

STATE OF NEW YORK

6284

2019-2020 Regular Sessions

IN SENATE

June 3, 2019

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

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:

24 3-a. "Bell jars" shall mean and include those games in which a partic-
25 ipant shall draw a card from a jar, vending machine, including an elec-

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

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

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

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

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

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

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

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

50 No person, firm, partnership, corporation or organization, shall sell
51 or distribute supplies or equipment specifically designed or adapted for
52 use in conduct of games of chance without having first obtained a
53 license therefor upon written application made, verified and filed with
54 the [~~board~~] commission in the form prescribed by the rules and regu-
55 lations of the [~~board~~] commission. As a part of its determination
56 concerning the applicant's suitability for licensing as a games of

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

25 § 6. Section 195-c of the general municipal law, as amended by chapter
26 252 of the laws of 1998, is amended to read as follows:

27 § 195-c. [~~1-~~] Persons operating games; equipment; expenses; compen-
28 sation. 1. No person shall operate any game of chance under any license
29 issued under this article except a bona fide member of the authorized
30 organization to which the license is issued, or a bona fide member of an
31 organization or association which is an auxiliary to the licensee or a
32 bona fide member of an organization or association of which such licen-
33 see is an auxiliary or a bona fide member of an organization or associ-
34 ation which is affiliated with the licensee by being, with it, auxiliary
35 to another organization or association. Nothing herein shall be
36 construed to limit the number of games of chance licensees for whom such
37 persons may operate games of chance nor to prevent non-members from
38 assisting the licensee in any activity other than managing or operating
39 games. No game of chance shall be conducted with any equipment except
40 such as shall be owned or leased by the authorized organization so
41 licensed or used without payment of any compensation therefor by the
42 licensee. However, in no event shall bell jar tickets be transferred
43 from one authorized organization to another, with or without payment of
44 any compensation thereof. The head or heads of the authorized organiza-
45 tion shall upon request certify, under oath, that the persons operating
46 any game of chance are bona fide members of such authorized organiza-
47 tion, auxiliary or affiliated organization. Upon request by an officer
48 or the department any such person involved in such games of chance shall
49 certify that he or she has no criminal record. No items of expense shall
50 be incurred or paid in connection with the conducting of any game of
51 chance pursuant to any license issued under this article except those
52 that are reasonable and are necessarily expended for games of chance
53 supplies and equipment, prizes, security personnel, stated rental if
54 any, bookkeeping or accounting services according to a schedule of
55 compensation prescribed by the board, janitorial services and utility
56 supplies if any, and license fees, and the cost of bus transportation,

1 if authorized by such clerk or department. No commission, salary,
2 compensation, reward or recompense shall be paid or given to any person
3 for the sale or assisting with the sale of raffle tickets.

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

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

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

13 (b) reveal results and other game information through audio and video
14 displays;

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

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

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

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

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

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

23 (b) the price of each ticket;

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

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

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

30 (f) the name of the game; and

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

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

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

36 (b) the value of any unused tickets;

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

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

40 (e) the sequential number of such voucher;

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

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

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

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

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

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

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

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

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

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

3 (b) the serial number of the product;

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

6 (d) the date of the sale;

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

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

9 (g) the type of product;

10 (h) the serial number of the product;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 § 10. This act shall take effect immediately.