

CHAPTER 7A

TITLE 10

LOCAL OPTION SMALL GAMES OF CHANCE ACT

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§ 311. Short title.

This act shall be known and may be cited as the Local Option Small Games of Chance Act.

§ 312. Legislative intent.

The General Assembly hereby declares that the playing of small games of chance for the purpose of raising funds, by certain nonprofit associations, for the promotion of charitable or civil purposes, is in the public interest.

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

The General Assembly recognizes the possibility of association between commercial gambling and organized crime, and wishes to discourage commercialization of small

games of chance, prevent participation by organized crime and prevent the diversion of funds from the purposes herein authorized.

§ 313. Definitions.

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

“Bona fide member.”

Any individual who holds a membership in the eligible organization as defined by that organization’s constitution, charter, articles of incorporation, or bylaws.

“Charitable organization.”

A not-for-profit group or body of persons which is created and exists for the purpose of performing a humane service; promoting the good and welfare of the aged, poor, infirm or distressed; combating juvenile delinquency; or advancing the spiritual, mental, social and physical improvement of young men and women.

“Civil and service associations.”

Any Statewide or 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. The term shall include, but not be limited to, bona fide sportsmen’s and wildlife associations, federations or clubs, Statewide or local in nature, volunteer fire companies, volunteer rescue squads and volunteer ambulance associations and bona fide senior citizens organizations. In the case of bona fide senior citizens organizations, the licensing authority may accept alternative documentation for proof of participation and support for extracurricular activities within the established primary and secondary public, private and parochial school systems. Such organizations must be recognized by a resolution adopted by the appropriate governing body. In the case of organizations associated with the public school system, the governing body shall be the school board of the school district. In the case of private or parochial school organizations, that body shall be either the board of trustees or the Archdiocese.

“Club.”

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 (68A Stat. 3, 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 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. The term includes

games commonly known as “member sign-in lotteries” and “half-and-half lotteries.” Nothing in this act shall be construed to prohibit the carrying over of a jackpot where the winning number has not been entered in the game on a particular operating day. Daily drawing winners may be determined with the aid of a passive-selection device or reference to drawings conducted by the department pursuant to the act of August 26, 1971 (P.L.351, No. 91), known as the State Lottery Law. Daily drawing chances may not be sold for an amount in excess of \$1, and no more than one chance may be sold to an individual during the same operating day.

“Department.”

The Department of Revenue of the Commonwealth.

“Dispensing machine.”

A device designed exclusively for the dispensing of the games of chance authorized by this act, including, but not limited to, ticket jars, fish bowls and stamp machines. Nothing in this act shall be construed to authorize devices commonly known as “slot machines” or “video poker”.

“Eligible organizations.”

Includes qualifying nonprofit charitable, religious, fraternal and veterans organizations, clubs and civic and service associations as defined by this act. In order to qualify as an eligible organization for purposes of this act, an organization shall have been in existence and fulfilling its purposes for one year prior to the date of application for a license.

“Fraternal organizations.”

A nonprofit organization within this Commonwealth which is created and carried on for the mutual benefit of its members, has a limited membership and a representative form of government and is a branch, lodge or chapter of a national or State organization. Such organizations shall have been in existence in this Commonwealth and fulfilling their purposes for one year prior to the date of application for a license.

“Games of chance.”

Punchboards, daily drawings, raffles and pull-tabs, as defined in this act, provided that no such game shall be played by or with the assistance of any mechanical or electrical devices or media other than a dispensing machine or passive selection device and further provided that the particular chance taken by any person in any such game shall not be made contingent upon any other occurrence or the winning of any other contest, but shall be determined solely at the discretion of the purchaser. This definition shall not be construed to authorize any other form of gambling currently prohibited under any provision of Title 18 of the Pennsylvania Consolidated Statutes (relating to crimes and offenses). Nothing in this act shall be construed to authorize games commonly known as “slot machines” or “video poker.”

“Law enforcement official.”

A municipal police officer, a member of the Pennsylvania State Police, the sheriff of a county or a deputy sheriff.

“License.”

A license to conduct games of chance.

“Licensing authority.”

The county treasurer, or in any home rule county or city of the first class, where there is no elected treasurer, the designee of the governing authority.

“Municipality.”

A city, borough, incorporated town or township or a home rule municipality formerly classified as a city, borough, incorporated town or township.

