

NYS Gaming Commission Charitable gaming update (games of chance) (consensus proposed rule)

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**Sections 4600.1, 4603.8, 4606.12, 4607.10, 4607.21, 4608.2, 4608.3, 4608.4, 4608.5, 4608.6, 4608.7, 4608.12, 4608.13, 4610.1, 4610.2, 4611.1, 4611.2, 4620.10, 4620.19, 4620.23, 4622.12, 4622.20, 4622.21, 4622.22, 4622.23, 4622.26, 4624.9, 4624.17 and 4624.21 of 9 NYCRR would be amended to read as follows:**

**§ 4600.1. Definition of terms and general provisions.**

Unless the context indicates otherwise, the following definitions and the definitions set forth in General Municipal Law sections 186 and 190-a(2) are applicable throughout Subchapters A and B of this Chapter:

[(a) *Municipality* means any city, town or village within this State.]

(a) *Authorized organization*, as defined in General Municipal Law section 186(4), includes a bona fide civic organization or a bona fide organization of volunteer ambulance workers that otherwise satisfies the definition set forth in such statute. No political entity, including a political action fundraising committee, shall be deemed an authorized organization.

(b) Commission means New York State Gaming Commission.

[(c) *Games of chance* means and includes only the games known as “merchandise wheels,” “raffles,” “bell jars,” “coin boards,” “merchandise boards,” “seal cards” and such other specific games as may be authorized by the commission, in which prizes are awarded on the basis of a designated winning number or numbers, color or colors, symbol or symbols determined by chance, but not including games commonly known as “bingo” or “lotto” and also not including “slot machines,” “bookmaking,” “policy or numbers games” and “lottery,” as defined in section 225.00 of the Penal Law. Only games of chance designated by the commission may be conducted. No game of chance shall involve wagering of money by one player against another player.

(d) *Authorized organization* means and includes any bona fide religious or charitable organization or bona fide educational, fraternal or service organization or bona fide organization of veterans or volunteer firemen, that by its charter, certificate of incorporation, constitution, or act of the Legislature, shall have among its dominant purposes one or more of the lawful purposes as defined in this Chapter, provided that each shall operate without profit to its members, and provided that each such organization has engaged in serving one or more of the lawful purposes as defined in this Chapter for a period of three years immediately prior to applying for a license under this Chapter. No organization shall be deemed an authorized organization that is formed primarily for the purpose of conducting games of chance and that does not devote at least 75 percent of its activities to other than conducting games of chance. No political party nor civic organization shall be deemed an authorized organization.

(e) *Lawful purposes* means one or more of the following causes, deeds or activities:

(1) Those that benefit needy or deserving persons indefinite in number by enhancing their opportunity for religious or educational advancement, by relieving them from disease, suffering or distress, or by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded and enhancing their loyalty to their governments.

(2) Those that initiate, perform or foster worthy public works or enable or further the erection or maintenance of public structures.

(3) Those that initiate, perform or foster the provision of services to veterans by encouraging the gathering of such veterans and enable or further the erection or maintenance of facilities for use by such veterans that shall be used primarily for charitable or patriotic purposes or those purposes that are authorized by a bona fide organization of veterans, provided however that such proceeds are disbursed in accordance with the rules and regulations of the commission.

(4) Those that otherwise lessen the burdens borne by government or that are voluntarily undertaken by an authorized organization to augment or supplement services that government would normally render to the people.

(f) *Net proceeds* means:

(1) in relation to the gross receipts from one or more license periods of games of chance, the amount that shall remain after deducting the reasonable sums necessarily and actually expended for supplies and equipment, prizes, security personnel, stated rental if any, bookkeeping or accounting services according to a schedule of compensation prescribed by the commission, janitorial services and utility supplies if any, license fees, and the cost of bus transportation, if authorized by the clerk or department; and

(2) in relation to the gross rent received by an authorized games of chance lessor for the use of its premises by a games of chance licensee, the amount that shall remain after deducting the reasonable sums necessarily and actually expended for janitorial services and utility supplies directly attributable thereto, if any.

(g) *Net lease* means a written agreement between a lessor and lessee under the terms of which the lessee is entitled to the possession, use or occupancy of the whole or part of any premises from any authorized games of chance lessor for which the lessee pays rent to the lessor.

(h) *Authorized games of chance lessor* means an authorized organization that has been granted a lessor's license pursuant to the provisions of this Chapter or a municipality.

(i) *Single prize* means the sum of money or actual value of merchandise awarded to a participant by a games of chance licensee in any one operation of a single type of game of chance in excess of his wager.

(j) *Series of prizes* means the total amount of single prizes minus the total amount of wagers lost during the successive operations of a single type of game of chance, except that for merchandise wheels and raffles, series of prizes means the sum of the fair market value of merchandise awarded as single prizes during the successive operations of any single merchandise wheel or raffle. In the game of raffle, a series of prizes may include a percentage of the sum of cash received from the sale of raffle tickets.

(k) *Single type of game* means the game of chance known as “merchandise wheels” and each other specific game of chance authorized by the commission, regardless of the number of merchandise wheels and locations at which such other single type of game of chance may be conducted.

(l) *Operation* means the play of a single type of game of chance necessary to determine the outcome or winners each time wagers are made.

(m) *One occasion* means the successive operations of any one single type of game of chance that results in the awarding of a series of prizes amounting to \$500 or \$400 during any one license period, in accordance with the provisions of subdivision 8 of section 189 of the General Municipal Law, as the case may be. For purposes of the game of chance known as “merchandise wheels,” or “raffles,” one occasion shall mean the successive operations of any one such merchandise wheel or raffle for which the limit on a series of prizes provided by subdivision 6 of section 189 of the General Municipal Law shall apply. For purposes of the games of chance known as a bell jar, coin boards, merchandise boards and seal cards, one occasion shall mean the successive operation of any one such bell jar, coin board, merchandise board and seal card, deal that results in the awarding of a series of prizes not to exceed \$3,000. For the purposes of the game of chance known as “raffles”, one occasion shall mean a calendar year during which successive operations of such game are conducted.

