National Hockey League, the National Basketball Association, the National Football League or Major League Soccer.
- A professional sports team affiliated with a team under paragraph (1).
- Any other professional sports team that has a sports facility or an agreement with a sports facility to conduct home games at the facility.
- A stadium, grandstand or bleacher at a closed– course motor facility where spectators are directly observing motor races with NASCAR, Indy, stock or drag racing cars.

CLUB LICENSEE

<u>CLUB</u>

An organization that:

(1) is licensed to sell liquor under section 404 of the liquor code (Hotels, Restaurants & Clubs) ; and

(2) Holds an exemption under section 501(c) or 527 of the IRS code

AUXILIARY GROUPS

- Are NOT eligible to obtain a Regular license or Monthly license.
- Are eligible to conduct SGOC using the license issued to the eligible organization, provided that the auxiliary group is listed on the license and the application.
  - Do not include branches, lodges or chapters of a statewide organization.

THE SMALL GAMES OF CHANCE ACT

APPLICATION

APPLICATION

- Specifies address where games of chance are to be conducted.
- Includes an affidavit relating to who will operate games and where they will be operated.
- Specifies operating day and week.
- Lists responsible persons.
- Lists auxiliary groups.

APPLICATION

Required Documents

FALSE OR FRAUDULENT APPLICATION IS PUNISHABLE BY A FINE OF $1,000, IMPRISONMENT FOR ONE YEAR OR BOTH.

THE FOLLOWING DOCUMENTS MUST BE ATTACHED TO THE APPLICATION (use 8 1/2" X 11" sheets where possible).

1. Check, cashier's check or money order in the amount of the total application fee payable to the licensing authority named on Page 1 of this application.
2. Schedule Sheet.
3. If incorporated, a copy of the applicant's articles of incorporation. If not incorporated, a copy of bylaws or other legal documents that define the organization's structure and purposes. Documentation indicating the organization has been fulfilling its purpose for one year prior to applying for a license is required.
4. A copy of the applicant's Internal Revenue Service tax exemption approval letter or official documentation indicating the applicant is a non-profit charitable organization.
5. Details and copies of all written lease or rental arrangements between the applicant and the owner of premises upon which the games of chance will be conducted, if such premises are leased or rented. If premises are owned, provide a copy of the deed.
6. Effective Feb 1, 2015, each application for a club license with proceeds in excess of $20,000 must include the most recent report filed with the department.

APPLICATION

- The most recent amendments to the Act removed the background check requirement for eligible organizations.
- However…

PAGE 2

11 As the executive officer or secretary of the eligible organization, I certify, under penalties of perjury and falsification found in 18 Pa. C.S.A. §4901 et seq., that:

A. No person under 18 years of age shall be permitted to operate or play games of chance.

B. No person who will manage, set up, supervise or participate in the operation of games of chance has been convicted of a felony, a violation of the Bingo Law, or the Local Option Small Games of Chance Act.

C. The facility in which games of chance are to be played has adequate means of ingress and egress and adequate sanitary facilities available in the area and meets all Department of Health and other local or federal sanitary requirements.

D. The eligible organization is the owner of the premises upon which the games of chance are played; or, if it is not, the organization is not leasing such premises from the owner under an oral agreement, nor is it leasing such premises from the owner under a written agreement as a rental which is determined by the amount of receipts realized from the playing of games of chance or by the number of people attending, except for a banquet where a per head charge is applied connecting to the serving of a meal.

E. The organization has not been convicted of a violation of the Act of Dec. 19, 1988 (P.L. 1262, No. 156), known as the Local Option Games of Chance Act.

I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, all information provided is true, correct and accurate.

Signature of Officer Preparing Application	Date of Birth	Title	Date

Print Name	Social Security Number (Optional)	Telephone Number

APPLICATION

PSP Background Check

- E-Patch - Pennsylvania Access To Criminal History
  - https://epatch.state.pa.us

- Results may take up to two or three week

APPLICATION

Affidavit

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I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, all information provided is true, correct and accurate.

DOES NOT INCLUDE ADMINISTRATIVE VIOLATIONS

Signature of Officer Preparing Application	Date of Birth	Title	Date
Print Name		**Social Security Number (Optional)**	**Telephone Number**

12 **COMMONWEALTH OF PENNSYLVANIA**

COUNTY OF _____

Before me this day personally appeared _____, who, being duly sworn according to law, deposes and says that the statements contained in the foregoing application are true and correct.

Subscribed and sworn to before me this date: _____ Month _____ Day _____ Year

APPLICATION

Responsible Persons

SCHEDULE B – List the following data for all officers, directors, owners and partners. If incorporated, list all officers and shareholders controlling 10 percent or more of outstanding stock. If organized as a partnership, list data for all partners. For all other entities, list data of any other financially responsible person.

Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional)
Complete Mailing Address			Telephone Number
Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional)
Complete Mailing Address			Telephone Number
Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional)
Complete Mailing Address			Telephone Number

SCHEDULE C – List all persons who will be responsible for operation of games of chance, including employees, bar personnel and organizational members or auxiliary members who will obtain and coordinate use of games of chance.

Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional)
Complete Mailing Address			Telephone Number
Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional)
Complete Mailing Address			Telephone Number
Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional)
Complete Mailing Address			Telephone Number

APPLICATION

Responsible Persons

- Changes must be reported to the issuing authority within 15 days.
- Information on file with the issuing authority MUST be accurate.

THE SMALL GAMES OF CHANCE ACT

OPERATION OF GAMES

PERMITTED GAMES

- The Act is very specific as to the games of chance that are permitted. They are:
  - Punchboards
  - Pull-Tabs
  - Raffles
  - Daily Drawings
  - Weekly Drawings
  - 50/50 Drawings
    - Major League Sports Drawing
  - Race Night Games
  - Pools, excluding sports

* Added by Act 184

OPERATION OF GAMES

- Only licensed eligible organizations or auxiliary group managers, officers, directors, bar personnel or bona fide members of the licensed eligible organization may conduct games of chance.

-Except the sale of raffle tickets and Major League Sports Drawings.

- A person may not be compensated for conducting games of chance.

-Except the sale of Major League Sports Drawings.

OPERATION OF GAMES

(CONTINUED)

- No person under the age of 18 may operate or participate in S.G.O.C.

- A person visibly intoxicated may not purchase or sell a punchboard or pull-tab chance.

OPERATION OF GAMES

(CONTINUED)

- An officer or employee of a club licensee who operates a game of chance shall not participate in the game.
  - This does not apply to a raffle.

- Intent of Subsection

To prohibit persons with inside knowledge, influence or control of a game from participating in that game in an effort to prevent any fraudulent or criminal activities.

OPERATION OF GAMES

(CONTINUED)

- What is meant by the phrase, “operates a game of chance?”
  - As the wording, “the game of chance "and not “games of chance” is used in the Subsection it is not a blanket prohibition for officers and employees of club licensee.

  - The prohibition would apply only to those particular games in which they participated in the operation.

OPERATION OF GAMES

(CONTINUED)

- When determining whether an individual's involvement in a specific game of chance constitutes "OPERATING", the following activities should be considered:
    - selling of chances
    - paying winners
    - note-taking or recording of information (winners, payouts, etc. of the individual game)
    - involvement in the process of selecting a winner

OPERATION OF GAMES

(CONTINUED)

- No person who has be convicted of a Felony within the last five years or of a violation of the S.G.O.C. Act or Bingo Act within the past ten years may:
  - Manage S.G.O.C.
  - Set-up S.G.O.C.
  - Supervise S.G.O.C.
  - Participate in the operation of S.G.O.C.