“Passive selection device.”

A device which is used to hold or denote the universe of possible winning numbers or entrants in a daily drawing or raffle. Such a device may not have the capability of being utilized to conduct or aid in the conducting of unauthorized or illegal forms of gambling.

“Public interest purposes.”

One or more 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).

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 of each set of tickets or cards has been designated in advance as a winner.

“Punchboard.”

A board, placard or other device marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances.

“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. Such games shall include lotteries but not daily drawings. Raffle winners may be determined by reference to drawings conducted by the department pursuant to the act of August 26, 1971 (P.L. 351, No. 91), known as the State Lottery Law.

“Religious organization.”

A not-for-profit group or body of persons which is created and which exists for the predominant purpose of regularly holding or conducting religious activities or religious education, without pecuniary benefit to any officer, member or shareholder except as reasonable compensation for actual services rendered to the organization.

“Veterans organization.”

Any 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. Such organizations shall have been in existence in this Commonwealth fulfilling their purposes for one year prior to the date of application for a license.

"Weekly drawing."

A game in which a bona fide member selects or receives a number or numbers for a chance at a prize with the winner determined by a random drawing to take place on the eligible organization's premises at the end of a seven-day period. Nothing in this act shall be construed to prohibit the carrying over of a jackpot where the winning number has not been entered in the game in a particular week. Weekly drawing winners may be determined with the aid of a passive selection device or reference to drawings conducted by the Department of Revenue pursuant to the act of August 26, 1971 (P.L. 351, No. 91), known as the State Lottery Law. Weekly drawing chances may not be sold for an amount in excess of \$1.

§ 314. Games of chance permitted.

Every eligible organization to which a license has been issued under the provisions of this act may conduct games of chance for the purpose of raising funds for public interest purposes. All proceeds of games of chance shall be used exclusively for public interest purposes or for the purchase of games of chance as permitted by this act.

§ 315. Prize limits.

(a) Individual prize limit.-The maximum cash value which may be awarded for any single chance shall be \$500.

(b) Weekly limit.-No more than \$5,000 in cash or merchandise shall be awarded by any eligible organization in any seven-day period.

(c) Limit on raffles.-No more than \$5,000 in cash or merchandise shall be awarded in raffles in any calendar month.

(d) Exception.-An eligible organization may conduct a raffle and award a prize or prizes valued in excess of \$500 each only under the following conditions:

(1) The licensing authority has issued a special permit for the raffle under section 11.

(2) Eligible organizations shall be eligible to receive no more than two special permits in any licensed year except that volunteer fire, ambulance and rescue organizations shall be eligible to receive no more than three special permits in any licensed year.

(3) Only one raffle may be conducted under each special permit.

(4) The total cash value of all prizes shall be no more than \$100,000 per calendar year.

(e) Limit on daily drawings.-Daily drawings shall be governed by the prize limitations contained in subsections (a) and (b). An eligible organization shall not conduct daily drawings during a period when a weekly drawing is taking place.

(f) Exception.-The prize limitation contained in subsections (a) and (b) may be exceeded by a daily drawing under the following circumstances: A daily drawing may award a prize where the cash value is in excess of \$500 if such prize is the result of a carryover of a drawing or drawings which resulted from the winning number in such drawing or drawings not being among the eligible entrants in such drawings. Nothing contained herein shall authorize the prize limitations as contained in subsections (a) and (b) to be exceeded as a result of a failure to conduct a drawing on an operating day during which chances were sold for a daily drawing or for a daily drawing for which chances were sold in excess of \$1 or for which more than one chance was sold to an eligible participant.

(g) Daily drawing exception.-When a daily drawing is set up or conducted in such a manner as to pay out or award 100% of the gross revenues generated from such drawing, the limitations contained in subsection (b) shall not apply.

(h) Limit on weekly drawings.-Weekly drawings shall be governed by the prize limitations contained in subsection (b). The prize limitation contained in subsection (b) may be exceeded by a weekly drawing under the following circumstances: a weekly drawing may award a prize where the cash value is in excess of \$5,000 if such prize is the result of a carryover of a drawing or drawings which resulted from the winning number or numbers in such drawing or drawings not being among the eligible entrants in such drawings. Nothing contained in this act shall authorize the prize limitations as contained in subsection (b) to be exceeded as a result of a failure to conduct a drawing for a week during which chances were sold for a weekly drawing or for a weekly drawing for which

chances were sold in excess of \$1. An eligible organization shall not conduct weekly drawings during a period when a daily drawing is taking place.

