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I N S E N A T E

March 18, 2010

Introduced by Sen. ADAMS -- (at request of the New York State Racing and Wagering Board) -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering

AN ACT to amend the general municipal law and the penal law, in relation to bell jar manufacture, sale and conduct

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision 3-a of section 186 of the general municipal
2 law, as amended by chapter 337 of the laws of 1998, is amended to read
3 as follows:
4 3-a. "Bell jars" shall mean and include those games in which a partic-
5 ipant shall draw a card from a jar, vending machine, or other suitable
6 device or container which contains numbers, colors or symbols that are
7 covered and which, when uncovered, may reveal that a prize shall be
8 awarded on the basis of a designated winning number, color or symbol or
9 combination of numbers, colors or symbols. Bell jars shall also include
10 seal cards, coin boards, and merchandise boards. ALL BELL JARS SOLD
11 WITHIN THE STATE SHALL BE MANUFACTURED WITH A BOARD-APPROVED LEGEND ON
12 ITS FACE OR REVERSE.
13 S 2. Subdivisions 1, 2 and 4 of section 195-n of the general municipal
14 law, subdivisions 1 and 4 as amended by chapter 637 of the laws of 1999,
15 and subdivision 2 as amended by chapter 337 of the laws of 1998, are
16 amended to read as follows:
17 1. Distribution; manufacturers.
18 [For business conducted in this state, manufacturers licensed by the
19 board to sell bell jar tickets shall sell only such tickets to distribu-
20 tors licensed by the board.] (A) GENERALLY. BELL JARS MANUFACTURED WITH
21 A BOARD-APPROVED LEGEND MAY ONLY BE SOLD TO BOARD-LICENSED DISTRIBUTORS
22 FOR RESALE WITHIN THE STATE.
23 (B) REVIEW AND APPROVAL. Manufacturers of bell [jar tickets, seal
24 cards, merchandise boards, and coin boards may] JARS SHALL submit
25 [samples,] artists' renderings, or color photocopies of proposed bell
26 [jar tickets, seal cards, merchandise boards, coin boards] JARS, payout
27 cards, and flares for review and approval by the board. Within thirty

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 days of receipt of such [sample or] rendering OR COLOR PHOTOCOPY, the
2 board shall approve or deny such bell [jar tickets] JARS. Following
3 approval of a rendering OR COLOR PHOTOCOPY of a bell jar [ticket, seal
4 card, merchandise board, or coin board] by the board, the manufacturer
5 shall submit to the board a sample of the printed bell jar [ticket, seal
6 card, merchandise board, coin board], payout card, and flare for such
7 game. [Such sample shall be submitted prior to the sale of the game to
8 any licensed distributor for resale in this state.] WITHIN THIRTY DAYS
9 OF RECEIPT, THE BOARD SHALL REVIEW SAME FOR CONSISTENCY WITH THE
10 APPROVED RENDERING AND, IF APPROVED, AUTHORIZE MANUFACTURE. For coin
11 boards and merchandise boards, nothing herein shall require the [submit-
12 tal] SUBMISSION of actual coins or merchandise as part of the [approval]
13 REVIEW process.

14 (C) SANCTION. Any licensed manufacturer who [willfully] INTENTIONALLY
15 violates the provisions of this section shall: [(a)] (I) upon such first
16 offense, have their license suspended for a period of thirty days; [(b)]
17 (II) upon such second offense, participate in a hearing to be conducted
18 by the board, and surrender their license for such period as recommended
19 by the board; and [(c)] (III) upon such third or subsequent offense,
20 have their license suspended for a period of one year and shall be guilty
21 of a class E felony. [Any unlicensed manufacturer who violates the
22 provisions of this section shall be guilty of a class E felony.]

23 2. Bar codes. The manufacturer shall affix to the flare of each bell
24 jar game a bar code that provides all information prescribed by the
25 board and shall require that the bar code include the serial number of
26 the game the flare describes. A manufacturer shall also affix to the
27 outside of the container or wrapping containing a deal of bell jar
28 tickets a bar code providing all information prescribed by the board and
29 containing the same information as the bar code affixed to the flare.
30 The board may also prescribe additional bar code requirements. No person
31 [may] SHALL alter the bar code that appears on the flare or on the
32 outside of the container or wrapping containing a deal of bell jar tick-
33 ets. Possession of a deal of bell jar tickets that has a bar code
34 different from the serial number of the deal inside the container or
35 wrapping as evidenced on the flare is prima facie evidence that the
36 possessor has altered the bar code on the container or wrapping.

37 4. Reports of sales. A manufacturer [who sells bell jar tickets for
38 resale in this state] shall file with the board, on a form prescribed by
39 the board, a report of all bell [jar tickets] JARS sold [to distribu-
40 tors] OR SHIPPED in the state. The report shall be filed quarterly on or
41 before the twentieth day of the month succeeding the end of the quarter
42 in which the sale was made. The board [may] SHALL require that the
43 report be submitted via magnetic media or electronic data transfer.

44 S 3. Section 195-o of the general municipal law, as added by chapter
45 309 of the laws of 1996 and subdivisions 1, 1-a and 5 as amended by
46 chapter 637 of the laws of 1999, is amended to read as follows:

47 S 195-o. Distributor of bell jars; reports and records. 1. Distrib-
48 ution; distributors. (A) GENERALLY. Any distributor licensed in accord-
49 ance with section one hundred eighty-nine-a of this article to distrib-
50 ute bell [jar tickets] JARS shall purchase bell [jar tickets] JARS only
51 from licensed manufacturers and may manufacture coin boards and merchan-
52 dise boards only as authorized in subdivision [one-a] TWO of this
53 section. Licensed distributors of bell [jar tickets] JARS shall sell
54 such [tickets] only to [not-for-profit, charitable or religious]
55 LICENSED AUTHORIZED organizations registered by the board.

