

# STATE OF NEW YORK

2303--C

Cal. No. 169

2017-2018 Regular Sessions

## IN ASSEMBLY

January 17, 2017

Introduced by M. of A. PRETLOW, McDONALD, HAWLEY, BOHEN, DiPIETRO -- read once and referred to the Committee on Racing and Wagering -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- ordered to a third reading -- passed by Assembly and delivered to the Senate, recalled from the Senate, vote reconsidered, bill amended, ordered reprinted, retaining its place on the order of third reading -- again amended on third reading, ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the general municipal law, in relation to electronic bell jar games

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Legislative findings and purpose. 1. The legislature here-  
2 by finds that:  
3 (a) bell jar games are a popular and profitable fundraising mechanism  
4 for bona fide not-for-profit organizations across the state, generating  
5 millions of dollars in net revenues for charitable purposes every year;  
6 (b) authorized organizations that offer bell jars and other games of  
7 chance must meet strict standards established by the New York state  
8 general municipal law and the New York state gaming commission, includ-  
9 ing receiving a license to conduct charitable gaming activities; and  
10 (c) while other types of gaming in New York state have continued to  
11 expand and improve, the operation of charitable gaming activities has  
12 largely remained the same over the last several decades.  
13 2. For the aforementioned reasons, the legislature hereby declares  
14 that authorized organizations licensed by the New York state gaming  
15 commission to conduct charitable gaming would greatly benefit from the  
16 ability to operate electronic bell jar vending machines, which display  
17 and dispense pre-printed bell jar tickets that have predetermined  
18 winners and predetermined values for prizes, in order to help increase

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

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1 charitable gaming profits across the state and attract more members to  
2 join such organizations.

3 § 2. Subdivision 3-a of section 186 of the general municipal law, as  
4 amended by chapter 531 of the laws of 2011, is amended to read as  
5 follows:

6 3-a. "Bell jars" shall mean and include those games in which a partic-  
7 ipant shall draw a card from a jar, vending machine, including an elec-  
8 tronic bell jar vending machine, or other suitable device or container  
9 which contains numbers, colors or symbols that are covered and which,  
10 when uncovered, may reveal that a prize shall be awarded on the basis of  
11 a designated winning number, color or symbol or combination of numbers,  
12 colors or symbols. Bell jars shall also include seal cards, coin boards,  
13 event games, and merchandise boards. An electronic bell jar vending  
14 machine shall use electronic features to display and dispense pre-print-  
15 ed bell jar tickets, including audio and video features to display  
16 information about a ticket being dispensed, provided that such features  
17 do not affect the outcome of the game.

18 § 3. Subdivision 9 of section 188-a of the general municipal law, as  
19 added by chapter 960 of the laws of 1976, is amended to read as follows:

20 9. (a) The [~~board~~] commission shall have the power to approve and  
21 establish a standard set of games of chance equipment and shall by its  
22 rules and regulations prescribe the manner in which such equipment is to  
23 be reproduced and distributed to licensed authorized organizations. The  
24 sale or distribution to a licensed authorized organization of any equip-  
25 ment other than that contained in the standard set of games of chance  
26 equipment shall constitute a violation of this section.

27 (b) After the effective date of the chapter of the laws of two thou-  
28 sand eighteen that amended this subdivision, no electronic bell jar  
29 vending machine shall be sold, leased, distributed, installed, or oper-  
30 ated by any manufacturer, distributor, or charitable organization until  
31 such machine has been approved by the commission. No electronic bell  
32 jar vending machine shall be approved by the commission unless the oper-  
33 ation of the game demonstrates that there is a finite probability basis  
34 of having a predetermined quantity of chances among which there is a  
35 predetermined quantity of winners that pay a fixed and predetermined  
36 value of prizes, regardless of the symbols that are used or how those  
37 symbols are displayed on pre-printed bell jar tickets.