§ 316. Sales limited.

No person shall sell, offer for sale or furnish games of chance for use within this Commonwealth except to an eligible organization or distributor licensed under this act. No game of chance, other than a raffle, sold, offered for sale or furnished for use within this Commonwealth shall contain, permit, depict or designate a prize having a cash value in excess of \$500.

§ 317. Distributor licenses.

(a) License Required.-No person shall sell, offer for sale or furnish games of chance to eligible organizations licensed under this act unless such person shall have obtained a distributor license as provided in this section.

(b) Application.-The applicant for a grant or renewal of a distributor license issued pursuant to this section shall provide to the department, upon the form prescribed, all of the following:

- (1) The applicant's State sale tax number.
- (2) The applicant's corporate tax number.
- (3) The applicant's state employer withholding tax number.
- (4) The applicant's unemployment compensation account number.
- (5) A statement that:
 - (i) all State tax reports have been filed and all State taxes paid;
 - (ii) all State taxes are subject to a timely administrative or judicial appeal;
 - or
 - (iii) all State taxes are subject to a duly approved deferred payment plan.
- (6) The names and business addresses of all owners, officers, directors, partners and sales personnel.

(c) Waiver of confidentiality.-An applicant for a grant or renewal of any license issued pursuant to this section shall, by the filing of an application insofar as it relates to the department, waive any confidentiality with respect to State tax information in the possession of the department, the Office of Attorney General or Department of Labor and Industry regarding that applicant, regardless of the source of that information, and shall consent to the providing of that information to the department by the Office of Attorney General or the Department of Labor and Industry.

(d) Review of tax status.-Upon receipt of any application for the grant or renewal of any license issued pursuant to this section, the department shall review the State tax status of the applicant. The department shall request State tax information regarding the applicant from the Office of Attorney General or the Department of Labor and Industry and that information shall be provided.

(e) Limitation on approval.-The department shall not approve and application for the grant or renewal of any license issued pursuant to this section where the applicant has failed to:

(1) provide any information required by subsection (b);

(2) file required State tax reports; or

(3) pay any State taxes not subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(f) Records.-The licensee shall keep such records, reports and books as the department shall prescribe. Applicants shall be required to make such records, reports and books available as required by the department pursuant to regulation.

(g) Ineligibility.-The department shall not issue or renew a distributor license for the sale of games of chance to a person, including any corporation, firm or partnership which had an officer, director or other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor, who:

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

(2) has been convicted within ten years of the date of application in a state or Federal court of a violation of the act of July 10, 1981 (P.L. 214, No. 67), known as the Bingo Law, or of this act or of a gambling-related offense under Title 18 of the Pennsylvania Consolidated Statutes (relating to crimes and offenses) or other comparable State or Federal law.

(h) License and renewal fees.-The fee for a distributor license shall be \$1,000. Licenses shall be renewable on an annual basis.

(i) Exception.-This section shall not apply to the manufacture or distribution of raffle tickets.

§ 318. Registration of manufacturers.

(a) Registration required.-No manufacturer of games of chance shall sell any games of chance to any person unless the manufacturer has registered with the department and has been issued a certificate of registration.

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

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

(d) Exception.-This section shall not apply to the manufacture or distribution of raffle tickets.

§ 319. Regulations of department.

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

(1) Impose minimum standards and restrictions applicable to games of chance manufactured for sale in this Commonwealth, which may include standards and restrictions which specify the maximum number of chances available to be sold for any single game or prize and such other standards and restrictions as the department deems necessary for the purpose of this act. The department shall consider standards adopted by the National Association of Gambling Regulatory Agencies and other standards commonly accepted in the industry.

(2) Establish procedures by which manufacturers may register and distributors of games of chance may apply for licensure on forms which the department shall provide.

(3) Provide for the revocation of distribution licenses or manufacturers certificates for violations of this act or regulations of the department.

(4) Carry out other provisions of this act.

(b) Limitations on recordkeeping requirements.-This section shall not be construed to authorize the department to promulgate regulations providing for recordkeeping requirements for eligible organizations which require unreasonable or unnecessary information or repetitious listing of information. The department shall strive to keep such recordkeeping requirements from being an undue hardship or burden on eligible organizations. Under no circumstances shall the department require the retention of records for a period in excess of two years.