(n) *License period* means a period of time, not to exceed 14 consecutive hours, during which authorized games of chance commence and terminate, except that the license period for bell jar and raffles shall commence January 1 and terminate December 31 of such year.

(o) *Authorized supplier of games of chance equipment* means any person, firm, partnership, corporation or organization licensed by the commission to sell or lease games of chance equipment or paraphernalia that meets the specifications and regulations established by the commission. Nothing in this Chapter shall prevent an authorized organization from purchasing common articles, such as cards and dice, from normal sources of supply of such articles or from constructing equipment and paraphernalia for games of chance for its own use. However, no such equipment or paraphernalia, constructed or owned by an authorized organization that has previously

obtained an identification number, shall be sold or leased to any licensed authorized organization without written permission from the commission.

(p) *Clerk* means the clerk of a municipality outside the City of New York.

(q) *Officer* means the chief law enforcement officer of a municipality outside the City of New York or, if such municipality exercises the option set forth in subdivision 2 of section 194 of the General Municipal Law, the chief law enforcement officer of the county.

(r) *Department* means the New York City Department of Consumer Affairs.

(s) *Premises* means a designated area within a building, hall, tent or grounds reasonably identified for the conduct of games of chance. Nothing in this Subchapter shall require such area to be enclosed.

(t) *Games of chance* currency means legal tender or chip authorized by the commission either of which may be used at the discretion of the games of chance licensee.

(u) *Bell jars*, which include coin boards, merchandise boards and seal cards mean and include those games in which a participant shall draw a card from a jar or other suitable container or from a commission-approved vending machine, that contains numbers, colors or symbols that are covered and that, when uncovered, may reveal that a prize shall be awarded on the basis of a designated winning number, color or symbol or combination of numbers, colors or symbols. *Coin board* and *merchandise board* mean a board used in conjunction with bell jar tickets bearing the same serial number that contains and displays various coins and/or merchandise prizes that are awarded to players whose bell jar ticket number matches the pre-designated number reflected on the board for a specific prize. *Seal card* means a board or placard used in conjunction with a deal of bell jar tickets bearing the same serial number, that contains one or more concealed areas that, once uncovered, reveal a pre-designated winning number, letter or symbol.

(v) *Raffles* mean and include those games in which a participant pays money in return for a ticket or other receipt and in which a prize is awarded on the basis of a winning number or numbers, color or colors, or symbol or symbols designated on the ticket or receipt, determined by chance as a result of a drawing from among those tickets or receipts previously sold.]

\* \* \*

#### **§ 4601.1. Application requirements.**

\* \* \*

(b) This application for registration and identification number must be signed as follows: if a religious organization, by the priest or pastor, or the president or chairman of the board of directors of the congregation if a synagogue or temple; if a charitable organization, by

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the president; if an organization of veterans, by the commander; if an organization of volunteer [firemen] firefighters, by the president. The legally responsible principal official of the applicant organization shall sign in his or her representative capacity.

\* \* \*

**§ 4603.8. Sunday[, conduct of games on].**

[Except as provided in the Games of Chance Licensing Law, no games of chance shall be commenced under any license issued under this Chapter on Sunday, unless it shall be otherwise provided in the license issued for the conducting thereof, pursuant to the provisions of a local law or an ordinance duly adopted by the governing body of the municipality wherein the license is issued, authorizing the conduct of games of chance under this Chapter on that day between the hours of noon and midnight only, except if the following day is a legal holiday. Notwithstanding the foregoing provisions of this section, no games of chance shall be conducted on Easter Sunday or Christmas Day.]  
Conduct of games on Sunday is governed by General Municipal Law section 195.

\* \* \*

**§ 4606.12. Limitation on premises that may be made available for rent.**

An authorized games of chance lessor must establish that the premises to be licensed for rental belong absolutely to the lessor and, where the lessor has conducted licensed games of chance, the premises to be leased are the same in which the lessor has conducted games of chance during the license year. No authorized games of chance lessor shall be licensed to lease any or all premises for more than 12 license periods during a calendar year, as set forth in General Municipal Law section 191(1)(b). Where an authorized organization leases premises on a full-time basis for purposes encompassing all of the customary and lawful activities of such organization, including but not limited to the conduct of games of chance, it shall be eligible for a games of chance lessor's license to lease said premises. Owners, net lessors, holding companies or parent groups which lease or make premises available to one or more authorized organizations on a full-time basis for purposes encompassing all of the customary and lawful activities of such organizations, including but not limited to the conduct of games of chance, are not required to be licensed as games of chance lessors.

\* \* \*

**§ 4607.10. Ineligibility for a license.**

[The following] Persons and entities set forth in General Municipal Law 189-a(a) shall be ineligible for a games of chance supplier's license[:].

[(a) a person convicted of a crime who has not received a pardon, a certificate of good conduct or a certificate of relief from disabilities.

(b) a person who is or has been a professional gambler or gambling promoter or who for other reasons is not of good moral character;

(c) a public officer or employee;

(d) an authorized games of chance lessor licensed under the Games of Chance Licensing Law; and

(e) a firm, partnership, organization, association, joint venture or corporation in which a person defined in subdivision (a), (b), (c) or (d) of this section has greater than a 10-percent proprietary, equitable or credit interest, or in which such a person is active or employed.]

\* \* \*

#### **§ 4607.21. Recapitulation of fees.**

At the end of the license period, a recapitulation shall be made as between the supplier licensee and the commission with respect to the gross sales recorded during the license period and the license fee previously paid, as required by General Municipal Law section 189-a(e). Any deficiency of fee thereby established to be due shall be paid by the licensee and, should said licensee apply for a license for a subsequent year, and in that event only, shall any excess of fee be credited to said applicant.

\* \* \*

#### **§ 4608.2. Manufacturers of bell jar tickets: reports and records.**

\* \* \*

(b) [For business conducted in New York State,] Penalties for any licensed manufacturer who sells bell jar tickets to other than a distributor licensed by the commission as a supplier [shall:] are set forth in General Municipal Law section 195-n(1).

