

STATE OF NEW YORK

6175

2023-2024 Regular Sessions

IN SENATE

April 3, 2023

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming 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, subdivision 4 as amended by chapter 476 of the laws of 2018 and 2 subdivision 6 as amended by chapter 574 of the laws of 1978, are amended 3 and two new subdivisions 4-a and 22 are added to read as follows:

4 4. "Authorized organization" shall mean and include any bona fide 5 religious or charitable organization or bona fide educational, fraternal 6 or service organization or bona fide organization of veterans or volunteer 7 firefighters or volunteer ambulance workers, which by its charter, 8 certificate of incorporation, constitution, or act of the legislature, 9 shall have among its dominant purposes one or more of the lawful 10 purposes as defined in this article, provided that each shall operate 11 without profit to its members, and provided that each such organization 12 has engaged in serving one or more of the lawful purposes as defined in 13 this article for a period of three years immediately prior to applying 14 for a license under this article. 15

16 No organization shall be deemed an authorized organization which is 17 formed primarily for the purpose of conducting games of chance and which 18 does not devote at least seventy-five percent of its activities to other 19 than conducting games of chance. No political party shall be deemed an 20 authorized organization.

21 4-a. "Auxiliary member" shall mean a bona fide member of an organiza-
22 tion or association which is auxiliary to an authorized organization
23 licensed pursuant to this article; or a bona fide member of an organiza-
24 tion or association of which an authorized organization licensed pursu-

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

LBD08307-01-3

1 ant to this article is an auxiliary; or a bona fide member of an organ-
2 ization or association which is affiliated with an authorized
3 organization licensed pursuant to this article by being, with it, auxili-
4 ary to another organization or association.

5 6. "Net proceeds" shall mean (a) in relation to the gross receipts
6 from one or more license periods of games of chance, the amount that
7 shall remain after deducting the reasonable sums necessarily and actual-
8 ly expended for conducting games of chance including, but not limited
9 to, supplies and equipment, prizes, security-personnel, stated rental if
10 any, bookkeeping or accounting services according to a schedule of
11 compensation prescribed by the board, janitorial services and utility
12 supplies if any, license fees, and [~~the cost of bus transportation~~]
13 reimbursement of reasonable expenses incurred by volunteers who donate
14 their time to hold, operate or conduct, or assist in the conduct of such
15 games, and as authorized by the board and if authorized by the clerk or
16 department and (b) in relation to the gross rent received by an author-
17 ized games of chance lessor for the use of its premises by a game of
18 chance licensee, the amount that shall remain after deducting the
19 reasonable sums necessarily and actually expended for janitorial
20 services and utility supplies directly attributable thereto if any.

21 22. "Reasonable expenses" shall include, but not be limited to, child
22 care expenses, transportation expenses, meals and other expenses, as
23 determined and regulated by the board.

24 § 2. Subdivisions 4, 5, 6, 8, 10 and 11 of section 189 of the general
25 municipal law, subdivisions 4, 10 and 11 as amended by chapter 574 of
26 the laws of 1978, subdivisions 5 and 6 as amended by section 11 of part
27 MM of chapter 59 of the laws of 2017 and subdivision 8 as amended by
28 chapter 434 of the laws of 2016, are amended to read as follows:

29 4. The entire net proceeds of any game of chance shall be exclusively
30 devoted to the lawful purposes of the organization permitted to conduct
31 the same and the net proceeds of any rental derived therefrom shall be
32 exclusively devoted to the lawful purposes of the authorized games of
33 chance lessor; provided, however, that a person may accept reimbursement
34 of reasonable expenses incurred to manage, hold, operate or conduct such
35 games.

36 5. (a) No single prize awarded by games of chance other than raffle
37 shall exceed the sum or value of [~~three~~] four hundred dollars, except
38 that for merchandise wheels, no single prize shall exceed the sum or
39 value of [~~two~~] three hundred [~~fifty~~] dollars, and for bell jar, no
40 single prize shall exceed the sum or value of one thousand dollars.

41 (b) No single prize awarded by raffle shall exceed the sum or value of
42 three hundred thousand dollars.

43 (c) No single wager shall exceed six dollars and for bell jars, coin
44 boards or merchandise boards, no single prize shall exceed one thousand
45 dollars, provided, however, that such limitation shall not apply to the
46 amount of money or value paid by the participant in a raffle in return
47 for a ticket or other receipt.

48 (d) For coin boards and merchandise boards, the value of a prize shall
49 be determined by the cost of such prize to the authorized organization
50 or, if donated, the fair market value of such prize.

