

Sections 4601.1, 4602.1, 4602.10, 4620.22, 4624.1, 4624.3 and 4624.8 of 9 NYCRR would be amended to read as follows:

§ 4601.1. Application requirements.

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(c) Notwithstanding the registration requirements set forth in this Part, an authorized organization may conduct a raffle without complying with such registration requirements[, provided, that such organization shall derive net proceeds from raffles in an amount less than \$5,000 during the conduct of one raffle and shall derive net proceeds from raffles in an amount less than \$20,000 during one calendar year. Such organization must first determine that such organization is in fact an “authorized organization” in order to qualify for such an exemption. For the purposes of this subdivision, *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 firefighters 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 for a period of three years immediately prior to being granted the registration requirement exemption. 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 shall be deemed an authorized organization] so long as such authorized organization satisfies the conditions set forth in General Municipal Law section 190-a.

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§ 4602.1. Form for application.

(a) An application for a license to conduct games of chance shall be made on forms GC-2, GC-2A and GC-2B, as prescribed by the commission. Notwithstanding, and in lieu of the licensing requirements set forth in this Part, an authorized organization defined in [subdivision 4 of section 186 of the] General Municipal Law section 186(4) that has received an identification number from the commission[,] shall file a verified statement, for which no fee shall be required, with the clerk or department and the commission, attesting that such organization shall derive net proceeds or net profits from raffles in an amount [less than \$30,000 during one occasion or part thereof at which raffles are to be conducted] within the limits set forth in General Municipal Law section 190-a(1). Such statement shall be on form GCVS-1 Verified Statement for Raffle Ticket Operations as prescribed by the commission, which shall be deemed a license to conduct raffles. An organization that has filed a verified statement with the clerk or department and the commission attesting that such organization shall derive net proceeds or net profits from raffles in an amount [less than \$30,000 during one occasion or part thereof] within the limits set forth in General Municipal Law section 190-a(1) that in fact derives net proceeds or net profits exceeding [\$30,000 during any one occasion or part thereof] any of such

limits shall be required to obtain a license as required by this Part and shall be subject to the reporting requirements of section 4624.3 of this Subchapter.

(b) Notwithstanding the licensing requirements set forth in this Part, an authorized organization [that has met the self-determination requirements of subdivision (c) of section 4601.1 of this Subchapter] may conduct a raffle without complying with such licensing requirements, provided that such organization shall derive net proceeds from raffles in an amount [less than \$5,000 during the conduct of one raffle and shall derive net proceeds from raffles in an amount less than \$20,000 during one calendar year] within the limits set forth in General Municipal Law section 190-a(1).

[(1) No person under the age of 18 shall be permitted to play, operate or assist in any raffle conducted pursuant to this subdivision.

(2) Raffles conducted pursuant to this subdivision shall be conducted only within a municipality in which the authorized organization is domiciled that has passed a local law, ordinance or resolution in accordance with Sections 187 and 188 of the General Municipal Law approving the conduct of games of chance that are located within the county or contiguous to the county in which the organization is domiciled.

(3) The commission shall penalize a licensee found to have violated paragraph (1) of this subdivision as follows:

(i) for a first violation, a written warning of such violation;

(ii) for a second violation within one year of a violation, a fine of \$500;

(iii) for a third violation within one year of a violation, a fine of \$1,000; and

(iv) for a fourth or subsequent violation within one year of a violation, such further actions as the commission may deem appropriate, which may include without limitation the suspension or revocation of any license or privilege to conduct raffles in this State.]

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§ 4602.10. Penalties for underage participation.

The commission shall penalize an authorized organization found to have violated General Municipal Law sections 190-a(3) and 195-a, which govern the minimum age for play, operation or the assisting in any raffle conducted pursuant to General Municipal Law section 190-a, as follows:

(i) for a first violation, a written warning of such violation;

(ii) for a second violation within one year of a violation, a fine of \$500;

(iii) for a third violation within one year of a violation, a fine of \$1,000; and

(iv) for a fourth or subsequent violation within one year of a violation, such further actions as the commission may deem appropriate, which may include without limitation the suspension or revocation of any license or privilege to conduct raffles in this State.

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§ 4620.22. Raffles.

(a) *Equipment.* The equipment used in the conduct of raffles and the method of play shall ensure that each and every ticket to participate shall have an equal opportunity to be drawn as a winner.

(1) Raffle tickets, with the exception of the two-part “admission-style” tickets [utilized] used in the game commonly known as a “50/50 raffle,” shall reflect the following:

* * *

(b) [*The play*] *Play.*

(1) No single prize shall exceed the [sum of \$100,000] amount set forth in general Municipal Law section 189(5)(b).

(2) The aggregate fair market value of all prizes to be offered or awarded by a licensee in raffles in any one calendar year (license period) shall not exceed [\$2,000,000] the amount set forth in General Municipal Law section 189(8).

(3) The method of drawing and determining the winning [ticket(s)] ticket (or tickets) shall be [clearly] announced clearly and described prior to drawing a ticket.