[(1) upon such first offense, have their license suspended for a period of 30 days;

(2) upon such second offense, participate at a hearing to be conducted by the commission and surrender their license for such period as recommended by the commission; and

(3) upon such third or subsequent offense, have their license suspended for a period of one year and shall be guilty of a class E felony. Any unlicensed manufacturer who violates this section shall be guilty of a class E felony.]

(c) *Bar Codes:*

(1) The manufacturer of bell jar tickets shall affix to the flare of each bell jar game, and to each coin board, merchandise board and seal card a bar code in a format approved by the commission.

(2) The manufacturer shall also affix to the outside of the container or wrapping containing a deal of bell jar tickets, or beneath such wrapping if such wrapping is clear, a bar code providing the same information as the bar code affixed to the flare.

(3) [No] As required by General Municipal Law section 195-n(2), no person may alter the bar code that appears on the flare, on a coin board, on a merchandise board, on a seal card or on the outside of the container or wrapping or beneath clear wrapping containing a deal of bell jar tickets. Possession of a deal of bell jar tickets that has a bar code different from the serial number of the deal inside the container or wrapping as evidenced on the flare is *prima facie* evidence that the possessor has altered the bar code on the container or wrapping.

(d) *Bell jar flares.*

In addition to the requirements set forth in General Municipal Law section 195-n(3):

(1) [A manufacturer shall not ship nor cause to be shipped into this State any deal of bell jar tickets that does not have its own individual flare as required by this Part.

(2)] No person, other than a licensed manufacturer, shall manufacture, alter, modify[, ] or otherwise change a flare for a deal of bell jar tickets except as authorized by section 4620.19 of this Subchapter.

[(3) The flare for each deal of bell jar tickets sold by a licensed manufacturer in this State shall be placed inside the wrapping of the deal that the flare describes.

(4) The bar code affixed to the flare of each bell jar game shall bear the serial number of such game as prescribed in section 4608.3 of this Part.] (2) Each number within the serial number shall be printed in digits and/or characters not less than one-half inch high.

[(5) The] (3) As required by General Municipal Law section 195-n(3)(d), the flare of each bell jar game shall have affixed a bar code that provides:

(i) Encrypted within the bar code:

(a) the serial number of the game;

(b) the name or identifier of the manufacturer; and

(c) the game code.

(ii) In human readable form located in the area of the bar code:

(a) the serial number of the game; and

(b) the number of tickets in the deal.

[(6)] (4) The game ticket payout card shall be imprinted on or affixed to the reverse side of the flare.

### **§ 4608.3. Standards for construction of bell jar tickets.**

All bell jar tickets sold in the State of New York [must] shall comply with the following standards:

(a) All bell jar tickets offered for sale or resale in New York [must] shall have a [commission approved] commission-approved logo or manufacturer's name printed thereon.

(b) All bell jar tickets manufactured for sale or resale in New York after January 1, 1999 shall [utilize] include a winner verification code on tickets redeemable for prizes with a value of \$50 or more. Each manufacturer shall establish its own winner verification code for each bell jar ticket game or series of games. The winner verification code shall be a method of verifying winning bell jar tickets, after they have been purchased and opened, from non-winning, altered or forged bell jar tickets. Manufacturers may use special numbers, colors, designs, ink or any combination thereof to establish the winner verification code. Manufacturers shall submit to the commission a letter explaining the winner verification code and shall keep the commission informed, by written notice, of any changes. Winner verification codes shall not be required for banded single-sided single-tabbed, double-sided single-tabbed and folded bell jar tickets.

(c) Bell jar tickets shall be constructed so that it is impossible to determine the covered or concealed number, color, symbol, set of symbols[,] or game protection code on the bell jar ticket by any method or device, including, [but not limited to] without limitation, use of a marking, variance in size, variance in paper color and fiber[,] or [500 watt high intensity] examination by 500-watt high-intensity light, until the bell jar ticket has been dispensed to and opened by the player.

\* \* \*

(f) No serial number used on a deal of bell jar tickets may be repeated on that same manufacturer's form number within a [three year] three-year period. Each tabbed bell jar ticket shall contain perforated and/or clean-cut openings over the numbers, colors or symbols on one side of each bell jar ticket in such a manner as to allow easy opening by the consumer after purchase of the bell jar ticket, while not permitting bell jar tickets to be opened prematurely in normal handling. Perforation should exist on both the horizontal lines of the opening with either perforate or clean-cut on the vertical or elliptical line where

the ticket must be grasped for opening after bending the edge of the ticket. The numbers, colors or symbols must be fully visible in the window and must be placed so that no part of the numbers, colors or symbols remain covered when a tab is removed. Placement of the numbers, colors or symbols to the left or right of center is allowed for increased game security. On banded bell jar tickets, the paper stock of the band shall be color coded when individual serial numbers are repeated.

#### **§ 4608.4. Submission of bell jar tickets for commission approval.**

(a) Licensed manufacturers of bell jar tickets, which shall include coin boards, merchandise boards, and seal cards, shall submit to the commission for approval any new, revised or modified bell jar [ticket(s)] ticket or tickets that the licensed manufacturer intends to offer for sale or resale in New York State. The terms, “new,” “revised” or “modified” shall include the exclusive printing of the supplier-distributor name, logo or other [symbol(s)] symbol or symbols on the tickets. The licensed manufacturer requesting review and approval of bell jar [ticket(s)] ticket or tickets pursuant to this section shall provide the commission with the following:

(1) a sample, artist's rendering or color photocopy of the bell jar [ticket(s)] ticket or tickets accompanied by a statement indicating the new, revised or modified [feature(s)] feature or features of the bell jar ticket. A sample of the original bell jar ticket shall also be submitted for comparison with the submission of revised or modified bell jar tickets;

(2) a sample, artist's rendering or color photocopy of the payout card for the bell jar [ticket(s)] ticket or tickets; and

(3) a sample, artist's rendering or color photocopy of the flare for the bell jar [ticket(s)] ticket or tickets.