(B) SANCTIONS. Any licensed distributor who willfully violates the provisions of this section shall:

[(a)] (I) upon such first offense, have their license suspended for a period of thirty days;

[(b)] (II) upon such second offense, participate in a hearing to be conducted by the board, and surrender their license for such period as recommended by the board; and

[(c)] (III) upon such third or subsequent offense, have their license suspended for a period of one year and shall be guilty of a class E felony. [Any unlicensed distributor who violates this section shall be guilty of a class E felony.]

1-a] 2. Coin boards and merchandise boards. Distributors of bell [jar tickets] JARS may manufacture coin boards and merchandise boards only if such boards have been approved by the board and have a bar code affixed to them setting forth all information required by the board. Except that for coin boards and merchandise boards, delineation of the prize or prize value need not be included on the game ticket sold in conjunction with a coin board or merchandise board. In lieu of such requirement, the distributor shall be required to disclose the prize levels and the number of winners at each level and shall print clearly on the game ticket that a ticket holder may obtain the prize and prize value for each prize level by referencing the flare. Such coin boards shall only be sold by licensed distributors to licensed authorized organizations registered by the board in accordance with the provisions of this article.

[2] 3. Business records. A distributor shall keep at each place of business complete and accurate records for that place of business, including itemized invoices of bell [jar tickets] JARS held and purchased. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required, all bell [jar tickets] JARS on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of bell [jar tickets] JARS as may be required by the board. Books, records, itemized invoices, and other papers and documents required by this section shall be kept for a period of at least four years after the date of the documents, or the date of the entries appearing in the records, unless the board authorizes in writing their destruction or disposal at an earlier date. A person who violates this section shall be guilty of a misdemeanor.

[3] 4. Sales records. A distributor shall maintain a record of all bell [jar tickets] JARS that it sells. The record shall include, but need not be limited to:

(a) the identity of the manufacturer from whom the distributor purchased the product;

(b) the serial number of the product;

(c) the name, address, and license or exempt permit number of the organization or person to which the sale was made;

(d) the date of the sale;

(e) the name of the person who ordered the product;

(f) the name of the person who received the product;

(g) the type of product;

(h) the serial number of the product;

(i) the account number identifying the sale from the manufacturer to distributor and the account number identifying the sale from the distributor to the licensed organization; and

1 (j) the name, form number, or other identifying information for each
2 game.

3 [4] 5. Invoices. A distributor shall supply with each sale of a bell
4 jar product an itemized invoice showing the distributor's name and
5 address, the purchaser's name, address, and license number, the date of
6 the sale, the account number identifying the sale from the manufacturer
7 to distributor and the account number identifying the sale from the
8 distributor to the licensed organization, and the description of the
9 deals, including the form number, the serial number and the ideal gross
10 from every deal of bell [jar or similar game] JARS.

11 [5] 6. Reports. A distributor shall report quarterly to the board, on
12 a form prescribed by the board, its sales of each type of bell [jar deal
13 or tickets] JARS. This report shall be filed quarterly on or before the
14 twentieth day of the month succeeding the end of the quarter in which
15 the sale was made. The board [may] SHALL require that a distributor
16 submit the quarterly report and invoices required by this section via
17 magnetic media or electronic data transfer.

18 [6] 7. The board may inspect the premises, books, records, and inven-
19 tory of a distributor without notice during the normal business hours of
20 the distributor.

21 [7] 8. Certified physical inventory. The board may, upon request,
22 require a distributor to furnish a certified physical inventory of all
23 bell [jar tickets] JARS in stock. The inventory shall contain the infor-
24 mation requested by the board.

25 S 4. Section 195-p of the general municipal law, as added by chapter
26 309 of the laws of 1996, is amended to read as follows:

27 S 195-p. Transfer restrictions. [Not-for-profit, charitable or reli-
28 gious] 1. LICENSED AUTHORIZED organizations authorized to sell bell [jar
29 tickets] JARS in accordance with this article shall purchase bell [jar
30 tickets] JARS only from distributors licensed by the board. No [not-
31 for-profit, charitable, or religious] LICENSED AUTHORIZED organization
32 shall sell, donate, or otherwise transfer bell [jar tickets] JARS to any
33 other [not-for-profit, charitable or religious] LICENSED AUTHORIZED
34 organization.

35 2. AN AUTHORIZED ORGANIZATION NOT MAINTAINING CONTINUITY OF LICENSE
36 SHALL, WITHIN NINETY DAYS OF LICENSE EXPIRATION, DISPOSE OF ALL BELL
37 JARS POSSESSED IN A MANNER DIRECTED BY THE BOARD.

38 S 5. Subdivision 2 of section 225.20 of the penal law is amended to
39 read as follows:

40 2. Of a kind commonly used in the operation, promotion or playing of
41 BELL JARS OR a lottery or policy scheme or enterprise, and constituting,
42 reflecting or representing more than five hundred plays or chances ther-
43 ein.

44 S 6. This act shall take effect on the first day of January next
45 succeeding the year in which it shall have become a law; provided,
46 however, that any rules and regulations necessary for the timely imple-
47 mentation of this act shall be promulgated on or before such date.