

NYCRR Title 9, Executive

Subtitle T

New York State Gaming Commission

Chapter II

Division of Charitable Gaming

Subchapter A

Games of Chance; General Provisions, Identification and Licensing

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PART 4600

Definitions, Delegation of Authority and Power to Supersede or Suspend Rules

Section

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§ 4600.1. Definition of terms and general provisions.

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

(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) [Repealed]

(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.

§ 4600.2. Delegation of authority.

(a) Notification to commission. Where the governing body of a municipality delegates to an officer or officers the responsibility and authority granted to such governing body pursuant to the Games of Chance Licensing Law, such governing body shall give to the commission notice of the following on form GC-110, as prescribed by the commission: the name or names of officer or officers and their successor and successors, the effective date of the appointment or appointments, the duration of the appointment or appointments, immediate notice if the designation or designations are revoked or modified, the nature of the responsibility and authority delegated in detail and any subsequent modification or revocation of such responsibility and authority, and such other information as may be required by the commission.

(b) Time for filing. Notice of such delegation of responsibility and authority, modifications or revocations thereof, must be filed with the commission within three days after the date of such delegation.

§ 4600.3. Power to supersede or suspend operation of rules.

The commission may, by written order or directive, supersede or suspend the operation of any of the commission’s rules or regulations when in the judgment of the commission such action is necessary to insure the public interest, convenience or necessity or the best interest of the conduct of games of chance.

PART 4601

Registration and Identification Number

Section	
4601.1	Application requirements
4601.2	Validity of identification number



- 4601.3 Form for registration
- 4601.4 Registration as evidence of eligibility
- 4601.5 Use of identification number
- 4601.6 Membership lists

§ 4601.1. Application requirements.

(a) Every authorized organization desiring to apply for a license to conduct or desiring to assist in conducting games of chance shall register with the commission and secure an identification number before making any such application or assisting in the conduct of games of chance. An application for an identification number shall be made on a form, as prescribed by the commission. Any organization that possesses an identification number but has not been licensed to conduct games of chance for a period of one year must file with the commission a new form prior to making application for a games of chance license.

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

(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.

§ 4601.2. Validity of identification number.

The identification number shall be valid until suspended, revoked or surrendered. The commission may suspend the identification number of any registered organization that has not been licensed to conduct games of chance during 12 consecutive months and,



should such suspension be imposed, the organization concerned shall request reinstatement prior to making application for a games of chance license.

§ 4601.3. Form for registration.

After the furnishing of the required information and approval by the commission, registration shall be upon a form prescribed by the commission.

§ 4601.4. Registration as evidence of eligibility.

A municipality shall make its own investigation and determination of an applicant organization's eligibility for a license to conduct games of chance as required by the Games of Chance Licensing Law, notwithstanding the issuance of an identification number by the commission.

§ 4601.5. Use of identification number.

All applications for licenses, amendment of licenses, reports and any other papers relating to games of chance shall bear the identification number of the organization.

§ 4601.6. Membership lists.

Every authorized organization must maintain a current membership list which shall be available for inspection at all reasonable times. The commission and the municipal governing body may require any organization registered with it to file such a membership list indicating thereon the current officers and directors and file supplementary lists of additions and deletions in order to keep the master list up to date.

PART 4602

Licenses to Conduct Games of Chance: Applications

Section

- 4602.1 Form for application
- 4602.2 Premises to be used for conduct of games of chance
- 4602.3 Where application is filed
- 4602.4 Conditions for accepting application
- 4602.5 License register
- 4602.6 Reinstatement of license
- 4602.7 Refund of license fee
- 4602.8 Cancelled license periods
- 4602.9 Members listed on application for license

§ 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 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. 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 that in fact derives net proceeds or net profits exceeding \$30,000 during any one occasion or part thereof 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.

(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.



§ 4602.2. Premises to be used for conduct of games of chance.

In case the applicant intends to lease premises for the conduct of games of chance from an authorized games of chance lessor, the application shall set forth the name and address of the authorized lessor of such premises and the amount of rent to be paid or other consideration to be given directly or indirectly for each license period for use of the premises.

§ 4602.3. Where application is filed.

A license application shall be filed in triplicate with the clerk of the municipality. One copy shall be retained by the clerk of the municipality, a copy shall be delivered forthwith to the local law enforcement agency and one copy shall be forwarded to the commission by the clerk of the municipality.

§ 4602.4. Conditions for accepting application.

No application shall be accepted unless it bears the identification number assigned by the commission, is executed and verified and is accompanied by the license fee of \$25 for each scheduled games of chance license period.

§ 4602.5. License register.

The clerk of the municipality shall keep a license register on form GC-8, as prescribed by the commission.

§ 4602.6. Reinstatement of license.

When a license has been suspended or revoked and the suspension or revocation is set aside and the license reinstated, the original license shall not be reissued. In such case the applicant shall file a new application and a new license shall be issued.

§ 4602.7. Refund of license fee.

