

11/7/03

<b>Regulatory Analysis Form</b>		<b>This space for use by IRRC</b>	
(1) Agency  Revenue		2004 SEP 29 AM 10:10 REVENUE COMMISSION	
(2) I.D. Number (Governor's Office Use)  15-425		IRRC Number: 2438	
(3) Short Title  Local Option Small Games of Chance			
(4) PA Code Cite  61 Pa. Code §§ 901.1 – 901.908		(5) Agency Contacts & Telephone Numbers  Primary Contact: Anita M. Doucette (717) 346-4637 Secondary Contact: Douglas Berguson (717) 346-4633	
(6) Type of Rulemaking (check one)  <input checked="" type="checkbox"/> Proposed Rulemaking <input type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking Omitted		(7) Is a 120-Day Emergency Certification Attached?  <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor	
(8) Briefly explain the regulation in clear and nontechnical language.  This regulation contains comprehensive amendments to 61 Pa. Code, Part VII. Small Games of Chance, to incorporate legislative changes made to the Local Option Small Games of Chance Act (10 P.S. §§ 311 – 328) by the act of December 19, 1990 (P.L. 812, No. 195) (Act 195) and the act of October 18, 2000 (P.L. 602, No. 79) (Act 79); and to codify policy and administrative changes regarding games of chance. Reference should be made to the preamble for a detailed summary of the amendments.			
(9) State the statutory authority for the regulation and any relevant state or federal court decisions.  Statutory authority for the regulation is contained in section 9 of the act of December 19, 1988 (P.L. 1262, No. 156) (10 P.S. § 319).			

## Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

The regulation is not mandated by federal or state law, court order or federal regulation.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

The regulation is necessary to bring Title 61 into conformity with legislative and policy changes regarding games of chance.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

There are no public health, safety, environmental or general welfare risks associated with nonregulation.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

Eligible organizations, manufacturers, distributors and licensing authorities will benefit from having the Department's regulations consistent with the governing statute.

## Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

No parties should be adversely affected by the regulation.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

Manufacturers and distributors will be required to comply with the regulation. The regulations will apply to eligible organizations located in municipalities which have adopted the act by an affirmative vote in a municipal referendum under the act.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

A copy of the regulation was forwarded to the Pennsylvania Bar Association, the Pennsylvania Institute of Certified Public Accountants, the Pennsylvania Society of Public Accountants, the Pennsylvania Chamber of Business and Industry, the Pennsylvania County Treasurer's Association, the Pennsylvania District Attorney's Association, the Liquor Control Board and the State Police. A copy of the regulation was also forwarded to several nonprofit charitable, religious, fraternal, veteran and civic associations. The regulation was listed in the Department's Agenda of Regulations published at 33 Pa.B. 3186 (July 5, 2003) and will be forwarded to interested parties upon request.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

The amendments are designed to bring the Department's regulations into conformity with the Local Option Small Games of Chance Act as amended by the Legislature. Any costs or savings to the regulated community would be attributable to the enabling statute.

## Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

This regulation does not increase costs or savings to local governments. No legal, accounting or consultant procedures are required by the regulation.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

This regulation does not increase costs or savings to state government by any significant amount. No legal, accounting or consultant procedures are required by the regulation.

## Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Savings</b>	N/A					
<b>COSTS:</b>						
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Costs</b>	N/A					
<b>REVENUE LOSSES:</b>						
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Revenue Losses</b>	N/A					

(20a) Explain how the cost estimates listed above were derived.

The savings from implementing this regulation are insignificant. The costs of implementing this regulation are minimal.

## Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
	N/A	N/A	N/A	N/A

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

Since the amendments do not fundamentally alter existing law, this regulation generally provides clarification of existing policy and is not expected to have significant fiscal impact.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

There are no nonregulatory alternatives associated with the regulation.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

There are no alternative regulatory schemes associated with the regulation.

## Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

This regulation relates to games of chance, there is no comparative Federal statute.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

Gambling in the Commonwealth is strictly prohibited except for a few forms, such as games of chance. The regulations will not put Pennsylvania at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

This regulation does not affect any other existing or proposed regulation of the Department or any other state agency.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

The Department has not scheduled any public hearings or informational meetings to discuss the regulation.

## Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

Changes to reporting requirements were made in the following sections: 901.150, 901.191(20), 901.194, 901.405 and 901.407.

Changes to record keeping requirements were made in the following sections: 901.401(11), 901.402(5), 901.407, 901.464(9) and 901.464a.

Changes to paperwork requirements were made in the following sections: 901.103(12) and 901.213(b)(1).

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

No special groups are affected by the regulation.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

This regulation will be effective upon final publication in the Pennsylvania Bulletin. Compliance with the regulation is required upon publication. Specifics regarding licensing provisions are set forth in the regulation.

(31) Provide the schedule for continual review of the regulation.

This regulation is scheduled for review within five years of final publication. No sunset date has been assigned.



CDL-1

FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU

(Pursuant to Commonwealth Documents Law)

4/2/03

# 2438

SEP 23 2004 10:10

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

By: \_\_\_\_\_  
(Deputy Attorney General)

SEP 17 2004

DATE OF APPROVAL

Check if applicable  
Copy not approved. Objections attached.

Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

PA Department of Revenue  
(AGENCY)

DOCUMENT/FISCAL NOTE NO. 15-425

DATE OF ADOPTION \_\_\_\_\_

BY   
Gregory C. Sajt

TITLE Secretary of Revenue  
(Executive Officer, Chairman or Secretary)

Copy below is hereby approved as to form and legality. Executive or Independent Agencies

BY   
9.23.04

DATE OF APPROVAL  
EXECUTIVE  
(Deputy General Counsel)  
(~~Chief Counsel Independent Agency~~)  
(Strike inapplicable title)

Check if applicable. No Attorney General Approval or objection within 30 days after submission.

NOTICE OF PROPOSED RULEMAKING

DEPARTMENT OF REVENUE

61 Pa. Code §§ 901.1 - 901.908

Local Option Small Games of Chance

## PREAMBLE

The Department of Revenue (Department), under authority contained in section 9 of the act of December 19, 1988 (P.L. 1262, No. 156) (10 P.S. § 319), proposes amendments to 61 Pa. Code, Part VII. Small Games of Chance, Chapter 901. Small Games of Chance, sections 901.1 - 901.908, to read as set forth in Annex A.

### Purpose of Regulation

This regulation contains comprehensive amendments to Part VII of Title 61 to incorporate legislative changes made to the Local Option Small Games of Chance Act (10 P.S. §§ 311 - 327) by the act of December 19, 1990 (P.L. 812, No. 195) (Act 195) and the act of October 18, 2000 (P.L. 602, No. 79) (Act 79); and to codify policy and administrative changes regarding games of chance.

### Explanation of Regulatory Requirements

The Department is proposing numerous global changes to Part VII to reflect changes in terminology, including the deletion of the term "small" in conjunction with the phrase "games of chance." This revision will make the regulation more consistent with the enabling statute. Examples of other changes include: the replacement of "club" with "eligible organization" to be consistent with the change made in Act 195; the replacement of "county" with "licensing authority;" the replacement of "registration" with "certificate" and the replacement of "special permit" with "special raffle permit." Numerous minor additions,

revisions and deletions are made to sections throughout Part VII for clarity (including changes from passive to active voice) and readability.

## Subchapter A. General Provisions

### Definitions

Numerous revisions to § 901.1 (relating to definitions) are proposed to bring the definitions into conformity with statutory changes and to codify policy and administrative changes. An explanation of each definition addition or change is as follows:

"Applicant" - Definition added for clarity.

"Application" - Definition added for clarity.

"Auxiliary group" - Term referenced in Act 195, definition added to explain term.

"Bona fide member" - Definition amended to delete references to "club" and add references to "eligible organization."

"Civic and service association" - Term defined in section 3 of Act 195 (10 P.S. § 313). Definition added for use in the regulation. Within the definition the term "bona fide" is used. For purposes of these regulations, "bona fide" shall be interpreted according to its common usage: in or with good faith; honestly, openly, and sincerely; without deceit or fraud.

"Club" - Definition amended in section 3 of Act 195.

"Daily drawing" - Term defined in section 3 of Act 195. Definition added for use in the regulation.

"Deal" - Definition amended for clarity.

"Dispensing machine" - Term defined in section 3 of Act 195.  
Definition added for use in the regulation.

"Distributor" - Definition amended to delete references to "small" and "club" and add reference to "eligible organization."

"Distributor's representative" - Definition amended to delete reference to "small."

"Eligible organization" - Term defined in section 3 of Act 195. Definition added for use in the regulation.

"Flare" - Definition amended for clarity.

"Fraternal organization" - Term defined in section 3 of Act 195. Definition added for use in the regulation.

"Games of chance" - Definition amended for clarity and because of revisions to section 3 of Act 195 and section 3 of Act 79 (10 P.S. § 313).

"Hold ticket" - Definition added for use in the regulation.

"Legitimate club purposes" - Definition deleted in accordance with amendments to section 3 of Act 195. Term was replaced with "public interest purpose."

"License" - Definition added for clarity.

"Licensed premises" - Although the term was used in the original enabling statute it was not defined in the original regulations. The term is again used in Act 195 and a definition is added for clarity.

"Licensee" - Definition added for clarity.

"Limited occasion license" - Definition added to explain a new type of license authorized in section 10(b.3) of Act 195 (10 P.S. § 320(b.3)).

"Lottery" - Definition deleted in accordance with amendments in section 3 of Act 195.

"Manufacturer" - Definition amended for clarity.

"Manufacturer registration certificate or certificate" - Definition added for clarity.

"Manufacturer's representative" - Definition amended to delete reference to "small."

"Non-operating day" - Definition added for clarity.

"Normal business or operating site" - Term referenced in Act 195, definition added to explain term.

"Office of Attorney General" - Definition added for clarity.

"Operating day" - Term referenced in Act 195, definition added to explain term.

"Operating week" - Definition added for clarity and use in the regulation. Term replaces the phrase "7-day period."

"Passive selection device" - Term defined in section 3 of Act 195. Definition added for use in the regulation.

"Petition" - Definition amended for clarity.

"Petitioner" - Definition amended for clarity.

"Public interest purposes" - Term defined in amendments to section 3 of Act 195. Term replaces "legitimate club purpose." Definition added for use in the regulation.

"Pull-tab" - Definition amended because of revisions to section 3 Act 195.

"Pull-tab game" - Definition added for clarity.

"Punch" - Definition added for clarity.

"Punchboard" - Definition amended for clarity.

"Raffle" - Definition amended because of revisions to section 3 of Act 195.

"Registrant" - Definition added for clarity.

"Registration" - Definition added for clarity.

"Responsible person" - Definition amended for clarity, to update references from "club" to "eligible organization" and delete references to "small."

"Seal card" - Definition added for use in the regulation.

"Special raffle permit" - Definition added for clarity.

"State lottery law" - Definition added for clarity.

"Veterans organization" - Definition added because of revisions to section 3 of Act 195.

"Weekly drawing" - Definition added because of revisions to section 3 of Act 79.

## General Applicability

Section 901.21 (relating to applicability) is amended by adding a new subsection which provides that in order to provide uniform practices, procedures and standards, the Department is promulgating certain enumerated regulatory sections for the benefit of and suggested use by the licensing authorities; however, the governing body of each county, on behalf of its licensing authority, must adopt the sections by independent act for the sections to have legal force and effect. With the addition of this language to § 901.21, §§ 901.181 and 901.211 (relating to local rules) are deleted.

Section 901.22 (relating to use of proceeds) is deleted because the subject matter is adequately addressed at § 901.701 (relating to games of chance permitted).

The existing text of § 901.23 (relating to restriction of sales) is deleted and replaced with more explanatory language regarding the restrictions on sales by a registered manufacturer and licensed distributor and the purchase of games of chance by an eligible organization. A new Subchapter I. (relating to enforcement) is proposed and will include all enforcement provisions; therefore, § 901.24 (relating to enforcement) is deleted.

Section 901.28(a)(2) (relating to inspection of premises) is amended to allow inspection when a reasonable belief exists that a

violation of the Act or Part VII has occurred, is occurring or will occur. Paragraph (3) is amended to specifically provide that an inspection shall be limited to the inspection of matters, areas and records associated with games of chance to insure compliance with the act and this part. Subsection (b) is amended to allow the licensing authority or their authorized representatives to make annual inspections for compliance purposes.

Section 901.31 (relating to examination of records) is amended to clarify that an examination of records can be made apart from the examination made during an inspection of the premises. Subsections regarding actions by the district attorney and other law enforcement officials are deleted because they are beyond the scope of these regulations.

Section 901.34 (relating to disputes) is amended to clarify that the retention period for records regarding a dispute about whether the play or ticket is a winning play or ticket starts at the date of the dispute rather than the date of resolution.

A new § 901.40 (relating to prohibition of gambling facilities) is added in accordance with section 10(b.4) of Act 195 (10 P.S. § 320(b.4)). A new § 901.41 (relating to operating days, non-operating days and operating weeks) is added to provide guidance regarding the concept for purposes of game operations.



## Administration

The introductory language in § 901.51(a) and (b) (relating to power and duties) is amended to clarify that the lists of powers and duties are not all inclusive. In addition, new paragraphs (a)(10) and (b)(7) are added to specifically state that the Department and licensing authority have the power and authority to initiate legal proceedings, in law or equity, before any court or tribunal, for purposes of administering or enforcing the provisions of the act or Part VII. Other provisions are amended or added for clarity. Subsection (c) relating to the powers and duties of the district attorney and other law enforcement officials is deleted because it is beyond the scope of these regulations.

## Subchapter B. Licensing and Registration

### Manufacturer Registration

Sections 901.101 and 901.102 (relating to manufacturer registration and game approval required; and registration and game approval forms) are amended by adding language outlining the game approval process.

Section 901.103 (relating to manufacturer registration application form contents) is amended by adding new text to the existing paragraph (12) to reflect the Department's current requirement that dispensing machine manufacturers provide the Department with a notarized affidavit indicating that its

dispensing machines comply with the act and Part VII of Title 61. The exiting paragraph (12) was renumbered accordingly.

A new § 901.103a (relating to change of application information) provides that a manufacturer shall report any changes to the information supplied in its application to the Department within 15 days of the change.

Section 901.106 (relating to registration term) is amended to more specifically detail the manufacturer registration term. Section 901.107 (relating to annual applications) is amended to give the Department 60 days to process registration applications prior to the end of the registration term as permitted under § 901.118 (relating to registration decision time limit). With this revision, a manufacturer that complies should not have a break in its registration coverage.

Section 901.112 (relating to prohibited sales) is deleted in its entirety because the topic is addressed in the provisions proposed at § 901.23(a)(2) (relating to restriction of sales).

Section 901.113(a) (relating to representative of manufacturer) is deleted because the topic is addressed in the provisions proposed at § 901.23(a)(2). To bring § 901.114 (relating to dissolutions, terminations, mergers and bankruptcies) into conformity with § 901.148 (relating to dissolutions, terminations, mergers and bankruptcies), the section is amended by

adding a subsection (b) that provides that a notice of the decision to dissolve is required even if filing is not required.

Consistent with revisions to §§ 901.101 and 901.102 relating to game approval, § 901.117(a) (relating to denial, suspension and revocation) is amended by adding to the enumerated acts for which the Department has the authority to deny an application for a certificate, or suspend or revoke a certificate; the act of selling or offering for sale in this Commonwealth a game of chance that has not been approved by the Department. A new subsection (b) is added which provides that the Department may deny an application for a game of chance approval and may suspend or revoke an approved game of chance if the game fails to meet the requirements of the act or Part VII. A new subsection (c) sets forth the rules governing suspensions and a new subsection (d) describes the contents of a written notice of a denial, suspension, lifting of suspension or revocation as well as the procedure by which it will be mailed.

A new § 901.117a (relating to registration following revocation) is added to provide guidance on the length of time a manufacturer whose certificate is revoked is ineligible to apply for and receive another certificate for a first, second, third and subsequent revocation.

Section 901.119 (relating to raffle, daily drawing and weekly drawing ticket manufacturers) is amended to clarify that

§§ 901.101 - 901.118 do not apply to the manufacturers who only produce and sell raffle, daily drawing and weekly drawing tickets.

#### Distributor Licensing

Section § 901.132 (relating to license application form) is amended to clarify that to obtain a license, a distributor must submit a license application to the Department.

A new § 901.133a (relating to change of application information) provides that a distributor shall report any changes to the information supplied in its application to the Department within 15 days of the change.

Section 901.136 (relating to license term) is revised to provide a more accurate description of a distributor license term and to create a 60-day gap between the end of the registration term and licensing term to allow the Department adequate processing time. Section 901.137 (relating to annual application) is also completely revised to give the Department 60 days to process license applications prior to the end of the licensing term as permitted under § 901.152 (relating to licensing decision time limits). Thus, a distributor that complies with the licensing terms should not have a break in its licensing coverage.

Section 901.142(a) (relating to distributor's representative) is deleted because the topic is addressed in the provisions proposed at § 901.23(b)(2). The remaining text is reformatted accordingly.

Section 901.150 (relating to changes in ownership or personnel) is amended by requiring changes in responsible persons to be reported to the Department within 15 days of the deletion or addition. The time period in which to make the report is amended to provide the Department with more current information.

Section 901.151 (relating to denial, suspension and revocation of licenses) is amended by adding clarifying language to a new subsection (a) and by adding subsections (b) and (c) relating to suspensions and notice. The suspension and notice provisions are consistent with those added to § 901.117 for manufacturers. A new § 901.151a (relating to licensing following revocation) is added to provide guidance on the length of time a distributor whose license is revoked is ineligible to apply for and receive another license for a first, second, third and subsequent revocation.

Section 901.153 (relating to raffle, daily drawing and weekly drawing ticket distributors) is amended to clarify that §§ 901.131 - 901.152 do not apply to distributors who only sell raffle, daily drawing and weekly drawing tickets.

#### Board Procedures

Sections 901.161, 901.165 and 901.168 (relating to jurisdiction and purpose; board practice and procedure; and stay of appeal) are amended to revise the wording to make it consistent with revisions being made throughout Part VII.