51 6. (a) No authorized organization shall award a series of prizes
52 consisting of cash or of merchandise with an aggregate value in excess
53 of:

54 (1) ten thousand dollars during the successive operations of any one
55 merchandise wheel or bell jar; and

1 (2) six thousand dollars during the successive operations of any [~~bell~~
2 ~~jar~~] coin board or merchandise board.

3 (b) No series of prizes awarded by raffle shall have an aggregate
4 value in excess of five hundred thousand dollars.

5 (c) For coin boards and merchandise boards, the value of a prize shall
6 be determined by the cost of such prize to the authorized organization
7 or, if donated, the fair market value of such prize.

8 8. Except for merchandise wheels and raffles, no series of prizes on
9 any one occasion shall aggregate more than [~~four~~] five hundred dollars
10 when the licensed authorized organization conducts five single types of
11 games of chance during any one license period. Except for merchandise
12 wheels, raffles and bell jars, no series of prizes on any one occasion
13 shall aggregate more than five hundred dollars when the licensed author-
14 ized organization conducts less than five single types of games of
15 chance, exclusive of merchandise wheels, raffles and bell jars, during
16 any one license period. No authorized organization shall award by raffle
17 prizes with an aggregate value in excess of three million dollars during
18 any one license period.

19 10. No person except a bona fide member of the licensed authorized
20 organization or an auxiliary member of such organization shall partic-
21 ipate in the management of such games [~~, no person except a bona fide~~
22 ~~member of the licensed authorized organization, its auxiliary or affil-~~
23 ~~iated organization, shall participate in the operation of such game, as~~
24 ~~set forth in section one hundred ninety five c of this article~~].

25 11. No person shall receive any remuneration for participating in the
26 management or operation of any such game; provided, however, that a
27 person may accept reimbursement of reasonable expenses incurred to
28 manage, hold, operate or conduct games of chance.

29 § 3. Subparagraph 5 of paragraph (a) of subdivision 1 of section 190
30 of the general municipal law, as amended by chapter 574 of the laws of
31 1978, is amended to read as follows:

32 (5) the purposes to which the entire net proceeds of such games are to
33 be devoted and in what manner; that no commission, salary, compen-
34 sation[~~r~~] or reward [~~or recompense~~] will be paid to any person for
35 conducting such game or games or for assisting therein except as in this
36 article otherwise provided; and such other information as shall be
37 prescribed by such rules and regulations.

38 § 4. Paragraph (b) of subdivision 1 of section 190 of the general
39 municipal law, as amended by chapter 574 of the laws of 1978, is amended
40 to read as follows:

41 (b) In each application there shall be designated not less than [~~four~~]
42 three bona fide members of the applicant organization under whom the
43 game or games of chance will be managed and to the application shall be
44 appended a statement executed by the members so designated, that they
45 will be responsible for the management of such games in accordance with
46 the terms of the license, the rules and regulations of the board, this
47 article and the applicable local laws or ordinances.

48 § 5. Subdivision 3 of section 190-a of the general municipal law, as
49 added by chapter 400 of the laws of 2005, is amended to read as follows:

50 3. No person under the age of eighteen shall be permitted to play[~~r~~
51 ~~operate or assist~~] in any raffle conducted pursuant to this section. No
52 person under the age of eighteen years shall be permitted to operate or
53 assist in any raffle conducted pursuant to this section; provided,
54 however, that a person under the age of eighteen years and who is
55 sixteen years of age or older shall be permitted to assist in any raffle
56 if accompanied by an adult.

1 § 6. Paragraph (a) of subdivision 1 of section 191 of the general
2 municipal law, as amended by section 2 of subpart E of part II of chap-
3 ter 55 of the laws of 2019, is amended to read as follows:

4 (a) Issuance of licenses to conduct games of chance. If such clerk or
5 department determines:

6 (i) that the applicant is duly qualified to be licensed to conduct
7 games of chance under this article;

8 (ii) that the member or members of the applicant designated in the
9 application to manage games of chance are bona fide active members of
10 the applicant and are persons of good moral character and have never
11 been convicted of a crime if there is a direct relationship between one
12 or more of the previous criminal offenses and the integrity or safety of
13 charitable gaming, considering the factors set forth in article twenty-
14 three-A of the correction law, or, if convicted, the member or members
15 are participating in a rehabilitation program licensed or certified by a
16 state agency and operated by the applicant or an auxiliary thereof;

17 (iii) that such games are to be conducted in accordance with the
18 provisions of this article and in accordance with the rules and regu-
19 lations of the gaming commission and applicable local laws or ordinances
20 and that the proceeds thereof are to be disposed of as provided by this
21 article; and

22 (iv) that no commission, salary, compensation[7] or reward [~~or recom-~~
23 ~~pense~~] whatever will be paid or given to any person managing, operating
24 or assisting therein except as [~~in this article~~] otherwise provided in
25 this article, including reimbursement of reasonable expenses incurred by
26 volunteers who donate their time to hold, operate or conduct, or assist
27 in the conduct of such games; then such clerk or department shall issue
28 a license to the applicant for the conduct of games of chance upon
29 payment of a license fee of twenty-five dollars for each license period.