38 § 4. Subdivision 3 of section 189 of the general municipal law, as  
39 amended by chapter 337 of the laws of 1998, is amended to read as  
40 follows:

41 3. No authorized organization licensed under the provisions of this  
42 article shall purchase, lease, or receive any supplies or equipment  
43 specifically designed or adapted for use in the conduct of games of  
44 chance from other than a supplier licensed by the board or from another  
45 authorized organization. Lease terms and conditions shall be subject to  
46 rules and regulations promulgated by the board. The provisions of this  
47 article shall not be construed to authorize or permit an authorized  
48 organization to engage in the business of leasing games of chance,  
49 supplies, or equipment. Furthermore, no organization shall purchase bell  
50 jar tickets[7] or deals of bell jar tickets, or purchase or lease any  
51 electronic bell jar vending machine, from any other person or organiza-  
52 tion other than those specifically authorized under sections one hundred  
53 ninety-five-n and one hundred ninety-five-o of this article.

54 § 5. The opening paragraph of section 189-a of the general municipal  
55 law, as amended by chapter 164 of the laws of 2003, is amended to read  
56 as follows:

1 No person, firm, partnership, corporation or organization, shall sell  
2 or distribute supplies or equipment specifically designed or adapted for  
3 use in conduct of games of chance without having first obtained a  
4 license therefor upon written application made, verified and filed with  
5 the [beard] commission in the form prescribed by the rules and regu-  
6 lations of the [beard] commission. As a part of its determination  
7 concerning the applicant's suitability for licensing as a games of  
8 chance supplier, the [beard] commission shall require the applicant to  
9 furnish to the [beard] commission two sets of fingerprints. Such fing-  
10 erprints shall be submitted to the division of criminal justice services  
11 for a state criminal history record check, as defined in subdivision one  
12 of section three thousand thirty-five of the education law, and may be  
13 submitted to the federal bureau of investigation for a national criminal  
14 history record check. Manufacturers of bell jar tickets shall be consid-  
15 ered suppliers of such equipment. In each such application for a license  
16 under this section shall be stated the name and address of the appli-  
17 cant; the names and addresses of its officers, directors, shareholders  
18 or partners; the amount of gross receipts realized on the sale and  
19 rental of games of chance supplies and equipment to duly licensed  
20 authorized organizations during the last preceding calendar or fiscal  
21 year, and such other information as shall be prescribed by such rules  
22 and regulations. The fee for such license shall be a sum equal to twen-  
23 ty-five dollars plus an amount equal to two per centum of the gross  
24 sales and rentals, if any, of games of chance equipment and supplies to  
25 authorized organizations or authorized games of chance lessors by the  
26 applicant during the preceding calendar year, or fiscal year if the  
27 applicant maintains his accounts on a fiscal year basis; provided,  
28 however, that for manufacturers of electronic bell jar vending machines,  
29 the fee for such license shall be one thousand dollars. No license  
30 granted pursuant to the provisions of this section shall be effective  
31 for a period of more than one year.

32 § 6. Section 195-c of the general municipal law is amended by adding  
33 three new subdivisions 3, 4, and 5 to read as follows:

34 3. Each electronic bell jar vending machine that has been approved by  
35 the commission pursuant to paragraph (b) of subdivision nine of section  
36 one hundred eighty-eight-a of this article shall have the ability to:

37 (a) read a barcode or similar form of encryption or marking on the  
38 pre-printed bell jar ticket;

39 (b) reveal results and other game information through audio and video  
40 displays;

41 (c) verify if a bell jar ticket is redeemable for a prize;

42 (d) electronically aggregate winning prizes for continued play;

43 (e) produce a voucher for prize redemption; and

44 (f) track the sales of tickets and report such sales to the commis-  
45 sion.

46 4. The following information shall be displayed by each electronic  
47 bell jar vending machine:

48 (a) the total number of tickets in each deal;

49 (b) the price of each ticket;

50 (c) the number and amount of prizes available or remaining in each  
51 deal;

52 (d) the number and amounts of prizes that have been claimed in each  
53 deal;

54 (e) the number of winners per ticket and its respective winning  
55 numbers or symbols;

56 (f) the name of the game; and

1 (g) the name or logo of the manufacturer of the tickets.

2 5. When a voucher is produced by an electronic bell jar vending  
3 machine for prize redemption, the following information shall appear on  
4 such voucher:

5 (a) the aggregate prize amount payable to the player;

6 (b) the value of any unused tickets;

7 (c) the device number or other identification method for the vending  
8 machine that produced such voucher;

9 (d) the date and time that such voucher was printed;

10 (e) the sequential number of such voucher;

11 (f) a barcode or similar form of encryption that may be used to vali-  
12 date the prize amount payable to the player; and

13 (g) the period of time during which unused tickets or prize amounts  
14 must be claimed.