THE SMALL GAMES OF CHANCE ACT

USE OF PROCEEDS

USE OF PROCEEDS

PROCEEDS - Defined in the Act as the difference between:

- the actual gross revenue collected by a licensed eligible organization from a game of chance; and
- the actual amount of (-)prizes paid by a licensed eligible organization from a game of chance, and the (-)cost to purchase games of chance.

S.G.O.C. Math

Gross Revenue from Game($$$)

- Prizes ($)

<u>- Costs ($)</u>

= PROCEEDS ($)

EXAMPLE OF RAFFLE PROCEEDS

$1000 Sale of 1000 tickets

- $ 100 Printing Costs

- $ 500 Prizes

= $ 400 Proceeds

USE OF PROCEEDS

Bank Accounts

- An eligible organization with proceeds from games of chance that exceed $40,000 per yr. shall maintain a bank account, which shall be separate from all other funds belonging to the licensed eligible organization.

Note –

- Once an organization accumulates $40,000, a separate bank account shall be established.
- It is recommended that organizations maintain a separate account for any amount

  of proceeds.

USE OF PROCEEDS
(CONTINUED)

- The proceeds from the operation of small games of chance by an eligible organization may be used for <u>only</u> four purposes:
  - purchase of small games of chance
  - public interest purposes (60%)
  - expenses for club licensees (40%)
  - for the payment of the license fee

USE OF PROCEEDS
(CONTINUED)

- PROCEEDS FROM SGOC SHALL NOT BE UTILIZED FOR THE PAYMENT OF ANY FINE LEVIED AGAINST THE CLUB LICENSEE.

USE OF PROCEEDS

(CONTINUED)

Public interest purposes are defined in the Act as:

1. The activities and operations of a nonprofit organization that provides a benevolent, charitable, religious, educational, philanthropic, humane, scientific, patriotic, social welfare, social advocacy, public health, public safety, emergency response, environmental, historic or civic objective.

2. Initiating, performing or fostering worthy public works or enabling or furthering the erection or maintenance of public structures.

USE OF PROCEEDS

(CONTINUED)

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

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

5. Nonprofit youth sports activities.

6. Activities related to the provision of volunteer fire, ambulance or rescue services.

USE OF PROCEEDS

(CONTINUED)

7. Activities conducted by a veterans organization, whether or not the veterans organization holds a CLUB license:

-Scholarships

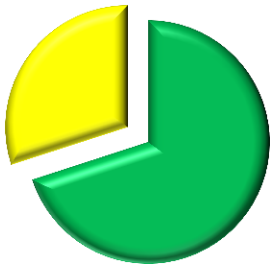
- Services to economically or socially support veterans.
- Activities to honor veterans
- Other activities that qualify under paragraphs 1,2,3,4,5, and 6.

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

USE OF PROCEEDS

CLUB LICENSEES

- The proceeds from games of chance received by a <u>club</u> licensee shall be distributed as follows:
  - No less than 60% of the proceeds shall be paid for public interest purposes within one year of the end of the calendar year in which the proceeds were obtained.
  - No more than 40% of the proceeds obtained in a calendar year may be retained by a club licensee.



USE OF PROCEEDS
CLUB LICENSEES

- Amounts retained by a club licensee (40%) shall be expended within one year of the end of the calendar year in which the proceeds were obtained unless the club licensee notifies the department that funds are being retained for a substantial public interest purchase or project.

  (what if their proceeds are under $20,000, no submission required)?

- If in a calendar year beginning January 1, 2013, the proceeds from games of chance for a club licensee are $40,000 or less, the licensee shall be eligible to retain the first $20,000 in proceeds in the following calendar year before the 60/40 split applies.

USE OF PROCEEDS
CLUB LICENSEES

The intent of the legislation is that the 60% of SGOC proceeds are to be utilized in the "public interest."

- Expenditures must benefit the public, not only the members of the organization.
  - e.g. scholarships, color guard, etc.

Any attempts to divert these funds from their intended purpose will likely result in prosecution.

EXAMPLES OF "PUBLIC INTEREST PURPOSE" EXPENSES

- Support of youth programs
  - e.g. sports, youth centers, etc.
- Donations to food pantries
- Community projects
- Donation to <u>certain</u> charitable or non-profit organizations
  - "Non-profit" does not necessarily indicate an organization serves a "public interest purpose."
- Purchase of fire and rescue equipment

AFFILIATED CLUBS

- A club licensee may provide funds from proceeds to a veterans organization or volunteer fire company or an organization affiliated with a veterans organization or volunteer fire company that conducts activities that include public interest activities.

THE SMALL GAMES OF CHANCE ACT

PRIZE LIMITS

PRIZE LIMITS

- General Prize limits:
  - $2,000 for single chance.
  - $35,000 total for operating week.

PRIZE LIMITS

(CONTINUED)

- Prize limit for raffles:
  - $15,000 per calendar month.

Exception – Special Permit Raffle

- $150,000 per year. ($250,000 for certain organizations)
- No $2,000 limit on individual chance.
- Prizes not included when calculating weekly total.

- There are additional exceptions for Daily and Weekly Drawing prizes under specific circumstances and for Major League Sports Drawings.

THE SMALL GAMES OF CHANCE ACT

DISCUSSION OF INDIVIDUAL GAMES

DAILY DRAWINGS

- Requirements:
  - Chances may only be purchased by bona fide members.
  - May only be sold on the licensed premises.
  - No more than $1 per chance.
  - No more than one chance per member.
  - Generally the drawing must occur during the same operating day in which chances were sold, however Immediately following a drawing, chances may be sold for the next day's drawing.
  - No requirement that person be present.
    - May not reduce prize if winner is not present.

DAILY DRAWINGS

(CONTINUED)

- May be operated in the same week as “Weekly Drawings”
- No restriction on the number of daily drawings permitted in an operating day.

- BONA FIDE MEMBER
  - Any individual who holds a membership in the eligible organization as defined by that organization's constitution, charter, articles of incorporation or bylaws.
    - Social members may or may not be “bona fide members.”
    - Ensure by-laws permit social members.

DAILY DRAWINGS

(CONTINUED)

- Daily Drawing prize limits
  - Generally subject to $2,000/chance limit and prizes are added when calculating $35,000/week prize limit.
  - EXCEPTIONS:
    - Prize may exceed the $2,000 per chance limit if a portion of the prize is a “carryover” of a drawing with <u>no</u> winner.
    - Not applicable if no drawing is held.

DAILY DRAWINGS

(CONTINUED)

- PRIZE LIMIT EXCEPTIONS (continued)
  - Prizes in daily drawings may cause an organization's prize total to exceed the $35,000 weekly limit if the drawing is set up to pay out 100% of the gross revenues.
    - In this case, the prizes are not added to the weekly total.
    - Such prizes may not, however, exceed the $2,000 per chance limit unless it is paid pursuant to a "carryover" drawing.
  - The rules of the game must be prominently displayed.

WEEKLY DRAWINGS

- Requirements:
  - Chances may only be purchased by <u>bona fide members.</u>
  - May only be sold on the licensed premises.
  - No more than $1 per chance.
  - One drawing per operating week.
    - Drawing MUST be conducted during same operating week in which chances were sold.