## Eligible Organization Licensing

Section 901.182 (relating to license requirements) is amended to reflect the change in section 10(a) of Act 195 (10 P.S. § 320(a)) which allows auxiliary groups within an eligible organization to conduct games of chance. Additional revisions to the section provide guidelines for the operation of games of chance by auxiliary groups.

Section 901.183 (relating to filing) is amended to explain the filing requirements for license applications when an eligible organization does and does not own or lease a normal business site. With the addition of limited occasion licenses in Act 195, § 901.184 (relating to license fee) is amended to state the fee for a limited occasion license shall be \$10.

In response to feedback from both the licensing authorities and eligible organizations, the Department amended § 901.185 (relating to license term and annual applications) to provide for a rolling renewal date instead a fixed date.

To bring § 901.186 (relating to display) into conformity with the provisions of Act 195 relating to the playing of games of chance at a location off its premises, the section is amended to provide that a licensed eligible organization shall at all times publicly display its license at the site where it conducts games of chance.

Section 10(b.1), (b.2) and (d)(8) of Act 195 (10 P.S. § 320(b.1), (b.2) and (d)(8)) significantly revised the rules for eligible organizations regarding where games of chance can be played. Section 901.188 (relating to location) is amended to address these new rules. Section 901.189 (relating to transfer) is amended to clarify that a licensed eligible organization is prohibited from transferring or assigning its license.

In accordance with the changes in Act 195 regarding auxiliary groups, § 901.190 (relating to joint license prohibition) is amended to indicate that an auxiliary group may operate under its parent organization's license without violating the joint license prohibition. Minor revisions were made to § 901.191 (relating to license application form) to reflect the changes to section 10 of Act 195, including the addition of paragraph (20) requiring a list of the eligible organization's auxiliary groups which may operate games of chance under the eligible organization's license.

The current text of § 901.192 (relating to denial of application, revocation, suspension and refusal to renew club licenses) is deleted and replaced with a more logically organized section relating to denial, suspension and revocation of an eligible organization license. Section 901.194 (relating to change of personnel) is amended by requiring changes in personnel to be reported to the licensing authority within 15 days of the deletion or addition. The time period in which to make the report

is amended to provide the licensing authority with more current information.

With the addition of the limited occasion license under section 10(b.3) of Act 195 (10 P.S. § 320(b.3)), the Department added § 901.195 (relating to types of licenses) to distinguish between a game of chance and limited occasion license and to clarify that an eligible organization may only hold one type of license at a time. Section 901.196 (relating to limited occasion license requirements, limits and restrictions) is also added to provide information on the use of a limited occasion license and related restrictions. A new § 901.197 (relating to change of application information) is added to provide that an eligible organization shall report any changes to the information supplied on its license application to the licensing authority within 15 days of the change.

#### County Licensing Authority Procedures

In accordance with the revision to section 10(b) of Act 195 (10 P.S. § 320(b)), § 901.213 (relating to actions with respect to eligible organization licenses and applications) is amended by revising the time period for a licensing authority to approve or deny a license application in subsection (a) from 60 to 30 days. Also, in accordance with changes in section 10(g) of Act 195 (10 P.S. § 320(g)), subsection (b)(1) is amended to provide that the licensing authority shall send the license and notice of approval



to the applicant along with an up-to-date listing of all municipalities within the licensing county that have approved games of chance by referendum.

Section 901.214 (relating to procedure for denial, suspension or revocation of eligible organization licenses) is amended in a number of areas. Minor wording changes are made to subsection (a) and the existing text of subsections (b), (c) and (e) is deleted because the subject matter is addressed in the new Subchapter I. relating to enforcement. Existing subsection (d) is deleted and replaced with subsection (b) that provides that the notice issued by the licensing authority will be dated, explain the action taken by the licensing authority, the reason for the action and the licensee or applicant's appeal rights. The licensing authority will serve the notice by certified or first-class mail. A new subsection (c) is added to provide the rules governing suspensions. A new subsection (d) describes the effect an appeal of a revocation has on an eligible organization.

#### Subchapter C. Local Option

##### Local Option Requirement and Local Option Reporting

Consistent with the requirements of section 10(g) of Act 195 (10 P.S. § 320(g)), § 901.309 (relating to public information) is amended to acknowledge that information regarding the approval or disapproval of games of chance by local referendum can be obtained

from the licensing authority as well as the county board of elections.

#### Subchapter D. Recordkeeping

##### County Records and Reports

Section 901.21(b) (relating to applicability) states that in order to provide uniform practices, procedures and standards, certain enumerated sections are promulgated for the benefit of and suggested use by the licensing authorities. If the governing body of a county, on behalf of its licensing authority, adopts the sections by independent act, those sections will in effect be regulations of the licensing authority. Because of this unique scenario, the Department is deviating from standard drafting rules in §§ 901.401 - 901.407 in that where "shall" would normally be used, it is instead using "will" since the provisions will be those of the licensing authority and the use of will is appropriate when the licensing authority is pledging to act.

In as much as there are now two types of licenses as a result of the addition of the limited occasion license by Act 195, § 901.401 (relating to application register) is amended so that the register or list will indicate the type of license for which each organization applied. Likewise, § 901.402 (relating to docket) is amended to require the docket to list which type of license was granted to the organization. Section 901.404 (relating to violation report) is deleted because the subject

matter is addressed in the new Subchapter I. relating to enforcement.

To bring § 901.405 (relating to list of licensed eligible organizations) into conformity with the enabling statute, the section is amended to state that the licensing authority will submit, on a semiannual basis, a copy of all information regarding licensees to the Department. The section is further amended to require the information to include the type of license and any special raffle permit serial number.

Although some of these rules are noted elsewhere, a new § 901.407 (relating to list of municipalities) provides the licensing authority with a central place to reference the rules regarding the maintenance of a list of municipalities that have approved the referendum question on games of chance.

#### Licensed Eligible Organization Records

For consistency with the rules regarding record requirements for raffles and daily drawings, a new paragraph (9) is added to § 901.464 (relating to punchboard and pull-tab records) requiring a list of winners' names and addresses for prizes in excess of \$100.

The definition of games of chance was broadened by section 3 of Act 195 (10 P.S. § 313) to include daily drawings and by section 3 of Act 79 (10 P.S. § 313) to include weekly drawings. Section 901.464a (relating to daily and weekly drawing records) is

added to provide guidance regarding record keeping requirements for each of these games.

#### Subchapter E. Prohibited Activities/Penalties

##### Prohibited Activities

In accordance with section 15 of Act 195 (10 P.S. § 325), § 901.501 (relating to advertising) is amended to provide that an eligible organization may advertise prizes and values thereof in periodic publications that are limited in their circulation to members of the eligible organization.

Section 901.502(c) (relating to persons) is amended to reflect changes to section 10(d)(2) of Act 195 (10 P.S. § 320(d)(2)) regarding conviction of a felony or of a violation of the Bingo Law.

Act 195 amended section 10(d)(3) (10 P.S. § 320(d)(3)) by deleting the requirement that the persons conducting the games of chance be bona fide members of the club for at least one year. Therefore, § 901.504 (relating to persons who may conduct games) is amended to delete the 1 year requirement.

To be consistent with the prize limitation exceptions for both a daily drawing and weekly drawing set forth in section 5(f) and (g) of Act 195 and section 5(g) and (h) of Act 79 (10 P.S. § 315(f) - (h)), §§ 901.507 and 901.508 (relating to prizes in excess of \$500; and prizes in excess of \$5,000) are amended.

Act 195 amended section 10(d)(7) (10 P.S. § 320(d)(7)) regarding the use of a licensed eligible organization's premises by another licensed eligible organization. Section 901.510 (relating to use of licensed premises by more than one organization) is amended to incorporate the new statutory guidelines in this area.

A new § 901.512 (relating to oral and written leases) is added to address the provisions of section 10(b.1) and (d) (5) of Act 195 (10 P.S. § 320(b.1) and (d)(5)). A new § 901.513 (relating to gambling facilities prohibited) is added to address the provisions of section 10(b.4) of Act 195 (10 P.S. § 320(b.4)).

#### Penalties

To be consistent with the revisions to section 17 of Act 195 (10 P.S. § 327) regarding penalties for violations of the provisions of the act by eligible organizations and individuals, §§ 901.531 and 901.532 (relating to eligible organizations; and individuals) are revised.

#### Subchapter F. Manufacturing Standards

##### Pull-Tab Manufacturing Standards

Section 901.601(a) (relating to uniform minimum quality standards) is amended to correct the reference to the N.A.G.R.A. publication relating to manufacturing standards for pull-tab games and to provide clarity with regard to the application of the standards.

Sections 901.602 and 901.621 (relating to flares) are amended to clarify who can make a flare and who can alter a flare. Sections 901.608 and 901.627 (relating to standards for flares) are amended to clarify the rules regarding flares.

#### Punchboard Manufacturing Standards

Section 901.622 (relating to standards for construction) is amended by adding a new paragraph (1) to describe four general construction guidelines relating to the punchboard face sheet, flare, serial numbers and punches. The existing paragraphs are renumbered accordingly.

#### Subchapter G. Operation of Games

##### Eligible Organization Operation of Games

Section 901.702 (relating to prize limits) is amended to reflect various statutory revisions. The total cash value of prizes that can be awarded under special raffle permits set forth in § 901.702(d) is amended to reflect the statutory change in section 5(d)(4) of Act 79 (10 P.S. § 315(d)(4)). A new subsection (e) is added to explain the prize limit exceptions for daily drawings as set forth in section 5(e), (f) and (g) of Act 79 (10 P.S. § 315(e), (f) and (g)). A new subsection (f) is added to explain the prize limit exceptions for weekly drawings as set forth in section 5(g) and (h) of Act 79 (10 P.S. § 315(g) and (h)).

Section 901.703 (relating to place of conduct) is amended to reflect the statutory changes set forth in section 10(b.1) and (b.2) of Act 195 (10 P.S. § 320(b.1) and (b.2)) regarding where games of chance can be conducted. Section 901.704 (relating to licensed premises) is revised to reflect the new statutory provisions regarding the location of games of chance set forth in section 10(b.1) and (d)(5) of Act 195 (10 P.S. § 320(b.1) and (d)(5)).

Section 901.705 (relating to purchase of games) is amended to incorporate the statutory change set forth in section 10(d)(6) of Act 79 (10 P.S. § 320(d)(6)) regarding the purchase of weekly drawings.

Section 901.706 (relating to persons who may not operate or play games of chance) is amended to reflect the changes set forth in section 10(d)(1) and (2) of Act 195 (10 P.S. § 320(d)(1) and (2)) regarding persons permitted to operate or play games of chance and the conviction of a felony or of a violation of the Bingo Law.

The one year membership requirement set forth in § 901.708 (relating to persons who may conduct games of chance) is deleted in accordance with the revision set forth in section 10(d)(3) of Act 195 (10 P.S. § 320(d)(3)). Section 901.709 (relating to one eligible organization per premise) is amended to reflect the rules set forth in section 10(b.1) of Act 195 (10 P.S. § 320(b.1))

regarding the use of a premise by more than one eligible organization. With the deletion of section 11(c) in Act 195 (10 P.S. § 321(c)) relating to the prohibition of use of a licensed premises by more than one licensed club for a special raffle permit in a calendar year, § 901.711 (relating to location for special permit raffles) is deleted.

#### PUNCHBOARDS AND PULL-TAB OPERATION PROCEDURES

Section 901.731(b) (relating to punchboard and pull-tab operation) is amended by placing the current text in paragraph (1) and adding a paragraph (2) to describe under what conditions a licensed eligible organization may alter a flare.

#### Raffles

With the removal of the restriction on sales of raffle tickets in section 10(d)(4) in Act 195 (10 P.S. § 320(d)(4)), § 901.742 (relating to drawing dates) is revised to provide guidance on the new rules relating to raffle drawing dates consistent with the definition of "raffle" as amended in section 3 of Act 195 (10 P.S. § 313).

Section 901.743(b) (relating to raffle tickets) provides that generally each part of a raffle ticket shall be imprinted with sequential numbers commencing with the number "1" through the maximum number of tickets to be sold. Subsection (b) is amended to clarify that when a raffle winner is determined by a drawing of the Pennsylvania State Lottery, the universe of eligible ticket



numbers shall correspond to the universe of eligible numbers in the State Lottery drawing.

Consistent with the change to the definition of "raffle" in section 3 of Act 195 (10 P.S. § 313), § 901.745 (relating to printing requirements) is amended to provide that dates, times and locations of the drawings shall be printed on each raffle ticket sold.

Section 901.751 (relating to ticket sales) is amended to incorporate the new rules relating to the sale of raffle tickets in a municipality located in a county other than the county in which the eligible organization is licensed as set forth in section 10(d)(8) of Act 195 (10 P.S. § 320(d)(8)).

In accordance with the provisions set forth in the definitions of "passive selection device" and "raffle" in section 3 of Act 195 (10 P.S. § 313), a new § 901.753 (relating to means of determining winning numbers) is added to provide guidance in this area.

#### Lotteries

Because lotteries are no longer considered a separate game of chance but rather a type of raffle under the revisions to the definitions of "games of chance," "lottery" and "raffle" in section 3 of Act 195 (10 P.S. § 313), §§ 901.761 - 901.778 are deleted in their entirety.

### Daily Drawings

New §§ 901.781 - 901.786 are added to provide guidance regarding the rules for daily drawings, which were authorized by Act 195.

### Weekly Drawings

New §§ 901.791 - 901.796 are added to provide guidance regarding the rules for weekly drawings, which were authorized by Act 79.

## Subchapter H. Special Raffle Permits

### Special Raffle Permits

The title of § 901.801 currently listed as "(relating to price limit)" is corrected to reference "prize limit" and the section is amended to reflect the change to section 5(d)(4) of Act 79 (10 P.S. § 315(d)(4)) regarding the total cash value permitted for all prizes for the calendar year.

In accordance with the deletion of paragraph (13) in section 12(a) of Act 195 (10 P.S. § 322(a)(13)), § 901.802 (relating to raffle number limit) is amended to delete the second sentence which provided that a club may hold only one raffle per month including a special permit raffle.

Section 5(d)(2) was amended by Act 195 (10 P.S. § 315(d)(2)) to provide an exception to the general rule that an eligible organization shall be eligible to receive no more than two special permits in any licensed year for volunteer fire, ambulance and

rescue organizations. Section 901.803 (relating to special raffle permit limit) is amended to reflect this change. Section 901.806 (relating to required permit) is amended to clarify the special raffle permit requirements.

In accordance with section 11(a) of Act 195 (10 P.S. § 321(a)), § 901.807 (relating to fees) is amended to provide that the fee for the issuance of a special raffle permit shall not exceed \$25.

Section 901.811 (relating to location limits) is deleted because of the changes set forth in section 10(b.1) and (d)(7) of Act 195 (10 P.S. § 320(b.1) and (d)(7)) regarding the use of a licensed premises by more than one eligible organization.

#### Subchapter I. Enforcement

New §§ 901.901 - 901.908 are added to address specific enforcement issues.

#### Affected Parties

All manufacturers and distributors of games of chance doing business in this Commonwealth, licensing authorities and eligible organizations may be affected by the proposed amendments.

#### Fiscal Impact

The Department has determined that the proposed amendments, which provide clarification of existing policy, will have no significant fiscal impact on the Commonwealth.

### Paperwork

The proposed amendments will not generate additional paperwork for the public or the Commonwealth.

### Effectiveness/Sunset Date

The regulation will become effective upon final publication in the Pennsylvania Bulletin. The regulation is scheduled for review within five years of final publication. No sunset date has been assigned.

### Contact Person

Interested persons are invited to submit in writing any comments, suggestions, or objections regarding the proposed amendment to Mary R. Sprunk, Office of Chief Counsel, PA Department of Revenue, Dept. 281061, Harrisburg, Pennsylvania 17128-1061, within thirty (30) days after the date of the publication of this notice in the Pennsylvania Bulletin.

### Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on *September 29, 2004*, the Department submitted a copy of this proposed amendment to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House Committee on Finance and the Senate Committee on Finance. In addition to submitting the amendment, the Department has provided IRRC and the Committees with a copy of a detailed Regulatory Analysis Form prepared by the Department in compliance with

Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of this material is available to the public upon request.

The Committees may, at any time prior to the submittal of the final-form regulation, convey to the agency and the Commission, their comments, recommendations and objections to the proposed regulation. The Independent Regulatory Review Commission may, within 30 days of the close of the public comment period, submit to the agency and Committees any comments, recommendations and objections to the proposed regulation. The notification shall specify the regulatory review criteria which have not been met by that portion. The Regulatory Review Act specifies detailed procedures for review of objections raised, prior to final publication of the amendments, by the Department, the General Assembly and the Governor.

GREGORY C. FAJT  
SECRETARY OF REVENUE

06/02/04

CONTINUATION SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU  
(Pursuant to Commonwealth Documents Law)

ANNEX A

Title 61. Revenue, Part VII. Local Option Small Games of  
Chance, Chapter 901. Local Option Small Games of Chance.

Subchapter A. GENERAL PROVISIONS

DEFINITIONS

§ 901.1. Definitions.

The following words and terms, when used in this part, have  
the following meanings, unless the context clearly indicates  
otherwise:

\* \* \*

Applicant - A person who prepares and files an application.

Application - A form prescribed by the Department that a  
manufacturer, distributor or eligible organization must complete  
and file in order to obtain a license or certificate.

Auxiliary group - A subsidiary or affiliated organization  
of an eligible organization established for the purpose of  
aiding or assisting the eligible organization and its members in  
the fulfillment of the eligible organization's purposes.

\* \* \*

Bona fide [club] member - An individual who holds a [full]  
membership in the [club] eligible organization as defined by

[the club's] that organization's constitution, charter, articles of incorporation or bylaws.

\* \* \*

Civic and service association -

(i) Any Statewide or a branch, lodge or chapter of a nonprofit national or State organization which is authorized by its written constitution, charter, articles of incorporation or bylaws to engage in a civic or service purpose within this Commonwealth, which shall have existed in this Commonwealth for one year. The term also means a similar local nonprofit organization, not affiliated with a national or State organization, which is recognized by a resolution adopted by the governing body of the municipality in which the organization conducts its principal activities.