(b) [Within 30 days of receipt of such sample, artist's rendering or color photocopy, the commission shall approve or deny such submission. Following approval of a rendering of a bell jar ticket, seal card, merchandise board, or coin board by the commission, the manufacturer shall submit to the commission a sample of the printed bell jar ticket, seal card, merchandise board, coin board, payout card, and flare for such game. Such sample shall be submitted prior to the sale of the game to any licensed distributor for resale in this state. For coin boards and merchandise boards, nothing herein shall require the submittal of actual coins or merchandise as part of the approval process. Any licensed manufacturer who willfully violates the provision of this section shall:] General Municipal Law section 195-n(1) sets forth requirements for submission of printed materials after a submission is approved and penalties for noncompliance.

[(1) upon such first offense, have the manufacturer's license suspended for a period of 30 days;

(2) upon such second offense, participate at a hearing to be conducted by the commission and surrender the manufacturer's license for such period as recommended by the commission; and

(3) upon such third or subsequent offense, have the manufacturer's license suspended for a period of one year and shall be guilty of a class E felony.]

\* \* \*

**§ 4608.5. Licensed games of chance suppliers of bell jar tickets, supplies and equipment.**

\* \* \*

(c) [Licensed suppliers who willfully violate the provisions of this section shall:] Penalties for willful violations of bell jar distribution requirements set forth in General Municipal Law section 195-o are set forth in such section.

[(1) upon such first offense, have the supplier's license suspended for a period of 30 days;

(2) upon such second offense, participate at a hearing to be conducted by the commission and surrender the supplier's license for such period as recommended by the commission; and

(3) upon such third or subsequent offense, have the supplier's license suspended for a period of one year and shall be guilty of a class E felony. Any unlicensed supplier who violates this section shall be guilty of a class E felony.]

**§ 4608.6. Business records; retention.**

(a) [A licensed games of chance supplier of bell jar tickets, supplies and equipment shall keep at each place of business complete and accurate records for that place of business, including itemized invoices of bell jar tickets, supplies and equipment held and purchased. The records must] In addition to the recordkeeping requirements set forth in General Municipal Law section 195-o(2), such records shall contain the following information:

(1) [The name, address,] the commission identification number and license number of all purchasers;

(2) [The] the name and address of the federally recognized Indian tribe or nation; and

(3) [All] all other pertinent papers and documents relating to the purchase, sale[,] or disposition of bell jar tickets, supplies and equipment, including shipping records as may be required by the commission.

(b) [All] In addition to licensed games of chance suppliers of bell jar tickets, as set forth in General Municipal Law section 195-o(2), licensed manufacturers [and licensed games of chance suppliers] of bell jar tickets, supplies and equipment shall maintain their books, records, itemized invoices, and other papers and documents required by commission rules for a period of not less than four years, unless the commission authorizes in writing their destruction or disposal at an earlier date. [Violation of this section shall constitute a misdemeanor.]

**§ 4608.7. Invoices; licensed manufacturers and/or licensed suppliers of bell jar tickets, supplies and equipment.**

\* \* \*

(c) The invoice filed by the licensed manufacturer or licensed supplier of bell jar tickets shall contain the following information:

- (1) [Name,] name, address and commission license number of the manufacturer;
- (2) [Name,] name, address and commission license number of the games of chance supplier or federally recognized Indian tribe or nation;
- (3) [Total] total number of bell jar ticket deals;
- (4) [For] for each game sold:
  - (i) deal serial number;
  - (ii) game form number;
  - (iii) price per ticket in deal;
  - (iv) number of tabs per ticket;
  - (v) total ticket count of each deal;
  - (vi) ideal gross profit;
  - (vii) ideal net profit; and
  - (viii) unit price and total sale price[.];
- (5) [Date] date of sale;
- (6) [Date] date of shipment;
- (7) [Identity] identity of carrier; and

(8) [Licensed] licensed suppliers, except licensed manufacturers, also shall [also] provide the following information:

(i) [The] the account number identifying the sale from the licensed manufacturer to the licensed supplier and the account number identifying the sale from the licensed supplier to the authorized organization; and

(ii) [The] the name(s) of the bona fide member(s) who ordered the product.

\* \* \*

#### **§ 4608.12. Additional licensing fee.**

[(a) All authorized organizations licensed to sell bell jar tickets shall, upon filing financial statements of bell jar ticket operations, tender to the commission a sum in the amount of five percent of the net proceeds from the sale of each deal of bell jar tickets for that portion of license period covered by such statement.

(b) For the purposes of this section, *net proceeds* shall mean the difference between the ideal handle from the sale of a deal of bell jar tickets, which] ideal handle, within the meaning of General Municipal Law section 195-q, shall mean the total face value of all tickets in a deal [less the amount of money actually paid out in total prizes for that deal and the purchase price to the licensee of each bell jar deal, coin board, merchandise board or seal card. Additionally, a credit shall be permitted against the net proceeds fee in the amount of unsold tickets of the bell jar deal so long as the unsold tickets have the same game serial number as the tickets for which the fee is rendered. Unsold tickets shall be kept on file by the selling licensed authorized organization for inspection by the commission for a period of one year following the date upon which the relevant financial statement was received by the commission.

(c) One-half of one percent of the net proceeds fee received from the licensed authorized volunteer fire companies shall be paid to the New York State emergency services revolving loan account as established pursuant to section 97-pp of the State Finance Law].

#### **§ 4608.13. [Flare defined.] [Repealed]**

[A *flare* shall mean a poster describing the bell jar ticket game which shall include a declaration of the number of winning tickets and amount of total payout in the bell jar ticket deal, the number of tickets per payout amount in the deal, the licensed manufacturer's game form number, and the game serial number of the deal, which shall be identical to the game serial number imprinted on each ticket contained in such deal.]