WEEKLY DRAWINGS

- Requirements (Continued):
  - More than one chance per member permitted.
    - The eligible organization's rules dictate how many and in what manner.
  - No requirement that person be present.
    - May not reduce prize if winner is not present.
  - May be operated in same operating week as "Daily Drawings."

WEEKLY DRAWINGS

(CONTINUED)

- Weekly Drawing prize limits:
  - Prize may exceed $2,000 per chance limit.
  - Generally prizes in a weekly drawing are added when calculating aggregate (weekly) prized totals. ($35,000 per week limit.)

  - EXCEPTION
    - A weekly drawing may also exceed the $35,000 prize limit if it is set up to pay out 100% of the revenues generated.
      - In this case, the prizes are not added when calculating the organization's weekly prize total.

CLAIMING OF DAILY/WEEKLY DRAWING PRIZES

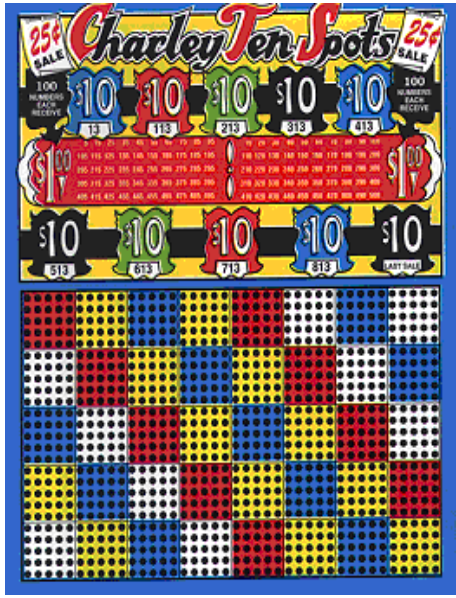
- The name of a daily/weekly drawing prize winner or the fact that a winner was not selected must be prominently displayed on the licensed premises for at least 7 days after the drawing date.
- If a winner does not claim a prize within 7 days of the drawing, the eligible organization shall notify the winner of the prize and the requirements for claiming the prize.
- A daily/weekly drawing winner shall claim the prize in person and sign for receipt of the prize.
- A prize shall be claimed within 30 days from the date of the drawing.

CLAIMING OF DAILY/WEEKLY DRAWING PRIZES

- If prizes are unclaimed within 30 days, the prize amount shall be added to proceeds.

PUNCHBOARDS

- A Punchboard must comply with the following:
  - Must be purchased from licensed distributor.
  - Minimum 60% payout.
  - Winning punchboard plays should be perforated, punched or marked when redeemed.
  - Prize for individual punch may not exceed $2,000. No exceptions.
  - Flare provided by manufacturer must be unaltered and on display.
  - May substitute prizes if value of prizes meets all requirements.
  - All winners must be predetermined by the manufacturer.

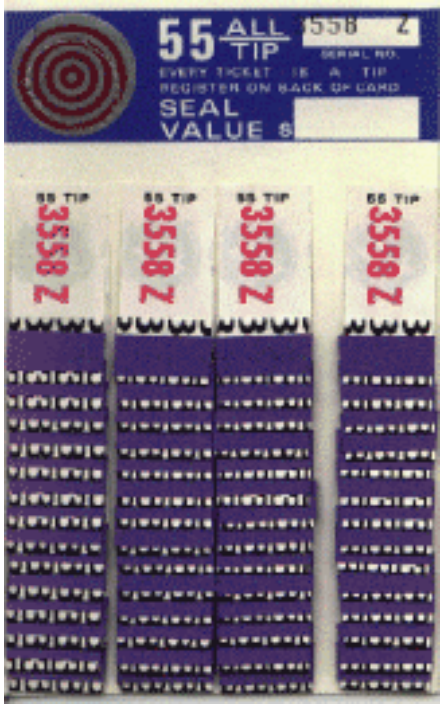


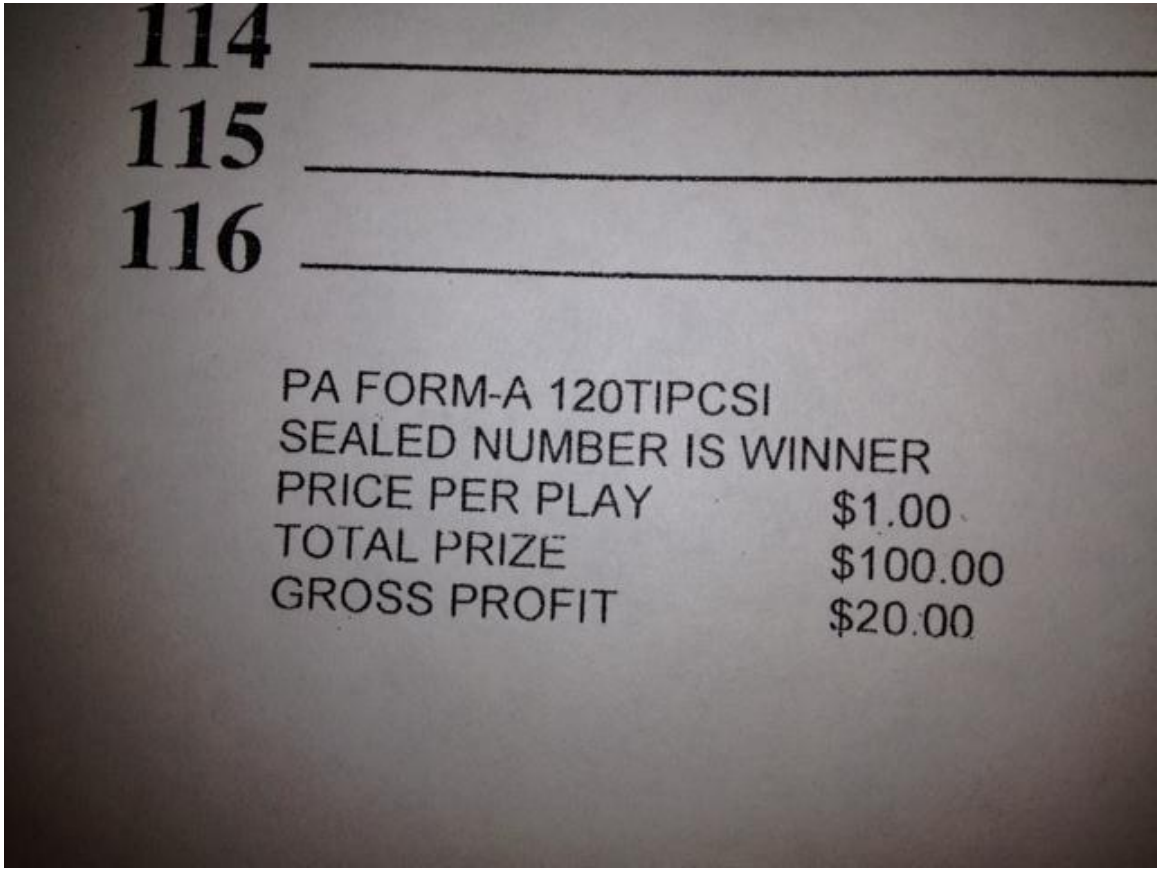
PULL-TABS

- A pull-tab deal must comply with the following:
  - Must be purchased from licensed distributor.
  - Minimum 65% payout.
  - Prize for individual pull-tab may not exceed $2,000. No exceptions.
  - Flare provided by manufacturer must be unaltered and on display.
  - May substitute prizes if value of prizes meets all requirements.
  - No more than 4,000 pull-tabs per deal.
  - Only one flare displayed per deal.
  - Winners and prizes must be predetermined by the manufacturer.

