

STATE OF NEW YORK

4697

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

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 [beard] 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 [beard] commission in the form prescribed by the rules and regu-
54 lations of the [beard] commission. As a part of its determination
55 concerning the applicant's suitability for licensing as a games of
56 chance supplier, the [beard] commission shall require the applicant to

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

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

26 § 195-c. [~~1.~~] Persons operating games; equipment; expenses; compen-
27 sation. 1. No person shall operate any game of chance under any license
28 issued under this article except a bona fide member of the authorized
29 organization to which the license is issued, or a bona fide member of an
30 organization or association which is an auxiliary to the licensee or a
31 bona fide member of an organization or association of which such licen-
32 see is an auxiliary or a bona fide member of an organization or associ-
33 ation which is affiliated with the licensee by being, with it, auxiliary
34 to another organization or association. Nothing herein shall be
35 construed to limit the number of games of chance licensees for whom such
36 persons may operate games of chance nor to prevent non-members from
37 assisting the licensee in any activity other than managing or operating
38 games. No game of chance shall be conducted with any equipment except
39 such as shall be owned or leased by the authorized organization so
40 licensed or used without payment of any compensation therefor by the
41 licensee. However, in no event shall bell jar tickets be transferred
42 from one authorized organization to another, with or without payment of
43 any compensation thereof. The head or heads of the authorized organiza-
44 tion shall upon request certify, under oath, that the persons operating
45 any game of chance are bona fide members of such authorized organiza-
46 tion, auxiliary or affiliated organization. Upon request by an officer
47 or the department any such person involved in such games of chance shall
48 certify that he or she has no criminal record. No items of expense shall
49 be incurred or paid in connection with the conducting of any game of
50 chance pursuant to any license issued under this article except those
51 that are reasonable and are necessarily expended for games of chance
52 supplies and equipment, prizes, security personnel, stated rental if
53 any, bookkeeping or accounting services according to a schedule of
54 compensation prescribed by the board, janitorial services and utility
55 supplies if any, and license fees, and the cost of bus transportation,
56 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.