(a) The following shall be the grounds for the payment of a refund on account of a license fee paid pursuant to the provisions of the Games of Chance Licensing Law:

(1) In the event that an application for a license or an application to amend a license is not granted, the fee paid with such application shall be returned to the applicant. An application for such refund may be made within one year of the denial of the application for a license or the application to amend a license.

(2) In the event that a licensee of a license issued pursuant to the provisions of the Games of Chance Licensing Law shall voluntarily discontinue the conduct of games of chance for which such license was issued, the unused portion in excess of \$50 of paid license fees shall be refunded. An application for such refund may be made within

one year of the voluntary discontinuance of the conduct of games of chance for which such license was issued.

(3) In the event that a licensee of a license issued pursuant to the provisions of the Games of Chance Licensing Law shall relocate to another municipality, the unused portion in excess of \$50 of paid license fees shall be refunded to such licensee. An application for such refund may be made within one year of the relocation of such licensee to another municipality.

(b) Any refund made pursuant to this section shall be paid from license fees collected pursuant to the provisions of the Games of Chance Licensing Law or from other moneys lawfully appropriated for such purpose.

§ 4602.8. Cancelled license periods.

If a games of chance license period is cancelled by the licensee due to an unforeseen occurrence or extreme weather condition, the municipality that issued the license may, in its discretion, and if notified on the next business day following the scheduled license period, permit said licensee to reschedule the cancelled license period within a reasonable time without payment of an additional fee. The rescheduled date shall be endorsed on the license and the clerk of the municipality shall immediately notify the commission thereof.

§ 4602.9. Members listed on application for license.

No person shall be permitted to manage or operate games of chance unless such person is a bona fide member of the licensee, auxiliary or affiliate of the licensee and is listed by name and address on the application for a license that is approved by the municipality.

PART 4603

Licenses to Conduct Games Of Chance: Issuance

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4603.1	Approval by municipality
4603.2	Period within which to make findings and determination
4603.3	Issuance by clerk
4603.4	Time when copies must be received by commission
4603.5	License form
4603.6	Distribution of copies by clerk
4603.7	Frequency and time of license periods
4603.8	Sunday, conduct of games on
4603.9	Effective date of license
4603.10	Joint licenses
4603.11	Jurisdiction of license



4603.12 Limit on licenses issued

4603.13 Display of license

§ 4603.1. Approval by municipality.

Upon investigation by the municipal governing body and approval of a license application or an amendment of a license, the duly authorized officer of the municipality shall record the findings and determination in duplicate form GC-4, "Findings and Determination for Games of Chance License," as prescribed by the commission.

§ 4603.2. Period within which to make findings and determination

At least seven days shall elapse between the time the original application is filed and the time when the municipal governing body makes its findings and determination.

§ 4603.3. Issuance by clerk

A copy of the findings and determination of the municipal governing body shall be sent to the clerk of the municipality, who shall issue the license if the application is approved. If the application is not approved, the clerk of the municipality shall give due notice to the applicant, in writing, of a hearing to be held upon the qualifications of the applicant and the merits of the application. A copy of such notice shall be furnished to the commission.

§ 4603.4. Time when copies must be received by commission.

One copy of the findings and determination for games of chance license, together with a copy of the application, must be received by the commission at least five days prior to the holding of the first game authorized.

§ 4603.5. License form.

The clerk of the municipality shall issue a license on form GC-5, as promulgated by the commission.

§ 4603.6. Distribution of copies by clerk.

The clerk of the municipality shall prepare the license in quadruplicate, issue the original to the licensee, retain a copy, forward a copy to the local law enforcement agency and forward a copy to the commission at least five days prior to the holding of the first game authorized.

§ 4603.7. Frequency and time of license periods.

No authorized organization shall be licensed to conduct games of chance more than 12 times in any calendar year. No particular premises shall be used for the conduct of games of chance on more than 24 license periods during any one calendar year. Games shall



be conducted only between the hours of noon and midnight on Monday, Tuesday, Wednesday and Thursday, and only between the hours of noon on Friday and 2 a.m. Saturday, and only between the hours of noon on Saturday and 2 a.m. Sunday. The 2 a.m. closing period shall also apply to a license period beginning at noon on the day preceding and terminating upon a legal holiday. The restrictions set forth in this section shall not apply when the games of bell jar and raffles are conducted. License periods for the games “bell jar,” “coin board,” “merchandise board,” “seal card” and “raffle” shall commence on January 1 and extend through December 31 of each year.

§ 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.

§ 4603.9. Effective date of license.

No license for the conduct of any game of chance shall be effective for a period of more than one year from the date of original issuance. No license, after its issuance, shall be amended so as to render it valid beyond a period of one year from the date of its original issuance.

§ 4603.10. Joint licenses.

No joint license for the conduct of any game of chance shall be issued.

§ 4603.11. Jurisdiction of license.