§ 320. Licensing of eligible organizations to conduct games of chance.

(a) License required.-No eligible organization shall conduct or operate any small games of chance unless such eligible organization has obtained and maintains a valid license issued pursuant to this section. Auxiliary groups within eligible organizations shall be

eligible to conduct small games of chance using the license issued to the eligible organization provided that the auxiliary group or groups are listed on the application and license of the eligible organization. No additional licensing fee shall be charged for an auxiliary group's eligibility under this act. Auxiliary groups shall not include branches, lodges or chapters of a Statewide organization.

(b) Issuance and fees.-The licensing authority shall license, upon application, within 30 days any eligible organization meeting the requirements for licensure contained in this act to conduct and operate games of chance at such locations within the county or in such manner as stated on the application as limited by subsection (b.1). The license fee to be charged to each eligible organization shall be \$100, except for limited occasion licenses which shall be \$10. License shall be renewable annually upon the anniversary of the date of issue.

(b.1) Location of small games if chance.-Where there exists a location or premise which is the normal business or operating site of the eligible organization and is owned or leased by that eligible organization to conduct normal business, that site shall be the licensed premises for small games of chance conducted by the eligible organization. If that location consists of more than one building and the eligible organization wishes to conduct its games in a different building at that location from the one that is listed on its application and license, the eligible organization must notify, in writing, the district attorney and the licensing authority of the change in building site and the dates and times that will be affected. When an eligible organization does not own or lease a specific location to conduct its normal business, that eligible organization may use another eligible organization's premises to conduct its games or may make such other arrangements that are consistent with this act, including, but not limited to, leasing a premise 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 nor the number of people attending except that 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. When such eligible organization changes the site of its games from that which is listed on its application and license, the eligible organization must notify, in writing, the district attorney and licensing authority of the change in their games' site and dates and times that will be affected.

(b.2) Off-premises games of chance.-Notwithstanding any other provisions of this section, an eligible organization may conduct small games of chance at a location off its premises when such games are part of an annual carnival, fair, picnic or banquet held or participated in by that eligible organization on a historical basis. The eligible organization must notify, in writing, the district attorney and licensing authority of the location, date and times of such events where it will be conducting small games of chance.

(b.3) Limited occasion licenses.-Eligible organizations which do not own their own premises or which do not lease a specific location to conduct their normal business may apply for a limited occasion license to conduct small games of chance on not more than

three occasions covering a total of seven days during a license year. A limited occasion license entitles eligible organizations holding such a license to conduct no more than two raffles during a license year where prizes may not exceed the established limits for regular monthly raffles. Holders of limited occasion licenses may not apply or be granted any other license or special permit under this act. No holder of a regular license or special permit under this act shall apply or be granted a limited occasion license.

(b.4) Gambling facility prohibited.-It shall be unlawful for a person, corporation, association, partnership or other business entity to offer for rent or offer for use a building or facility to be used exclusively for the conducting of small games of chance. It shall also be unlawful for any eligible organization to lease under any terms a facility or building which is used exclusively for the conducting of small games of chance.

(c) Display.-Licenses issued pursuant to this section shall be publicly displayed at the site of the small games of chance.

(d) Operation.-Each licensed eligible organization shall comply with the following restriction and rules governing the operation of games of chance:

(1) No person under 18 years of age shall be permitted to operate or play small games of chance.

(2) No eligible organization shall permit any 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 10 years of a violation of the act of July 10, 1981 (P.L. 214, No. 67), known as the Bingo Law, or of this act to manage, set up, supervise or participate in the operation of games of chance.

(3) No eligible organization shall pay any compensation to any person for conducting any games of chance. Games of chance may only be conducted by managers, officers, directors, bar personnel and bona fide members of the eligible organization.

(4) Games shall be conducted only on the licensed premises or as otherwise provided by this act.

(5) The eligible organization shall not lease such premises under either an oral or a written agreement for a rental which is determined by either the amount of receipts realized from the playing of games of chance or the number of people attending, except that 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. An eligible organization shall not lease such premises from any person who has been convicted of a violation of this act within the past ten years.

(6) Games, other than raffles and daily drawings, shall be purchased only from manufacturers and distributors approved by the department.