PULL-TABS
(CONTINUED)

- Tip Boards are a form of pull-tab
  - Must meet all requirements for pull-tabs.
  - Prizes must be predetermined by manufacturer.
  - Winning pull-tabs are to be perforated, punched or marked when redeemed.

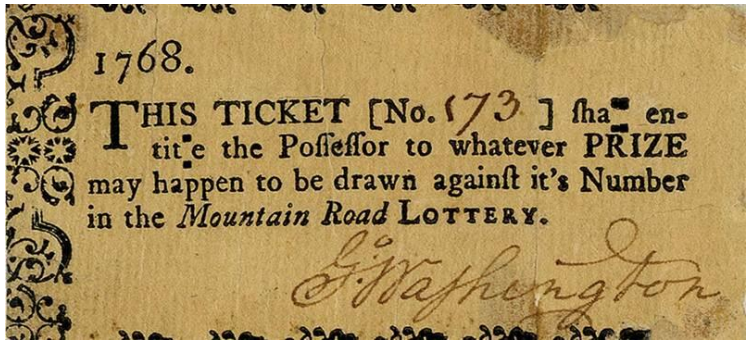




MINIMUM INFORMATION ON REVERSE OF TIP BOARD

RAFFLES

- Two types:
  - "Regular" Raffle
    - May be conducted by any licensed eligible organization.
  - Special Permit Raffle
    - Permit is obtained through the issuing authority.
    - A permit is valid for only one raffle.


1768.

THIS TICKET [No. 173] ſha⸗ en-
tit⸗e the Poſſeſſor to whatever PRIZE
may happen to be drawn againſt it's Number
in the *Mountain Road* LOTTERY.

G. Washington

RAFFLES

"Regular" Raffles

- Subject to $2,000 per chance prize limit.
- Prizes counted towards $35,000 weekly limit.
- Limited to $15,000 per calendar month in total prizes.
- Monthly licensees must sell all chances and award prizes during their licensing period.

RAFFLES

Special Raffle Permit

- General prize limits do not apply.
  - No $2,000 per chance prize limit.
  - No $15,000 per month prize limit.
  - Prizes not added when calculating weekly prize totals.
- May award a total of $150,000 in prizes per calendar year in special permit raffles.
  - $250,000 for volunteer fire, ambulance, rescue or conservation organizations.
- Licensed organizations may apply for 10 per license year.
- Volunteer fire, ambulance, rescue or conservation organizations may apply for 12 per license year.

RAFFLES

(CONTINUED)

Both types of raffles must comply with the following:

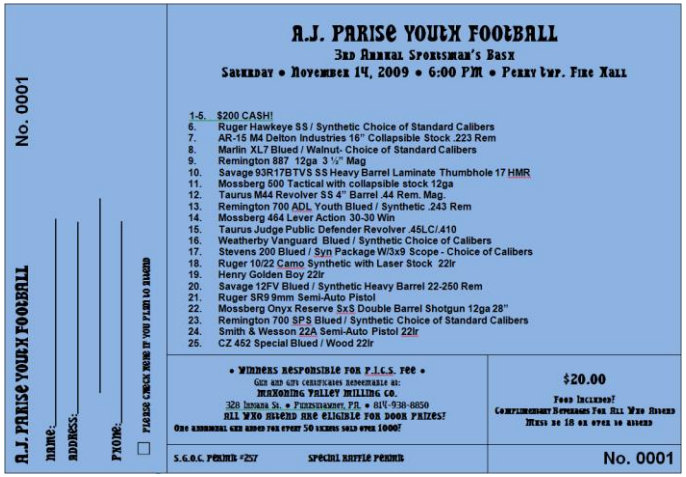
- Ticket printing requirements:
  - Must be sequentially numbered and have a detachable stub with the same number.
  - Stub must contain the purchaser's name address and phone number.
  - Must be accounted for by the use of a logbook showing to whom they were given to be sold.

RAFFLES

(CONTINUED)

Minimum information required on ticket:

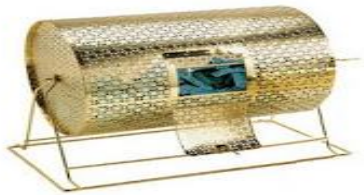
- The date, time and location of the drawing.
- The name of the licensee.
- SGOC license number.
- Special raffle permit number, if applicable.
- The cost of the ticket.
- A description of the available prizes.



RAFFLES

(CONTINUED)

- There <u>must</u> be a winner in a raffle.
  - The eligible organization my NOT be a ticket holder and is not eligible to win.
- Drawing must be conducted in plain view of players present.



  - Use of state lottery number is permissible.
    - Only when tickets sales equal the total possible numbers.
    - e.g. 1000 tickets must be sold to utilize the daily number.
- Winners need not be present.
- Tickets do not have to be purchased from licensed distributors.
  - must provide the printer with a copy of your S.G.O.C. license and Special Raffle Permit, if applicable.

RAFFLES

(CONTINUED)

The term “Raffle” includes “Raffle Auctions”, defined as:

- A game of chance in which a participant buys a ticket for a chance to win a prize as follows:
  - Tickets are placed in a location assigned to a particular prize.
  - The winner of each prize is determined by a random drawing of a ticket that corresponds to the ticket held by the participant.

(“Raffle Auctions” are also referred to as
Basket Raffles & Chinese Auctions)

Sample Basket Raffle Ticket

Pre-Sell

FRONT

SAMPLE YOUTH CENTER
BASKET RAFFLE

Name_____

Address_____

_____

Phone#_____

0001

SAMPLE YOUTH CENTER
BASKET RAFFLE

DATE: *July 26th, 2013*
TIME: *8:00 PM*
LOCATION: *Sample Youth Center, Any Town, Pa.*

Winner determined by random drawing.
You do not need to be present to win.
- PRIZES LISTED ON REVERSE -

$1.00
(five chances to win!)

SGOC LIC. #: 1234

0001

0001
0001
0001
0001
0001

REVERSE

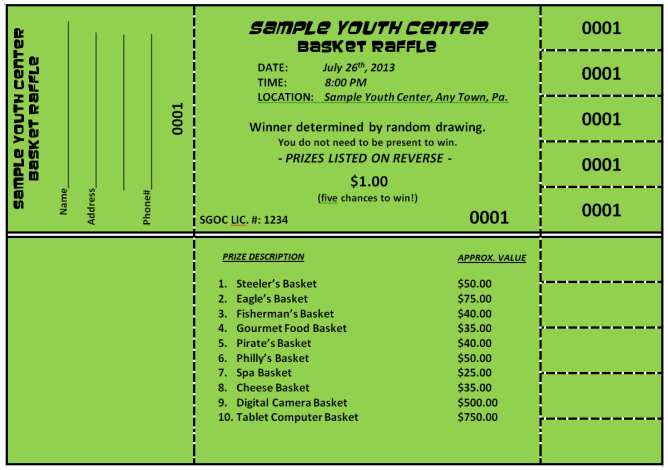
PRIZE DESCRIPTION	*APPROX. VALUE*
1. Steeler's Basket	$50.00
2. Eagle's Basket	$75.00
3. Fisherman's Basket	$40.00
4. Gourmet Food Basket	$35.00
5. Pirate's Basket	$40.00
6. Philly's Basket	$50.00
7. Spa Basket	$25.00
8. Cheese Basket	$35.00
9. Digital Camera Basket	$500.00
10. Tablet Computer Basket	$750.00

Sample Basket Raffle Ticket

Prizes On Display

001 Name_____ Address_____ Phone_____	**BASKET AUCTION** **(Sponsored By)** **(Benefit Of)** **(Date of event)** **(Location)** **(Cost of Ticket)** **Drawing will be held on (date) at (time)** **Prizes to be Awarded Are On Display** SGCL #_____ 001	**001**	**001**	**001**	**001**	**001**
		001	**001**	**001**	**001**	**001**
		001	**001**	**001**	**001**	**001**
		001	**001**	**001**	**001**	**001**

Sample Basket Raffle Ticket



SAMPLE YOUTH CENTER
BASKET RAFFLE

Name_____
Address_____
Phone#_____

0001

SAMPLE YOUTH CENTER
BASKET RAFFLE

DATE: *July 26th, 2013*
TIME: *8:00 PM*
LOCATION: *Sample Youth Center, Any Town, Pa.*

Winner determined by random drawing.
You do not need to be present to win.
- PRIZES LISTED ON REVERSE -

$1.00
(five chances to win!)