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## PART 4610

### Bell Jar Ticket Vending Machines in the Possession of Licensed Authorized Organizations

#### Section

- 4610.1 Bell jar ticket vending machines in the possession of licensed authorized organizations
- 4610.2 Coin-operated mechanical nonelectrical dispensing devices in the possession of licensed authorized organizations as of the date this section shall take effect

#### **§ 4610.1. Bell jar ticket vending machines in the possession of licensed authorized organizations.**

Bell jar ticket vending machines in the possession of a licensed authorized organization as of November 4, 1998[,] (the effective date of [these rules] this Part)[,] but not prior to August 2, 1995[,] (the effective date of [L.1995, ch.386] chapter 386 of the laws of 1995), may be registered with the commission as a qualified bell jar ticket vending machine provided such machine was obtained from a [commission licensed] commission-licensed manufacturer or [commission licensed] commission-licensed supplier and provided that the manufacturer of the bell jar ticket vending machine has been licensed by the commission as a games of chance supplier. Bell jar ticket vending machines satisfying this paragraph may be registered subject to the following provisions:

\* \* \*

(c) Bell jar ticket vending machines in the possession of a licensed authorized organization that fail to comport with the requirements of this section must be removed from the premises of each authorized organization.

#### **§ 4610.2. Coin-operated mechanical nonelectrical dispensing devices in the possession of licensed authorized organizations as of the date this section shall take effect.**

\* \* \*

(b) A coin-operated mechanical nonelectrical dispensing device that was designed specifically as a postage stamp machine, obtained after August 2, 1995 by licensed games of chance suppliers or licensed authorized organizations may be registered with the commission, provided the device was obtained from a [commission licensed] commission-licensed manufacturer or supplier and that the provisions of section 4610.1 of this Part are satisfied.

\* \* \*

### **§ 4611.1. Coin boards.**

(a) *Coin board.* [*Coin board* means a board used with bell jar tickets that contain various coins of United States legal tender.] A player having a bell jar ticket with a number matching a pre-designated number reflected on a coin board for a prize, as set forth in General Municipal Law section 186(3-c), or, if the number matches the pre-designated winning number for a specific coin or consolation prize, the player wins that coin or consolation prize and any cash prize value reflected on the coin board under the coin. No coin board shall be taken out of play unless at least 75 percent of total prizes have been awarded. Only United States legal tender may be awarded as prizes. The maximum [amount] amounts of a single prize permitted (the fair market value of the coin and the amount of the cash prize awarded with it, if any) [is \$500,] and the total series of prizes [shall not exceed \$3,000] are set forth in General Municipal Law sections 189(5)(a) and (c) and 189(6)(2).

(b) *Merchandise board.* [*Merchandise board* means a board used with bell jar tickets that contain various merchandise prizes.] A player having a bell jar ticket with a number matching a pre-designated number reflected on a merchandise board for a prize, as set forth in General Municipal Law section 186(3-c), or, if the number matches the pre-designated winning number for a specific prize or consolation prize, the player wins that prize or consolation prize. No merchandise board shall be taken out of play unless at least 75 percent of total prizes have been awarded. The maximum [amount] amounts of a single prize permitted (the fair market value of the prize) [is \$500, and] the total series of prizes [shall not exceed \$3,000] are set forth in General Municipal Law section 189(5)(a) and (c) and 189(6)(2).

(c) *Seal card.* [*Seal card* means a board used with bell jar tickets that contain various cash or merchandise prizes.] A player having a bell jar ticket with a number matching a pre-designated number, color or symbol reflected on a seal card signs such player's name on a line on that seal card corresponding with the number color or symbol appearing on the bell jar ticket and, upon removing the corresponding seal wins the prize specified under that seal. No seal card shall be taken out of play unless at least 75 percent of total prizes have been awarded. The maximum [amount] amounts of a single prize permitted (the aggregate of the cash prize and the fair market value of any merchandise prize) [is \$500,] and the total series of prizes [shall not exceed \$3,000] are set forth in General Municipal Law section 189(5)(a) and (c) and 189(6)(a).

### **§ 4611.2. Operation of coin boards, merchandise boards and seal cards.**

\* \* \*

(c) All aggregate values of cash, coin and merchandise prizes for each series of coin boards, merchandise boards and seal cards shall not exceed [\$3,000] the amount set forth in General Municipal Law section 189(6)(a).

\* \* \*

### § 4620.10. Merchandise Wheels.

(a) *Equipment.* A wheel or wheels of variable size that have numbers, symbols or colors used to designate the winning wager and, where applicable, the type of merchandise to be awarded. The wheel has a corresponding layout.

(b) *Play.* A player places a wager on one or more betting spaces on the layout and the dealer spins the wheel. When the wheel stops, the section in which the indicator arm rests is the winning number, symbol or color.

[(b)] (c) *Wager.* The maximum wager is \$2. Merchandise shall not be wagered by a participant.

[(c)] (d) *Winning wagers.* [No cash, only] Only merchandise, and not cash, shall be awarded. No single prize shall exceed [a value of \$250] the amount set forth in General Municipal Law section 189(5)(a) and (c).

[(d)] (e) *Control sheet.* Each merchandise wheel shall have an inventory control sheet that shall indicate the cost to the licensee of each item of merchandise awarded at the wheel or, if donated, its current retail price. When [a total of \$10,000] an aggregate value set forth in General Municipal Law section 189(6)(a)(1) in prizes has been awarded at a merchandise wheel, the merchandise wheel must be closed. ([see] See section 4622.12 of this Subchapter.)[.] It [will] is not [be] necessary to file the inventory control sheet with form GC-7B.

\* \* \*

### § 4620.19. Bell Jar.

(a) *Equipment.*

(1) A container, jar or vending machine used for the containment of jar tickets.

(2) Bell Jar tickets shall also include “Pull-Tabs,” “Break-Opens,” and any other similar-type game [comprised of] comprising tickets or cards having a number or numbers, color or colors, symbol or symbols that are covered, and that, when uncovered, may reveal that a prize shall be awarded on the basis of a designated winning number, color or symbol, or a combination of numbers, colors or symbols.

(3) A deal shall consist of a [container(s)] container that holds (or containers that hold) all the bell jar tickets of a game bearing the same serial number as well as a flare.

(4) A flare that is contained in the deal, and that must be [prominently] displayed prominently, sets forth the number of tickets and prizes contained in the deal, as well as the winning number or numbers, color or colors, symbol or symbols.

(b) *The play.*

(1) A player purchases a bell jar ticket and immediately upon opening the ticket learns whether or not the player is a winner of any prize.