(7) No licensed eligible organization shall permit its premises to be used for small games of chance by another licensed eligible organization at the same time that it is conducting small games of chance on the premises. When a licensed eligible organization is permitting another licensed eligible organization to use its premises for the purposes of small games of chance, it must cease the operation of small games of chance during the period that the other licensed eligible organization is conducting its games on the premises.

(8) Raffle tickets may be sold off the licensed premises in any municipality in this Commonwealth which has adopted the provisions of this act by an affirmative vote in a municipal referendum. A licensed eligible organization which plans to sell raffle tickets in a municipality located in another county other than the county in which the eligible organization is licensed must notify that county's district attorney and licensing authority as to the location and the dates that the eligible organization plans to sell raffle tickets.

(e) Application for license.- Each eligible organization shall apply to the licensing authority for a license on a form to be prescribed by the Secretary of Revenue. The form shall contain an affidavit to be affirmed by the executive officer or secretary of the eligible organization stating that:

(1) No person under 18 years of age will be permitted by the eligible organization to operate or play small games of chance.

(2) The facility in which the games of chance are to be played has adequate means of ingress and egress and adequate sanitary facilities available in the area.

(3) The eligible organization is not leasing such premises from the owner thereof under an oral agreement, nor is it leasing such 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, except that 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.

(f) List of licensees.-The license authority, on a semiannual basis, shall send a copy of all licensees to the Department of Revenue.

(g) List of municipalities.-The license authority shall include with any license or renewal issued to an eligible organization, an up-to-date listing of those municipalities within the licensing county which have approved the referendum question on small games of chance.

§ 321. Special permits.

(a) Issuance and fee.-The licensing authority shall issue a special permit for each raffle in which the licensee proposes to award individual prizes having a cash value in excess of

\$500. The licensing authority may establish and collect a fee not to exceed \$25 for the issuance of special permits under this section.

(b) Permit application.-Each special permit application shall specify the location where the actual drawing will be held, the number of chances to be sold, the price per chance and the cash value of the prize or prizes to be awarded.

§ 322. Revocation of licenses.

(a) Grounds.-The licensing authority shall revoke or refuse to renew the license of any eligible organization whenever the district attorney finds upon complaint and investigation that:

(1) Any of the funds derived from the operation of games of chance are used for any purpose other than for public interest purposes or for the purchase of games of chance as permitted by this act.

(2) Any person under 18 years of age is operating or playing games of chance as defined in this act.

(3) The eligible organization has permitted any 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 10 years of a violation of the act of July 10, 1981 (P.L. 214, No. 67), known as the Bingo Law, or of this 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) Any person or persons other than the manager, officer, director, bar personnel or a bona fide member of an eligible organization have been involved in managing, setting up, operating or running games of chance.

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

(7) Any prize has been awarded in excess of the limits permitted by this act.

(8) The eligible organization has violated any condition of a special permit issued pursuant to section 11.

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

(i) leasing such premises from the owner thereof under an oral agreement; or

- (ii) leasing such 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.
- (10) False or erroneous information was provided in the original application.
- (11) An eligible organization has been convicted of a violation of this act as evidenced by a certified record of conviction.
- (12) The eligible organization has permitted another eligible organization to conduct small games of chance on its licensed premises without suspending its own operation of small games of chance during the period that the other licensed eligible organization is conducting its games on the premises.

(b) Production of records.—The district Attorney may require licensees to produce their books, accounts and records relating to the conduct of games of chance in order to determine whether a license should be revoked or renewal thereof denied. Licensees shall also be required to produce their license, books, accounts and records relating to the conduct of games of chance to other law enforcement officials upon request.

§ 323. Enforcement.

(a) District Attorney.—The district attorney shall investigate alleged violations of this act. If the district attorney finds probable cause to believe that a violation has occurred, he may file a complaint against the alleged violator in the court of common pleas of said county, except in counties of the first class where the complaint may be filed in the municipal court. In addition, the district attorney shall prosecute said complaint in the manner provided by law.

(b) Other law enforcement officials.—Nothing in this act shall be interpreted to restrict the power of State, county or local law enforcement officials to conduct investigations and enforce the provisions of this act.

§ 324. Local option.