(ii) The term shall include:

(A) Bona fide sportsmen's and wildlife associations, federations or clubs, Statewide or local in nature.

(B) Volunteer fire companies.

(C) Volunteer rescue squads.

(D) Volunteer ambulance associations.

(E) Bona fide senior citizens organizations.

(F) Nonprofit organizations that are recognized by a resolution adopted by the appropriate governing body and which are established to promote and encourage participation and

support for extracurricular activities within the established primary and secondary public, private and parochial school systems.

Club - [An entity which has been in existence and fulfilling its purposes for 2 years prior to the date of application for a license and is one of the following:

(i) An incorporated unit of a national veterans' organization, as defined in section 461.1 of the Liquor Code (47 P.S. § 4-461.1), and licensed to sell liquor at retail under that act.

(ii) A club, as defined in section 102 of the Liquor Code (47 P.S. § 1-102), that qualifies as an exempt organization under section 501(c) or 527 of the Internal Revenue Code (26 U.S.C.A. § 501(c) or § 527), and is licensed to sell liquor at retail and has a charitable, religious or civic purpose or is organized to benefit a political party.

(iii) An organized fraternal society created and carried on for the mutual benefit of its members, not-for-profit and not issuing capital stock, having a limited membership and a representative form of government and licensed to sell liquor at retail under the Liquor Code (47 P.S. §§ 1-101-8-803).

(iv) A not-for-profit religious organization conducting business under the express purpose of a written constitution, charter, articles of incorporation or bylaws.



(v) A charitable organization conducting business under the express purpose of a written constitution, charter, articles of incorporation or bylaws.

(vi) A volunteer fire company.

(vii) A volunteer rescue squad.

(viii) A volunteer ambulance association.] A club, as defined in section 102 of the act of April 12, 1951 (P.L. 90, No. 21), known as the Liquor Code, that qualifies as an exempt organization under section 501(c) or 527 of the Internal Revenue Code of 1954 (26 U.S.C. § 501(c) or 527) and is licensed to sell liquor at retail and has a charitable, religious or civic purpose or is organized to benefit a political party.

Daily drawing - A game in which a bona fide member selects or is assigned a number in exchange for consideration for a chance at a prize with the winner determined by a random drawing to take place on the eligible organization's premises during the same operating day that the chances for the drawing are sold. The term includes games commonly known as "member sign-in lotteries" and "half-and-half lotteries."

Deal - [Pull-tab tickets of a game bearing the same serial number as well as a flare for the game.] A set of pull-tabs bearing the same serial number.

\* \* \*

Dispensing machine - A device designed exclusively for the dispensing of games of chance authorized by the act, including, but not limited to, ticket jars, fish bowls and stamp machines. The term shall not include any device commonly known as a "slot machine" or "video poker."

Distributor - A person who purchases or otherwise obtains [small] games of chance, including [lottery tickets,] punchboards or pull-tabs, from a manufacturer and sells or otherwise furnishes the [small] games of chance, with or without merchandise to be awarded as prizes in connection therewith, to another person for the resale, display or operation of the [small] games of chance by [a club] a licensed eligible organization.

Distributor's representative - A natural person who represents a distributor in connection with the sale or furnishing of [small] games of chance for use in authorized activities. The term includes the distributor's sales personnel. The term does not include warehouse personnel, delivery personnel and other employees who only have incidental contact with customers.

Eligible organization - An organization that meets all of the following:

- (1) Nonprofit.

(2) Charitable organization, religious organization, fraternal organization, veterans organization, club or civic and service association.

(3) In existence and fulfilling its purposes for one year prior to the date of application for a license.

Flare - [Sets forth the number of tickets and prizes contained in a deal, as well as the winning numbers, colors and symbols.] A card, graphic, illustration or other document that accompanies a deal or punchboard and satisfies all of the following:

(i) Sets forth the number of pull-tabs or punches in a pull-tab game or punchboard.

(ii) Describes the nature of and rules for conducting a pull-tab game or punchboard.

(iii) Sets forth the winning numbers, colors and symbols and prizes to be won in a pull-tab game or punchboard.

Fraternal organization - A branch, lodge or chapter of a national or State nonprofit organization with its branch, lodge or chapter located within this Commonwealth that is created and carried on for the mutual benefit of its members, has a limited membership and representative form of government.

Games of chance - [Punchboards, lotteries] The following games: punchboards, daily drawings, weekly drawings, raffles and [pull-tabs] pull-tab games. The term includes all of the

parts, accessories and items necessary to play such games. The term also includes dispensing machines and passive selection devices. The term does not include a game played by or with the assistance of mechanical, electronic or electrical devices or media[. The term does not include] or a game in which the particular chance taken by a person in the game is made contingent upon another occurrence or the winning of another contest. [The term includes a game in which the chance is determined solely at the discretion of the purchaser.] This paragraph will not be construed to authorize another form of gambling currently prohibited under 18 Pa.C.S. (relating to the Crimes Code). The term does not include games commonly known, as "slot machines" or "video poker."

Hold ticket - A ticket in a subset of pull-tabs in a deal or punches in a punchboard one or more of which are designated in advance as a winning tab or punch for a specific prize. The winning ticket or tickets are revealed after all hold tickets are purchased. Hold tickets are typically used in conjunction with seal cards.

\* \* \*

[Legitimate club purposes -

(i) One or more of the following:

(A) Benefiting persons by enhancing their opportunity for religious or education advancement, by relieving or

protecting them from disease, suffering or distress, by contributing to their physical, emotional or social well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded.

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

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

(D) Improving, expanding, maintaining or repairing real property owned or leased by a club and used for purposes specified in clauses (A)-(C).

(ii) The term does not include the erection or acquisition of real property, unless the property will be used exclusively for one or more of the purposes specified in this paragraph.]

License - A document issued by:

(i) The Department, upon application, to a distributor authorizing the distributor to purchase games of chance from a registered manufacturer and sell games of chance in the Commonwealth to licensed eligible organizations, also known as a "distributor's license."

(ii) A licensing authority, upon application, to an eligible organization authorizing the eligible organization to purchase games of chance from licensed distributors and conduct games of chance in the Commonwealth, also known as a "small games of chance or games of chance license."

Licensed premises - The specific location upon which a licensed eligible organization is authorized to conduct games of chance.

Licensee - A distributor or eligible organization that has been issued a license.

\* \* \*

Limited occasion license - A license issued by a licensing authority to an eligible organization authorizing the organization to conduct games of chance on a limited basis.

[Lottery - A game in which a bona fide club member or guest selects a number for a chance at a prize with the winner determined by a random drawing to take place on the licensed premises. The term includes games commonly known as "member sign-in lotteries" and "half-and-half lotteries." This part will not be construed to permit lotteries which are conducted at locations other than the licensed premises, nor does the term include a game or contest in which the winning number is determined by another drawing or event, except that winning numbers may be determined by reference to drawings conducted by

the Department under the State Lottery Law (72 P.S. §§ 3761-1-3761-15).]

Manufacturer - A person who assembles from raw materials or subparts a completed [small] game of chance for use in authorized activities, [including punchboards and pull-tabs,] and who sells or otherwise furnishes the same to a licensed distributor. The term does not include printers of only raffle, daily drawing or weekly drawing tickets.

Manufacturer registration certificate or certificate - A document issued by the Department, upon application, to a manufacturer authorizing the manufacturer to produce games of chance that have been approved by the Department and to sell those games to licensed distributors.

Manufacturer's representative - A natural person who represents a manufacturer in connection with the sale or furnishing of [small] games of chance for use in authorized activities. The term includes the manufacturer's sales personnel. The term does not include warehouse personnel, delivery personnel and other employes who only have incidental contact with the customers.

\* \* \*

Non-operating day - A period of time equivalent to an eligible organization's operating day except that the eligible

organization is closed to normal activities or to its members during that period of time.

Normal business or operating site - The location at which an eligible organization conducts its activities as permitted and enumerated in its constitution, charter, articles of incorporation, bylaws or other document of formation.

Office of Attorney General - Attorney General of the Commonwealth of Pennsylvania.

Operating day - The period of time during any twenty-four hour period during which an eligible organization conducts its normal activities or holds itself open to its members.

Operating week - Seven consecutive operating days or non-operating days.

Passive selection device - A device that is used to hold or denote all of the possible winning numbers or entrants in a daily drawing, weekly drawing or raffle. The device may not have the capability of being utilized to conduct or aid in unauthorized or illegal forms of gambling.

\* \* \*

Petition - A written statement of facts, under oath, submitted by one of the following:

(i) [An initial or renewal applicant for registration or licensure] A manufacturer or distributor who disagrees with the



Department's decision to deny [the] or refuse to renew its application.

(ii) [A registrant or licensee] A registered manufacturer or licensed distributor who disagrees with the Department's decision to revoke his [registration] certificate or license.

Petitioner - [An applicant, licensee or registrant] A manufacturer or distributor who files a petition.

Public interest purposes -

(i) Any of the following:

(1) Benefiting persons by enhancing their opportunity for religious or education advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical, emotional or social well-being, by assisting them in establishing themselves in life as worthy and useful citizens or by increasing their comprehension of and devotion to the principles upon which this nation was founded.

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

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

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

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

Pull-tab - A single folded or banded ticket or a strip ticket or card with a face covered to conceal one or more numbers or symbols, where one or more tickets or cards in each deal has been designated in advance as a winner. [The term includes a ticket sold in a device known as a ticket-jar, fish-bowl or stamp machine.]

\* \* \*

Pull-tab game - A deal and its corresponding flare.

Punch - A crimped strip of paper or similar material that is enclosed in a punchboard receptacle and contains either a winning or losing number or symbol printed on one side and a serial number printed on the other.

Punchboard - A board, placard or other device [marked off in a grid or columns, in which each section contains a hidden number or other symbol, which determines the winning chances, if the following exist:

(i) A specific serial number is assigned to the punchboard and printed on each punch.

(ii) A flare or face sheet covers the receptacles and sets out the winning numbers or symbols and prizes which may be won.

(iii) Upon the payment of consideration, a player may select and remove a punch from a receptacle.

(iv) A prize is awarded if the number or symbol set out on the selected punch matches a predetermined winning symbol on the flare or face sheet.] comprised of receptacles, usually laid out in a grid or column pattern, that each contain a hidden punch or punches, and its corresponding flare. Upon the payment of consideration, a player may select and remove the punches contained in a receptacle. A prize is awarded to a player who selects a receptacle containing a punch with a predetermined winning number or symbol.

Raffle - A game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing of corresponding ticket stubs to take place at a location and date or dates printed upon each ticket. The term includes lotteries but not daily or weekly drawings. The term does not include the [playing] paying of money or merchandise at roulette wheels, at cards, dice, other tables or another form of gambling not specifically authorized by law.

Registrant - A manufacturer who is issued a manufacturer registration certificate.

Registration - The process of applying to the Department for a manufacturer registration certificate.

\* \* \*

Responsible person - A person who is connected or associated with [a club] an eligible organization, distributor or manufacturer in a manner that meets at least one of the following criteria:

\* \* \*

(ii) Has the control, receipt, custody or disposal of the [small] games of chance proceeds.

(iii) Has the control, receipt, custody and disposal of available cash on hand or other quick or liquid assets or pays the liabilities of the [club] eligible organization, manufacturer or distributor.

(iv) Has the duty, power or authority to do one of the following:

\* \* \*

(D) Direct the payment of the [entities] entity's liabilities.

\* \* \*

(F) Direct the disposition and use of [small] games of chance proceeds.

\* \* \*

(J) Direct the transaction involved with the sale, manufacture or use of [small] games of chance.

(v) Is [a club] an eligible organization's manager, officer, director or bar personnel involved with the conduct of [small] games of chance.

Seal card - A flare for a pull-tab game or punchboard containing hold tickets that designates, among the other winning tickets in the pull-tab game or punchboard, the winning hold ticket numbers or symbols each of which are concealed by a paper cover typically referred to as a "seal."

\* \* \*

Special raffle permit - A document issued by a licensing authority to a licensed eligible organization that authorizes the eligible organization to conduct a raffle with prize limits exceeding the standard prize limits for raffles.

\* \* \*

State Lottery law - The State Lottery Law (72 P.S. §§ 3761-101 - 3761-2102).

Veterans organization - A congressionally chartered organization within this Commonwealth, or any branch or lodge or chapter of a nonprofit national or State organization within this Commonwealth, the membership of which consists of individuals who were members of the armed services or armed

forces of the United States. The term shall also include home associations.

Weekly Drawing - A game in which a bona fide member selects or receives a number or numbers in exchange for consideration during an operating week for a chance at a prize with the winner determined by a random drawing to take place on the eligible organization's premises on the last operating day of the eligible organization's operating week.

#### GENERAL APPLICABILITY

§ 901.21. Applicability.

(a) This part applies to manufacturers and distributors [of small] who sell or intend to sell games of chance in this Commonwealth and to [clubs] eligible organizations located in municipalities within this Commonwealth which have adopted the act by an affirmative vote in a municipal referendum under the act.

(b) In order to provide uniform practices, procedures and standards, the following enumerated sections of this part are promulgated for the benefit of and suggested use by the licensing authorities: §§ 901.28, 901.31, 901.51(b), 901.185(b), 901.192, 901.193, 901.196, 901.212 - 901.219, 901.401 - 901.407, 901.467 and 901.807. The governing body of each county, on behalf of its licensing authority, must adopt

the sections by independent act for the sections to have legal force and effect.

§ 901.22. Reserved.

§ 901.23. Restriction of sales.

(a) [A person may not sell, offer for sale or furnish games of chance for use in this Commonwealth except to a club or distributor licensed under the act and this part.

(b) Games of chance, other than a raffle conducted with a special permit, sold or offered for sale or furnished for use in this Commonwealth may not contain, permit, depict or designate a prize having a cash value in excess of \$500.]

Manufacturers.

(1) Registration. A manufacturer must register with the Department and obtain a manufacturer registration certificate in order to sell, offer for sale or furnish games of chance for use in this Commonwealth. This paragraph does not apply to manufacturers that only sell, offer for sale or furnish raffle, daily drawing or weekly drawing tickets for use in this Commonwealth.

(2) Sales. A registered manufacturer may only sell, offer for sale or furnish games of chance that have been approved by the Department for sale in this Commonwealth. A registered manufacturer may only sell, offer for sale or furnish approved games of chance for sale in the Commonwealth to a

licensed distributor. This paragraph does not apply to the sale of raffle, daily drawing or weekly drawing tickets.

(3) Sales invoice. A registered manufacturer selling to a licensed distributor must indicate on the sales invoice the games of chance that the Department has approved for sale in the Commonwealth.

(b) Distributors.

(1) Licensure. A distributor must apply for and obtain a distributor license in order to sell, offer for sale or furnish games of chance in this Commonwealth. This paragraph does not apply to distributors that only sell, offer for sale or furnish raffle, daily drawing or weekly drawing tickets.

(2) Sales. A licensed distributor may only sell, offer for sale or furnish approved games of chance for use within this Commonwealth to another licensed distributor or a licensed eligible organization. This paragraph does not apply to the sale of raffle, daily drawing or weekly drawing tickets.

(3) Purchase. A licensed distributor may only purchase approved games of chance for resale in this Commonwealth from a registered manufacturer or licensed distributor. This paragraph does not apply to the purchase of raffle, daily drawing or weekly drawing tickets.

(c) Eligible organizations.



(1) Licensure. An eligible organization must apply for and obtain a games of chance license before purchasing games of chance for use in this Commonwealth.

(2) Purchase. A licensed eligible organization may not purchase or lease games of chance for use in this Commonwealth except from a licensed distributor. This paragraph does not apply to the purchase of raffle, daily drawing or weekly drawing tickets.

§ 901.24. Reserved.

§ 901.25. Vested rights.

[A license issued by the county or a license or registration issued by the Department will not be construed as granting a vested right in the privileges so conferred.] A certificate or license confers only a privilege on the holder.  
A certificate or license confers no vested right in the privilege so conferred.

§ 901.26. Background checks.

(a) As a condition precedent to the issuance of a license or [registration] certificate, the licensing authority or Department may require background checks on a person seeking a license or for whom [registration] a certificate is sought, or employes thereof, or of a person participating as an employe who will be involved in the operation of [small] games of chance or a person with equity ownership of 10% or more.

(b) The applicant or the person for whom a license or [registration] certificate is requested shall cooperate with the licensing authority or Department and shall assist in its investigation.

§ 901.28. Inspection of premises.

(a) Licensed premises, or premises relating to or being used for activities conducted under the act and this part by a licensed [club] eligible organization, registered manufacturer or licensed distributor shall be open to inspection by the [county,] licensing authority and the Department or their authorized representatives [and other law enforcement officials,] but the inspection shall:

\* \* \*

(2) Take place [at times] only when a reasonable belief exists that a violation of the act or this part [exist] has occurred, is occurring or will occur.

(3) Be limited to the inspection of matters, areas and records associated with games of chance to insure compliance with the act and this part.

(b) The Department and the licensing authority, or their authorized representatives, reserve[s] the right to enter and make [the] annual inspections [annually].

§ 901.30. Prohibited practices, contracts, gifts, and the like.

\* \* \*

(b) A manufacturer, distributor or representative thereof may not sell to or solicit from a person an order for a [small] game of chance contingent upon that person or another purchasing or ordering some other [small] game of chance.

(c) [Prices charged by manufacturers, distributors and clubs for goods and services may not be fixed by agreement. A manufacturer, distributor or club, by express or implied agreement with another manufacturer, distributor or club, may not fix the price at which a small games of chance prize or another item used in connection with the small games of chance activities shall be sold, or for which services in connection therewith shall be rendered. The price of these items in the competitive market place shall be established by each manufacturer, distributor or club for the products and services offered by each and may not be established, directly or indirectly, in concert with one another.] A manufacturer, distributor or licensed eligible organization may not fix by express or implied agreement with another manufacturer, distributor, eligible organization or any other person, the prices charged for games of chance or goods, prizes or services sold or rendered in connection with games of chance.

§ 901.31. Examination of records.