(2) The maximum wager is [\$2] set forth in General Municipal Law section 189(5)(c).

(3) No single prize shall exceed [\$500] the amount set forth in General Municipal Law section 189(5)(a).

(4) No aggregate prizes in any deal shall exceed [\$3,000] the amount set forth in General Municipal Law section 189(6)(a)(2).

(c) *Operation of the game.*

\* \* \*

(2) No licensed authorized organization shall provide any information to any person [respecting] in regard to the potential winnings of bell jar tickets that would create an advantage to [said] such person.

(3) No licensee shall modify, alter, deface or otherwise change the flare, except that a licensed authorized organization may mark the winning prizes appearing on the flare as [they] such prizes are awarded.

\* \* \*

(7) No licensed authorized organization shall assist a player in opening a purchased bell jar [ticket(s)] ticket or tickets.

(8) All prizes from the operation of [the] bell jar shall be awarded in cash, except in the case of banded tickets, merchandise boards, and seal cards, each of which [that] may award merchandise as defined in section 4622.13 of this Subchapter and such merchandise shall not exceed the maximum prize values of section 4622.12 of this Subchapter. No [ticket(s)] ticket or tickets reflecting a free play shall be sold.

\* \* \*

(10) No prize shall be awarded to any player who [is redeeming] attempts to redeem a winning bell jar ticket that was removed from the [games of chance] games-of-chance premises.

(11) Each winning bell jar ticket shall be defaced upon redemption and retained for a period of [six months] one year.

(12) Bell jar tickets may [only] be sold only on the premises of the licensed authorized organization and the premises in which the organization conducts licensed bingo

occasions and [games of chance] games-of-chance license periods and as otherwise may be authorized by General Municipal Law section 189(13).

(13) [Every licensed authorized organization shall retain all remaining unsold bell jar tickets for inspection by the commission for one year following the date of last sale.

(14)] More than one deal may be sold simultaneously during a license period.

[(15)] (14) No authorized organization shall sell, distribute or loan any bell jar tickets to any other authorized organization.

[(16)] (15) Complete deals may be commingled in one receptacle or bell jar ticket vending machine, provided the deals are identical as to the type of game, game form number, number of tickets per game, game ticket price and the amount and denomination of prizes. No unsold portion of a deal may be commingled with any other deal.

[(17)] (16) Bell jar ticket deals of different game form numbers may be inserted into and dispensed from the same bell jar ticket vending machines provided each game form numbered deal is assigned a separate stacking [column(s)] column (or columns) and [holder(s)] holder (or holders) and each stacking column or holder is clearly labeled to identify to the purchaser the type and game form number of each bell jar ticket to be dispensed from that stacking column or holder. Bell jar ticket deals with different game form numbers shall not be commingled in any stacking column or holder.

[(18)] (17) No deal shall be placed in play unless the serial number of such deal corresponds to the serial number printed on each ticket, the flare and invoice.

[(19)] (18) No deal shall be taken out of play once such deal has been offered for sale unless at least 75 percent of total prizes have been awarded.

[(20)] (19) No deal shall be placed in play unless it has been purchased from a licensed supplier.

[(21)] (20) Separate cash banks shall be maintained for each deal or combination of deals placed in play in order to determine each deal's profit or loss.

\* \* \*

#### **§ 4620.23. Search for the Queen of Hearts.**

(a) *Equipment.* A series of two-part, sequentially numbered raffle tickets; [two] a raffle ticket [drums] drum or [receptacles] receptacle; a standard deck of 52 playing cards plus two jokers; and a game board onto which 54 playing cards can be placed facedown, side-by-side[, ] and held securely by a locking, transparent cover.

(b) [*The play*] Play.

(1) The licensed authorized organization shall offer a series of two-part, sequentially numbered raffle tickets for sale at a price determined by the licensee. Each player shall write such player's name and telephone number on the licensee's part of the ticket, which shall be deposited into a raffle ticket drum or receptacle. The purchasing player shall retain the other part of the ticket as a receipt for verification purposes. All monies collected from the sale of raffle tickets, and only such monies, shall be designated the grand prize pool.

(2) The deck of facedown playing cards shall be [thoroughly] shuffled thoroughly by a licensed organization's member in charge or assistant to the member in charge and, without revealing any of the faces, placed facedown, side-by-side, onto the game board. The transparent game board cover shall be closed and locked to secure the cards in place.

(3) One raffle ticket shall be drawn each week from among all of the tickets sold for each drawing, except for the first week and the 26<sup>th</sup> week (if necessary), when three drawings [shall] may be held. If three drawings are held, each of the three winners of the drawings shall search in the order in which such winner's ticket was selected.

(4) The [participant(s)] participant (or participants) holding the winning ticket [stub(s)] stub (or stubs) shall be declared the [winner(s)] winner (or winners) of each drawing and shall be entitled to "Search for the Queen of Hearts."

\* \* \*

(8) If the card selected is not the queen of hearts, that card shall be defaced by drawing a diagonal line across its face in ink[;]. [the] Such card shall be returned to the game board face-up[;]. [the] The transparent, locking cover securing the cards shall be locked by a licensed organization's member in charge or assistant to the member in charge[;]. [and] Then, that player shall be [immediately] awarded immediately a cash prize valued [according to the following schedule] in an amount that is at least equal to the following odds:

<i>Card [Drawn] <u>drawn</u></i>	<i>Payout [Odds] <u>odds</u></i>
Any 2, 3, 4, or 5	[At least 4 – 1] <u>4:1</u>
Any 6, 7, 8, or 9	[At least 6 – 1] <u>6:1</u>
Any 10, jack or king	[At least 8 – 1] <u>8:1</u>
Any ace	[At least 10 -1] <u>10:1</u>
Any joker	[At least 15 – 1] <u>15:1</u>
Any queen other than hearts	[At least 20 – 1] <u>20:1</u>

\* \* \*

(11) The licensee shall retain the remaining 40 percent of the grand prize pool as raffle profit and shall secure those funds for deposit into the special games of chance or raffle checking account (if applicable)[,] or other bank account.

