

STATE OF NEW YORK

4616

2017-2018 Regular Sessions

IN ASSEMBLY

February 3, 2017

Introduced by M. of A. PRETLOW -- read once and referred to the Committee on Racing and Wagering

AN ACT to amend the general municipal law, in relation to the conducting of games of chance by certain organizations

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

1 Section 1. Subdivisions 4 and 6 of section 186 of the general municipal law, as amended by chapter 574 of the laws of 1978, are amended and
2 two new subdivisions 4-a and 22 are added to read as follows:

3 4. "Authorized organization" shall mean and include any bona fide
4 religious or charitable organization or bona fide educational, fraternal
5 or service organization or bona fide organization of veterans [~~or~~],
6 volunteer [~~firemen~~] firefighters or volunteer ambulance workers, which
7 by its charter, certificate of incorporation, constitution, or act of
8 the legislature, shall have among its dominant purposes one or more of
9 the lawful purposes as defined in this article, provided that each shall
10 operate without profit to its members, and provided that each such
11 organization has engaged in serving one or more of the lawful purposes
12 as defined in this article for a period of three years [~~immediatley~~]
13 immediately prior to applying for a license under this article.
14

15 No organization shall be deemed an authorized organization which is
16 formed primarily for the purpose of conducting games of chance and which
17 does not devote at least seventy-five percent of its activities to other
18 than conducting games of chance. No political party shall be deemed an
19 authorized organization.

20 4-a. "Auxiliary member" shall mean a bona fide member of an organiza-
21 tion or association which is auxiliary to an authorized organization
22 licensed pursuant to this article; or a bona fide member of an organiza-
23 tion or association of which an authorized organization licensed pursu-
24 ant to this article is an auxiliary; or a bona fide member of an organ-
25 ization or association which is affiliated with an authorized

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

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1 organization licensed pursuant to this article by being, with it, auxil-
2 iary to another organization or association.

3 6. "Net proceeds" shall mean (a) in relation to the gross receipts
4 from one or more license periods of games of chance, the amount that
5 shall remain after deducting the reasonable sums necessarily and actual-
6 ly expended for conducting games of chance including, but not limited
7 to, supplies and equipment, prizes, security-personnel, stated rental if
8 any, bookkeeping or accounting services according to a schedule of
9 compensation prescribed by the board, janitorial services and utility
10 supplies if any, license fees, and [the cost of bus transportation]
11 reimbursement of reasonable expenses incurred by volunteers who donate
12 their time to hold, operate or conduct, or assist in the conduct of such
13 games, and as authorized by the board and if authorized by the clerk or
14 department and (b) in relation to the gross rent received by an author-
15 ized games of chance lessor for the use of its premises by a game of
16 chance licensee, the amount that shall remain after deducting the
17 reasonable sums necessarily and actually expended for janitorial
18 services and utility supplies directly attributable thereto if any.

19 22. "Reasonable expenses" shall include, but not be limited to, child
20 care expenses, transportation expenses, meals and other expenses, as
21 determined and regulated by the board.

22 § 2. Subdivisions 4, 5, 6, 8, 10 and 11 of section 189 of the general
23 municipal law, subdivisions 4, 10 and 11 as amended by chapter 574 of
24 the laws of 1978, subdivisions 5 and 8 as amended by chapter 434 of the
25 laws of 2016 and subdivision 6 as amended by chapter 302 of the laws of
26 2010, are amended to read as follows:

27 4. The entire net proceeds of any game of chance shall be exclusively
28 devoted to the lawful purposes of the organization permitted to conduct
29 the same and the net proceeds of any rental derived therefrom shall be
30 exclusively devoted to the lawful purposes of the authorized games of
31 chance lessor; provided, however, that a person may accept reimbursement
32 of reasonable expenses incurred to manage, hold, operate or conduct such
33 games.

