

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

19 4-a. "Auxiliary member" shall mean a bona fide member of an organization or association which is auxiliary to an authorized organization licensed pursuant to this article; or a bona fide member of an organization or association of which an authorized organization licensed pursuant to this article is an auxiliary; or a bona fide member of an organization 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 certi-  
fied 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 regu-  
lations 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 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 reimburse-  
ment 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 prem-  
ises 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.