[(a) The] In addition to the examination of records authorized during an inspection of the premises, the Department

or [county] licensing authority is authorized to examine the reports, books, accounts and records, and the inventory of [small games of chance of] a licensed distributor, registered manufacturer, [their representative or clubs] licensed eligible organization or their representatives. Every [person] manufacturer, distributor or eligible organization is directed and required to give to the Department[, ] or [county] licensing authority, or their authorized representative the means, facilities and opportunity for the examinations.

[(b) The district attorney may require licensed clubs, manufacturers and distributors or their representatives, to produce the books, accounts and records relating to small games of chance to determine whether a license should be revoked, suspended or renewal thereof be denied.

(c) Licensees and registrants, upon a reasonable request, shall also produce the books, accounts and records relating to small games of chance to other law enforcement officials.]

§ 901.32. Ownership of [small] games of chance.

[A small game of chance play or ticket is owned by the physical possessor of the ticket] The physical possessor of a game of chance play or ticket is the owner of the play or ticket until a name is imprinted or placed upon [the play or ticket] it. When a name is placed upon the play or ticket, the person whose name appears on the play or ticket is the owner and is

entitled to a prize attributable to it [and is the owner of the play or ticket].

§ 901.34. Disputes.

If a dispute occurs about whether [the] a play or ticket is a winning play or ticket and the dispute cannot be resolved through normal verification procedures or other appropriate means the [club] licensed eligible organization may retain the play or ticket and replace it with an equivalent play or ticket in a like game of chance. This is the exclusive remedy of the owner of the play or ticket. Detailed records regarding the dispute, the reasons for the dispute and the play or ticket shall be maintained by the [club] eligible organization for a minimum of 2 years from the date the dispute arose.

§ 901.35. Termination of [small] games of chance.

[The club] A licensed eligible organization may announce a termination date at which point no further plays or tickets may be sold, and a date by which all claims or prizes [will] shall be made. This date may not be less than 30 days after the last date for play of the game being terminated.

§ 901.36. Federal withholding and reporting requirements.

A licensed [club] eligible organization is responsible for complying with Internal Revenue Service rules for reporting and withholding on gambling and lottery winnings.

§ 901.37. State withholding and reporting requirements.

A licensed [club] eligible organization is responsible for complying with Commonwealth rules for reporting and withholding on gambling and lottery winnings.

§ 901.38. Commonwealth resident designee.

A person [seeking registration or licensing] applying for a certificate or distributor's license under the act or this part is required to designate a person and location within this Commonwealth for purposes of service of process and the person shall agree to submit to the jurisdiction of the courts of the Commonwealth and law enforcement officials of the Commonwealth and its subdivisions.

§ 901.40. Prohibition of gambling facilities.

(a) A person, corporation, association, partnership or other business entity may not offer for rent or offer for use a building or other facility to be used exclusively for conducting games of chance.

(b) A licensed eligible organization may not lease, under any terms, a facility or building which is used exclusively for conducting games of chance.

§ 901.41. Operating days, non-operating days and operating weeks.

(a) An operating day or a non-operating day may not exceed 24 consecutive hours. An operating day or a non-operating day

may not overlap with any other operating day or non-operating day.

(b) An operating day may extend from one calendar day to another so long as the eligible organization's normal activities or business hours extend from one calendar day to another. For example, an eligible organization's operating day may begin at 9 a.m. and end at 3 a.m. the following calendar day (that is, 18 consecutive hours over two calendar days).

(c) If an eligible organization operates on a 24 hour-a-day basis, the eligible organization's operating day shall be any consecutive 24-hour period as chosen by the organization. For example, an eligible organization could choose its operating day to be from 9:01 a.m. to 9 a.m. the following calendar day or from 12:01 a.m. to midnight on the same calendar day.

(d) An operating week shall consist of seven consecutive, reoccurring operating or non-operating days.

(e) An eligible organization shall choose its operating day and week and report them on its license application.

(f) A licensed eligible organization may change its operating day and week. The eligible organization must amend its license before the new operating day or week becomes effective.

#### ADMINISTRATION

§ 901.51. Power and duties.

(a) The Department has the power and authority granted to it by the Legislature under the act, including the power and authority to do the following:

(1) Review the tax status of an applicant for [registration or licensure by the Department] a certificate or distributor license.

\* \* \*

(4) Establish procedures by which manufacturers may apply for a certificate and distributors [of games of chance] may apply for [registration and] licensure.

\* \* \*

(6) [Provide] Prescribe procedures for the suspension or revocation of [distributor] licenses [or manufacturer] and certificates for violations of the act or this title.

(7) Prescribe the form to be used by the licensing authority to license [clubs] eligible organizations.

(8) Conduct investigations prior to licensure and registration [and determine that] to ensure compliance with the requirements and prohibitions of the act and this part [are being complied with]. [Violations are grounds for revocation, suspension and denial of licensure or registration as provided elsewhere in this part.]

(9) Collect a fee for the issuance of a manufacturer registration certificate or distributor license.



(10) Initiate legal proceedings, in law or equity, before any court or tribunal, for purposes of administering or enforcing the provisions of the act or this part.

(11) Notify the Office of Attorney General of violations of the act and this part and request the Attorney General to initiate legal proceedings, criminal or civil, legal or equitable, to enforce the provisions of the act and this part.

(12) Do other matters necessary or desirable for the efficient operation and administration of [small] games of chance and to carry out the act and this part.

(b) [The] Although not limited to the following, the licensing authority has the power and duty to [do the following]:

(1) Issue special raffle permits.

(2) License [clubs] eligible organizations upon application to conduct and operate games of chance after the games have been approved in a municipal referendum.

(3) Send to the Department a [copy] list, on a semiannual basis, of the [names of the licensees to the Department] eligible organizations licensed to conduct games of chance.

(4) Collect a fee for the issuance of a games of chance license to eligible organizations. Establish and collect

a fee not to exceed \$25 for the issuance of special raffle permits.

\* \* \*

(7) Initiate legal proceedings, in law or equity, before any court or tribunal, for purposes of administering or enforcing the provisions of the act or this part.

[(c) The district attorney and other law enforcement officials have the power to do the following:

(1) Require licensees to produce books, accounts and records.

(2) Investigate alleged violations of the act or this part.

(3) File complaints against the alleged violator in the appropriate court.

(4) Prosecute complaints in the manner provided by law.]

§ 901.52. Administrative entity.

The Department will carry out its powers provided in the act or this part through the Bureau of Business Trust Fund Taxes-[Registration] Miscellaneous Tax Division. The administrative entity may be changed by notice published in the *Pennsylvania Bulletin*.

#### Subchapter B. LICENSING AND REGISTRATION

#### MANUFACTURER REGISTRATION

§ 901.101. Manufacturer registration and game approval required.

[A person may not sell or otherwise furnish games of chance to a distributor in this Commonwealth unless that person is currently registered by the Department under this chapter.]

(a) A person must be registered with the Department and possess a manufacturer's registration certificate in order to sell or otherwise furnish games of chance to licensed distributors within the Commonwealth.

(b) A registered manufacturer may not sell a game of chance in this Commonwealth to a licensed distributor until the Department has approved it.

(c) If a registered manufacturer modifies an approved game of chance in any substantial way such that the nature or identity of the game is changed, the rules of the game change or the prizes or payouts change, the game of chance shall be considered a new game of chance and must be submitted for approval.

§ 901.102. Registration and game approval forms.

(a) A person seeking a manufacturer registration [as a manufacturer] certificate shall submit [one copy of a] to the Department an application form [provided] as prescribed by the Department. [A registered manufacturer seeking to renew registration shall submit the same form but indicate in the

appropriate box that the request is for renewal. The form shall be completed in full and will not be considered to be received until it has been completed in full.]

(b) A person seeking an approval of a game of chance shall submit its request for approval to the Department on a form prescribed by the Department.

(c) The application forms referenced in subsections (a) and (b) shall be completed in full and will not be considered to be received until completed in full.

§ 901.103. Manufacturer registration application form contents.

An application for registration as a manufacturer of [small] games of chance shall contain at a minimum the following information:

\* \* \*

(5) A complete list or catalogue of all [small] games of chance to be manufactured.

\* \* \*

(8) Pennsylvania tax information, [if otherwise required under Pennsylvania law] including:

\* \* \*

(12) A notarized affidavit for each dispensing machine sold or offered for sale in the Commonwealth indicating that the dispensing machine complies with the provisions of the

act and this part. A form affidavit shall be available from the Department.

(13) Other documents as identified in the application materials.

§ 901.103a. Change of application information.

A manufacturer shall report any changes to the information supplied in its application to the Department within 15 days of the change.

§ 901.104. Waiver of confidentiality.

[An applicant] By filing an application for the grant [or renewal] of a manufacturer registration certificate [by the filing of an application insofar as it relates to the Department], the applicant waives confidentiality with respect to Commonwealth tax information in the possession of the Department, the Office of Attorney General or the Department of Labor and Industry regarding the applicant, regardless of the source of that information, and consents to the provision of that information to the Department by the Office of Attorney General or the Department of Labor and Industry.

§ 901.106. Registration term.

[The registration certificate is valid through the following March 31.] A registration term shall begin on April 1 and end on March 31 of the succeeding year. A certificate

issued during a registration term is only valid from the date of issuance to the end of the registration term.

§ 901.107. Annual [renewal] applications.

[A registered manufacturer shall renew its registration annually by March 31.] A registered manufacturer should file an application for a certificate 60 days prior to the expiration date of its existing certificate in order to ensure that the manufacturer's registration with the Department is not interrupted.

§ 901.108. Registration number.

[A manufacturer will be assigned an identification number which shall be referred to as a registration number. The name and registration number of the manufacturer shall appear on all orders, documents and other paperwork, and the like, involved with or related to the sale, offer for sale or other provision of small games of chance.] The Department will assign a registration number and issue a certificate to each manufacturer that it approves for registration. The registered manufacturer shall place the registration number on all documents used in any transactions under the act or this part.

§ 901.109. [Registration certificate] Certificate.

The [registration] certificate issued shall be conspicuously displayed on the premises of the manufacturer.

§ 901.110. Duplicate [registration] certificate.

If a [registration] certificate is defaced, destroyed or lost, the Department may issue a duplicate to the holder of the certificate upon submission of a duplicate [registration] application form. A \$100 fee will be charged for the duplicate [registration] certificate.

§ 901.111. Transfer.

[The transfer or assignment of a manufacturer's registration] A manufacturer is prohibited from transferring or assigning its certificate.

§ 901.112. Reserved.

§ 901.113. Representatives of manufacturer.

[(a) A representative of a small games of chance manufacturer may sell to only a licensed distributor.

(b)] A representative of a manufacturer acts as an agent of the manufacturer in activities conducted under the manufacturer's registration certificate.

§ 901.114. Dissolutions, terminations, mergers and bankruptcies.

(a) [The] A manufacturer shall notify the Department in writing within 10 days of one or more of the following actions on the part of [a registered] the manufacturer:

(1) The filing with the Department of State of a certificate of election to dissolve, or the filing of a similar document in another jurisdiction.

(2) [A notice of the decision to dissolve is required if filing is not required.

(3)] The filing of a petition in bankruptcy or receivership by the manufacturer.

[(4)] (3) The merging or consolidating with another entity.

[(5)] (4) The termination of its business activities by a process, legal or equitable, voluntary or involuntary, formal or informal, within or outside this Commonwealth.

(b) A notice of the decision to dissolve is required even if filing is not required.

§ 901.117. [Denial of application, revocation, suspension or refusal to renew manufacturer's registration] Denial, suspension and revocation.

(a) Manufacturer registration certificate. The Department [has the power to deny the application or suspend, revoke or refuse to renew the registration of a manufacturer,] may deny an application for a certificate or suspend or revoke a certificate if the manufacturer or a person required to be identified in the application form commits one or more of the following acts:

\* \* \*

(2) Has failed to comply with or engaged in an activity prohibited by the act or this part.

\* \* \*



(4) Has been convicted of, forfeited bond upon a charge of or pleaded guilty or nolo contendere to one of the following:

\* \* \*

(vi) A crime, whether a felony or a misdemeanor, involving a gambling activity or a felony involving[,] moral turpitude.

\* \* \*

(5) Has refused to permit an inspection of its records or premises under one of the following:

(i) Section 901.28 (relating to inspection of premises) or 901.31 (relating to examination of records).

\* \* \*

(9) Sells or offers for sale in this Commonwealth a game of chance that has not been approved by the Department as provided for in this part.

(b) Game of chance approval. The Department may deny an application for a game of chance approval and may suspend or revoke an approved game of chance if the game of chance fails to meet the requirements of the act or this part.

(c) Suspensions.

(1) A suspension of a certificate or a game of chance approval is issued for violations enumerated in subsection (a)

or (b) as applicable that have not substantially harmed the public and can be timely remedied.

(2) A suspension may not exceed a period of 30 days, unless the manufacturer requests an extension, in writing, and the Department approves the extension.

(3) The Department will lift a suspension when the manufacturer has demonstrated compliance.

(4) If the Department determines that the manufacturer is still in violation under subsections (a) or (b) as applicable by the end of the suspension period, the Department will revoke the certificate or game approval as applicable.

(5) There is no right to appeal a suspension.

(d) Notice.

(1) The Department will issue a written notice of a denial, suspension, lifting of suspension or revocation. The notice will provide:

(i) Issue date of the notice.

(ii) Action taken by the Department.

(iii) Reason for the action.

(iv) The manufacturer's appeal rights.

(2) The Department will serve the notice by certified or first-class mail.

(3) The Department will mail the notice to the manufacturer's Commonwealth resident designee.

§ 901.117a. Registration following revocation.

Unless otherwise provided by the act or this part:

(1) A manufacturer whose certificate is revoked is ineligible to apply for and receive another certificate for the remaining registration term or six months, whichever is longer.

(2) For a second revocation, the manufacturer is ineligible to apply for and receive another certificate for the remaining registration term as well as the following registration term.

(3) For a third and subsequent revocation, the manufacturer is ineligible to apply for and receive another certificate for 30 months.

§ 901.119. Raffle, daily drawing and weekly drawing ticket manufacturers.

This section [does] and §§ 901.101-901.118 do not apply to the manufacturers [of] who only produce and sell raffle, daily drawing and weekly drawing tickets.

#### DISTRIBUTOR LICENSING

§ 901.131. Distributor license requirement.

[A person may not sell, offer for sale or otherwise furnish small games of chance to licensed clubs in this Commonwealth unless the person is currently licensed by the Department under

this section and §§ 901.132-901.153.] A person must be licensed by the Department and possess a license in order to sell, offer for sale or otherwise furnish games of chance to licensed eligible organizations in this Commonwealth.

§ 901.132. License application form.

[A person seeking licensure as a distributor shall submit one copy of a form prescribed by the Department. A licensed distributor seeking to renew a license shall submit the same form but indicate in the appropriate block that it is a renewal request.] In order for a distributor to obtain a license to sell games of chance in the Commonwealth, the distributor must submit a license application to the Department in the form prescribed by the Department. The application form shall be completed in full and will not be considered to be received until it has been completed in full.

§ 901.133. Distributor license application form contents.

The application form shall include the following:

\* \* \*

(5) A list of all types of [small] games of chance to be distributed.

\* \* \*

§ 901.133a. Change of application information.

A distributor shall report any changes to the information supplied in its application to the Department within 15 days of the change.

§ 901.136. License term.

[The distributor license is valid through the following April 30.] A license term shall begin on June 1 and end on May 31 of the succeeding year. A license issued during a license term is only valid from the date of issuance to the end of the license term.

§ 901.137. Annual [renewal] application.

[A licensed distributor shall renew its license annually by April 30.] A licensed distributor should file an application for a license 60 days prior to the expiration date of its existing license in order to ensure that the distributor's licensure with the Department is not interrupted.

§ 901.138. License number.

[Every distributor will be assigned an identification number which shall be referred to as a license number. The name and license number of the distributor shall appear on all orders, documents or other paperwork, and the like, involved with or related to the sale, offer for sale or other provision of small games of chance.] The Department will assign a license number and issue a license to each distributor it approves for licensure. A licensed distributor shall place its business name

and license number on all documents used in any transaction under this part.

§ 901.139. License [certificate].

The license [certificate] shall be conspicuously displayed at all times at the place of business of the person licensed.

§ 901.140. Duplicate license.

Whenever a license [certificate] is defaced, destroyed or lost, the Department may issue a duplicate to the holder of the license upon submission of a duplicate License Application Form. A \$100 fee will be charged for the duplicate license [certificate].

§ 901.141. Transfer.

[The transfer or assignment of a distributor licensed] A licensed distributor is prohibited from transferring or assigning its license.

§ 901.142. [Representatives of distributors] Distributor's representative.

[(a) A representative of a small games of chance distributor shall sell only to licensed clubs.

(b)] A distributor's representative [of a distributor] acts as an agent of the licensee in activities conducted under the distributor's license [certificate].

§ 901.143. Restrictions on distributorship interest.

(a) [An] A licensed eligible organization [which is licensed to conduct games of chance] may not be a distributor.

(b) A person who is an officer, director, proprietor, consultant, employe or owner of a distributorship may not have a pecuniary interest in the operation of [small] games of chance.

(c) A distributor or person who has a financial interest in a distributorship may not be a lessor of premises, directly or indirectly, to a [club] licensed eligible organization.

§ 901.144. Restrictions of distributor employes.

(a) An employe of a distributorship may not be an employe, consultant or volunteer of a licensed [club] eligible organization unless the employe has first made a full written disclosure of the employe's distributorship employment to the [club] eligible organization.

(b) An employe of a distributorship may not be a law enforcement official.

(c) An employe of a distributorship may not play games of chance at the site of a [club] licensed eligible organization if that [club] eligible organization is a customer of the distributorship.

(d) A Department employe assigned to the bureau responsible for administering the act or this part may not have an interest in a distributor licensed under the act or this part.

§ 901.146. Sales promotion.

A distributor may not use as a sales promotion a statement, demonstration or implication that a certain portion of a deal [of small games of chance tickets] contains more winners than other portions of the [set] deal or that a [set] game of chance may be played by a [club] licensed eligible organization in a particular manner that would give the organization an advantage in selling more [of the small games of chance] chances before having to pay out winners.

§ 901.147. Fixed prices.