\* \* \*

#### **§ 4622.12. Maximum value of prizes offered.**

[No single prize in any casino-type game of chance shall exceed the sum or value of \$300. In the game of chance known as merchandise wheels, no single prize consisting of merchandise shall exceed a value, defined in section 4622.13 of this Part, of \$250. In the game of chance known as bell jars, no single prize shall exceed the sum of \$500. In the game of chance known as raffle no single prize shall exceed the sum of \$100,000. Except for merchandise wheels, bell jars and raffles, no series of prizes on any one occasion shall aggregate more than \$400 for each single type of game of chance when the licensed authorized organization conducts five single types of games of chance during any one license period. Except for merchandise wheels, bell jars and raffles, no series of prizes on any one occasion shall aggregate more than \$500 for each single type of game of chance when the licensed authorized organization conducts less than five single types of games of chance during any one license period. Except for the limitations on the sum or value for single prizes and series of prizes for each type of game of chance, no limit shall be imposed on the total number, sum or value of prizes awarded to any one participant during any occasion or any license period. No single wager shall exceed the amount designated for each type of game, as set forth in Part 4620 of this Subchapter. In the case of merchandise wheels, no series of prizes consisting of merchandise shall exceed the actual value of \$10,000 during the successive operations of any one merchandise wheel. In the case of bell jars, no series of prizes shall exceed the sum of \$3,000 during the successive operations of any one bell jar deal. In the case of raffles, the series of prizes shall not exceed the sum of \$500,000.] The maximum sums or values for particular forms of games of chance are set forth in General Municipal Law sections 189(5), 189(6) and 189(8). One or more signs limiting the wager to the amount designated for each type of game[, as set forth in Part 4620 of this Subchapter,] shall be [prominently] displayed prominently in each playing area. In the case of bell jars, the applicable [flare(s)] flare or flares shall be displayed in each playing area.

\* \* \*

#### **§ 4622.20. Persons prohibited as players.**

No licensee shall permit any person who has participated or assisted in the management or conduct of the games of chance license period to participate as a player [or purchase bell jar tickets] at any time during such license period.

**§ 4622.21. Cashing of checks prohibited.**

No licensee, its members or agents, shall cash any check out of games of chance funds or extend credit to a person to participate in the playing of any games of chance, other than accepting a personal check as authorized by General Municipal Law section 195-d(3).

**§ 4622.22. Operation of bank.**

(a) Except in the case of merchandise wheels, raffles, coin boards, merchandise boards, seal cards and bell jars, the licensed authorized organization shall, at the start of each type of game of chance, provide a bank consisting of cash or chips in an amount not exceeding [\$400 when the licensed authorized organization conducts five single types of games of chance, or \$500 when the licensed authorized organization conducts less than five single types of games of chance during any one license period] the amounts set forth in General Municipal Law section 189(8). To each bank shall be added all the players' losses, and from each bank shall be deducted all players' winnings. When the bank for any one type of game is exhausted, the conduct of [said] such type of game shall cease and terminate. Where more than one location (table or booth) is used for the conduct of a single type of game of chance, the starting bank shall be divided among the different locations. Within the operation of any single type of game of chance, the bank of any one location may be used to supplement the bank of any other location of the same type of single game of chance.

(b) In the case of merchandise wheels, the licensed authorized organization may for each wheel award merchandise the total value of which shall not exceed [\$10,000 for each merchandise wheel] the amount set forth in General Municipal Law section 189(6)(a)(1). In the case of bell jars, coin boards, merchandise boards and seal cards, the licensed authorized organization may, for each deal, award prizes the total value of which shall not exceed [\$3,000 for each deal] the amount set forth in General Municipal Law section 189(5)(a).

(c) The maximum amount of the series of prizes to be awarded for each single type of game of chance shall be specified in the application for a license (form GC-2) and the license (form GC-5), which shall be [conspicuously] displayed conspicuously.

**§ 4622.23. Sale and consumption of alcoholic beverages.**

[Beer] If otherwise permitted by the Alcoholic Beverage Control Law or other applicable law, beer may be offered for sale and consumed during the conduct of games of chance in games of chance premises. Nothing herein shall be construed to limit the offering for sale and consumption of any other alcoholic beverage in areas other than the games of chance premises, or the sale of any other alcoholic beverage in premises where only the game of chance known as bell jar, coin board, merchandise board, seal card and raffles are conducted, if otherwise permitted by the Alcoholic Beverage Control Law or other

applicable law. One or more signs setting forth the restrictions of this section shall be [prominently] displayed prominently in each playing area.

\* \* \*

#### **§ 4622.26. Advertising games of chance.**

A licensee may advertise the conduct of games of chance [to the general public by means of newspaper, circular, handbill and poster, and by one sign not exceeding 60 square feet in area, which may be displayed on or adjacent to the premises owned or occupied by a licensed authorized organization; and when an organization is licensed to conduct games of chance on premises of an authorized games of chance lessor, one additional such sign may be displayed on or adjacent to the premises in which the games are to be conducted. Additional signs may be displayed upon any firefighting equipment belonging to any licensed authorized organization that is a volunteer fire company, or upon any equipment of a first-aid or rescue squad in and throughout the community served by such volunteer fire company or such first-aid or rescue squad, as the case may be. All advertisements shall be limited to the description of such event as “Games of Chance” or “Las Vegas Night,” the name of the authorized organization conducting such games, the license number of the authorized organization as assigned by the clerk or department, and the date, location and time of the event] as provided for in General Municipal Law section 195-e. No advertising shall include any misleading information or representations.

\* \* \*

#### **§ 4624.9. Method of withdrawal.**

Except for the electronic transfer of funds to the Commission, other State, local and Federal governmental entities in compliance with the lawful expenditures set forth in section 4624.21 of this Part; operating expenses of the authorized organization such as utilities, including light, heat, power and water, telephone, mortgages and payments to licensed games of chance suppliers, [All] all monies withdrawn from the “special games of chance account,” “special raffle account” or “special bell jar account” shall be only by checks having preprinted consecutive numbers, signed by at least two duly authorized officers of the licensee and made payable to a specific person, firm, partnership or corporation with the purpose specified on the check stub; and at no time shall a check be made payable to cash. All checks must be accounted for in the appropriate part of the financial statement of games of chance operations (form GC-7), financial statement of raffle operations (form GC-7R) or financial statement of bell jar operations (form GC-7Q), including voided checks.