34 5. No single prize awarded by games of chance other than raffle shall
35 exceed the sum or value of [~~three~~] four hundred dollars, except that for
36 merchandise wheels, no single prize shall exceed the sum or value of
37 [~~two~~] three hundred [~~fifty~~] dollars. No single prize awarded by raffle
38 shall exceed the sum or value of three hundred thousand dollars. No
39 single wager shall exceed six dollars and for bell jars, coin boards, or
40 merchandise boards, no single prize shall exceed five hundred dollars
41 provided, however, that such limitation shall not apply to the amount of
42 money or value paid by the participant in a raffle in return for a tick-
43 et or other receipt. For coin boards and merchandise boards, the value
44 of a prize shall be determined by its costs to the authorized organiza-
45 tion or, if donated, its fair market value.

46 6. No authorized organization shall award a series of prizes consist-
47 ing of cash or of merchandise with an aggregate value in excess of ten
48 thousand dollars during the successive operations of any one merchandise
49 wheel or bell jar, and three thousand dollars during the successive
50 operations of any [~~bell-jar,~~] coin board[~~7~~] or merchandise board. No
51 series of prizes awarded by raffle shall have an aggregate value in
52 excess of five hundred thousand dollars. For coin boards and merchandise
53 boards, the value of a prize shall be determined by its cost to the
54 authorized organization or, if donated, its fair market value.

55 8. Except for merchandise wheels and raffles, no series of prizes on
56 any one occasion shall aggregate more than [~~four~~] five hundred dollars

1 when the licensed authorized organization conducts five single types of
2 games of chance during any one license period. Except for merchandise
3 wheels, raffles and bell jars, no series of prizes on any one occasion
4 shall aggregate more than five hundred dollars when the licensed author-
5 ized organization conducts less than five single types of games of
6 chance, exclusive of merchandise wheels, raffles and bell jars, during
7 any one license period. No authorized organization shall award by raffle
8 prizes with an aggregate value in excess of three million dollars during
9 any one license period.

10 10. No person except a bona fide member of the licensed authorized
11 organization or an auxiliary member of such organization shall partic-
12 ipate in the management of such games[~~, no person except a bona fide~~
13 ~~member of the licensed authorized organization, its auxiliary or affil-~~
14 ~~iated organization, shall participate in the operation of such game, as~~
15 ~~set forth in section one hundred ninety five c of this article~~].

16 11. No person shall receive any remuneration for participating in the
17 management or operation of any such game; provided, however, that a
18 person may accept reimbursement of reasonable expenses incurred to
19 manage, hold, operate or conduct games of chance.

20 § 3. Subparagraph 5 of paragraph (a) of subdivision 1 of section 190
21 of the general municipal law, as amended by chapter 574 of the laws of
22 1978, is amended to read as follows:

23 (5) the purposes to which the entire net proceeds of such games are to
24 be devoted and in what manner; that no commission, salary, compen-
25 sation[~~7~~] or reward [~~or recompense~~] will be paid to any person for
26 conducting such game or games or for assisting therein except as in this
27 article otherwise provided; and such other information as shall be
28 prescribed by such rules and regulations.

29 § 4. Paragraph (b) of subdivision 1 of section 190 of the general
30 municipal law, as amended by chapter 574 of the laws of 1978, is amended
31 to read as follows:

32 (b) In each application there shall be designated not less than [~~four~~]
33 three bona fide members of the applicant organization under whom the
34 game or games of chance will be managed and to the application shall be
35 appended a statement executed by the members so designated, that they
36 will be responsible for the management of such games in accordance with
37 the terms of the license, the rules and regulations of the board, this
38 article and the applicable local laws or ordinances.