(a) Election to be held.—In any municipality, an election may be held on the date of the primary election immediately preceding any municipal election, but not more than once in four years, to determine the will of the electors with respect to the issuance of licenses within the limits of such municipality under the provisions of this act. Where an election shall have been held at the primary election preceding a municipal election in any year, another election may be held under the provisions of this act at the primary election occurring the fourth year after such prior election. Whenever electors equal to at least 25% of the highest vote cast for any office in the municipality at the last preceding general election shall file a petition with the county board of elections of the county, or the governing body of the municipality adopts, by a majority vote, a resolution to place such a question on the ballot and a copy of the resolution is filed with the board of

elections of the county, for a referendum on the question of issuing licenses, the county board of elections shall cause a question to be placed on the ballot or on the voting machine board and submitted at the primary election immediately preceding the municipal election. The question shall be in the following form:

*Do you favor the issuance of licenses
to conduct small games of chance in the
_____ of _____?*

(b) Vote.-If a majority of the electors voting on the question vote "yes," then licenses shall be issued by the licensing authority in such municipality, but if a majority of the electors voting on any such question vote "no," then the licensing authority shall have no power to issue or to renew, upon their expiration, any licenses in such municipality, unless and until, at a later election, a majority of the voting electors vote "yes" on such question.

(c) Voting proceedings.-Proceedings under this section shall be in accordance with the provisions of the act of June 3, 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code.

(d) Applicability.-This act applies only to those eligible organizations located in municipalities which have adopted the provisions of this act by an affirmative vote in a municipal referendum in accordance with the provisions of this section.

(e) Withdrawal of approval.-The referendum procedure contained in this section shall also be available to withdraw the approval of the issuance of such licenses within such municipality which was granted through a prior referendum.

(f) Special exception.-Notwithstanding any other provision of this act to the contrary, in any municipality except a city of the first class where an election was held pursuant to this section on May 16, 1989, and a majority of the electors voted "NO" on the question, the municipality shall be able to resubmit the question, in accordance with the procedures set forth in this section, at the general election immediately following the effective date of this amendatory act.

§ 325. Advertising.

It shall be unlawful for any eligible organization or person to advertise the prizes or their dollar value to be awarded in games of chance, provided that prizes may be identified on raffle tickets. Notwithstanding the prohibition of advertising contained within this section, an eligible organization may advertise prizes and values thereof in periodic publications which are limited in their circulation to members of the eligible organization.

§ 326. Certain persons prohibited.

No distributor nor any person who has been convicted of a felony or of a violation of the act of July 10, 1981 (P.L. 214, No. 67), known as the Bingo Law, or of this act or of any comparable State or Federal law shall have a pecuniary interest in the operation or proceeds of games of chance.

§ 327. Penalties.

(a) Eligible organizations.-Any eligible organization violating the provisions of this act shall be guilty of a summary offense and, upon conviction thereof, shall be sentenced to pay a fine not exceeding \$1,000 and shall for a first offense, forfeit the license to conduct games of chance issued to the eligible organization for the remainder of the licensing period or six months, whichever is longer, for a second offense, forfeit the license issued to the eligible organization for the remainder of the current licensing period and be ineligible to be licensed for the following licensing period, for a third or subsequent offense, forfeit the license issued to the eligible organization and be ineligible for a license renewal for 30 months thereafter.

(b) Individuals.-Any person who conducts or assists in the conducting of games of chance in violation of the provisions of this act is guilty of a summary offense for a first violation. A second violation of this act shall be punishable as a misdemeanor of the third degree. A third or subsequent violation shall be punishable as a misdemeanor of the first degree.

(c) Distributors and manufacturers.-Any person who distributes games of chance without a license or in violation of any provision of this act or applicable regulations, and any manufacturer of games of chance who delivers games of chance for sale or distribution in this Commonwealth who fails to obtain a permit therefor is guilty of a misdemeanor of the first degree, provided that no license or permit shall be required for the manufacture or distribution of raffle tickets.

(d) Rigging.-A person commits a misdemeanor of the first degree if, with intent to prevent a game of chance from being conducted in accordance with the requirements of this act or the rules and usages governing the game, he:

(1) confers or offers or agrees to confer any benefit upon or threatens any injury to a participant or other person associated with the game;

(2) tampers with any person or games; or

(3) solicits, accepts or agrees to accept any benefit.

(e) Contingent fees.-Any person who distributes, manufactures or operates a small game of chance and who requires, for equipment furnished or to play a game, payment equal to a percentage of the total winnings of any game commits a misdemeanor of the first degree.