SGOC LIC. #: 1234

0001

0001
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0001

PRIZE DESCRIPTION	APPROX. VALUE
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7. Spa Basket	$25.00
8. Cheese Basket	$35.00
9. Digital Camera Basket	$500.00
10. Tablet Computer Basket	$750.00

- Complies with raffle ticket printing requirements.
- Increases accountability.
- Allows organization to identify and contact winners.
- Permits game to be played and winners to be selected in the traditional manner.

Calendar Raffles

Caution

Can be legal?

Problems:

- One SGOC license
- Length of game (from sales to drawing)
- Price limitations (15,000 per month)
- Special raffle requirements
- Printing requirements
- Record keeping

50/50 Drawings

A game in which:

- A participant buys a ticket for a chance to win a prize where the winner is determined by a random drawing of corresponding tickets sold for that drawing.
- The prize paid to the winner is comprised of one-half of the money collected from tickets from the drawing and the remaining money retained by the eligible organization for distribution in accordance with this act.

50/50 Drawings

Proposed Guidelines for Operation

- Tickets:
  - Two part Individually numbered.
  - Ticket and stub have same number.
- Operation:
  - Tickets sold individually.
    - No “arms length”, etc.
    - Simplifies recordkeeping.
    - Reduces opportunities for theft and fraud.

50/50 Drawings

Proposed Guidelines for Operation

(CONTINUED)

- Drawing:
  - Conducted in plain view of players.
- Prizes:
  - Half of money collected must be paid to winner.
  - All prize limits apply.
    - $2,000 per chance prize limit.
    - Prizes are added when calculating weekly prize total.

MAJOR LEAGUE SPORTS DRAWING

- GENERAL RULE
  - A person may purchase one or more major league sports drawing tickets at a home game.
    - no more than one major league sports drawing per home game.
    - no sales permitted in designated family sections.
  - Each ticket purchased shall represent one entry in the drawing.
  - A single ticket shall be randomly chosen as the winner after a certain number of tickets are sold or a specified time period expires as designated by the affiliated nonprofit organization.

MAJOR LEAGUE SPORTS DRAWING

DESIGNATED CHARITABLE ORGANIZATION

- The affiliated nonprofit organization conducting the major league sports drawing shall disclose to all ticket purchasers the designated charitable organization for which the major league sports drawing is being conducted.

- The designated charitable organization must:
  - be in existence and fulfilling its purposes for at least two years prior to the drawing
  - be eligible for exemption under section 501(c)(3) of the internal revenue code.
    - A political subdivision shall not qualify as a charitable organization.

MAJOR LEAGUE SPORTS DRAWING

PRIZE DISTRIBUTION

- The prize amount of a major league sports drawing shall be 50% of the total amount collected from the sale of tickets.
- The other 50% of the total amount collected from the sale of tickets shall be donated within seven days from the date of the drawing to the designated charitable organization for which the drawing was conducted.
- Up to 2% of the total amount collected my be used for:
  - Employing individuals 18 years of age or older to sell tickets.
  - Administrative expenses directly related to conduct of the drawing.

MAJOR LEAGUE SPORTS DRAWING

$1000 in gross proceeds

-$500 for prizes (50% of gross proceeds)

-$(?) amount paid to employees to sell tickets

-$(?) administrative expenses

(may not exceed 2% of the total amount collected)

= $(?) amount donated to designated charity

MAJOR LEAGUE SPORTS DRAWING

PRIZE LIMITS

- Prizes in Major League Sports Drawings and not subject to the general prize limits.
  - May exceed the $2,000 per chance limit
  - May exceed the aggregate or weekly $35,000 limit.

Unclaimed prizes shall be donated within 30 days from the end of the season to the designated charitable organization for which the major league sports drawing was conducted.

RACE NIGHT GAMES

"Race Night Game." – A game of chance in which multiple participants entry fees or wagers on a prerecorded horse race displayed on a single screen to multiple participants simultaneously during a gaming session.

- May not exceed eight consecutive hours.
- May not be conducted more frequently than once a month.
- Term does not include an instant racing machine, historical racing machine or other similar pari-mutuel device.
- Must be purchased from a licensed distributor.
- Must be operated by bona fide members of the eligible organization.

POOLS

POOLS

(continued)

"Pool."– An activity in which a person pays an entry fee for each chance to win cash or merchandise based on the outcome of an event or series of events wherein the participants in the event or series of events are natural persons or animals, and to which all of the following apply:

- The maximum number of individuals that may participate in a pool is 100 people.
- The maximum entry fee for each individual entry in a pool is $20.
- Other than the entry fee, no other money or thing of value is paid or given for participation in a pool.

POOLS

(continued)

- There is at least one guaranteed winner from the participants.

- All entry fees collected for entry into the pool are paid as prizes to one or more participants in the pool.

- No entry fees or portions thereof are retained by the person or eligible organization operating the pool.

ADVERTISING

- GENERALLY:
  - It is unlawful to advertise prizes or their dollar value.
    - Applies to a games of chance

- EXCEPTION:
  - Prizes and their value may be displayed on a raffle ticket.
  - Prizes and their values may be advertised in a publication limited in circulation to members.

Advertising prohibition <u>does not</u> apply to

Major League Sports Drawings

THE SMALL GAMES OF CHANCE ACT

LICENSED PREMISES AND LOCATION OF GAMES

LICENSED PREMISES AND LOCATION OF GAMES

- An Eligible Organization shall identify its licensed premises on its license application and games shall be conducted at that premises.

LICENSED PREMISES AND LOCATION OF GAMES

(CONTINUED)

- GENERAL RULE

An eligible organization that holds a license and that is not a Club Licensee may conduct small games of chance in the county where the license is issued at a premises which is; (?)

- The operating site of the eligible organization or
- A premises or other location not prohibited by local ordinance, and for which the treasurer has been notified…

LICENSED PREMISES AND LOCATION OF GAMES

(CONTINUED)

If the following apply:

- No more than three (3) licensees, including the licensee that owns or leases the premises, may conduct SGOC simultaneously at a premises or location.
- Shall ensure that the conduct of SGOC by different organizations are separate and clearly identified within a premises or location.
- A licensee that is not a Club Licensee may conduct SGOC simultaneously with the conduct of SGOC by a Club Licensee on not more than three (3) occasions covering a total of seven (7) days during the year.