A distributor may not enter into an express or implied agreement with another distributor to fix the price at which [small] games of chance may be sold, or for which services in connection therewith may be rendered. The price of these items in the competitive marketplace shall be established by each distributor for the [small] games of chance and services offered by each and may not be directly or indirectly established in concert with one another.

§ 901.148. Dissolutions, terminations, mergers and bankruptcies.

(a) [The] A distributor shall notify the Department, in writing, within 10 days of one or more of the following actions on the part of [a registered] the distributor:

\* \* \*



§ 901.149. Change of address.

[The] A distributor will notify the Department, in writing, 10 days prior to a change of address.

§ 901.150. Changes in ownership or personnel.

The distributor shall make a written report to the Department of changes of responsible persons engaged in the business of the distributor. This report shall also include a change in the management, ownership, directorship or equity ownership of 10% or more, or a change in the manufacturer's representatives. The report shall be filed [on October 15] within 15 days of the addition or deletion.

§ 901.151. [Revocation, denial, suspension or rejection of renewal of distributor license] Denial, suspension and revocation of licenses.

(a) Distributor license. The Department [has the power to deny the application or suspend, revoke or refuse to renew the license of a distributor under the following circumstances] may deny a license application or suspend or revoke a license if the distributor or a person required to be identified in the application form commits one of the following acts:

\* \* \*

(2) Has failed to comply with or engaged in an activity prohibited by the act or this part.

\* \* \*

(5) Has refused to permit an inspection of its records or premises under one of the following:

(i) Section 901.28 (relating to inspection of premises) or 901.31 (relating to examination of records).

\* \* \*

(b) Suspensions.

(1) A suspension of a license is issued for violations enumerated in subsection (a) that have not substantially harmed the public and can be timely remedied.

(2) A suspension may not exceed a period of 30 days, unless the distributor requests an extension, in writing, and the Department approves the extension.

(3) The Department will lift a suspension when the distributor has demonstrated compliance.

(4) If the Department determines that the distributor is still in violation under subsection (a) by the end of the suspension period, the Department will revoke the license.

(5) There is no right to appeal a suspension.

(c) Notice.

(1) The Department will issue a written notice of a denial, suspension, lifting of suspension or revocation. The notice will provide:

(i) Issue date of the notice.

(ii) Action taken by the Department.

(iii) Reason for the action.

(iv) The distributor's appeal rights.

(2) The Department will serve the notice by certified or first-class mail.

(3) The Department will mail the notice to the distributor's Commonwealth resident designee.

§ 901.151a. Licensing following revocation.

Unless otherwise provided by the act or this part:

(1) A distributor whose license is revoked is ineligible to apply for and receive another license for the remaining license term or six months, whichever is longer.

(2) For a second revocation, the distributor is ineligible to apply for and receive another license for the remaining license term as well as the following license term.

(3) For a third and subsequent revocation, the distributor is ineligible to apply for and receive another license for 30 months.

§ 901.153. Raffle, daily drawing and weekly drawing ticket distributors.

This section and §§ 901.131-901.152 do not apply to [the distribution of] distributors who only sell raffle, daily drawing and weekly drawing tickets.

#### BOARD PROCEDURES

§ 901.161. Jurisdiction and purpose.

The Board will receive and review petitions [to review Department] challenging the Department's decisions to deny [an initial or renewal application] an application for a manufacturer registration [or licensure] certificate or game of chance approval or a distributor license. The Board will also receive and review petitions from [registrants or licensees who have been notified of the Department's intent to revoke registration or licensure] manufacturers or distributors challenging the Department's revocation of a manufacturer registration certificate, game of chance approval or a distributor license. The Board will provide petitioners with the opportunity for a hearing and will make recommendations to the Secretary regarding petitions.

§ 901.165. Board practice and procedure.

\* \* \*

(g) Bond. [An applicant,] A registrant or licensee [whose application has been denied or] whose license or registration has been revoked[, suspended or not renewed] due to Commonwealth tax liabilities, and who has been notified of the [denial, nonrenewal or] revocation, shall file a bond in an amount of 120% of the tax and interest with the Department [pending the outcome of] in order for an appeal of [a decision of the Department with regard to registration or licensing] the

revocation to stay the revocation [or suspension of the registration or license].

\* \* \*

§ 901.168. Stay of appeal.

(a) Actions to [suspend or] revoke a registration [or] license or game approval will be stayed pending the decision of the Secretary when a petition has been filed with the Board. [, except when the registration or license is immediately suspended for a period not to exceed 30 days because, in the opinion of the Department, one or more of the following has occurred:

(1) The license or registration has been obtained by fraud, trickery, misrepresentation, concealment or through inadvertence or mistake.

(2) The licensee, registrant or other person required to be identified in the application has engaged in an act or practice that would operate as a fraud or deceit upon a person.

(3) The licensee or registrant has failed to comply with the act or this part, after having been previously notified by the Department or its authorized representatives or law enforcement personnel, that a violation had been or was being committed by the licensee, registrant or other person required to be identified on the application.

(4) The licensee or registrant has been convicted of, forfeited bond upon a charge of or pleaded guilty or nolo contendere to one of the following:

(i) Forgery.

(ii) Larceny.

(iii) Extortion.

(iv) Conspiracy to defraud.

(v) Willful failure to make required payments or reports to a governmental agency or filing false reports.

(vi) A crime, whether a felony or a misdemeanor, involving a gambling activity or a felony involving moral turpitude.

(vii) Other similar offenses.]

(b) During the pendency of the appeal, the certificate, game approval or license will be suspended.

[CLUB] ELIGIBLE ORGANIZATION LICENSING

§ 901.181. Reserved.

§ 901.182. License requirements.

(a) [A club] Eligible organizations. An eligible organization may not conduct or operate [small] games of chance unless the [club] eligible organization obtains and maintains a valid license issued under the act and this part. An eligible organization must be in existence and fulfilling its purposes for one year prior to the date of application for a license.

(b) Auxiliary groups.

(1) An auxiliary group may conduct or operate games of chance under its parent organization's license. An auxiliary group may not be licensed separately. Any auxiliary group that conducts games of chance must be listed on the parent organization's license application.

(2) An auxiliary group that conducts games of chance under its parent organization's license acts in lieu of the eligible organization and is bound by the restrictions and limitations of the eligible organization and its license under the act and this part. Prizes from games of chance conducted by an auxiliary group must be included in the total prizes paid out by the licensed eligible organization for purposes of determining the licensed eligible organization's adherence to the prize limits under the act and this part.

(3) A licensing authority shall not charge an additional licensing fee for an auxiliary group's right to conduct games of chance under its parent eligible organization's license.

§ 901.183. Filing.

License applications shall be filed with the licensing authority in the county where the [club is physically located] eligible organization maintains its normal business or operating site that will be used as its licensed premises. When an

eligible organization does not own or lease a location to conduct its normal business, the organization shall file its application with the licensing authority in the county where the eligible organization maintains its licensed premises.

§ 901.184. [Licensee] License fee.

The annual license fee is \$100. The fee for a limited occasion license is \$10.

§ 901.185. [Annual renewal] License term and annual applications.

(a) [The] A license is valid [through the succeeding June 30] for one year from its date of issuance.

(b) [Applications for renewal should be received at least] A licensed eligible organization should apply for a license 30 days prior to the expiration date of [the] its existing license in order to ensure that its licensure will not be interrupted.

§ 901.186. Display.

[The license issued shall be publicly displayed at all times on the premises of the club.] The licensed eligible organization shall at all times publicly display its license at the site where it conducts games of chance.

§ 901.188. Location.

(a) A license issued under [this section and] §§ 901.181-901.187, this section and [901.189-901.194] 901.189-901.196 will be valid at [only one location in the county which issued the



license] and authorize the holder to conduct games of chance on the organization's licensed premises as provided in § 901.704 (relating to licensed premises).

(b) A licensed eligible organization may conduct games of chance at a location off its premises when such games of chance are part of an annual carnival, fair, picnic or banquet held or participated in by that eligible organization on a historical basis. The organization must notify, in writing, the district attorney and licensing authority of the location, date and times of such events.

(c) A license issued in one county will be valid for purposes of [conducting a raffle in another county if the transactions occur] selling raffle tickets in municipalities of another county which have specifically approved [small] games of chance [and other provisions of this part and the act are met] by an affirmative vote in a municipal referendum. A licensed eligible organization that plans to sell raffle tickets in a municipality located in a county other than the county in which it is licensed must notify that county's district attorney and licensing authority as to the location and the dates that the organization plans to sell raffle tickets.

§ 901.189. Transfer.

[The transfer or assignment of licenses between locations and clubs] A licensed eligible organization is prohibited from transferring or assigning its license.

§ 901.190. Joint license prohibition.

[A joint license for the holding, operating and conducting of a game of chance will not be issued to two or more clubs.] A licensing authority shall not issue a joint license to two or more eligible organizations. An auxiliary group may operate under its parent organization's license, but may not hold a license of its own.

§ 901.191. License application form.

The license application form shall contain, at a minimum, the following information:

\* \* \*

(2) The type of [the] organization.

\* \* \*

(5) The name of the municipality where the applicant will maintain its licensed premises.

(6) [The place of conduct for games of chance.] The eligible organization's licensed premises.

(7) The [dates and hours the club normally operates for its members] eligible organization's operating day and week.

\* \* \*

(11) The names and addresses of persons who will be responsible for the operation of games of chance, including [club] eligible organization employes, bar personnel, auxiliary group members and other persons who will obtain the games of chance and coordinate their use.

(12) A statement under oath in the form of an affidavit, affirmed by the executive officer or secretary of the [club] eligible organization, stating the following:

(i) A person 17 years of age or younger[, or in the case of a club holding a liquor license, 20 years of age or younger,] will not be permitted by the [club] eligible organization to operate or play games of chance.

\* \* \*

(iii) The [club] eligible organization is the owner of the premises upon which the games of chance are played or, if it is not, the [club] eligible organization is not leasing the premises from the owner thereof under an oral agreement, nor is it leasing the premises from the owner thereof under a written agreement at 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, excepting the lease of a facility for a banquet where a per head charge is applied in connection with the serving of a meal.

(13) A copy of a corporate applicant articles of incorporation and bylaws; or, if not a corporation, a copy of bylaws and other documents which set out the organizational [structural] structure and purpose [of the organization].

(14) A copy of a nonprofit charitable applicant's Internal Revenue Service tax exemption letter if one has been obtained and a copy of other documents indicating the [club] eligible organization is a nonprofit charitable organization.

(15) The details and copies of the lease, [or] rental or other arrangements[,] between the applicant and the owner of premises upon which the [gambling activity] games of chance will be conducted, if the premises are not owned by the [club] eligible organization.

(16) The names, addresses, dates of birth and the social security numbers of each paid employe, auxiliary group member or agent who will be involved with the activities for which the license is sought.

\* \* \*

(18) The type of license applied for and [A] a list of all types of games of chance to be operated by the [club] eligible organization.

(19) A list of distributors of games of chance with whom the [club] eligible organization does business.

(20) A list of the eligible organization's auxiliary groups that will operate games of chance under the eligible organization's license.

[§ 901.192. Denial of application, revocation, suspension and refusal to renew club licenses.

(a) The licensing authority shall revoke or refuse to renew the license of a club whenever the district attorney finds upon complaint and investigation that one of the following exists:

(1) The funds derived from the operation of games of chance are used for a purpose other than for legitimate club purposes or for the purchase of games of chance.

(2) A person 17 years of age or younger, or in the case of a club holding a liquor license, 20 years of age or younger, is operating or playing games of chance.

(3) The club has permitted a person who has been convicted of a felony or a violation of the Bingo Law, or the act to manage, set up, supervise or participate in the operation of games of chance.

(4) The facility in which the games of chance are played does not have adequate means of ingress and egress and does not have adequate sanitary facilities available in the area.

(5) A person other than a manager, officer, director, bar personnel or a bona fide member of the club has been involved in managing, setting up, operating or running games of chance.

(6) A person has received compensation for conducting games of chance.

(7) A prize has been awarded in excess of the limits prescribed by the act.

(8) The club has violated a condition of a special permit.

(9) The club conducts the games of chance upon premises which it does not own or lease in accordance with the restrictions of the act or this part and is leasing the premises from the owner thereof under one of the following:

(i) An oral agreement.

(ii) A written agreement at a rental which is determined by the amount of receipts realized from the playing of games.

(10) False or erroneous information was provided in the original application.

(11) The club has been convicted of a violation of the act.

(12) The club has permitted another club to use its licensed premises for the conduct of games of chance.

(13) A club has conducted more than one raffle in a calendar month.

(b) The licensing authority shall revoke, or refuse to renew the license of a club whenever the licensing authority, its designee or a law enforcement official finds upon complaint and investigation that:

(1) The funds derived from the operation of games of chance are used for a purpose other than for legitimate club purposes or for the purchase of games of chance as permitted by the act.

(2) A person 17 years of age or younger, or in the case of a club holding a liquor license, a person 20 years of age or younger, is operating or playing games of chance as defined in the act.

(3) The club has permitted a person who has been convicted of a felony or a violation of the Bingo Law or the act to manage, set up, supervise or participate in the operation of games of chance.

(4) The facility in which the games of chance are played does not have adequate means of ingress and egress and does not have adequate sanitary facilities available in the area.

(5) A person other than a manager, officer, director, bar personnel or a bona fide member of the club has been

involved in managing, setting up, operating or running games of chance.

(6) A person has received compensation for conducting games of chance.

(7) A prize has been awarded in excess of the limits prescribed by the act.

(8) The club has violated a condition of a special permit.

(9) The club conducts the games of chance upon premises which it does not own or lease in accordance with the restrictions of the act or this part and is leasing the premises from the owner thereof under one of the following:

(i) An oral agreement.

(ii) A written agreement at a rental which is determined by the amount of receipts realized from the playing of games.

(10) False or erroneous information was provided in the original application.

(11) The club has been convicted of a violation of the act.

(12) The club has permitted another club to use its licensed premises for the conducting of games of chance.

(13) A club has conducted more than one raffle in a calendar month.



(c) The licensing authority shall sanction by suspending or revoking a license or refusing to renew the license of a club whenever the licensing authority, its designee or a law enforcement official finds upon complaint and investigation that the club or a party in interest in the license application, or a holder of the license:

(1) Has failed to comply with the act or subsection (a) or (b).

(2) Has obtained a license by fraud, misrepresentation, concealment or through inadvertence or mistake.

(3) Has submitted a license application containing false information.

(4) Has been convicted or, forfeited bond upon a charge of or plead guilty or nolo contendere to one of the following:

(i) Forgery.

(ii) Larceny.

(iii) Extortion.

(iv) Conspiracy to defraud.

(v) Willful failure to make required payments or reports to a governmental agency.

(vi) Filing of false reports.

(vii) A crime, whether a felony or misdemeanor, involving gambling activity or a felony involving moral turpitude.

(viii) Other similar offenses.

(5) Has refused to permit an inspection of its records or premises under one of the following:

(i) Section 901.28 (relating to inspection of premises).

(ii) A search warrant.

(iii) A court order.

(6) Has failed to display its license on the premises where the licensed activity is conducted at all times during the operation of the licensed activity.

(7) Has made a misrepresentation of, or fails to disclose, a material fact to the licensing authority, law enforcement officials or the Department.

(8) Has failed to provide the licensing authority information required under the county's rules within a written request by the county, or within the time specified by the county rule.

(9) Has allowed a person who has been convicted of or forfeited bond upon one or more of the offenses listed in this subsection to participate in the management or operation of an

activity regulated by the act or this part without prior written approval of the Department or the licensing authority.

(10) Has purchased games of chance from a distributor who is not currently licensed by the Department.

(d) The licensing authority shall deny the license application of a club [for licensure] whenever the licensing authority, district attorney or other law enforcement official finds upon complaint and investigation that the club, the applicant or a party in interest in a license application, or holder of the license has committed one or more of the offenses described in subsection (a), (b) or (c).]

§ 901.192. Denial, suspension and revocation of an eligible organization license.

(a) Denial. A licensing authority may deny an eligible organization's application when the licensing authority determines that the eligible organization has violated the act or this part.

(b) Suspension. A licensing authority may suspend an eligible organization's license when the licensing authority determines that the eligible organization has violated the act or this part, the violation has not substantially harmed the public and the violation can be timely remedied.

(c) Revocation and denial.

(1) A licensing authority may revoke an eligible organization's license when the licensing authority determines that all of the following have occurred:

(i) The eligible organization has violated the act or this part.

(ii) The violation has substantially harmed the public.

(iii) The violation cannot be remedied by the eligible organization.

(2) A licensing authority shall revoke the license of an eligible organization when the eligible organization has not remedied a violation for which a suspension is issued within the suspension period.

(3) A licensing authority shall revoke or deny the license of an eligible organization when the district attorney finds upon complaint and investigation that:

(i) The funds derived from the operation of games of chance are used for a purpose other than for public interest purposes or for the purchase of games of chance as permitted by the act.

(ii) A person 17 years of age or younger is operating or playing games of chance as defined in the act.

(iii) The eligible organization has permitted a person who has been convicted of a felony in a Federal or State

court within the past five years or has been convicted in a Federal or State court within the past ten years of a violation of the Bingo Law or the act, to manage, set up, supervise or participate in the operation of games of chance.

(iv) The facility in which the games of chance are played does not have adequate means of ingress and egress and does not have adequate sanitary facilities available in the area.

(v) A person other than a manager, officer, director, bar personnel or a bona fide member of the eligible organization has been involved in managing, setting up, operating or running games of chance.

(vi) A person has received compensation for conducting games of chance.

(vii) A prize has been awarded in excess of the limits prescribed by the act.

(viii) The eligible organization has violated a condition of a special raffle permit.

(ix) The eligible organization conducts games of chance on a leased premises under an oral agreement, or on a leased premises under a written agreement at a rental which is determined by the amount of receipts realized from the playing of games.

(x) False or erroneous information was provided in the original application.

(xi) The eligible organization has been convicted of a violation of the act.

(xii) The eligible organization has permitted another eligible organization to conduct games of chance on its licensed premises without suspending its own operation of games of chance during the period that the other licensed eligible organization is conducting games of chance on the premises.

§ 901.194. Change of personnel.

