

# STATE OF NEW YORK

4697--A

2019-2020 Regular Sessions

## IN ASSEMBLY

February 5, 2019

Introduced by M. of A. PRETLOW, HAWLEY, 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

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  
19 charitable gaming profits across the state and attract more members to  
20 join such organizations.  
21 § 2. Subdivision 3-a of section 186 of the general municipal law, as  
22 amended by chapter 531 of the laws of 2011, is amended to read as  
23 follows:

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

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1 3-a. "Bell jars" shall mean and include those games in which a partic-  
2 ipant shall draw a card from a jar, vending machine, including an elec-  
3 tronic bell jar vending machine, or other suitable device or container  
4 which contains numbers, colors or symbols that are covered and which,  
5 when uncovered, may reveal that a prize shall be awarded on the basis of  
6 a designated winning number, color or symbol or combination of numbers,  
7 colors or symbols. Bell jars shall also include seal cards, coin boards,  
8 event games, and merchandise boards. An electronic bell jar vending  
9 machine shall use electronic features to display and dispense pre-print-  
10 ed bell jar tickets, including audio and video features to display  
11 information about a ticket being dispensed, provided that such features  
12 do not affect the outcome of the game.

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

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

22 (b) After the effective date of this paragraph, no electronic bell jar  
23 vending machine shall be sold, leased, distributed, installed, or oper-  
24 ated by any manufacturer, distributor, or charitable organization until  
25 such machine has been approved by the commission. No electronic bell  
26 jar vending machine shall be approved by the commission unless the oper-  
27 ation of the game demonstrates that there is a finite probability basis  
28 of having a predetermined quantity of chances among which there is a  
29 predetermined quantity of winners that pay a fixed and predetermined  
30 value of prizes, regardless of the symbols that are used or how those  
31 symbols are displayed on pre-printed bell jar tickets.

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

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

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

52 No person, firm, partnership, corporation or organization, shall sell  
53 or distribute supplies or equipment specifically designed or adapted for  
54 use in conduct of games of chance without having first obtained a  
55 license therefor upon written application made, verified and filed with  
56 the [~~board~~] commission in the form prescribed by the rules and regu-

1 lations of the [~~board~~] commission. As a part of its determination  
2 concerning the applicant's suitability for licensing as a games of  
3 chance supplier, the [~~board~~] commission shall require the applicant to  
4 furnish to the [~~board~~] commission two sets of fingerprints. Such fing-  
5 erprints shall be submitted to the division of criminal justice services  
6 for a state criminal history record check, as defined in subdivision one  
7 of section three thousand thirty-five of the education law, and may be  
8 submitted to the federal bureau of investigation for a national criminal  
9 history record check. Manufacturers of bell jar tickets shall be consid-  
10 ered suppliers of such equipment. In each such application for a license  
11 under this section shall be stated the name and address of the appli-  
12 cant; the names and addresses of its officers, directors, shareholders  
13 or partners; the amount of gross receipts realized on the sale and  
14 rental of games of chance supplies and equipment to duly licensed  
15 authorized organizations during the last preceding calendar or fiscal  
16 year, and such other information as shall be prescribed by such rules  
17 and regulations. The fee for such license shall be a sum equal to twen-  
18 ty-five dollars plus an amount equal to two per centum of the gross  
19 sales and rentals, if any, of games of chance equipment and supplies to  
20 authorized organizations or authorized games of chance lessors by the  
21 applicant during the preceding calendar year, or fiscal year if the  
22 applicant maintains his accounts on a fiscal year basis; provided,  
23 however, that for manufacturers of electronic bell jar vending machines,  
24 the fee for such license shall be one thousand dollars. No license  
25 granted pursuant to the provisions of this section shall be effective  
26 for a period of more than one year.