LICENSED PREMISES AND LOCATION OF GAMES

(CONTINUED)

Club Licensees

- If a Club License is unable to conduct SGOC at the location listed on its application and license due to natural disaster, fire or other circumstances that render the location unusable, the Club Licensee may submit a written request to the District Attorney to conduct SGOC in a different location, including the licensed premises of another eligible organization.
  - The request must include the change in the location.
  - The request must include the dates and times the SGOC will be operated.

LICENSED PREMISES AND LOCATION OF GAMES

(CONTINUED)

Club Licensees

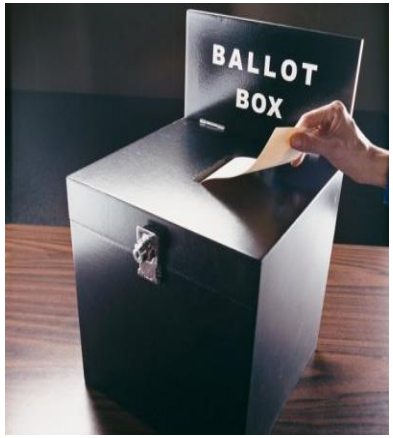
- If a Club Licensee permits another Club Licensee to use its licensed premises to conduct SGOC under certain circumstances, the host Club Licensee must cease its operation of SGOC during the time the Club Licensee utilizing its premise is conducting its SGOC.

LICENSED PREMISES AND LOCATION OF GAMES

(CONTINUED)

EXCEPTIONS – *Raffle Ticket:*

- Raffle tickets may be sold in any municipality that has approved a small games of chance referendum.
  - If a licensed organization plans to sell raffle tickets in a county other than that in which it is licensed, they must notify the District Attorney and licensing authority of the other county as to the dates and location of sales.



LICENSED PREMISES AND LOCATION OF GAMES

(CONTINUED)

Major League Sports Drawings

A major league sports drawing may be conducted by the affiliated nonprofit organization during a charitable event held within the same arena, stadium, grandstand, bleachers or other facility during a home game or car race of the major league sports team. Drawings may only be held within spectator areas within the arena, stadium, grandstand or bleachers where the home game or car race is being conducted and not at ancillary areas or facilities, including parking areas, restaurants and bars or areas outside the arena, stadium, grandstand or bleachers or areas where the sport is shown on remote electronic equipment.

GAMBLING ON P.L.C.B. LICENSED PREMISES

GAMBLING ON P.L.C.B. LICENSED PREMISES

- Generally, gambling on a P.L.C.B. licensed premises is illegal.

GAMBLING ON P.L.C.B. LICENSED PREMISES

(continued)

- Even activities that would be permissible elsewhere, are not permitted on P.L.C.B. licensed establishments.
  - Example:
    - Sale of raffle tickets (with no S.G.O.C. license)
- Commonwealth vs. Kehler

GAMBLING ON P.L.C.B. LICENSED PREMISES

(continued)

- Where all three elements of gambling exist, if one or more element occurs on a P.L.C.B. licensed premise, gambling is considered to have occurred on the premise.
  - Example: Dice & Poker Runs – the element of chance FREQUENTLY occurs on P.L.C.B. licensed premises.

GAMBLING ON P.L.C.B. LICENSED PREMISES

(CONTINUED)

- If a P.L.C.B. licensee wishes to permit another organization to conduct S.G.O.C. or bingo on their premise, that organization MUST have a valid SGOC/Bingo license and registered as a charitable organization with the Pennsylvania Department of State.
  - Specific exemption to self sponsored tournament, contest or event regulations, Title 40 – 5.32(4).
  - Administrative violation for the P.L.C.B. licensee.

THE SMALL GAMES OF CHANCE ACT

REQUIRED RECORDS

REQUIRED RECORDS

- GENERAL REQUIREMENTS
  - Generally SGOC records must be maintained for a period of two years.
    - From last day of month in which game ended.
  - Club licensees must retain records for five years.
  - Records must include separate totals for each operating week.

REQUIRED RECORDS

(CONTINUED)

- GENERAL RECORDS INCLUDE:
  - Number of W-2G forms issued and the gross winnings reported
  - Gross revenue collected
  - Total expenses
  - Total prizes paid
  - Total Proceeds
    - MUST be maintained in a separate bank account if proceeds exceed $40,000 in current or previous year.
  - Amount of proceeds used for public interest purposes

REQUIRED RECORDS

(CONTINUED)

- GENERAL RECORDS FOR CLUB LICENSEES INCLUDE:
  - Number of W-2G forms issued and the gross winnings reported.
  - Gross revenue collected, itemized by week and type of game.
  - Total expenses, itemized by week and type of game.
  - Total prizes paid, itemized by week and type of game.

.

REQUIRED RECORDS
(CONTINUED)

REPORTABLE WINNINGS/ W-2G

- When an organization awards a prize in excess of a specified amount on a single chance, the organization is responsible to issue and file a W-2G.
  - Unless the winnings are from poker, keno, bingo, or slot machines, you must report a payment of winnings, including raffle prizes, when the amount paid is:
  - $600 or more, <u>AND</u> at least 300 times the amount of the wager.
  - In determining whether the $600 threshold is met, you may reduce the winnings by the amount of the wager.

- IRS Publication 3079

REQUIRED RECORDS

(CONTINUED)

- GENERAL RECORDS FOR CLUB LICENSEES (CONTINUED):
  - Proceeds, itemized by week and type of game, detailing the following:
    - Verification and itemization of amounts distributed for public interest.
      - Dates, recipients and amounts.

REQUIRED RECORDS

(CONTINUED)

RAFFLES

- Record for each raffle should include:
  - Gross proceeds received.
  - Expenses.
  - List of merchandise, prizes and their receipts.
  - Names and address for all winners over $600.
  - Cash value of all prizes.

REQUIRED RECORDS
(CONTINUED)

DAILY AND WEEKLY DRAWINGS

- Eligible organization's records must include:
  - Type of drawing (daily and/or weekly).
  - Operating day or week in which chances are sold and the date/time of drawing.
  - List of entrants and each entrant's assigned number.
  - Gross proceeds and payout percentage.
  - Winner's name. (and address if > $600)
  - Winner's signed acknowledgment of receipt of prize.
  - Notation if the drawing is a "carryover" and the amount carried over.

REQUIRED RECORDS

(CONTINUED)

PUNCH-BOARDS AND PULL-TABS

- Punch-Board and Pull-Tab records should include:
  - Name and serial number of games.
  - Date placed into and removed from play.
  - Total number of plays in each game.
  - Cost per play, cost of prizes paid and cash value of all prizes in games.
  - If a prize is awarded in excess of $600:
    - The form and serial number of the game.
    - The name of the game.
    - Date of win.
    - The amount of cash or the cash value and description of merchandise.
    - The full name and address of the winner.

REQUIRED RECORDS

(CONTINUED)

PUNCH-BOARDS AND PULL-TABS (CONTINUED)

- All unplayed chances must be retained for two years
- All winning chances for prizes in excess of $600 must also be retained for two years.

-we recommend they keep all winning ticket, this provides the opportunity to recreate the game if necessary.

REQUIRED RECORDS

(CONTINUED)

50/50 DRAWINGS/ RACE NIGHTS/POOLS

- Proposed

- Records should include:
  - Date ticket sales commenced.
  - Date ticket sales ended.
  - Total number of chances sold.
  - Cost per chance.
  - Expenses directly related to the operation of the game.
    - For 50/50's the cost of tickets used in the specific drawing, not the entire roll unless used in its entirety.
  - Amount of prize paid.
  - If a prize is awarded in excess of $600:
    - The full name and address of the winner.