* * *

(6) Raffle tickets may [also] be sold to the public [outside the premises of an authorized organization or an authorized games of chance lessor or in municipalities that have passed a local law, ordinance or resolution in accordance with sections 187 and 188 of the General Municipal Law that are located in the county in which the municipality issuing the license or the municipality in which the organization is authorized to conduct raffles pursuant to subdivision (c) of section 4601.1 of this Chapter is located, and in the counties that are contiguous to the county in which the municipality issuing the raffle license or in which the organization authorized to conduct raffles pursuant to subdivision (c) of section 4601.1 of this Chapter is located, provided the licensee or organization authorized to conduct raffles pursuant to subdivision (c) of section 4601.1 of this Chapter has received written approval, on a form prescribed by the commission, from each municipality to sell raffle tickets therein and provided that no sale of raffle tickets shall be made more than 180 days prior to the date scheduled for the final drawing of the winning raffle ticket(s)] in locations as authorized by General Municipal Law section 189(13)(b). An authorized organization that wishes to sell raffle tickets outside the premises of such organization or conduct

a raffle drawing outside the premises of such organization shall notify the commission of such intent to make such sales or conduct such drawing (or both). Such notice shall be made no later than 45 days before sales of such raffle are proposed to commence, in order to enable the commission to notify the affected municipalities and give such municipalities the opportunity to object to such sales or such drawing. After the commission gives notice (which may be given by electronic means) to the affected municipalities, a municipality shall provide the commission notice of an objection, if any, no later than 20 days before the date such sales are proposed to commerce or such drawing is proposed to be conducted.

[(10) Purchasers of raffle tickets need not be present at the raffle drawing to win.]

[(11)] (10) Alcoholic beverages may be sold and consumed in locations where raffle tickets are sold and raffle drawings are conducted.

[(12) Alcoholic beverages shall not be awarded as a raffle prize.]

[(13)] (11) No commission, salary, compensation, reward or recompense shall be paid or given to any person for the sale or assisting with the sale of raffle tickets.

[(14)] (12) Raffle tickets shall be sold by a member of an authorized organization licensed to conduct raffles or authorized to conduct raffles pursuant to [section 4601.1(c)] subdivision (c) of section 4601.1 of this [Title] Chapter and may also be sold by any person with a blood relationship or affinity with a member of an authorized organization licensed to conduct a raffle.

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§ 4624.1. Financial statement form.

(a) The financial statement of games of chance operations required by ordinances or local laws, State laws and this Chapter shall be on form GC-7, as prescribed by the commission. The licensee shall execute and file the original of the report with the clerk or department, a copy with the commission, and when applicable, a copy with the chief fiscal officer of the county, within seven days after the conclusion of each license period. The licensee shall retain a copy of the report for such licensee's permanent records. When [the] an authorized organization has been licensed to sell bell jar tickets, coin boards, merchandise boards and seal cards, the authorized organization shall, within 15 days after the end of each calendar quarter during which such tickets have been purchased and sold by the licensee, prepare and file a statement of such information on form GC-7Q, as prescribed by the commission. The licensee shall execute and file the original of the quarterly report with the commission. The licensee shall retain a copy of each report for such licensee's permanent records. Within 30 days after the conclusion of an occasion during which [a raffle was conducted] an authorized organization derived at least \$30,000 in net raffle proceeds from all raffles conducted during the calendar year, the authorized organization conducting such raffle or raffles and the members in charge of such raffle or raffles, and, when applicable, the authorized games of chance lessor that rented premises

therefor, shall each furnish to the clerk or department and the commission a statement of such information on form GC-7R, as prescribed by the commission, subscribed by the member in charge and affirmed by such member as true, under the penalties of perjury, showing the number of tickets printed, the number of tickets sold, the prize, and the number of tickets returned to or retained by the authorized organization as unsold, a description and statement of the fair market value for each prize actually awarded, the amount of the gross receipts derived therefrom, each item of expenditure made or to be made other than prizes, the name and address of each person to whom each such item of expense has been paid, or is to be paid, a detailed description of the merchandise purchased or the services rendered therefor, the net proceeds derived from the raffle at such occasion, the use to which the proceeds have been or are to be applied and shall be the duty of each licensee to maintain and keep such books and records as may be necessary to substantiate the particulars of each such statement, provided however, where the cumulative net proceeds or net profits derived from the conduct of a raffle or raffles are less than \$30,000 during any one occasion, in such case, the reporting requirement shall be satisfied by the filing within 30 days of the conclusion of such occasion a verified statement on a form prescribed by the commission attesting to the amount of such net proceeds or net profits and the distribution thereof for lawful purposes with the clerk or department and a copy with the commission. The licensee shall retain a copy of such statement for its records. Any authorized organization required to file an annual report with the Secretary of State pursuant to article 7-A of the Executive Law or the Attorney General pursuant to article 8 of the Estates, Powers and Trusts Law shall include with such annual report a copy of the statement required to be filed with the clerk or department.