\* \* \*

**§ 4624.17. Expenditure of funds after cessation of games of chance.**

An organization that has ceased to conduct games of chance for any reason, and has unexpended games of chance funds, shall:

(a) disburse [said] such funds for lawful purposes within a period of one year after the cessation of the conduct of games of chance; or

(b) disburse [said] such funds in accordance with a plan of expenditure approved in advance by the commission.

Upon final disbursement of such funds, in the case of bell jar, each organization shall submit to the commission a final quarterly statement of bell jar operations (GC-7Q) documenting the final disposition of such funds. In the case of raffles with net proceeds of at least \$30,000 from all raffles conducted during the calendar year, each organization shall submit to the commission and to the municipal clerk a final financial statement of raffle operations (GC-7R) documenting the final disposition of such funds. In the case of casino-type games of chance, each organization shall submit to the commission and to the municipal clerk a final financial statement of games of chance operations (GC-7) documenting the final disposition of such funds. This provision applies notwithstanding the requirements of section 4624.1 of this Part.

\* \* \*

**§ 4624.21. Lawful expenditures.**

\* \* \*

(c) *Guidelines for all other expenditures.* All expenditures must be reasonable, justifiable and directly related to carrying out one or more of the licensee organization's lawful purposes, as defined in [section 186, subsection 5 of the] General Municipal Law section 186(5).

(1) An organization [exclusively] engaged exclusively in any of the [above enumerated "worthy causes"] lawful purposes set forth in General Municipal Law section 186(5) does not need prior written approval from the commission [regarding] in regard to expenses directly related to carrying out one or more of [its] such organization's lawful purposes, with the exception of those expenses listed in paragraph [(4)] (3) of this subdivision.

(2) [Regarding certain types of licensee organizations, such as fraternal and service organizations, the commission requires that at least one third of the net profits derived from games of chance be expended for the above enumerated "worthy causes" before any games of chance funds may be disbursed for the licensee organization's operating expenses. This one third donation rate is calculated on a calendar-year basis and any deficiency will be cumulative. It is incumbent upon each licensee to periodically review

its contribution record. If the provisions of this Subtitle are not strictly adhered to, the licensed organization shall be prohibited from disbursing any of its games of chance funds for other than “worthy causes” without obtaining the prior written approval of the commission.

(3) Expenditures requiring no written approval. The [following regulations apply to the] operating expenses of [licensed fraternal and service] authorized organizations set forth in this paragraph do not require written commission approval, unless as otherwise set forth in the applicable subparagraph of this paragraph:

- (i) materials and labor for repairs that are necessary for normal maintenance, including electrical, roofing, heating, hardware, paint, lumber, etc. However, such expenditures are limited to \$10,000 in the aggregate in a calendar year. Such expenditures, when in excess of \$10,000, require prior written permission from the commission;
- (ii) janitorial and custodial salaries, including all payroll taxes;
- (iii) supplies, such as cleaning materials, brooms, shovels, floor wax, paper supplies, etc.;
- (iv) utilities, including light, heat, power and water;
- (v) rubbish removal;
- (vi) insurance, including fire, workers' compensation, public liability, burglary, robbery and property damage;
- (vii) real estate taxes;
- (viii) snow removal charges;
- (ix) telephone charges;
- (x) printing and mailing charges; and
- (xi) legal, accounting fees or other professional fees not exceeding \$5,000 per calendar year.

[(4)] (3) Expenditures requiring prior written approval [(submit an “Application for Permission to Disburse Net Proceeds of Games of Chance” GC-317, to commission’s office)]. An authorized organization shall submit an Application for Permission to Disburse Net Proceeds of Games of Chance (GC-317) to the commission when requesting approval of certain expenses as set forth in this paragraph. Organizations of veterans shall file with the commission a copy of the minutes of the meeting of the membership authorizing any of the expenditures [below] set forth in this paragraph, in lieu of filing a GC-317 form:

- (i) mortgages;
- (ii) rent paid by licensee organization for use of property for its activities;
- (iii) new buildings, additions, renovations or repairs in excess of \$10,000 per calendar year;
- (iv) purchase of air conditioning units, furniture, furnishings, office and kitchen equipment and motor vehicles;
- (v) repair, maintenance and acquisition of parking lots;
- (vi) salaries, other than those authorized in paragraphs (3) of subdivision (a) and (5) of subdivision (b) of this section and subparagraph (ii) of paragraph [(3)] (2) of this subdivision; and
- (vii) legal, accounting or other professional fees exceeding \$5,000 per calendar year.

(d) *Disapproved expenditures.* All types of [licensee] authorized organizations may not use games of chance funds for the [following] expenditures set forth in this subdivision, except that [organizations] an organization of veterans, in strict compliance with such organization's charter and bylaws, shall file with the commission a copy of the minutes of the meeting of membership authorizing any of the expenditures [below] set forth in this subdivision:

- (1) entertainment or social activities for the benefit of members of licensee organization, its auxiliary or affiliate. At all times it should be borne in mind that the use of games of chance funds for the exclusive benefit of members of the licensee organization, its auxiliary or affiliate is unlawful and prohibited;
- (2) welfare, sick or death benefit funds for members and families;
- (3) dues and assessments;
- (4) gifts or loans to members of licensee organization, its auxiliary or affiliate;
- (5) convention expenses for delegates of licensee organization, its auxiliary or affiliate;
- (6) any and all expenses connected with bars and the dispensing of alcoholic beverages;
- (7) [TV] television or other amusement devices for use of the licensee organization, its auxiliary or affiliate;
- (8) expenses and salaries connected with other fundraising activities, such as the operation of food service facilities and concessions; or

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Text to be deleted appears in [brackets]

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(9) tickets purchased from profit or not-for-profit organizations, such as raffle or theatre tickets, for use by members.