39 § 5. Paragraph (a) of subdivision 2 of section 190-a of the general
40 municipal law, as amended by chapter 400 of the laws of 2005, is amended
41 to read as follows:

42 (a) For the purposes of this section, "authorized organization" shall
43 mean and include any bona fide religious or charitable organization or
44 bona fide educational, fraternal or service organization or bona fide
45 organization of veterans [~~or~~], volunteer [~~firefighter~~] firefighters or
46 volunteer ambulance workers, which by its charter, certificate of incor-
47 poration, constitution, or act of the legislature, shall have among its
48 dominant purposes one or more of the lawful purposes as defined in this
49 article, provided that each shall operate without profit to its members,
50 and provided that each such organization has engaged in serving one or
51 more of the lawful purposes as defined in this article for a period of
52 three years immediately prior to being granted the filing requirement
53 exemption contained in subdivision one of this section.

54 § 6. Subdivision 3 of section 190-a of the general municipal law, as
55 added by chapter 400 of the laws of 2005, is amended to read as follows:

3. No person under the age of eighteen shall be permitted to play~~[operate or assist]~~ in any raffle conducted pursuant to this section. No person under the age of eighteen years shall be permitted to operate or assist in any raffle conducted pursuant to this section; provided, however, that a person under the age of eighteen years and who is sixteen years of age or older shall be permitted to assist in any raffle if accompanied by an adult.

§ 7. Paragraph (a) of subdivision 1 of section 191 of the general municipal law, as amended by section 15 of part LL of chapter 56 of the laws of 2010, is amended to read as follows:

(a) Issuance of licenses to conduct games of chance. If such clerk or department shall determine that the applicant is duly qualified to be licensed to conduct games of chance under this article; that the member or members of the applicant designated in the application to manage games of chance are bona fide active members of the applicant and are persons of good moral character and have never been convicted of a crime, or, if convicted, have received a pardon, a certificate of good conduct or a certificate of relief from disabilities pursuant to article twenty-three of the correction law, or, if convicted, the member or members are participating in a rehabilitation program licensed or certified by a state agency and operated by the applicant or an auxiliary thereof; that such games are to be conducted in accordance with the provisions of this article and in accordance with the rules and regulations of the board and applicable local laws or ordinances and that the proceeds thereof are to be disposed of as provided by this article, and if such clerk or department is satisfied that no commission, salary, compensation~~[or reward]~~ or reward ~~[or recompense]~~ whatever will be paid or given to any person managing, operating or assisting therein except as ~~[in this article]~~ otherwise provided in this article, including reimbursement of reasonable expenses incurred by volunteers who donate their time to hold, operate or conduct, or assist in the conduct of such games; it shall issue a license to the applicant for the conduct of games of chance upon payment of a license fee of twenty-five dollars for each license period.

§ 8. Subdivision 3 of section 194 of the general municipal law, as amended by chapter 550 of the laws of 1994, is amended to read as follows:

3. ~~[Service of alcoholic beverages.]~~ Subject to the applicable provisions of the alcoholic beverage control law, beer and wine may be offered for sale during the conduct of games of chance on games of chance premises as such premises are defined in subdivision nineteen of section one hundred eighty-six of this article; provided, however, that nothing herein shall be construed to limit the offering for sale of any other alcoholic beverage in areas other than the games of chance premises or the sale of any other alcoholic beverage in premises where only the games of chance known as bell jar or raffles are conducted.

§ 9. Section 195 of the general municipal law, as amended by chapter 461 of the laws of 2003, is amended to read as follows:

§ 195. Sunday; conduct of games on. Except as provided in section one hundred ninety-five-b of this article, ~~[no]~~ games of chance ~~[shall]~~ may be conducted under any license issued under this article on the first day of the week, commonly known and designated as Sunday, unless it shall be otherwise provided in the license issued for the conducting thereof, pursuant to the provisions of a local law or an ordinance duly adopted by the governing body of the municipality wherein the license is issued, ~~[authorizing]~~ prohibiting the conduct of games of chance under

1 this article on that day [~~only between the hours of noon and midnight~~].
2 Notwithstanding the foregoing provisions of this section no games of
3 chance shall be conducted on Easter Sunday or Christmas Day.