27 § 6. Section 195-c of the general municipal law, as amended by chapter  
28 252 of the laws of 1998, is amended to read as follows:

29 § 195-c. [~~1.~~] Persons operating games; equipment; expenses; compen-  
30 sation. 1. No person shall operate any game of chance under any license  
31 issued under this article except a bona fide member of the authorized  
32 organization to which the license is issued, or a bona fide member of an  
33 organization or association which is an auxiliary to the licensee or a  
34 bona fide member of an organization or association of which such licen-  
35 see is an auxiliary or a bona fide member of an organization or associ-  
36 ation which is affiliated with the licensee by being, with it, auxiliary  
37 to another organization or association. Nothing herein shall be  
38 construed to limit the number of games of chance licensees for whom such  
39 persons may operate games of chance nor to prevent non-members from  
40 assisting the licensee in any activity other than managing or operating  
41 games. No game of chance shall be conducted with any equipment except  
42 such as shall be owned or leased by the authorized organization so  
43 licensed or used without payment of any compensation therefor by the  
44 licensee. However, in no event shall bell jar tickets be transferred  
45 from one authorized organization to another, with or without payment of  
46 any compensation thereof. The head or heads of the authorized organiza-  
47 tion shall upon request certify, under oath, that the persons operating  
48 any game of chance are bona fide members of such authorized organiza-  
49 tion, auxiliary or affiliated organization. Upon request by an officer  
50 or the department any such person involved in such games of chance shall  
51 certify that he or she has no criminal record. No items of expense shall  
52 be incurred or paid in connection with the conducting of any game of  
53 chance pursuant to any license issued under this article except those  
54 that are reasonable and are necessarily expended for games of chance  
55 supplies and equipment, prizes, security personnel, stated rental if  
56 any, bookkeeping or accounting services according to a schedule of

1 compensation prescribed by the board, janitorial services and utility  
2 supplies if any, and license fees, and the cost of bus transportation,  
3 if authorized by such clerk or department. No commission, salary,  
4 compensation, reward or recompense shall be paid or given to any person  
5 for the sale or assisting with the sale of raffle tickets.

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

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

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

15 (b) reveal results and other game information through audio and video  
16 displays;

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

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

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

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

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

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

25 (b) the price of each ticket;

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

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

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

32 (f) the name of the game; and

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

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

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

38 (b) the value of any unused tickets;

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

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

42 (e) the sequential number of such voucher;

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

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

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

50 1. Distribution; manufacturers. For business conducted in this state,  
51 manufacturers licensed by the [~~board~~] commission to sell bell jar tick-  
52 ets or electric bell jar vending machines shall sell only such tickets  
53 or vending machines to distributors licensed by the [~~board~~] commission.  
54 Manufacturers of bell jar tickets, seal cards, merchandise boards, and  
55 coin boards may submit samples, artists' renderings, or color photoco-  
56 pies of proposed bell jar tickets, seal cards, merchandise boards, coin

1 boards, payout cards, and flares for review and approval by the [~~board~~]  
2 commission. Within thirty days of receipt of such sample or rendering,  
3 the [~~board~~] commission shall approve or deny such bell jar tickets.  
4 Following approval of a rendering of a bell jar ticket, seal card,  
5 merchandise board, or coin board by the [~~board~~] commission, the manufac-  
6 turer shall submit to the [~~board~~] commission a sample of the printed  
7 bell jar ticket, seal card, merchandise board, coin board, payout card,  
8 and flare for such game. Such sample shall be submitted prior to the  
9 sale of the game to any licensed distributor for resale in this state.  
10 For coin boards and merchandise boards, nothing herein shall require the  
11 submittal of actual coins or merchandise as part of the approval proc-  
12 ess. Any licensed manufacturer who willfully violates the provisions of  
13 this section shall: (a) upon such first offense, have their license  
14 suspended for a period of thirty days; (b) upon such second offense,  
15 participate in a hearing to be conducted by the [~~board~~] commission, and  
16 surrender their license for such period as recommended by the [~~board~~]  
17 commission; and (c) upon such third or subsequent offense, have their  
18 license suspended for a period of one year and shall be guilty of a  
19 class E felony. Any unlicensed manufacturer who violates the provisions  
20 of this section shall be guilty of a class E felony.