30 § 7. Section 195 of the general municipal law, as amended by chapter
31 461 of the laws of 2003, is amended to read as follows:

32 § 195. Sunday; conduct of games on. Except as provided in section one
33 hundred ninety-five-b of this article, [~~no~~] games of chance [~~shall~~] may
34 be conducted under any license issued under this article on the first
35 day of the week, commonly known and designated as Sunday, unless it
36 shall be otherwise provided in the license issued for the conducting
37 thereof, pursuant to the provisions of a local law or an ordinance duly
38 adopted by the governing body of the municipality wherein the license is
39 issued, [~~authorizing~~] prohibiting the conduct of games of chance under
40 this article on that day [~~only between the hours of noon and midnight~~].
41 Notwithstanding the foregoing provisions of this section no games of
42 chance shall be conducted on Easter Sunday or Christmas Day.

43 § 8. Section 195-a of the general municipal law, as amended by chapter
44 574 of the laws of 1978, is amended to read as follows:

45 § 195-a. Participation by persons under eighteen. No person under the
46 age of eighteen years shall be permitted to play any game or games of
47 chance conducted pursuant to any license issued under this article.
48 Persons under the age of eighteen years may be permitted to attend games
49 of chance [~~at the discretion of the games of chance licensee~~]. No
50 person under the age of eighteen years shall be permitted to operate any
51 game of chance conducted pursuant to any license issued under this arti-
52 cle or to assist therein; provided, however, that a person under the age
53 of eighteen years and who is sixteen years of age or older shall be
54 permitted to assist in the operation of any game of chance if accompa-
55 nied by a parent.

1 § 9. Section 195-b of the general municipal law, as amended by chapter
2 252 of the laws of 1998, is amended to read as follows:

3 § 195-b. Frequency of games. No game or games of chance, shall be
4 conducted under any license issued under this article more often than
5 [~~twelve~~] eighteen times in any calendar year. No particular premises
6 shall be used for the conduct of games of chance on more than twenty-
7 four license periods during any one calendar year. Games shall be
8 conducted only between the hours of noon and midnight on Sunday, Monday,
9 Tuesday, Wednesday and Thursday, and only between the hours of noon on
10 Friday and two A.M. Saturday, and only between the hours of noon on
11 Saturday and two A.M. Sunday. The two A.M. closing period shall also
12 apply to a legal holiday. The above restrictions shall not apply when
13 only the games of chance known as bell jar and/or raffle are conducted.

14 § 10. Section 195-c of the general municipal law, as amended by chap-
15 ter 252 of the laws of 1998, is amended to read as follows:

16 § 195-c. [~~1.~~] Persons operating games; equipment; expenses; compen-
17 sation. 1. No person shall operate any game of chance under any license
18 issued under this article except a bona fide member or auxiliary member
19 of the authorized organization to which the license is issued[~~, or a~~
20 ~~bona fide member of an organization or association which is an auxiliary~~
21 ~~to the licensee or a bona fide member of an organization or association~~
22 ~~of which such licensee is an auxiliary or a bona fide member of an~~
23 ~~organization or association which is affiliated with the licensee by~~
24 ~~being, with it, auxiliary to another organization or association]]. Noth-
25 ing herein shall be construed to limit the number of games of chance
26 licensees for whom such persons may operate games of chance nor to
27 prevent non-members from assisting the licensee in any activity other
28 than managing or operating games. No game of chance shall be conducted
29 with any equipment except such as shall be owned or leased by the
30 authorized organization so licensed or used without payment of any
31 compensation therefor by the licensee. However, in no event shall bell
32 jar tickets be transferred from one authorized organization to another,
33 with or without payment of any compensation thereof. The head or heads
34 of the authorized organization shall upon request certify, under oath,
35 that the persons operating any game of chance are bona fide or auxiliary
36 members of such authorized organization, auxiliary or affiliated organ-
37 ization. Upon request by an officer or the department any such person
38 involved in such games of chance shall certify that he or she has no
39 criminal record. No items of expense shall be incurred or paid in
40 connection with the conducting of any game of chance pursuant to any
41 license issued under this article except those that are reasonable and
42 are necessarily expended for games of chance supplies and equipment,
43 prizes, security personnel, stated rental if any, bookkeeping or
44 accounting services according to a schedule of compensation prescribed
45 by the board, janitorial services and utility supplies if any, and
46 license fees, reimbursement of reasonable expenses incurred by volun-
47 teers who donate their time to operate or assist in the operation of
48 games of chance and the cost of bus transportation, if authorized by
49 such clerk or department. No commission, salary, compensation[~~7~~] or
50 reward [~~or recompense~~] shall be paid or given to any person for the sale
51 or assisting with the sale of raffle tickets.~~

