

# STATE OF NEW YORK

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4697

2019-2020 Regular Sessions

## IN ASSEMBLY

February 5, 2019

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

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 or from another  
37 authorized organization. Lease terms and conditions shall be subject to  
38 rules and regulations promulgated by the board. The provisions of this  
39 article shall not be construed to authorize or permit an authorized  
40 organization to engage in the business of leasing games of chance,  
41 supplies, or equipment. Furthermore, no organization shall purchase bell  
42 jar tickets[7] or deals of bell jar tickets, or purchase or lease any  
43 electronic bell jar vending machine, from any other person or organiza-  
44 tion other than those specifically authorized under sections one hundred  
45 ninety-five-n and one hundred ninety-five-o of this article.

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

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

furnish to the [~~board~~] commission two sets of fingerprints. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. Manufacturers of bell jar tickets shall be considered suppliers of such equipment. In each such application for a license under this section shall be stated the name and address of the applicant; the names and addresses of its officers, directors, shareholders or partners; the amount of gross receipts realized on the sale and rental of games of chance supplies and equipment to duly licensed authorized organizations during the last preceding calendar or fiscal year, and such other information as shall be prescribed by such rules and regulations. The fee for such license shall be a sum equal to twenty-five dollars plus an amount equal to two per centum of the gross sales and rentals, if any, of games of chance equipment and supplies to authorized organizations or authorized games of chance lessors by the applicant during the preceding calendar year, or fiscal year if the applicant maintains his accounts on a fiscal year basis; provided, however, that for manufacturers of electronic bell jar vending machines, the fee for such license shall be one thousand dollars. No license granted pursuant to the provisions of this section shall be effective for a period of more than one year.

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

§ 195-c. [~~1.~~] Persons operating games; equipment; expenses; compensation. 1. No person shall operate any game of chance under any license issued under this article except a bona fide member of the authorized organization to which the license is issued, or a bona fide member of an organization or association which is an auxiliary to the licensee or a bona fide member of an organization or association of which such licensee is an auxiliary or a bona fide member of an organization or association which is affiliated with the licensee by being, with it, auxiliary to another organization or association. Nothing herein shall be construed to limit the number of games of chance licensees for whom such persons may operate games of chance nor to prevent non-members from assisting the licensee in any activity other than managing or operating games. No game of chance shall be conducted with any equipment except such as shall be owned or leased by the authorized organization so licensed or used without payment of any compensation therefor by the licensee. However, in no event shall bell jar tickets be transferred from one authorized organization to another, with or without payment of any compensation thereof. The head or heads of the authorized organization shall upon request certify, under oath, that the persons operating any game of chance are bona fide members of such authorized organization, auxiliary or affiliated organization. Upon request by an officer or the department any such person involved in such games of chance shall certify that he or she has no criminal record. No items of expense shall be incurred or paid in connection with the conducting of any game of chance pursuant to any license issued under this article except those that are reasonable and are necessarily expended for games of chance supplies and equipment, prizes, security personnel, stated rental if any, bookkeeping or accounting services according to a schedule of compensation prescribed by the board, janitorial services and utility supplies if any, and license fees, and the cost of bus transportation, if authorized by such clerk or department. No commission, salary,

1 compensation, reward or recompense shall be paid or given to any person  
2 for the sale or assisting with the sale of raffle tickets.

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

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

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

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

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

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

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

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

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

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

22 (b) the price of each ticket;

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

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

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

29 (f) the name of the game; and

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

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

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

35 (b) the value of any unused tickets;

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

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

39 (e) the sequential number of such voucher;

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

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

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

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

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

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

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

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

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

55 (a) the identity of the manufacturer from whom the distributor  
56 purchased the product;



- 1 (b) the serial number of the product;
- 2 (c) the name, address, and license or exempt permit number of the
- 3 organization or person to which the sale was made;
- 4 (d) the date of the sale;
- 5 (e) the name of the person who ordered the product;
- 6 (f) the name of the person who received the product;
- 7 (g) the type of product;
- 8 (h) the serial number of the product;
- 9 (i) the account number identifying the sale from the manufacturer to
- 10 distributor and the account number identifying the sale from the
- 11 distributor to the licensed organization; and
- 12 (j) the name, form number, or other identifying information for each
- 13 game.

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

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

- 26 (i) the name and address of the authorized organization;
- 27 (ii) the date of sale, lease or distribution;
- 28 (iii) the serial number of each such machine; and
- 29 (iv) any additional information as the commission may require.

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

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

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

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

46 (c) No authorized organization may operate electronic bell jar vending  
47 machines unless they were a games of chance licensee and conducted bell  
48 jar games prior to the effective date of this subdivision. The  
49 provisions of this paragraph shall not apply to any military or veterans  
50 organization named in subdivisions nine, thirty, thirty-a, thirty-seven,  
51 thirty-eight, thirty-eight-a, thirty-eight-b, thirty-nine, forty,  
52 forty-one, forty-two, forty-three, forty-four, forty-five, forty-five-a,  
53 forty-seven, fifty-three, fifty-four, or fifty-nine of section two of  
54 the benevolent orders law, nor shall it apply to an authorized organiza-  
55 tion which is a successor organization to an authorized organization

1 which was a games of chance licensee and conducted bell jar games prior  
2 to the effective date of this subdivision.

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

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

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