[Additions] An eligible organization shall report the addition or [deletions] deletion of an employe, officer or other person engaged in the operation of the [club] licensed eligible organization or games of chance, or both, or a change in management or directorship, and the like, [shall be reported in writing] to the licensing authority [on November 15] within 15 days of the addition or deletion.

§ 901.195. Types of licenses.

Two types of licenses are available. An eligible organization may only hold one type of license at a time. They are:

(1) Games of chance license. A games of chance license authorizes the licensee to conduct games of chance as prescribed by the act and this part during the eligible

organization's licensing term. A licensee is eligible to apply for special raffle permits.

(2) Limited occasion license. A limited occasion license authorizes the licensee to conduct games of chance on a limited basis as provided in § 901.196 (relating to limited occasion license requirements, limits and restrictions).

§ 901.196. Limited occasion license requirements, limits and restrictions.

(a) Organizations that do not own or lease a premises or do not have a specific location at which they conduct their normal business are only eligible for a limited occasion license.

(b) Limited occasion licensees are not eligible for the following:

(1) Special raffle permits.

(2) A games of chance license.

(c) Limited occasion licensees may conduct games of chance on no more than 3 occasions over a period of no more than 7 days during the license term.

(d) No more than 2 raffles may be conducted under a limited occasion license.

(e) The fee for a limited occasion license is \$10.

(f) The licensee shall provide 10 days prior written notice of its intent to conduct games of chance under its license to the licensing authority that issued its license.

§ 901.197. Change of application information.

An eligible organization shall report any changes to the information supplied in its license application to the licensing authority within 15 days of the change.

COUNTY LICENSING AUTHORITY PROCEDURES

§ 901.211. Reserved.

§ 901.212. General provisions.

(a) Scope. This section and §§ 901.211 and 901.213-901.219 govern practice and procedure before the licensing authority except as otherwise provided in this part. The provisions of [2 Pa.C.S. §§ 501-508 and 701-704] 2 Pa.C.S. §§ 551-555 and 751-754 (relating to the Administrative Agency Law) do not apply to practice and procedure before the licensing authority to the extent that those provisions are inconsistent with this section and §§ 901.211 and 901.213-901.219.

(b) Construction of rules. This section and §§ 901.211 and 901.213-901.219 will be liberally construed to aid the efficient operation of the licensing authority and the orderly administration of the act and this part.

§ 901.213. Actions with respect to [club] eligible organization licenses and applications.



(a) The licensing authority shall approve or deny license applications within [60] 30 days of their receipt unless the applicant is notified in writing of the specific reason for the delay. If the applicant requests in writing, the delayed application will be denied and may be immediately appealed. Applications are considered to be received when they arrive at the licensing authority as evidenced by the date stamp placed on the application.

(b) The licensing authority shall determine whether an applicant is eligible for a license under the act and this part and notify the applicant in writing of its determination.

(1) If the application is approved, the licensing authority shall send the license and notice of approval [shall be sent] to the applicant along with an up-to-date listing of all municipalities within the licensing county that have approved games of chance by referendum.

(2) If the application is denied, the licensing authority shall give notice, in writing, of the denial as set forth in [§ 901.214(d) (relating to procedure for suspension, revocation or refusal to renew club licenses)] § 901.214(b) (relating to procedure for denial, suspension or revocation of eligible organization licenses).

(c) If [a club] an eligible organization's license is suspended or revoked by the licensing authority, the licensing

authority will give notice to the [club] eligible organization in writing of its determination as provided in [§ 901.214(d)] § 901.214(b).

(d) If an appeal is not taken from a denial or from a revocation within the time prescribed in this chapter, the decision of the licensing authority will become final.

§ 901.214. Procedure for denial, suspension[,] or revocation [or refusal to renew club] of eligible organization licenses.

(a) Commencement of action. [An action to suspend or revoke a club license shall be commenced] A licensing authority may deny an eligible organization's application or suspend or revoke an eligible organization's license following a finding of grounds under § 901.192 (relating to [denial of application, revocation, suspension and refusal to renew club licenses] denial of, suspension and revocation of eligible organization licenses).

(b) [Investigations.

(1) The licensing authority, its designee, district attorney or other law enforcement officials shall investigate a complaint against a club.

(2) Complaints may be made by the licensing authority, the Department, district attorney, other law enforcement officials or by any person. If possible, complaints shall be in writing and shall identify the complainant.

Evidence supplied by the complainant shall be attached to the written complaint.

(3) The licensing authority may request information on complaints received by the district attorney, other law enforcement officials or the Department involving a club.

(4) With respect to a club, the licensing authority may request information on an ongoing investigation conducted by the district attorney, other law enforcement officials or the Department.

(5) The district attorney, the Department or other law enforcement official will notify timely the licensing authority upon a finding that a violation of the act or this part has occurred and provide the licensing authority with a copy of the findings involving a club.

(6) The Department may request information on complaints prior to conducting an investigation. If a complaint is made to the district attorney, licensing authority or other law enforcement officials concerning misconduct by a manufacturer or distributor, the Department will not interfere with an investigation conducted as a result of these complaints.

(7) The district attorney, licensing authority or other law enforcement officials shall timely notify the Department upon a finding that a violation of the act or this

part has occurred, and shall provide the Department with a copy of the findings involving a distributor or manufacturer.

(c) Licensing authority determination. The licensing authority shall review the report of each investigation and, based upon the findings, determine whether a club license will be suspended or revoked.

(d) Notice to licensee:

(1) Upon the determination of the licensing authority that a club license will be suspended or revoked, the licensing authority shall notify the club in writing of its determination.

(2) Upon the determination of the licensing authority that a club license application will be denied or not be renewed, the licensing authority shall notify the club in writing of its determination.

(3) The notice will set forth:

(i) The action being taken by the licensing authority.

(ii) The reason for the action.

(iii) A notice to the licensee or applicant of the opportunity to appeal the determination and to have a hearing prior to final action by the licensing authority, except as provided in subsection (e).

(4) Notice shall be received at least 15 days prior to the date the action takes effect except as provided in subsection (e).]

Notice:

(1) A licensing authority shall provide written notice to an eligible organization of its denial of the eligible organization's license application or the suspension or revocation of the eligible organization's license.

(2) The notice will provide:

(i) The date of the notice.

(ii) The action taken by the licensing authority.

(iii) The reason for the action.

(iv) The licensee or applicant's appeal rights.

(3) The licensing authority will serve the notice by certified or first-class mail.

(c) Suspension.

(1) A suspension of an eligible organization's license is issued for violations of the act and this part that have not substantially harmed the public and can be timely remedied.

(2) A suspension may not exceed a period of 30 days, unless the eligible organization requests an extension, in writing, and the licensing authority approves the extension.

(3) The licensing authority will lift a suspension when the eligible organization has demonstrated compliance.

(4) If the licensing authority determines that the eligible organization is still in violation of the act or this part by the end of the suspension period, the licensing authority will revoke the eligible organization's license.

(5) There is no right to appeal a suspension.

[(e) Licenses temporarily suspended pending a hearing. The licensing authority may temporarily suspend a club license issued under this part pending a hearing upon suspension or revocation of the license or a renewal thereof, for a period not to exceed 30 days, when, in the opinion of the licensing authority:

(1) The licensee has obtained the license by fraud, trick, misrepresentation, concealment or through inadvertence or a mistake.

(2) The licensee has engaged in an act, practice or course of operation which would operate as a fraud or deceit upon a person, or has employed a device, scheme or artifice to defraud a person.

(3) The licensee has failed to comply with the act or this part, after having been previously notified by the licensing authority, its authorized representatives or local law

enforcement personnel that a violation of the same or similar provisions had been or were being committed by the licensee.

(4) Immediate cessation of licensed activities by the licensee is necessary for the protection or preservation of the welfare of the community within which these activities are being conducted.]

(d) Effect of appeal. Actions of the licensing authority to revoke an eligible organization's license will be stayed pending the decision of the licensing authority on the appeal. During the pendency of the appeal, the eligible organization's license shall be suspended.

§ 901.215. Appeals.

(a) Generally. [An appeal by an applicant or licensee] An applicant or licensee's appeal from a licensing authority determination[,] shall be addressed to the licensing authority at the office of the licensing authority unless the notice of determination specifically directs otherwise. The person filing the appeal on behalf of the applicant or licensee shall state his name, address and the party he represents.

(b) Timely appeal required. An appeal required or permitted to be filed under this part shall be received for filing at the office of the licensing authority within 30 days of receipt of notice by the [club] eligible organization. The date of receipt at the office of the licensing authority, and

not the date of deposit in the mail, is the filing date for purposes of this section.

(c) Form and content of appeal. An appeal shall be in writing, signed by [a club] an eligible organization's officer or authorized representative, and shall contain:

(1) The name and address of the applicant or licensee.

(2) The name and address of the [club] eligible organization's officer or authorized representative, if any.

\* \* \*

§ 901.216. Representation before licensing authority.

(a) Representation, generally. A bona fide member of [a club] an eligible organization may represent the applicant or licensee. The licensing authority or its designee may represent the licensing authority in presenting submittal to a licensing authority.

\* \* \*

(c) Notice of appearance.

(1) If an officer or member of an applicant or licensee appears on behalf of the applicant or licensee before a licensing authority in a proceeding involving a hearing or an opportunity for hearing, the officer or member shall file with the licensing authority an address at which a notice or other



written communication required to be served upon the [club] eligible organization may be sent.

\* \* \*

§ 901.219. Decisions.

(a) Review. Upon the close of a hearing, the licensing authority shall review evidence and testimony presented along with relevant documents and render a written decision. The decision concerning the [club] eligible organization's license or application will be served upon the parties in the manner consistent with §§ 901.211-901.218 and this section.

\* \* \*

#### Subchapter C. LOCAL OPTION

##### LOCAL OPTION REQUIREMENT AND LOCAL OPTION REPORTING

§ 901.307. Withdrawal of approval.

The referendum procedures contained in §§ 901.301-901.306, this section, 901.308 and 901.309 shall also be available to withdraw the approval of the issuance of [club] eligible organization licenses within the municipality which was granted through a prior referendum.

§ 901.308. Reporting.

A county board of elections shall certify to the Department the question and the results no later than 40 days following the primary election on which a referendum question relating to [small] games of chance appears on the ballot.

§ 901.309. Public information.

Information supplied with regard to the approval or disapproval of [small] games of chance by local referendum shall be available from the county board of elections and the licensing authority.

Subchapter D. RECORDKEEPING

COUNTY RECORDS AND REPORTS

§ 901.401. Application register.

The licensing authority [shall] will keep a register or list of [club] eligible organization applications filed, containing the following:

\* \* \*

(11) The type of license for which each organization applied.

§ 901.402. Docket.

The licensing authority [shall] will also keep and maintain a docket with a separate sheet for each licensee on which it shall enter the following:

\* \* \*

(2) The special raffle permit number of special raffle permits issued to each license.

(3) The date on which special raffle permits were issued.

\* \* \*

(5) The type of license granted.

§ 901.403. Special raffle permit docket.

The licensing authority [shall] will keep and maintain a docket in which the following shall be entered:

(1) The serial number of the special raffle permits issued.

(2) The date the special raffle permits were issued.

(3) The dates the special raffle permit is valid.

(4) The name of the [club] licensed eligible organization to which the special raffle permit was issued.

(5) The [small] games of chance license number of the [club] licensed eligible organization being issued the special raffle permit.

(6) [The date the special permit was returned to the licensing authority.

(7)] The maximum cash value of prizes to be awarded under each special raffle permit.

§ 901.404. Reserved.

§ 901.405. List of licensed [clubs] eligible organizations.

The licensing authority [shall] will send a list of licensees to the Department on or before January 15 and July 15 of each year. Upon request, the licensing authority [shall] will provide the Department with a copy of [the club's] an eligible organization's license. The list shall identify the

[club] eligible organization, its full address, [and] its license number, type of license and any special raffle permit serial number.

§ 901.406. Other records and reports.

[Other] The licensing authority will keep and maintain other records and reports the licensing authority deems reasonable and necessary or are required by this part.

§ 901.407. List of municipalities.

(a) The licensing authority will keep and maintain an up-to-date list of those municipalities within the licensing authority's county that permit games of chance.

(b) The licensing authority will give a copy of the list to every eligible organization at the time of licensure.

(c) The licensing authority will make the list available to licensed eligible organizations who provide notice to the licensing authority of raffle sales within the licensing authority's county.

(d) Any time the list is updated, the licensing authority will submit a copy of the list to the Department within 30 days of the update.

#### MANUFACTURING RECORDS AND REPORTS

§ 901.421. Distributor license copy.

A manufacturer shall maintain a copy of the valid [small] games of chance license of each distributor to which it sells or otherwise furnishes games of chance.

§ 901.423. Annual records.

A registered manufacturer shall keep and maintain permanent annual records of the activities related to [small] games of chance.

§ 901.425. Records.

A record shall include the following:

(1) Sales invoices. A manufacturer shall record every sale, return or other type of transfer of [small] games of chance by completing a sales invoice or credit memo. An invoice shall be prenumbered at the time of purchase. The numbering shall be consecutive, using not less than four digits. Manufacturers may use a computer generated numbering system if the same system is used for all sales and specific numbers cannot be input by use of a manual terminal or other device. The invoice shall contain the following information:

\* \* \*

DISTRIBUTOR RECORDS AND REPORTS

§ 901.441. License of purchaser.

A distributor shall keep a copy of the valid [small] games of chance license of each [club] eligible organization to which it sells or otherwise furnishes games of chance.

§ 901.443. Annual records.

A licensed distributor shall keep and maintain permanent annual records of its activities related to [small] games of chance.

§ 901.445. Records.

A record shall include the following:

(1) Sales invoices. A distributor shall record every sale, return or other type of transfer of [small] games of chance by completing a standard sales invoice or credit memo. An invoice shall be prenumbered at the time of purchase. The numbering shall be consecutive using at least four digits. The invoice shall contain the following information:

\* \* \*

(iii) The [purchasing club] name, address and license number of the licensed organization.

\* \* \*

(vi) The gross amount of each sale to each [club] licensed eligible organization, including all discount terms and the total dollar amount of any discount.

\* \* \*

[CLUB] LICENSED ELIGIBLE ORGANIZATION RECORDS

§ 901.461. Annual records.

[A club] An eligible organization licensed to conduct [small] games of chance shall keep and maintain permanent annual

records of the activities related to [small] games of chance with separate totals of activity under the license for each [7-day period] operating week.

§ 901.462. General records required.

A record shall include the following:

(1) The gross receipts from the conduct of [small] games of chance.

(2) The full details of the expenses related to the conduct of [small] games of chance.

(3) The total cost of the prizes paid out for [small] games of chance.

(4) The details as to how the proceeds from [small] games of chance were used or disbursed by the [club] eligible organization.

§ 901.464. Punchboard and pull-tab records.

Detailed annual records for the operation of punchboards and pull-tabs, [including] shall include the following:

\* \* \*

(7) The cost to the [club] eligible organization of the prizes paid, including cash and merchandise.

\* \* \*

(9) A list of winners' names and addresses for prizes in excess of \$100.

§ 901.464a. Daily and weekly drawing records.

A licensed eligible organization shall maintain the following records and information with regard to each daily or weekly drawing:

(1) Type of drawing (daily or weekly).

(2) The operating day or operating week as applicable during which chances were sold and the date of the drawing.

(3) The list of entrants in the drawing.

(4) Each entrant's assigned or chosen number.

(5) The cost per chance.

(6) The proceeds from the sale of chances and the prize payout percentage.

(7) The winner's name.

(8) The prize paid to the winner.

(9) The winner's name and address for a prize over \$100.

(10) The winner's signed acknowledgment for receipt of the prize.

(11) A notation if the drawing is a carryover, and the amount of the jackpot being carried over to the next drawing.

§ 901.465. Cash over and short.

Cash over and short shall be determined by:

(1) Subtracting actual cash from net receipts for [small] games of chance paying cash prizes.

(2) Subtracting actual cash from gross receipts for [small] games of chance which award merchandise prizes.



§ 901.466. Prize records.

A separate annual record shall be kept which may be easily cross-referenced to the other required records and which identifies the following:

\* \* \*

(2) The total amount of prizes awarded [in each 7-day period] per operating week.

\* \* \*

Subchapter E. PROHIBITED ACTIVITIES/PENALTIES

PROHIBITED ACTIVITIES

§ 901.501. Advertising.

[A club] An eligible organization or other person may not advertise the prizes or their dollar value to be awarded in games of chance. [Prizes may be identified on a raffle ticket.] Raffle tickets may identify the raffle prizes. An eligible organization may advertise prizes and values thereof in periodic publications that are limited in their circulation to members of the eligible organization.

§ 901.502. Persons.

(a) A person having a pecuniary interest in a distributor or manufacturer or operator of games of chance may not have been:

\* \* \*

(b) A person 17 years of age or younger[, or 20 years of age or younger in the case of a club holding a liquor license,] may not be permitted to operate or play [small] games of chance.

(c) A [club] licensed eligible organization may not permit a person who has been convicted of a felony [or a] in a Federal or state court within the past 5 years or has been convicted in a Federal or state court of a violation of the Bingo Law or the act within the past 10 years to manage, set up, supervise or participate in the operation of games of chance.

§ 901.503. Compensation.

A [club] licensed eligible organization may not pay compensation to a person for conducting games of chance.

§ 901.504. Persons who may conduct games.

Persons may conduct [small] games of chance only if they are [club] licensed eligible organization managers, officers, directors, bar personnel or bona fide members [of the club for at least 1 year].

§ 901.505. Promotional use of games of chance.

[Small games] Games of chance may not be used as a part of promotional or advertising methods.

§ 901.506. Credit play.

\* \* \*

(e) A [club] licensed eligible organization may not permit the purchase of tickets by means of a deferred payment plan.

(f) [Clubs] Licensed eligible organizations may establish their own policies concerning acceptance of checks. A [club] licensed eligible organization is not required to accept a check.

(g) A [club] licensed eligible organization, manufacturer or distributor may not grant a non [diminimis] de minimis loan or gift to a player, a [club] licensed eligible organization, distributor or manufacturer.