4 § 10. Section 195-a of the general municipal law, as amended by chap-
5 ter 574 of the laws of 1978, is amended to read as follows:

6 § 195-a. Participation by persons under eighteen. No person under the
7 age of eighteen years shall be permitted to play any game or games of
8 chance conducted pursuant to any license issued under this article.
9 Persons under the age of eighteen years may be permitted to attend games
10 of chance [~~at the discretion of the games of chance licensee~~]. No
11 person under the age of eighteen years shall be permitted to operate any
12 game of chance conducted pursuant to any license issued under this arti-
13 cle or to assist therein; provided, however, that a person under the age
14 of eighteen years and who is sixteen years of age or older shall be
15 permitted to assist in the operation of any game of chance if accompa-
16 nied by a parent.

17 § 11. Section 195-b of the general municipal law, as amended by chap-
18 ter 252 of the laws of 1998, is amended to read as follows:

19 § 195-b. Frequency of games. No game or games of chance, shall be
20 conducted under any license issued under this article more often than
21 [~~twelve~~] eighteen times in any calendar year. No particular premises
22 shall be used for the conduct of games of chance on more than twenty-
23 four license periods during any one calendar year. Games shall be
24 conducted only between the hours of noon and midnight on Sunday, Monday,
25 Tuesday, Wednesday and Thursday, and only between the hours of noon on
26 Friday and two A.M. Saturday, and only between the hours of noon on
27 Saturday and two A.M. Sunday. The two A.M. closing period shall also
28 apply to a legal holiday. The above restrictions shall not apply when
29 only the games of chance known as bell jar and/or raffle are conducted.

30 § 12. Section 195-c of the general municipal law, as amended by chap-
31 ter 252 of the laws of 1998, is amended to read as follows:

32 § 195-c. [~~1.~~] Persons operating games; equipment; expenses; compen-
33 sation. 1. No person shall operate any game of chance under any license
34 issued under this article except a bona fide member or auxiliary member
35 of the authorized organization to which the license is issued[~~, or a~~
36 ~~bona fide member of an organization or association which is an auxiliary~~
37 ~~to the licensee or a bona fide member of an organization or association~~
38 ~~of which such licensee is an auxiliary or a bona fide member of an~~
39 ~~organization or association which is affiliated with the licensee by~~
40 ~~being, with it, auxiliary to another organization or association~~]. Noth-
41 ing herein shall be construed to limit the number of games of chance
42 licensees for whom such persons may operate games of chance nor to
43 prevent non-members from assisting the licensee in any activity other
44 than managing or operating games. No game of chance shall be conducted
45 with any equipment except such as shall be owned or leased by the
46 authorized organization so licensed or used without payment of any
47 compensation therefor by the licensee. However, in no event shall bell
48 jar tickets be transferred from one authorized organization to another,
49 with or without payment of any compensation thereof. The head or heads
50 of the authorized organization shall upon request certify, under oath,
51 that the persons operating any game of chance are bona fide or auxiliary
52 members of such authorized organization, auxiliary or affiliated organ-
53 ization. Upon request by an officer or the department any such person
54 involved in such games of chance shall certify that he or she has no
55 criminal record. No items of expense shall be incurred or paid in
56 connection with the conducting of any game of chance pursuant to any

1 license issued under this article except those that are reasonable and
2 are necessarily expended for games of chance supplies and equipment,
3 prizes, security personnel, stated rental if any, bookkeeping or
4 accounting services according to a schedule of compensation prescribed
5 by the board, janitorial services and utility supplies if any, and
6 license fees, reimbursement of reasonable expenses incurred by volun-
7 teers who donate their time to operate or assist in the operation of
8 games of chance and the cost of bus transportation, if authorized by
9 such clerk or department. No commission, salary, compensation~~[r]~~ or
10 reward ~~[or recompense]~~ shall be paid or given to any person for the sale
11 or assisting with the sale of raffle tickets.

12 2. For the purpose of the sale of tickets for the game of raffle, the
13 term "operate" shall not include the sale of such tickets by persons of
14 lineal or collateral consanguinity to members of an authorized organiza-
15 tion licensed to conduct a raffle.