15 § 7. Subdivisions 1 and 4 of section 195-n of the general municipal  
16 law, as amended by chapter 637 of the laws of 1999, are amended to read  
17 as follows:

18 1. Distribution; manufacturers. For business conducted in this state,  
19 manufacturers licensed by the [beard] commission to sell bell jar tick-  
20 ets or electric bell jar vending machines shall sell only such tickets  
21 or vending machines to distributors licensed by the [beard] commission.  
22 Manufacturers of bell jar tickets, seal cards, merchandise boards, and  
23 coin boards may submit samples, artists' renderings, or color photoco-  
24 pies of proposed bell jar tickets, seal cards, merchandise boards, coin  
25 boards, payout cards, and flares for review and approval by the [beard]  
26 commission. Within thirty days of receipt of such sample or rendering,  
27 the [beard] commission shall approve or deny such bell jar tickets.  
28 Following approval of a rendering of a bell jar ticket, seal card,  
29 merchandise board, or coin board by the [beard] commission, the manufac-  
30 turer shall submit to the [beard] commission a sample of the printed  
31 bell jar ticket, seal card, merchandise board, coin board, payout card,  
32 and flare for such game. Such sample shall be submitted prior to the  
33 sale of the game to any licensed distributor for resale in this state.  
34 For coin boards and merchandise boards, nothing herein shall require the  
35 submittal of actual coins or merchandise as part of the approval proc-  
36 ess. Any licensed manufacturer who willfully violates the provisions of  
37 this section shall: (a) upon such first offense, have their license  
38 suspended for a period of thirty days; (b) upon such second offense,  
39 participate in a hearing to be conducted by the [beard] commission, and  
40 surrender their license for such period as recommended by the [beard]  
41 commission; and (c) upon such third or subsequent offense, have their  
42 license suspended for a period of one year and shall be guilty of a  
43 class E felony. Any unlicensed manufacturer who violates the provisions  
44 of this section shall be guilty of a class E felony.

45 4. Reports of sales. A manufacturer who sells bell jar tickets for  
46 resale in this state shall file with the [beard] commission, on a form  
47 prescribed by the [beard] commission a report of all bell jar tickets  
48 sold to distributors in the state. The report shall be filed quarterly  
49 on or before the twentieth day of the month succeeding the end of the  
50 quarter in which the sale was made. The [beard] commission may require  
51 that the report be submitted via magnetic media or electronic data  
52 transfer. Such report shall also include information regarding any elec-  
53 tronic bell jar vending machines sold or leased to a distributor  
54 licensed by the commission.

55 § 8. Subdivisions 1, 3, 4, and 5 of section 195-o of the general  
56 municipal law, subdivision 1 as amended by chapter 637 of the laws of

1 1999, subdivisions 3 and 4 as added by chapter 309 of the laws of 1996  
2 and subdivision 5 as amended by section 16 of part MM of chapter 59 of  
3 the laws of 2017, are amended to read as follows:

4 1. Distribution; distributors. Any distributor licensed in accordance  
5 with section one hundred eighty-nine-a of this article to distribute  
6 bell jar tickets or electronic bell jar vending machines shall purchase  
7 [~~bell-jar~~] such tickets and vending machines only from licensed manufac-  
8 turers and may manufacture coin boards and merchandise boards only as  
9 authorized in subdivision one-a of this section. Licensed distributors  
10 of bell jar tickets and electronic bell jar vending machines shall sell  
11 such tickets and vending machines only to not-for-profit, charitable or  
12 religious organizations registered by the [~~board~~] commission. Any  
13 licensed distributor who willfully violates the provisions of this  
14 section shall: (a) upon such first offense, have their license suspended  
15 for a period of thirty days; (b) upon such second offense, participate  
16 in a hearing to be conducted by the [~~board~~] commission, and surrender  
17 their license for such period as recommended by the [~~board~~] commission;  
18 and (c) upon such third or subsequent offense, have their license  
19 suspended for a period of one year and shall be guilty of a class E  
20 felony. Any unlicensed distributor who violates this section shall be  
21 guilty of a class E felony.