\* \* \*

(i) On the specific date on which the check was written, a [club] licensed eligible organization may allow a player to buy back a check with cash or return a player's check to the player as part of a prize payout. [Clubs] Licensed eligible organizations may not unnecessarily delay the bank deposit of a check to accommodate either of these activities.

(j) A [club] licensed eligible organization may not lend or provide the use of gambling funds to a person as a loan.

§ 901.507. Prizes in excess of \$500.

[An] A licensed eligible organization may not award an individual prize [which] that exceeds \$500 [may not be awarded] except under a special raffle permit [raffle], a carryover daily drawing as provided in § 901.702(e)(1) (relating to prize limits) or a weekly drawing.

§ 901.508. Prizes in excess of \$5,000.

A licensed eligible organization may not award a prize [which] that causes the total prizes awarded for [the 7-day period] an operating week to exceed \$5,000 [may not be awarded] except under a special raffle permit, a carryover daily drawing as provided in § 901.702(e)(1) or (2) (relating to prize limits) or a weekly drawing as provided in section 901.702(f)(2).  
[Prizes awarded in raffles are not included in this amount.]

§ 901.509. Monthly raffle limit.

A licensed eligible organization may not award a raffle prize [which] that causes the total prizes awarded in raffles to exceed \$5,000 for the month [may not be awarded] except under a special raffle permit [raffle].

§ 901.510. [One club per location.] Use of licensed premises by more than one organization.

[A location or licensed premises may not be used by more than one licensed club for the conduct of games of chance.] No licensed eligible organization shall permit its premises to be used for games of chance by another licensed eligible organization at the same time that it is conducting games of chance on the premises. When a licensed eligible organization permits another licensed eligible organization to use its premises for purposes of games of chance, it must cease the operation of its own games of chance during the period that the

other licensed eligible organization is conducting its games on the premises.

§ 901.511. Other activities.

Other activities [which] that are grounds for revocation, suspension, denial or termination of a [registration] certificate or license are also prohibited.

§ 901.512. Oral and written leases.

(a) An eligible organization may only lease a location or premises for the operation of games of chance under a written agreement.

(b) An eligible organization may not lease a location or premises for the operation of games of chance under a written agreement that provides for a rental price determined by the amount of receipts realized from the playing of games of chance or by the number of people attending, except that an eligible organization may lease a location or premises for a banquet where a per head charge is applied in connection with the serving of a meal.

§ 901.513. Gambling facilities prohibited.

(a) No person, corporation, association, partnership or other business entity may offer for rent or offer for use a building or facility to be used exclusively for conducting of games of chance.

(b) No licensed eligible organization may lease under any terms a facility or building that is used exclusively for conducting of games of chance.

PENALTIES

§ 901.531. [Summary offense] Eligible organizations.

[A club] An eligible organization violating the act is guilty of a summary offense, and upon conviction will be sentenced to pay a fine not exceeding \$1,000[,] and shall, for a first offense forfeit [a] its license [and shall be ineligible for any license renewal for 30 months from the date of conviction] to conduct games of chance for the remainder of the license term or 6 months, whichever is longer, for a second offense, forfeit its license for the remainder of the license term and be ineligible to be licensed for the following license term, for a third or subsequent offense, forfeit its license and be ineligible for a license renewal for 30 months thereafter.

§ 901.532. [Misdemeanor] Individuals.

A person who conducts, or who assists in the conduct of, games of chance in violation of the act is guilty of a summary offense for the first violation, a misdemeanor of the third degree of a second violation, and a misdemeanor of the first degree for a third or subsequent violation.

§ 901.533. Distributors and manufacturers.

A person who distributes games of chance without a license or in violation of the act or this part and a manufacturer of games of chance who delivers games of chance for sale or distribution in this Commonwealth who fails to obtain a [registration] certificate therefor, is guilty of a misdemeanor of the first degree. A license or [registration] certificate is not required for the manufacture or distribution of raffle, daily drawing or weekly drawing tickets.

§ 901.535. Contingent fees.

A person who distributes, manufactures or operates a [small] game of chance and who requires a payment equal to a percentage of the total winnings of a game for equipment furnished or to play a game commits a misdemeanor of the first degree.

#### Subchapter F. MANUFACTURING STANDARDS

##### PULL-TAB MANUFACTURING STANDARDS

§ 901.601. Uniform minimum quality standards.

(a) [Pull-tabs] Pull-tab games manufactured for sale or other distribution in this Commonwealth shall conform to the act, this part and N.A.G.R.A.'s ["Uniform Minimum Quality Standards For The Manufacture of Charity Game Tickets."] manufacturing standards for pull-tab games to the extent not inconsistent with this part. Copies of [these] N.A.G.R.A. standards are available from the Department.

§ 901.602. [Substitute flares] Flares.

[A flare may not be used on a pull-tab deal except those provided by the manufacturer unless the flare is made by the club and contains the information required under § 901.608 (relating to standards for flares)]. A flare provided by the manufacturer must accompany every deal. However, a licensed eligible organization may alter a flare as provided in § 901.731(b)(2) (relating to punchboard and pull-tab operation).

§ 901.608. Standards for flares.

[Except as provided by § 901.602 (relating to substitute flares), the flare identifying prizes available from the operation of a pull-tab deal shall be made only by the manufacturer. Winning numbers or symbols may not be altered by a club or distributor, and shall:]

(a) A pull-tab game flare shall be made only by the manufacturer. Except as provided by § 901.731(b)(2) (relating to punchboard and pull-tab operation), a flare may not be altered after it leaves the manufacturer's possession and control.

(b) Except as otherwise provided in this part, a flare for a pull-tab game must comply with N.A.G.R.A. manufacturing standards for pull-tab game flares.

(c) A pull-tab game flare must:



(1) Be placed only upon the face, or on the top, of a dispenser used to dispense the pull-tabs or must be printed on or made part of each pull-tab in a deal.

(2) Clearly set out each of the prizes available and the number or symbol which wins prizes.

(3) Set out the winning numbers or symbols for prizes of \$5 or more in cash or merchandise with a cash value of \$5 or more.

(d) The flare for any pull-tab game containing hold tickets must provide for a section on the flare, either on the front or back, that contains the hold ticket numbers or symbols and a corresponding space beside each number or symbol upon which the holder of each hold ticket shall sign his name.

#### PUNCHBOARD MANUFACTURING STANDARDS

§ 901.621. [Substitute flares] Flares.

[Flares may not be used on a punchboard except those provided by the manufacturer unless the flare is made by the club and contains the information required under § 901.627 (relating to standards for flares).] A flare provided by the manufacturer must accompany every punchboard. However, a licensed eligible organization may alter a flare as provided in § 901.731(b)(2) (relating to punchboard and pull-tab operation).

§ 901.622. Standards for construction.

Punchboards sold for use in this Commonwealth shall comply with the following standards:

(1) General.

(i) A punchboard must have a face sheet that covers the punchboard receptacles.

(ii) The flare for the punchboard may be manufactured to also serve as the face sheet for the punchboard.

(iii) A punchboard, its punches and its flare must be assigned an identical serial number.

(iv) Each punchboard receptacle must contain an identical number of punches.

(2) Patterns. The punchboard shall be manufactured with special care to eliminate patterns between punchboards, or portions of punchboards, from which the location or approximate location of winning punches may be determined. A manufacturer shall employ at least the following steps to ensure that no pattern exists:

(i) The form or permanent number sheets from which the individual punches shall be cut shall be mixed prior to cutting.

(ii) After the [strips-straws-] punches have been crimped, the [strips] punches shall be thoroughly mixed prior to insertion in punchboards.

\* \* \*

[(2)] (3) Serial numbers. Serial numbers set forth on the form or permanent number sheets shall be nonsequential to ensure that no pattern is created which would permit the tracking of boards through the serial number.

[(3)] (4) Guaranteed numbers. Numbers or symbols designated as winners on the flare shall be guaranteed by the manufacturer as being present in the board. The manufacturer may place a sticker or equivalent on the back of each punchboard setting forth additional numbers or symbols that are guaranteed to be in the board. The additional numbers or symbols on the back of the board may not exceed 5% of the total punches in the board.

[(4)] (5) Security. Punchboards shall be sealed so it is impossible to determine the number or symbol of a punch prior to being punched out of the board by a method or device including the use of markings or light.

[(5)] (6) Step-up boards.

\* \* \*

§ 901.627. Standards for flares.

[The flare advertising prizes available from the operation of a punchboard shall be made only by the manufacturer. Winning numbers or symbols may not be altered by a club or distributor, and shall:]

(a) A punchboard flare shall be made only by the manufacturer. Except as provided by § 901.731(b)(2) (relating to punchboard and pull-tab operation), a flare may not be altered after it leaves the manufacturer's possession and control.

(b) A punchboard flare must:

\* \* \*

(c) The flare for any punchboard containing hold tickets must provide for a section on the flare, either on the front or back, that contains the hold ticket numbers or symbols and a corresponding space beside each number or symbol upon which the holder of each hold ticket shall sign his name.

Subchapter G. OPERATION OF GAMES

[CLUB] ELIGIBLE ORGANIZATION OPERATION OF GAMES

§ 901.701. Games of chance permitted.

(a) [Games] A licensed eligible organization may conduct games of chance [may be conducted] only for the purpose of raising funds for [legitimate club] public interest purposes as defined in the act or this part.

(b) [Proceeds shall be used] A licensed eligible organization shall use games of chance proceeds exclusively for [legitimate club] public interest purposes or for the purchase of games of chance permitted by the act or this part.

§ 901.702. Prize limits.

\* \* \*

(b) Weekly limit. No more than \$5,000 in cash or merchandise may be awarded by a [club in a 7-day period] licensed eligible organization during an operating week. [Prizes awarded in a raffle are not included in this amount.]

(c) Raffle limit. No more than \$5,000 in cash [for] or merchandise may be awarded in raffles in a calendar month except under a special raffle permit [raffle].

(d) Special raffle permit [raffles]. A [club] licensed eligible organization may conduct a raffle and award a prize valued in excess of \$500 only if it has obtained a special raffle permit. The total cash value of prizes awarded under [a] all special [permit raffle may be no more than \$25,000] raffle permits during a calendar year may be no more than \$100,000.

(e) Prize limit exceptions for daily drawings.

(1) A licensed eligible organization may award a prize in excess of the prize limitations in subsections (a) and (b) if the prize is the result of a carryover of a drawing where the following conditions exist:

(i) The winning number was not held by one of the eligible entrants in the drawing.

(ii) The carryover is not the result of the licensed eligible organization's failure to hold a drawing on an

operating day during which chances for a daily drawing were sold.

(iii) The chances for the daily drawing were not sold for an amount in excess of \$1.

(iv) No eligible participant was sold more than one chance.

(2) A licensed eligible organization may award a prize in excess of the prize limitation in subsection (b) if the prize is the result of a daily drawing that is set up to pay out no less than 100% of the gross revenues from such drawing. Such prizes are still subject to the prize limitation in subsection (a). The limitation in subsection (b) may be exceeded only by the amount of the daily drawing paying 100% of its gross revenues.

(f) Prize limit exceptions for weekly drawings.

(1) The prize limitation in subsection (a) does not apply to weekly drawings. Weekly drawings are subject to the prize limitations in subsection (b).

(2) A licensed eligible organization may award a prize in excess of the prize limitation in subsection (b) if either:

(i) The prize is the result of a carryover of a drawing where the winning number was not held by one of the

eligible entrants in the drawing, and the following conditions exist:

(A) The carryover is not the result of the licensed eligible organization's failure to hold a weekly drawing at the end of the operating week during which chances were sold.

(B) The chances for the weekly drawing were not sold for an amount in excess of \$1.

(ii) The drawing is set up to pay out no less than 100% of the gross revenues from such drawing.

§ 901.703. Place of conduct.

[Games shall be conducted] A licensed eligible organization shall conduct games of chance only on the licensed eligible organization's licensed premises or where otherwise provided by the act and this part. [Raffle tickets may be sold within any county at other locations for drawings to be held once a month but raffle tickets may be sold] A licensed eligible organization may sell raffle tickets off the licensed premises but only in municipalities [which] that have approved games of chance through a valid referendum.

§ 901.704. [Club] Licensed premises.

(a) [The club shall own the premises upon which games of chance are played or shall lease or sublease the premises under a written agreement for a rental which is not determined by

either the amount of receipts realized from the playing of games of chance or the number of people attending.

(b) A club may not lease the premises from a person who has been convicted of a felony or a violation of the act or the Bingo Law within 10 years of the date of the lessor's conviction.

(c) A club may not permit another club to use its premises for the conduct of games of chance.] An eligible organization's licensed premises shall be the location or premises owned or leased by the organization for use as its normal business or operating site. When the premises consists of more than one building, the organization must designate which building shall be used as the licensed premises for the operation of games of chance. If the organization wishes to conduct games of chance in a different building on its licensed premises, it must notify, in writing, the district attorney and the licensing authority of the change in building site and the date and times that will be affected.

(b) If an eligible organization does not own or lease a location or premises for use as its normal business or operating site, the organization may:

(1) With the written consent of another eligible organization, use another eligible organization's licensed premises for purposes of conducting games of chance so long as



such use complies with the provisions of § 901.510 (relating to use of licensed premises by more than one organization) and § 901.709 (relating to eligible organizations per premises).

(2) Lease a location or premises on which to conduct games of chance as long as such lease does not violate the provisions of § 901.513 (relating to gambling facilities).

(3) Make other arrangements to acquire a location or premises, consistent with the act and this part, on which to conduct games of chance.

(c) An eligible organization may not lease a location or premises as a licensed premises under an oral agreement. An eligible organization may lease a location or premises under a written agreement; however, the rental price may not be based on either the amount of receipts realized from the playing of games of chance or the number of people attending. An eligible organization may lease a facility for a banquet where a per head charge is applied in connection with the serving of a meal.

(d) An eligible organization shall not lease a location or premises as a licensed premises from any person who has been convicted of a violation of the act or this part within 10 years of the date of the lessor's conviction.

§ 901.705. Purchase of games.

[Games] A licensed eligible organization shall [be purchased] purchase games of chance only from a licensed

distributor. Raffles, daily drawings and weekly drawings are excluded from this requirement.

§ 901.706. Persons who may not operate or play [small] games of chance.

(a) A person 17 years of age or younger[, or 20 years of age or younger in the case of a club holding a liquor license,] may not be permitted to operate or play games of chance.

(b) A [club] licensed eligible organization may not permit a person who has been convicted of a felony in a state or federal court within the past 5 years or a violation of the Bingo Law or the act[, ] in a state or federal court within the past 10 years to manage, set up, supervise or participate in the operation of games of chance.

§ 901.707. Compensation.

A [club] licensed eligible organization may not pay compensation to a person for conducting games of chance.

§ 901.708. Persons who may conduct games of chance.

[Games of chance may be conducted only by club] Only licensed eligible organization managers, officers, directors, bar personnel or persons who [have been] are bona fide members of the licensed [club for a least 1 year] eligible organization may conduct games of chance.

§ 901.709. One [club] eligible organization per [premise] premises.

[A location or licensed premises may not be used by more than one licensed club for conducting games of chance.] Only one licensed eligible organization may use a licensed premise to conduct games of chance. A licensed eligible organization may allow another licensed eligible organization that does not own or lease a normal business premises to conduct games of chance on its premises. When an eligible organization uses the premises of another eligible organization, each eligible organization must notify its respective licensing authority and District Attorney in writing.

§ 901.710. Other standards and requirements.

A [club] licensed eligible organization may not provide for play or purchase a [small] game of chance [which] that violates the act or this part.

§ 901.711. Reserved.

#### PUNCHBOARD AND PULL-TAB OPERATION PROCEDURES

§ 901.731. Punchboard and pull-tab operation.

(a) A person 17 years of age and younger[, or 20 years of age or younger in the case of a club holding a liquor license,] or a person visibly intoxicated or visibly under the influence of a [narcotic] controlled substance may not be allowed to play or sell a punchboard or pull-tab. It is the responsibility of the licensee and the responsibility of the person physically

selling the punchboard or pull-tab deal to determine that an unauthorized person is not allowed to play or sell.

(b) Limitations on punchboards, pull-tabs and flares are as follows:

(1) A [club] licensed eligible organization may not permit the display or operation of a punchboard or pull-tab which may have been marked, defaced, tampered with or otherwise placed in a condition or operated in a manner which may deceive the public or which affects the chances of winning or losing upon the taking of a chance thereon.

(2) A licensed eligible organization may alter a flare to indicate that merchandise of equivalent value will substitute for a cash prize in a punchboard or pull-tab game.

\* \* \*

(d) When [clubs] licensed eligible organizations purchase merchandise to be used as prizes on punchboards or pull-tab deals, the following information shall be on the invoice provided by the seller:

\* \* \*

(e) Limitations on pull-tab dispensers are as follows:

\* \* \*

(4) A pull-tab deal once placed in or upon a pull-tab container out for play may not be removed from the container

until the deal is permanently removed from public play, except as follows:

\* \* \*

(ii) Pull-tabs removed by representatives of the county, or other law enforcement agency inspecting the [small] games of chance.

\* \* \*

§ 901.733. Control of prizes.

\* \* \*

(c) The [club] licensed eligible organization shall display prizes so arranged that a customer can easily determine which prizes are available from a particular punchboard or pull-tab deal located upon the premises.

\* \* \*

(e) A [club] licensed eligible organization may not offer to pay or actually pay cash in lieu of merchandise prizes which may be won.

(f) When a person wins a cash prize of over \$100 or wins a merchandise prize with a cash value of over \$100 from the play of a punchboard or pull-tab deal, the [club] licensed eligible organization shall make a record of the win. The record shall disclose, at a minimum, the following information:

\* \* \*

(g) A [club] licensed eligible organization shall keep the record of prizes awarded containing the information required in subsection (f), and of winning plays for a minimum of 2 years and shall display the record to a representative of the Department, county licensing authority, district attorney or law enforcement [officials] official upon demand. The [club] licensed eligible organization shall immediately mark or perforate the winning pull-tab or punch so that the play cannot be presented again for payment.

§ 901.734. Punchboard and pull-tab inventory and retention.