21 4. Reports of sales. A manufacturer who sells bell jar tickets for  
22 resale in this state shall file with the [~~board~~] commission, on a form  
23 prescribed by the [~~board~~] commission a report of all bell jar tickets  
24 sold to distributors in the state. The report shall be filed quarterly  
25 on or before the twentieth day of the month succeeding the end of the  
26 quarter in which the sale was made. The [~~board~~] commission may require  
27 that the report be submitted via magnetic media or electronic data  
28 transfer. Such report shall also include information regarding any elec-  
29 tronic bell jar vending machines sold or leased to a distributor  
30 licensed by the commission.

31 § 8. Subdivisions 1, 3, 4, and 5 of section 195-o of the general  
32 municipal law, subdivision 1 as amended by chapter 637 of the laws of  
33 1999, subdivisions 3 and 4 as added by chapter 309 of the laws of 1996  
34 and subdivision 5 as amended by section 16 of part MM of chapter 59 of  
35 the laws of 2017, are amended to read as follows:

36 1. Distribution; distributors. Any distributor licensed in accordance  
37 with section one hundred eighty-nine-a of this article to distribute  
38 bell jar tickets or electronic bell jar vending machines shall purchase  
39 [~~bell-jar~~] such tickets and vending machines only from licensed manufac-  
40 turers and may manufacture coin boards and merchandise boards only as  
41 authorized in subdivision one-a of this section. Licensed distributors  
42 of bell jar tickets and electronic bell jar vending machines shall sell  
43 such tickets and vending machines only to not-for-profit, charitable or  
44 religious organizations registered by the [~~board~~] commission. Any  
45 licensed distributor who willfully violates the provisions of this  
46 section shall: (a) upon such first offense, have their license suspended  
47 for a period of thirty days; (b) upon such second offense, participate  
48 in a hearing to be conducted by the [~~board~~] commission, and surrender  
49 their license for such period as recommended by the [~~board~~] commission;  
50 and (c) upon such third or subsequent offense, have their license  
51 suspended for a period of one year and shall be guilty of a class E  
52 felony. Any unlicensed distributor who violates this section shall be  
53 guilty of a class E felony.

54 3. Sales records. A distributor shall maintain a record of all bell  
55 jar tickets that it sells and all electronic bell jar vending machines



1 that it sells or leases. The record shall include, but need not be  
2 limited to:

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

5 (b) the serial number of the product;

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

8 (d) the date of the sale;

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

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

11 (g) the type of product;

12 (h) the serial number of the product;

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

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

18 4. Invoices. (a) A distributor shall supply with each sale of a bell  
19 jar product an itemized invoice showing the distributor's name and  
20 address, the purchaser's name, address, and license number, the date of  
21 the sale, the account number identifying the sale from the manufacturer  
22 to distributor and the account number identifying the sale from the  
23 distributor to the licensed organization, and the description of the  
24 deals, including the form number, the serial number and the ideal gross  
25 from every deal of bell jar or similar game.

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

30 (i) the name and address of the authorized organization;

31 (ii) the date of sale, lease or distribution;

32 (iii) the serial number of each such machine; and

33 (iv) any additional information as the commission may require.

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

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

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

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

50 (c) No authorized organization may operate electronic bell jar vending  
51 machines unless they were a games of chance licensee authorized to  
52 conduct bell jar games on the effective date of this subdivision.

53 (d) Each bell jar vending machine shall generate sales reports and  
54 such other information that the commission may direct by regulation in  
55 order to determine that such machine is operating in accordance with the  
56 provisions of this chapter. The commission shall have access to the

1 server of each electronic bell jar vending machine for the purpose of  
2 monitoring and auditing at no cost to the state.

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

6 (f) No authorized organization may operate any electronic bell jar  
7 vending machine within the following area: (i) to the east, state route  
8 fourteen from Sodus Point to the Pennsylvania border with New York; (ii)  
9 to the north, the border between New York and Canada; (iii) to the  
10 south, the Pennsylvania border with New York; and (iv) to the west, the  
11 border between New York and Canada and the border between Pennsylvania  
12 and New York.

13 § 10. This act shall take effect immediately.