22 3. Sales records. A distributor shall maintain a record of all bell  
23 jar tickets that it sells and all electronic bell jar vending machines  
24 that it sells or leases. The record shall include, but need not be  
25 limited to:

26 (a) the identity of the manufacturer from whom the distributor  
27 purchased the product;  
28 (b) the serial number of the product;  
29 (c) the name, address, and license or exempt permit number of the  
30 organization or person to which the sale was made;  
31 (d) the date of the sale;  
32 (e) the name of the person who ordered the product;  
33 (f) the name of the person who received the product;  
34 (g) the type of product;  
35 (h) the serial number of the product;  
36 (i) the account number identifying the sale from the manufacturer to  
37 distributor and the account number identifying the sale from the  
38 distributor to the licensed organization; and  
39 (j) the name, form number, or other identifying information for each  
40 game.

41 4. Invoices. (a) A distributor shall supply with each sale of a bell  
42 jar product an itemized invoice showing the distributor's name and  
43 address, the purchaser's name, address, and license number, the date of  
44 the sale, the account number identifying the sale from the manufacturer  
45 to distributor and the account number identifying the sale from the  
46 distributor to the licensed organization, and the description of the  
47 deals, including the form number, the serial number and the ideal gross  
48 from every deal of bell jar or similar game.

49 (b) Within five business days after the sale, lease, or distribution  
50 of an electronic bell jar vending machine to an authorized organization,  
51 the distributor shall provide a copy of an invoice to the commission  
52 which shows:

53 (i) the name and address of the authorized organization;  
54 (ii) the date of sale, lease or distribution;  
55 (iii) the serial number of each such machine; and  
56 (iv) any additional information as the commission may require.

1 5. Reports. A distributor shall report quarterly to the gaming commis-  
2 sion, on a form prescribed by the gaming commission, its sales of each  
3 type of bell jar deal or tickets and electronic bell jar vending  
4 machines. This report shall be filed quarterly on or before the twenti-  
5 eth day of the month succeeding the end of the quarter in which the sale  
6 was made. The gaming commission may require that a distributor submit  
7 the quarterly report and invoices required by this section via electron-  
8 ic media or electronic data transfer.

9 § 9. Section 195-q of the general municipal law is amended by adding a  
10 new subdivision 3 to read as follows:

11 3. (a) An authorized organization may only operate electronic bell jar  
12 vending machines on premises that it owns or leases.

13 (b) An authorized organization may operate no more than five electron-  
14 ic bell jar vending machines. In no situation may more than five elec-  
15 tronic bell jar machines be operated at any leased premises, no matter  
16 how many authorized organizations are co-lessees.

17 (c) No authorized organization may operate electronic bell jar vending  
18 machines unless they were a games of chance licensee and conducted bell  
19 jar games prior to the effective date of this subdivision. The  
20 provisions of this paragraph shall not apply to any military or veterans  
21 organization named in subdivisions nine, thirty, thirty-a, thirty-seven,  
22 thirty-eight, thirty-eight-a, thirty-eight-b, thirty-nine, forty,  
23 forty-one, forty-two, forty-three, forty-four, forty-five, forty-five-a,  
24 forty-seven, fifty-three, fifty-four, or fifty-nine of section two of  
25 the benevolent orders law, nor shall it apply to an authorized organiza-  
26 tion which is a successor organization to an authorized organization  
27 which was a games of chance licensee and conducted bell jar games prior  
28 to the effective date of this subdivision.

29 (d) Each bell jar vending machine shall generate sales reports and  
30 such other information that the commission may direct by regulation in  
31 order to determine that such machine is operating in accordance with the  
32 provisions of this chapter. The commission shall have access to the  
33 server of each electronic bell jar vending machine for the purpose of  
34 monitoring and auditing at no cost to the state.

35 (e) Any unclaimed funds or tickets left in any electronic bell jar  
36 vending machine shall be retained by the authorized organization and  
37 reported as net proceeds.

38 § 10. This act shall take effect on the one hundred eightieth day  
39 after it shall have become a law.