[A punchboard and pull-tab deals purchased or otherwise obtained by a club shall be controlled and accounted for] A licensed eligible organization shall control and account for punchboard and pull-tab games as follows:

(1) A [club] licensed eligible organization shall closely monitor [punchboard] punchboards and pull-tab [deals] games purchased to assure that serial numbers are correctly entered in records and that each [deal] punchboard and pull-tab game purchased is recorded. The following control procedures apply:

(i) At the close of business on December 31 of each year and before operating punchboards and pull-tab [deals] games after that date, the [club] licensed eligible organization shall take a physical inventory of punchboards and pull-tab

[deals] games in play and awaiting play and record the following information separately for punchboards and pull-tab [deals] games:

\* \* \*

(ii) At the time punchboards and pull-tab [deals] games are delivered, a [club] licensed eligible organization shall assure that purchase invoice data is correct by comparing the actual serial numbers on each punchboard or pull-tab [deal] game to the numbers entered on the purchase invoices.

(iii) The purchases of punchboards or pull-tab [deals] games shall be recorded on a standard distributor's invoice, which includes space for the [club] licensed eligible organization to either attach a records entry label or enter the serial number and the date the [deal] punchboard or the pull-tab game was placed out for play. For punchboards or pull-tab [deals] games purchased, the [club] licensed eligible organization shall enter the data and the serial number in the space on the invoice, adjacent to the distributors entry, by either attaching a records entry label or by written entry.

(2) A punchboard or pull-tab [deal] game which is removed from play [together with the flare], unplayed punches or pull-tabs and winning punches or [plays] pull-tabs for prizes in excess of \$100[,] shall be retained by the [club] licensed

eligible organization for at least 2 years following the last day of the month in which it was removed from play. The board, unplayed punches or pull-tabs, flare and winning punches or pull-tabs shall remain available for inspection on the licensed premises.

(3) A punchboard or pull-tab [deal] game which is not placed out for public play or is not returned to the distributor from whom it was originally purchased shall be retained on the licensed premises and made available for inspection for at least 2 years.

#### RAFFLES

§ 901.741. Prize limits.

A prize awarded may not have a value in excess of \$500 unless the raffle is conducted under a special raffle permit. [No] A licensed eligible organization may not award more than \$5,000 in cash or merchandise [may be awarded] in raffles in a calendar month [by a licensee].

§ 901.742. [Raffle number limited.] Drawing dates.

[Only one raffle may be held per calendar month including a special permit raffle.] Raffles may have one or more drawing dates. All drawing dates and times must be printed on the raffle tickets.

§ 901.743. Raffle tickets.

\* \* \*



(b) Tickets for use in a raffle shall have a stub or other detachable section, be consecutively numbered and be accounted for separately through the use of a log book showing to whom the tickets were given to be sold. The ticket stub or other detachable section of the ticket shall bear a duplicate number corresponding to the numbers on the ticket and shall contain the purchaser's name, complete address and telephone number. Both parts shall be imprinted with sequential numbers commencing with the number "1" through the maximum number of tickets to be sold; or in the case of a raffle where the winner is determined by a drawing of the Pennsylvania State Lottery, the universe of eligible ticket numbers shall correspond to the universe of eligible numbers in the State Lottery drawing.

\* \* \*

(e) A ticket seller shall return the stubs or other detachable section of tickets sold to the [club] eligible organization. The [club] eligible organization shall then place each stub or other detachable section of ticket sold into a [receptable] receptacle out of which the winning tickets are to be drawn. The [receptable] receptacle shall be designed so that each ticket placed therein has an equal opportunity with every other ticket to be the one withdrawn.

\* \* \*

§ 901.744. Control of raffle prizes.

A [club] licensed eligible organization conducting a raffle in which real or personal property prizes are to be awarded shall have paid for in full or otherwise become the owner, without lien or interest of others, of the real or personal property prior to the drawing at which the winners of the prizes are to be determined.

§ 901.745. Printing requirements.

The following information shall be printed upon each raffle ticket sold:

- (1) The [date] dates and [time] times of the [drawing] drawings.
- (2) The location of the [drawing] drawings.
- (3) The name of the [club] licensed eligible organization conducting the raffle.
- (4) The [small] games of chance license number of the [club] licensed eligible organization.
- (5) The special raffle permit number, if applicable.

\* \* \*

§ 901.746. Prize awarding.

(a) [Raffle] A licensed eligible organization shall award raffle prizes [shall be awarded] on the date or dates indicated on the raffle ticket unless the licensed eligible organization approves a different date [is approved by the club] and purchasers of tickets are notified in writing. The date or

dates of the drawing may be extended only if one of the following occurs:

\* \* \*

(c) If a raffle prize remains unclaimed by the winner for 90 days following the date of the raffle drawing and the [club] licensed eligible organization has made a good faith effort to contact the winner via telephone and registered mail, for redemption of the prize, the [club] licensed eligible organization may retain the prize or award it in another [small] game of chance. A record of the attempted contact shall be maintained for a minimum of 2 years.

§ 901.748. Prohibition of joint raffles held by licensees.

[Raffles shall be conducted by individual clubs. Licensees] A licensed eligible organization may not join together with another [club] licensed eligible organization to conduct [raffles] a raffle.

§ 901.749. Open drawing.

\* \* \*

(b) [Stubs or detachable sections drawn shall be immediately exhibited and shall be held open for inspection until the end of the occasion. Stubs or detachable sections shall be retained by the club under this part.] A licensed eligible organization shall immediately exhibit and hold open for inspection drawn raffle ticket stubs or detachable sections

until the end of the raffle. A licensed eligible organization shall retain the stubs or detachable sections as provided under the act or this part.

§ 901.751. Ticket sales.

[Raffle] A licensed eligible organization may only sell raffle tickets [may only be sold] in municipalities [which] that have approved the use of [small] games of chance via a valid local referendum in accordance with the act. [Raffle] A licensed eligible organization may sell raffle tickets [may be sold] at locations other than the [club] licensed eligible organization premises. A licensed eligible organization that plans to sell raffle tickets in a municipality located in a county other than the county in which it is licensed shall notify that county's district attorney and licensing authority in writing of the location and date that the eligible organization plans to sell raffle tickets.

§ 901.752. Printer requirements.

An entity providing raffle tickets to a licensed [clubs] eligible organization shall attach a copy of the [club's small] organization's games of chance license to the raffle ticket purchase invoice or other document evidencing the sale. If the raffle pays a prize or prizes in excess of \$500 each, a copy of the [club's] licensed eligible organization's special raffle permit shall also be attached.

§ 901.753. Means of determining winning numbers.

A licensed eligible organization may use the following means to determine the winners in a raffle:

(1) A random drawing of ticket stubs.

(2) By reference to a specified drawing of the Pennsylvania State Lottery. Both the date of the drawing and the State Lottery game that will be used must be identified on the raffle ticket.

(3) A passive selection device.

[LOTTERIES]

§ 901.761. Reserved.

§ 901.762. Reserved.

§ 901.763. Reserved.

§ 901.764. Reserved.

§ 901.765. Reserved.

§ 901.766. Reserved.

§ 901.767. Reserved.

§ 901.768. Reserved.

§ 901.769. Reserved.

§ 901.770. Reserved.

§ 901.771. Reserved.

§ 901.772. Reserved.

§ 901.773. Reserved.

§ 901.774. Reserved.

§ 901.775. Reserved.

§ 901.776. Reserved.

§ 901.777. Reserved.

§ 901.778. Reserved.

#### DAILY DRAWINGS

§ 901.781. Daily drawing procedures.

(a) A licensed eligible organization may sell chances for and hold only one daily drawing during each operating day. Bona fide members may purchase chances in a daily drawing only during the operating day on which the drawing will be held.

(b) Daily drawing winners must be determined by random drawing. Daily drawing winners may be determined with the aid of a passive selection device or by reference to drawings conducted by the Department under the State Lottery Law.

(c) A daily drawing shall take place on the eligible organization's licensed premises and shall be conducted in plain view.

(d) A daily drawing must begin and end on the same operating day. An eligible organization may conduct no more than 7 daily drawings during an operating week.

(e) A licensed eligible organization shall not sell chances for or conduct a daily drawing during a period when weekly drawing chances are being sold or a weekly drawing is taking place.

(f) Immediately prior to each daily drawing the eligible organization shall announce the prize amount for the drawing.

(g) Notice of daily drawing winners. The name of a daily drawing prize winner or the fact that a winner was not selected shall be prominently displayed on the licensed premises for no less than seven days after the drawing date. If a winner does not claim a prize within seven days of the drawing, then the eligible organization shall notify the winner of the prize and the requirements for claiming the prize.

§ 901.782. Daily drawing chances.

(a) Only a bona fide member of an eligible organization may purchase a chance in a daily drawing.

(b) A licensed eligible organization shall sell a chance in a daily drawing only to a bona fide member.

(c) A chance in a daily drawing may not be sold to or purchased by one bona fide member for the benefit of another bona fide member.

(d) A licensed eligible organization may not sell a chance in a daily drawing for more than \$1.

(e) A licensed eligible organization may sell no more than one chance per daily drawing to each of its bona fide members.

(f) A chance in a daily drawing may be sold and purchased only on the eligible organization's licensed premises.

§ 901.783. Posting rules.

(a) An eligible organization shall prominently display the rules for each daily drawing in the area where the chances for the drawing are sold.

(b) At a minimum, the posted rules shall include:

(1) Cost of the chance.

(2) Manner of selecting the winner.

(3) Time during which chances may be purchased.

(4) Time of the drawing.

(5) Payout percentage.

(6) Whether the drawing is a carryover drawing and the amount of the carryover jackpot.

(7) Requirements and time limits for claiming prizes as provided for in § 901.784 (relating to claiming prizes).

§ 901.784. Claiming prizes.

(a) The winner of a daily drawing need not be present at the time of the drawing to claim the prize.

(b) An eligible organization may not impose a penalty or limit the amount of a prize based upon a winning member's non-attendance at the time of the drawing.

(c) Only the daily drawing winner may claim the daily drawing prize.

(d) A daily drawing winner must claim the prize in person and sign for receipt of the prize.



(e) A prize winner shall claim his or her prize within 30 days from the date of the drawing.

§ 901.785. Invalid State Lottery drawing.

A drawing of the State Lottery that is invalidated shall also result in an invalid drawing in a licensed eligible organization's daily drawing which is tied to the State Lottery drawing.

§ 901.786. Unclaimed prize money.

A daily drawing prize that remains unclaimed more than 30 days after the drawing shall be retained by the eligible organization for public interest purposes.

#### WEEKLY DRAWINGS

§ 901.791. Weekly drawing procedures.

(a) A licensed eligible organization may sell chances for and hold only one weekly drawing during an operating week. Bona fide members may purchase chances in a weekly drawing only during the operating week in which the drawing will be held. The drawing shall be held at the end of the operating week.

(b) Weekly drawing winners must be determined by random drawing. Weekly drawing winners may be determined with the aid of a passive selection device or with reference to drawings conducted by the Department under the State Lottery Law.

(c) A weekly drawing shall take place on the eligible organization's licensed premises and shall be conducted in plain view.

(d) A licensed eligible organization shall not sell chances for or conduct a weekly drawing during a period when daily drawing chances are being sold or a daily drawing is taking place.

(e) Immediately prior to each weekly drawing the eligible organization shall announce the prize amount for the drawing.

(f) Notice of weekly drawing winners. The name of a weekly drawing prize winner or the fact that a winner was not selected shall be prominently displayed on the licensed premises for no less than seven days after the drawing date. If a winner does not claim a prize within seven days of the drawing, then the eligible organization shall notify the winner of the prize and the requirements for claiming the prize.

§ 901.792. Weekly drawing chances.

(a) Only a bona fide member of an eligible organization may purchase chances in a weekly drawing.

(b) A licensed eligible organization shall sell chances in a weekly drawing only to a bona fide member.

(c) A chance or chances in a weekly drawing may not be sold to or purchased by one bona fide member for the benefit of another bona fide member.

(d) A licensed eligible organization may not sell chances in a weekly drawing for more than \$1 each.

(e) Chances in a weekly drawing may be sold and purchased only on the eligible organization's licensed premises.

§ 901.793. Posting rules.

(a) An eligible organization shall prominently display the rules for each weekly drawing in the area where the chances for the drawing are sold.

(b) At a minimum, the posted rules shall include:

(1) Cost of the chance.

(2) Manner of selecting the winner.

(3) Time during which chances may be purchased.

(4) Time of the drawing.

(5) Payout percentage.

(6) Whether the drawing is a carryover drawing and the amount of the carryover jackpot.

(7) Requirements and time limits for claiming prizes as provided for in § 901.794 (relating to claiming prizes).

§ 901.794. Claiming prizes.

(a) The winner of a weekly drawing need not be present at the time of the drawing to claim the prize.

(b) An eligible organization may not impose a penalty or limit the amount of a prize based upon a winning member's non-attendance at the time of the drawing.

(c) Only the weekly drawing winner may claim the weekly drawing prize.

(d) A weekly drawing winner must claim the prize in person and sign for receipt of the prize.

(e) A prize shall be claimed within 30 days from the date of the drawing.

§ 901.795. Invalid State Lottery drawing.

A drawing of the State Lottery that is invalidated shall also result in an invalid drawing in a licensed eligible organization's weekly drawing which is tied to the State Lottery drawing.

§ 901.796. Unclaimed prize money.

A licensed eligible organization shall retain for public interest purposes a weekly drawing prize that remains unclaimed more than 30 days after the drawing.

Subchapter H. SPECIAL RAFFLE PERMITS

SPECIAL RAFFLE PERMITS [AND SPECIAL PERMIT RAFFLES]

§ 901.801. [Price] Prize limit.

The total value of all special raffle permit prizes during a calendar year may be no more than [\$25,000 for each raffle] \$100,000.

§ 901.802. Raffle number limit.

Only one raffle may be conducted under each special raffle permit. [The club may hold only one raffle per month including a special permit raffle.]

§ 901.803. Special [permits] raffle permit limit.

A [club] licensed eligible organization is [not] eligible to receive [more than] two special raffle permits in a calendar year, except volunteer fire, ambulance and rescue organizations are eligible to receive three special raffle permits in a calendar year.

§ 901.804. Issuance of permits.

Special raffle permits shall be obtained from the licensing authority at least 30 days before the date on which ticket sales are to begin.

§ 901.805. Rule applicability.

The rules contained in this part apply to special raffle permits. To the extent they are inconsistent with §§ 901.801 - 901.804, this section and §§ 901.806 - 901.811, these provisions supersede those elsewhere in this part.

§ 901.806. Required permit.

A special raffle permit is required for each raffle in which a [club] licensed eligible organization proposes to award [a] an individual prize [or prizes] having a cash value in excess of \$500 [each] or total prizes having a cash value in excess of \$5,000.

§ 901.807. Fees.

The licensing authority may establish a fee for the issuance of a special [permits] raffle permit. The fee shall not exceed \$25.

§ 901.808. Special raffle permit application.

The application for a special raffle permit shall be made to the licensing authority. The application shall include the following information:

(1) The [club] licensed eligible organization's name.

(2) The [club's small] licensed eligible organization's games of chance license number.

\* \* \*

§ 901.810. Effective period.

A special raffle permit will remain effective from the date on which ticket sales begin until the earlier of the date of the drawing, the expiration date of their [small] games of chance license held when the special raffle permit was issued or 6 months.

§ 901.811. Reserved.

#### SUBCHAPTER I. ENFORCEMENT

§ 901.901. Criminal complaints.

The district attorney of each county investigates criminal violations of the act. Complaints for criminal violations of

the act are initiated as provided by law for criminal complaints and actions.

§ 901.902. Requests for information on criminal complaints, investigations and convictions.

The Department and licensing authority may request information on a complaint, investigation, or conviction involving a manufacturer, distributor or eligible organization or a responsible person or member of the organization for purposes of initiating administrative action against the manufacturer, distributor eligible organization.

§ 901.903. Notice of eligible organization violation.

A person may notify the licensing authority of a licensed eligible organization's violation of the act or this part. Such notice shall be given to the licensing authority that issued the eligible organization's license.

§ 901.904. Notice of manufacturer or distributor violation.

A person may notify the Department of a registered manufacturer or licensed distributor's violation of the act or this part.

§ 901.905. Investigations of manufacturers, distributors and eligible organizations.

The licensing authority or its designee may investigate an eligible organization when it has reason to believe that a violation of the act or this part has occurred or is occurring.

§ 901.906. Investigations of a manufacturer or distributor.

The Department, or its designee, may investigate a manufacturer or distributor when it has reason to believe that a violation of the act or this part has occurred or is occurring.

§ 901.907. Notice of investigations.

(a) The licensing authority and the Department may provide information and documentation regarding an investigation of a manufacturer, distributor or eligible organization to the district attorney or law enforcement official for purposes of criminal investigation and prosecution.

(b) The licensing authority may provide information and documentation to the Department about violations of the act or this part by a manufacturer or distributor that it discovers as part of an investigation involving an eligible organization.

(c) The Department may provide information and documentation to a licensing authority about violations of the act or this part by an eligible organization that it discovers as part of an investigation involving a manufacturer or distributor.

§ 901.908. Information sharing

The right of the Department, licensing authorities, district attorneys and law enforcement officials to transmit and



share information for purposes of enforcing the act or this part  
shall not be restricted by this section or this part.

06/02/04

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT**

I.D. NUMBER: 15-425  
 SUBJECT: Local Option Small Games of Chance  
 AGENCY: DEPARTMENT OF REVENUE

# 2438

**TYPE OF REGULATION**

- X Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
  - a. With Revisions
  - b. Without Revisions

RECEIVED  
 SEP 29 11:19:19  
 DEPARTMENT OF REVENUE

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
9/29/04	<i>Nancy S. Cole</i>	HOUSE COMMITTEE ON FINANCE
9/29/04	<i>Lorrie Lry</i>	
9/29/04	<i>Kristi Kreider</i>	SENATE COMMITTEE ON FINANCE
9/29/04	<i>Jim Keenan</i>	
9/29/04	<i>Stephen J. Hoffman</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL (for Final Omitted only)
9/29/04	<i>C. Lee B...</i>	LEGISLATIVE REFERENCE BUREAU (for Proposed only)