16 § 13. Section 195-e of the general municipal law, as amended by chap-
17 ter 94 of the laws of 1981, is amended to read as follows:

18 § 195-e. Advertising games. A licensee may advertise the conduct of
19 games of chance to the general public by means of newspaper, circular,
20 handbill ~~[and]~~, poster, electronic mail, electronic communications and
21 government access television broadcasts, and by one sign not exceeding
22 sixty square feet in area, which may be displayed on or adjacent to the
23 premises owned or occupied by a licensed authorized organization, and
24 when an organization is licensed to conduct games of chance on premises
25 of an authorized games of chance lessor, one additional such sign may be
26 displayed on or adjacent to the premises in which the games are to be
27 conducted. Additional signs may be displayed upon any fire fighting
28 equipment belonging to any licensed authorized organization which is a
29 volunteer fire company, or upon any equipment of a first aid or rescue
30 squad, or volunteer ambulance company in and throughout the community
31 served by such volunteer fire company or such first aid or rescue squad,
32 or volunteer ambulance company, as the case may be. All advertisements
33 shall be limited to the description of such event as "Games of chance"
34 or "Las Vegas Night", the name of the authorized organization conducting
35 such games, the license number of the authorized organization as
36 assigned by the clerk or department and the date, location and time of
37 the event.

38 § 14. Subdivision 3 of section 195-f of the general municipal law, as
39 amended by chapter 550 of the laws of 1994, is amended to read as
40 follows:

41 3. Any authorized organization required to file an annual report with
42 the secretary of state pursuant to article seven-A of the executive law
43 ~~[or the attorney general pursuant to article eight of the estates,~~
44 ~~powers and trusts law]~~ shall include with such annual report a copy of
45 the statement required to be filed with the clerk or department pursuant
46 to subdivision one or two of this section.

47 § 15. Subdivision 1 of section 195-n of the general municipal law, as
48 amended by chapter 637 of the laws of 1999, is amended to read as
49 follows:

50 1. Distribution; manufacturers. For business conducted in this state,
51 manufacturers licensed by the board to sell bell jar tickets shall sell
52 only such tickets to distributors licensed by the board. Manufacturers
53 of bell jar tickets, seal cards, merchandise boards, and coin boards may
54 submit samples, artists' renderings, or color photocopies of proposed
55 bell jar tickets, seal cards, merchandise boards, coin boards, payout
56 cards, and flares for review and approval by the board. Within thirty

1 days of receipt of such sample or rendering, the board shall approve or
2 deny such bell jar tickets. [~~Following approval of a rendering of a bell~~
3 ~~jar ticket, seal card, merchandise board, or coin board by the board]~~
4 Prior to the sale of a bell jar game, jar ticket, seal card, merchandise
5 board or coin board to any licensed distributor for resale in this
6 state, the manufacturer shall submit to the board a sample of the print-
7 ed bell jar ticket, seal card, merchandise board, coin board, payout
8 card, and flare for such game. [~~Such sample shall be submitted prior to~~
9 ~~the sale of the game to any licensed distributor for resale in this~~
10 ~~state.~~] Within forty-five days of receipt of such sample, the board
11 shall approve or deny the bell jar ticket, jar ticket, seal card,
12 merchandise board or coin board. For coin boards and merchandise boards,
13 nothing herein shall require the submittal of actual coins or merchan-
14 dise as part of the approval process. Any licensed manufacturer who
15 willfully violates the provisions of this section shall: (a) upon such
16 first offense, have their license suspended for a period of thirty days;
17 (b) 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) upon such third or subsequent offense, have their
20 license suspended for a period of one year and shall be guilty of a
21 class E felony. Any unlicensed manufacturer who violates the provisions
22 of this section shall be guilty of a class E felony.
23 § 16. This act shall take effect on the first of January next succeed-
24 ing the date on which it shall have become a law.