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

1 § 11. Section 195-e of the general municipal law, as amended by
2 section 14 of part MM of chapter 59 of the laws of 2017, is amended to
3 read as follows:

4 § 195-e. Advertising games. A licensee may advertise the conduct of
5 games of chance to the general public by means of newspaper, circular,
6 handbill [~~and~~], poster, electronic mail, electronic communications and
7 government access television broadcasts, and by one sign not exceeding
8 sixty square feet in area, which may be displayed on or adjacent to the
9 premises owned or occupied by a licensed authorized organization,
10 through the internet or television as may be regulated by the rules and
11 regulations of the commission. When an organization is licensed or
12 authorized to conduct games of chance on the premises of an authorized
13 games of chance lessor, one additional such sign may be displayed on or
14 adjacent to the premises in which the games are to be conducted. Addi-
15 tional signs may be displayed upon any firefighting or ambulance equip-
16 ment belonging to any licensed authorized organization that is a volun-
17 teer fire company, volunteer ambulance corps or upon any equipment of a
18 first aid or rescue squad in and throughout the community served by such
19 volunteer fire company, volunteer ambulance corps or such first aid or
20 rescue squad, as the case may be. All advertisements shall be limited to
21 the description of such event as "Games of chance" or "Las Vegas Night",
22 the name of the authorized organization conducting such games, the
23 license number of the authorized organization as assigned by the clerk
24 or department, the prizes offered and the date, location and time of the
25 event.

26 § 12. Subdivision 3 of section 195-f of the general municipal law, as
27 amended by chapter 550 of the laws of 1994, is amended to read as
28 follows:

29 3. Any authorized organization required to file an annual report with
30 the secretary of state pursuant to article seven-A of the executive law
31 [~~or the attorney general pursuant to article eight of the estates,~~
32 ~~powers and trusts law~~] shall include with such annual report a copy of
33 the statement required to be filed with the clerk or department pursuant
34 to subdivision one or two of this section.

35 § 13. Subdivision 1 of section 195-n of the general municipal law, as
36 amended by chapter 637 of the laws of 1999, is amended to read as
37 follows:

38 1. Distribution; manufacturers. For business conducted in this state,
39 manufacturers licensed by the board to sell bell jar tickets shall sell
40 only such tickets to distributors licensed by the board. Manufacturers
41 of bell jar tickets, seal cards, merchandise boards, and coin boards may
42 submit samples, artists' renderings, or color photocopies of proposed
43 bell jar tickets, seal cards, merchandise boards, coin boards, payout
44 cards, and flares for review and approval by the board. Within thirty
45 days of receipt of such sample or rendering, the board shall approve or
46 deny such bell jar tickets. [~~Following approval of a rendering of a bell~~
47 ~~jar ticket, seal card, merchandise board, or coin board by the board]~~
48 Prior to the sale of a bell jar game, jar ticket, seal card, merchandise
49 board or coin board to any licensed distributor for resale in this
50 state, the manufacturer shall submit to the board a sample of the print-
51 ed bell jar ticket, seal card, merchandise board, coin board, payout
52 card, and flare for such game. [~~Such sample shall be submitted prior to~~
53 ~~the sale of the game to any licensed distributor for resale in this~~
54 ~~state.~~] Within forty-five days of receipt of such sample, the board
55 shall approve or deny the bell jar ticket, jar ticket, seal card,
56 merchandise board or coin board. For coin boards and merchandise boards,

1 nothing herein shall require the submittal of actual coins or merchan-
2 dise as part of the approval process. Any licensed manufacturer who
3 willfully violates the provisions of this section shall: (a) upon such
4 first offense, have their license suspended for a period of thirty days;
5 (b) upon such second offense, participate in a hearing to be conducted
6 by the board, and surrender their license for such period as recommended
7 by the board; and (c) upon such third or subsequent offense, have their
8 license suspended for a period of one year and shall be guilty of a
9 class E felony. Any unlicensed manufacturer who violates the provisions
10 of this section shall be guilty of a class E felony.
11 § 14. This act shall take effect on the first of January next succeed-
12 ing the date on which it shall have become a law.