REQUIRED RECORDS

(CONTINUED)

- Additionally, separate annual records must be kept for:
  - The number and amount of all prizes awarded in excess of $600.
  - The total amount of all prizes awarded in each 7-day period.
  - The amount of raffle prizes awarded each month.

THE SMALL GAMES OF CHANCE ACT

REPORTING REQUIRMENTS

REPORTING REQUIREMENTS

All Eligible Organizations are required to maintain RECORDS, not to be confused with REPORTING requirements.

REPORTING REQUIREMENTS

(CONTINUED)

Beginning Feb. 1, 2015:

- CLUB LICENSEES with proceeds from games of chance exceeding $20,000, are required to electronically file annual reports with the Department of Revenue.

  - Effective February 1, 2015, those club licensees required to submit an annual report shall include a copy of their most recent report filed with their application.

REPORTING REQUIREMENTS

(CONTINUED)

Club licensees will have to report the following:

- Number of W-2G forms issued.
- Total gross winnings reported on W-2G forms.
  - Gross revenue, expenses, prizes, and net proceeds itemized by week and type of game.
  - Distribution of proceeds (from 60%) for pubic interest purposes, including details regarding the date(s) distributed, name of recipient(s) and the amount(s) distributed;
  - Distribution of Proceeds for club expenses or amount set aside for future public interest purchase or project (from 40%)*
  - Expenditures of amount set aside (from a prior reporting period) for Public Interest purchase or project including date and description of the purchase or project.

REPORTING REQUIREMENTS

(CONTINUED)

*Club licensees that file an annual report that retain games of chance proceeds for a substantial purchase or project are required to give notice of the retention to the department.

SCREEN SHOTS OF THE DEPT. OF REVENUES WEB PAGE

Games of Chance - Report Entry and Search

TEST

- Home
- Enter Report
- Search Report
- Frequently Asked Questions
- Exit

ANNUAL CLUB LICENSEE REPORT

☑

ORGANIZATION INFORMATION

* = Field is Required

NAME OF ORGANIZATION: D N AGNIHOTRI Co

GAMES OF CHANCE LICENSE NO.: 357345934

REPORTING YEAR (YYYY): 2013

FEIN/SSN: 125436754 FEIN

*GAMES OF CHANCE LICENSE EXPIRATION DATE (MM/DD/YYYY): 12/31/2010

*LID NUMBER : 4365453

*ADDRESS LINE 1: 607 Myrtle lane

ADDRESS LINE 2: Four Squire

*CITY: New Cumberland

STATE: PA

*ZIP: 17109-2365

*COUNTY: Lehigh

*MUNICIPALITY/TOWNSHIP: Bethlehem

CONTACT PERSON: Dave McDade

EMAIL ADDRESS: damcDade@pa.Gov

CONTACT PHONE NO: 717-787-3589

YOUR NAME: Kalpesh Mehta

YOUR TITLE: Manager

YOUR PHONE NO: 717-608-9607

SECTION 1 W-2G REPORTING

Number of W-2G Forms: Enter the number of W-2G forms issued for winnings awarded in games of chance. If no forms were issued, enter zero.

Gross winnings reported on W-2Gs: Enter total gross winnings for all games of chance reported on W-2G forms (W-2G form, box 1).

W-2G REPORTING

* = Field is Required

* No. of W-2G forms	* Gross winnings reported on W-2Gs
[illegible]	[illegible]

SCREEN SHOTS OF THE DEPT. OF REVENUES WEB PAGE

TEST

Home
Enter Report
Search Report
Frequently Asked Questions
Exit

ANNUAL CLUB LICENSEE REPORT

ORGANIZATION INFORMATION

* = Field is Required

NAME OF ORGANIZATION: D N AGNIHOTRI CO

GAMES OF CHANCE LICENSE NO.: 357345934

REPORTING YEAR (YYYY): 2013

SECTION 2 – ANNUAL REPORTING TOTALS OF GAMES AND PROCEEDS

Complete the columns and itemize by operating week for each type of game of chance. Only report information for games of chance completed during the operating week.

Operating Week: Enter the beginning and end date of the operating week.

Type of Game: Select the type of game, such as pull-tabs, punchboards, raffles, special permit raffles, 50/50 drawing, daily drawings and weekly drawings.

Gross Revenue: Enter the total gross revenue collected for the type of game.

Total Expenses: Enter total expenses and other costs related to the purchase for the type of game, such as the cost of games and merchandise, cost of printing and cost to purchase materials for daily drawings, weekly drawings and raffle tickets.

Total Prizes: Enter the total amount of prizes paid out for the type of game.

Proceeds: Enter the total amount of proceeds collected from the operation of games of chance for the type of game. To calculate total proceeds, subtract total expenses and total prizes from gross revenue.

Prior Calendar Year Total Proceeds: If the annual total proceeds are $40,000 or less for the prior calendar year, check yes to calculate the $20,000 discount.

* Week Begin Date (MM/DD/YYYY):
* Week End Date (MM/DD/YYYY):
* Type of Game: Select
* Gross Revenue:
* Total Expenses:
* Total Prizes:
* Proceeds:

SCREEN SHOTS OF THE DEPT. OF REVENUES WEB PAGE

* Week Begin Date (MM/DD/YYYY):
* Week End Date (MM/DD/YYYY):
* Type of Game: Select
* Gross Revenue:
* Total Expenses:
* Total Prizes:
* Proceeds:

Add Clear

ANNUAL REPORTING TOTALS OF GAMES AND PROCEEDS ITEMIZED BY WEEK AND TYPE OF GAME

* One Complete Row in this table is required

	Week Begin Date	Week End Date	Game Name	Gross Revenue	Total Expenses	Total Prizes	Proceeds
Select	01/01/2010	01/07/2010	Raffles	$1,111.00	$2,222.00	$3,333.00	$44,444.00
Select	01/01/2010	01/07/2010	Daily Drawings	$500.00	$0.00	$500.00	$0.00
Select	01/01/2010	01/07/2010	Pull-Tab Game	$4,000.00	$200.00	$2,800.00	$1,000.00
Select	01/01/2010	01/07/2010	Race Night Games	$1,000.00	$50.00	$550.00	$400.00
Select	01/01/2010	01/07/2010	50/50 Drawing	$400.00	$0.00	$200.00	$200.00
Select	01/01/2010	01/07/2010	Pools	$100.00	$10.00	$100.00	$0.00
Select	01/01/2010	01/07/2010	Punchboards	$3,000.00	$100.00	$1,900.00	$1,000.00
Select	01/01/2010	01/07/2010	Weekly Drawings	$800.00	$0.00	$700.00	$100.00
Select	01/01/2010	01/07/2010	Special Permit Raffles	$10,000.00	$300.00	$5,000.00	$4,700.00

Net Amount of Proceeds: $51,844.00

Were the total proceeds for the prior calendar year $40,000 or less? Yes No $0.00

Total Amount of Proceeds: $51,844.00

Distribution of Proceed Percentages

Public Interest Proceeds: 60% $31,106.40

Club Licensee Proceeds: 40% $20,737.60

Next Previous

SCREEN SHOTS OF THE DEPT. OF REVENUES WEB PAGE

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Enter Report
Search Report
Frequently Asked Questions
Exit

ANNUAL CLUB LICENSEE REPORT

ORGANIZATION INFORMATION

* = Field is Required

NAME OF ORGANIZATION: D N AGNIHOTRI CO

GAMES OF CHANCE LICENSE NO.: 357345934

REPORTING YEAR (YYYY): 2013

SECTION 3 - DISTRIBUTION OF PROCEEDS FOR PUBLIC INTEREST PURPOSES

PUBLIC INTEREST PURPOSE REPORT

Date Distributed: Enter the date the proceeds were distributed for public interest purposes.