(b) Notwithstanding the filing requirements set forth in this Part, an authorized organization [that has met the self-determination requirements of subdivision (c) of section 4601.1 of this Chapter] may conduct a raffle without complying with such filing requirements, provided, that such organization shall derive net proceeds from raffles in an amount less than \$5,000 during the conduct of one raffle and shall derive net proceeds from raffles in an amount less than [~~\$20,000 during one calendar year~~] the amount set forth in General Municipal Law section 190-a(1). Such authorized organizations are not relieved of any other financial reporting and recordkeeping requirements of local, State or Federal laws or rules [regarding] in regard to the receipt and expenditure of monies, including [but not limited to] without limitation the Not-For-Profit Corporations Law.

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§ 4624.3. Additional license fee.

(a) Upon the filing of the financial statement of games of chance operations (form GC-7) and attachment, the licensee shall pay to the clerk or department or, where applicable, the chief fiscal officer of the county, as [an] the additional license fee authorized by General Municipal Law section 195-f(4), a sum in the amount of five percent of the reported net proceeds, if any, for the license period covered by such statement. In the case of raffles, the licensee, upon filing the financial statement of raffles operations, shall pay to the clerk or department or, where applicable, the chief fiscal officer of the county,

as an additional license fee authorized by General Municipal Law section 195-f(4), a sum in the amount of two percent of the reported net proceeds that exceed \$30,000 from all raffles conducted during the calendar year, if any, for that portion of the license period covered by such statement.

(b) Reporting requirements for raffles are as set forth in General Municipal Law section 195-f(2). [Where the cumulative net proceeds or net profits derived from the conduct of a raffle or raffles are less than \$30,000 during any one occasion, in such case, the reporting requirement shall be satisfied by the filing within 30 days of the conclusion of such occasion a verified statement on a form prescribed by the commission attesting to the amount of such net proceeds or net profits and the distribution thereof for lawful purposes with the clerk or department and a copy with the commission.]

(c) As set forth in General Municipal Law section 195-f(4), [No] no fee shall be required where the net proceeds or net profits derived from the conduct of a raffle or raffles are less than \$30,000 during any one occasion.

(d) An organization that has filed a verified statement with the clerk or department and the commission attesting that such organization shall derive net proceeds or net profits from raffles in an amount less than \$30,000 during one occasion or part thereof that in fact derives net proceeds or net profits [exceeding] of at least \$30,000 during any one occasion or part thereof shall be required to obtain a license as required by General Municipal Law sections 190 and 190-a and this Subchapter and shall be subject to the reporting requirements and additional license fees required by General Municipal Law 195-f and this Part.

(e) In the case of bell jars, the licensee, upon filing financial statements of bell jar operations (form GC-7Q) with the commission shall also tender to the commission a sum in the amount [of five percent of the net proceeds as defined in this Part, from the sale of bell jar tickets, if any, for that portion of license period covered by such statement. For the purposes of this section, net proceeds shall mean the difference between the ideal handle from the sale of bell jar tickets, coin boards, merchandise boards and seal cards, less the purchase price to the licensee of the bell jar tickets, coin boards, merchandise boards and seal cards and the amount of money paid out in prizes. Additionally, a credit shall be permitted against the net proceeds fee tendered to the commission for unsold tickets of the bell jar deal as long as the unsold tickets have the same serial number as the tickets for which the fee is rendered. Such unsold tickets must be kept on file by the selling 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] set forth in General Municipal Law section 195-q.

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§ 4624.8. Special games of chance, raffle and bell jar account.

(a) For games of chance, bell jar, and for raffle ticket proceeds that exceed \$30,000 per calendar year, each licensee must maintain a regular checking account as its games of

chance account, which shall be designated the “special games of chance account.” Into this account shall be deposited all and only monies received from admission charges, total profits from games other than merchandise wheels, total cash receipts from merchandise wheels, receipts from the sale of raffle tickets and bell jar tickets, coin boards, merchandise boards and seal cards, and cash bank if such cash bank monies were initially withdrawn from this account. Receipts from the sale of food and refreshments or alcoholic beverages shall not be deposited into this account. Deposits shall be made intact and no later than the next business day following the date of a games of chance license period, excluding raffles bell jars (which shall include coin boards, merchandise boards and seal cards), deposits for which shall be made no later than Wednesday of each week, except when such day is a holiday, in which case said deposit shall be made on the next business day. In the case of bell jars and raffles, each licensee is encouraged to maintain a separate regular checking account which shall be designated the “special raffle account” or “special bell jar account.” Into this account shall be deposited all and only monies derived from the sale of raffle tickets or bell jar tickets, respectively. Deposits shall be made no later than Wednesday of each week, except when such day is a holiday, and in that case [said] such deposit shall be made on the next business day.

(b) In cases where licensed authorized organizations have submitted a verified statement form GCVS-1 in lieu of a raffle license application, [and the licensee in fact does not derive raffle proceeds in excess of \$30,000 in a single occasion, the member in charge shall declare, under the penalties of perjury, on the verified statement of raffle operations GCVS-2 required under section 4624.1 of this Part, that] the proceeds [have been] shall be deposited into a bank account maintained solely by the authorized organization to be dispersed only for lawful expenditures permitted under section 4624.21 of this Part.

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