Name of Recipient: Enter the name of the recipient to which the proceeds were paid.

Amount: Enter the amount of proceeds distributed to the recipient.

Total: The total amount of proceeds used for public interest purposes.

Row Number	DATE DISTRIBUTED (MM/DD/YYYY)	NAME OF RECIPIENT	AMOUNT of PROCEEDS
1	03/31/2010	BOY SCOUTS TROUP 120	$1,000.00
2	03/31/2010	GIRL SCOUTS TROUP	$20,000.00
3			
4			
5			
6			
7			
8			
9			
10			
		Total amount of proceeds used for public interest purposes:	$21,000.00

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SCREEN SHOTS OF THE DEPT. OF REVENUES WEB PAGE

Games of Chance - Report Entry and Search

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- Frequently Asked Questions
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ANNUAL CLUB LICENSEE REPORT

ORGANIZATION INFORMATION

* = Field is Required

NAME OF ORGANIZATION: D N AGNIHOTRI CO

GAMES OF CHANCE LICENSE NO.: 357345934

REPORTING YEAR (YYYY): 2013

SECTION 4 – CLUB LICENSEE PROCEEDS EXPENSE REPORT

Note: Amounts expended for public interest purchases or projects is reported in Section 5.

CLUB LICENSEE PROCEEDS EXPENSE REPORT

Amount: Enter the amount of club licensee proceeds expended on expenses and set-aside during reporting period.

* = Field is Required

DESCRIPTION	AMOUNT
* **Enter total amount of proceeds used for expenses:**	$20,000.00
* **Enter total amount of proceeds set-aside for purchase or project:**	$10,000.00
Total:	$30,000.00

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ANNUAL CLUB LICENSEE REPORT

ORGANIZATION INFORMATION

* = Field is Required

NAME OF ORGANIZATION: D N AGNIHOTRI CO

GAMES OF CHANCE LICENSE NO.: 357345934

REPORTING YEAR (YYYY): 2013

SECTION 5 – EXPENDITURES OF AMOUNT SET-ASIDE FOR PUBLIC INTEREST PURCHASE OR PROJECTS

EXPENDITURES OF AMOUNT SET-ASIDE FOR PUBLIC INTEREST PURCHASE OR PROJECTS

Date: Date of Expenditure.

Description of the Purchase or Project: Enter a brief description of the purchase or project.

Amount Expended: Enter the amount paid for the project or purchase.

Totals: Total actual cost and total amount retained from prior period.

Row Number	DATE OF EXPENDITURE (MM/DD/YYYY)	DESCRIPTION OF THE PURCHASE OR THE PROJECT	AMOUNT EXPENDED
1	02/10/2010	PARKING LOT PAVING	$2,000.00
2			
3			
4			
5			
6			
7			
8			

THE SMALL GAMES OF CHANCE ACT

PENALTIES

PENALTIES

ENFORCEMENT

CLUB LICENSEES

- B.L.C.E / Administrative Law Judges.

OTHER ELIGIBLE ORGANIZATIONS

- District Attorney.
- Local law enforcement.

PENALTIES

CRIMINAL

Eligible organizations

- An eligible organization violating the act is guilty of a summary offense, and shall pay a fine of up to $1000 for a first offense and $1,500 for each subsequent offense and:
  - 1st offense – forfeit its license for not more than 30 days.
  - 2nd or subsequent offense - forfeit its license for not less than 30 nor more than 180 days.
  - 3rd or subsequent offense - For a third offense within three years of the first offense, the eligible organization shall forfeit its license and be ineligible for a license renewal for 30 months thereafter.

PENALTIES

CRIMINAL

Individuals

- A person who conducts, or who assists in the conduct of games of chance in violation of the act is guilty of:
  - 1st offense - a summary
  - 2nd offense - a misdemeanor of the third degree
  - 3rd offense - a misdemeanor of the first degree

PENALTIES

CRIMINAL

- Rigging games or accepting contingency fees on the operation of games in a Misdemeanor of the First Degree.

PENALTIES

CIVIL PENALTIES

- ELIGIBLE ORGANIZATIONS, OTHER THAN A CLUB LICENSEES:
  - FOR AN INITIAL VIOLATION, UP TO $500.
  - FOR A SECOND VIOLATION, UP TO $1,000.
  - FOR A THIRD OR SUBSEQUENT VIOLATION, UP TO $1,500.

PENALTIES

CIVIL PENALTIES

- CLUB LICENSEES:
  - FOR AN INITIAL VIOLATION, UP TO $800.
  - FOR A SECOND VIOLATION, UP TO $1,000.
  - FOR A THIRD OR SUBSEQUENT VIOLATION, UP TO $2,000.

SUSPENSION OF A MINIMUM OF SIX MONTHS

PENALTIES

(CONTINUED)

- The licensing authority, or, in the case of a club licensee, the Bureau Of Liquor Control Enforcement may impose the following penalties:
  - A civil penalty.
  - Suspension or revocation of the license.

PENALTIES

(CONTINUED)

- Grounds for suspension, revocation or non-renewal of license:
  - Use of proceeds for other than authorized purposes.
  - Permitting persons under 18 to operate or play games of chance.
  - Permitting person convicted of enumerated crimes to set up, manage, supervise or participate In the operation of games of chance.
  - Facility does not meet minimum requirements.
  - Permitting unauthorized persons to operate games of chance.
  - Compensating persons for conducting games of chance.
  - Exceeding prize limits.
  - Violation the provisions of a special permit.

PENALTIES

(CONTINUED)

- Grounds for suspension, revocation or non-renewal of license (CONTINUED):
  - Providing false or erroneous information to the Dept. of Revenue or issuing authority.
  - A criminal conviction of an eligible organization for a violation of the Act.
  - Conducting games of chance while permitting another organization to do so.
  - Failure to file required reports.

GENERAL INFORMATION

This Power Point presentation and the schedules developed by the Bureau of Liquor Control Enforcement to aid eligible organizations in meeting their record-keeping requirements and instruction for their use can be found at:

http://www.lce.state.pa.us

GENERAL INFORMATION

For general information regarding Small Games of Chance provided by the Department of Revenue go to:

http://www.revenue.state.pa.us/sgoc

The complete text of the Department of Revenue Rules and Regulation related to Local Option Small Games of Chance can be found at:

http://www.pacode.com/

- **Go to the above website**
- **Select "BROWSE" from left column**
- **Select "61 REVENUE"**
- **Scroll down to "Chapter 901. Small Games of Chance "**
- **Click on Small Games of Chance**

Or, you may type in the following web address to access the site directly:

http://www.pacode.com/secure/data/061/chapter901/chap901toc.html

An up-to-date version of the Local Option Small Games of Chance Act may be accessed at the following web address:

- https://govt.westlaw.com/pac/Browse/Home/Pennsylvania/UnofficialPurdonsPennsylvaniaStatutes?guid=NFFEE6618DE4347229C0FAD15F0191B43&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default)

Questions

Pa. State Police Bureau of Liquor Control Enforcement

(717) 540-7410