(a) The municipal governing body shall, prior to the issuance of any license, make a finding that the applicant organization is domiciled within the territorial limits of the municipality and shall not issue a license to an organization domiciled beyond such territorial limits. A municipal governing body may, upon a finding that an applicant organization is domiciled beyond the territorial limits of such municipality, issue a license to such applicant organization only in cases where:

- (1) the governing body of the municipality in which the applicant organization is seeking licensure and the commission determine that, due to some condition of hardship or necessity, the conduct of games of chance in the municipality in which the applicant organization is seeking licensure is warranted;



(2) the municipality in which the applicant authorized organization is seeking licensure submits to the commission a Letter of Consent expressing such municipality’s willingness to license the applicant authorized organization;

(3) the premises for which the authorized organization is seeking its license to conduct games of chance is within the territorial limits of the municipality wherein licensure is being sought and such premises is that of an authorized organization or an authorized games of chance lessor; and

(4) the commission has issued the applicant authorized organization a games of chance identification number bearing the municipal code of the licensing municipality.

§ 4603.12. Limit on licenses issued.

When a parent organization has more than one affiliate or auxiliary, no license shall be issued to more than three such organizations during the same 12 months including the parent group to conduct games of chance, it being the purpose of this section to limit to three the number of licenses issued to any one parent organization and its affiliates and auxiliaries during any 12-month period.

§ 4603.13. Display of license.

A licensed authorized organization must prominently display its license or any amendment thereof on the premises where games of chance are conducted.

PART 4604

Games of Chance License: Amendment

Section

- 4604.1 Application to amend
- 4604.2 When amendment is allowed
- 4604.3 How application is processed
- 4604.4 Procedure when application is approved

§ 4604.1. Application to amend.

An application to amend a license shall be made to the municipal governing body on form GC-6 “Application to Amend Games of Chance License”, as prescribed by the commission.

§ 4604.2. When amendment is allowed.

An amendment of a license may be made if the subject matter of the amendment could properly and lawfully have been included in the original license, and if any fee is due, it shall be paid upon the filing of the application to amend.



§ 4604.3. How application is processed.

The application to amend a license, together with appropriate schedules, shall be filed in triplicate and processed in the same manner as provided in this subtitle for original applications.

§ 4604.4. Procedure when application is approved.

When the municipal governing body approves of an amendment to a license, it may amend the original license by attaching thereto a duly authenticated rider bearing the seal of the municipality, if available, or on the official letterhead of such licensing authority.

PART 4605

Use of Net Proceeds, Reports, Transportation

Section	
4605.1	Use of net proceeds
4605.2	Report of net profits
4605.3	Transportation of patrons

§ 4605.1. Use of net proceeds.

The entire net proceeds of all games of chance must be devoted to one or more of the lawful purposes as defined in the Games of Chance Licensing Law and this Chapter. Licenses of organizations failing to comply with this section may be denied, suspended or revoked.

§ 4605.2. Report of net profits.

The license of any organization, licensed to conduct games of chance, that does not report net profits during any one-year period or as otherwise required may be denied, suspended or revoked.

§ 4605.3. Transportation of patrons.

No licensee shall provide, by contract or otherwise, for transportation of patrons to or from the place where any game of chance is conducted, unless prior written authorization is obtained from the clerk or department. The application for this authorization must be in writing and must establish, to the satisfaction of the clerk or department, that the licensee has good cause for such request. Any authorization granted by the clerk or department may be suspended or revoked by the clerk or department if it determines that there is no further need for this transportation, or that the licensee has violated any of the provisions of the Games of Chance Licensing Law or this Chapter, or that, in the opinion of the clerk or department, the transportation of patrons to and from games of chance events should no longer be authorized. A copy of the authorization for bus transportation, when issued, must be filed with the commission by the clerk or department. Where bus transportation



has been suspended or revoked, a copy of the suspension or revocation and the findings relating to such suspension or revocation, when issued, shall be filed with the commission by the clerk or department.

PART 4606

Authorized Games of Chance Lessor: Application and Licensing

Section

- 4606.1 Form for application
- 4606.2 Games of chance rental statement
- 4606.3 Requisites for license
- 4606.4 Issuance by clerk
- 4606.5 Disapproval procedure
- 4606.6 Notification of commission
- 4606.7 Grounds for revocation or suspension
- 4606.8 Time during which license is effective
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- 4606.10 License form
- 4606.11 Interest in another games of chance premises prohibited
- 4606.12 Limitation on premises that may be made available for rent
- 4606.13 Limitation on licenses issued
- 4606.14 Identification number required
- 4606.15 Display of license

§ 4606.1. Form for application.

Application for a license as an authorized games of chance lessor shall be made on form GC-101, as prescribed by the commission. The original application with supporting material as set forth in this Part shall be filed with the licensing authority of the municipality where the premises are located, and one copy with supporting material with the commission.

§ 4606.2. Games of chance rental statement.

Each application shall be accompanied by a games of chance rental statement on form GC-102, as prescribed by the commission.

§ 4606.3. Requisites for license.

No license as an authorized games of chance lessor shall be granted:

- (a) if any person whose signature or name appears in the application is not in all respects the real party in interest, or if the person so signing or named in the application is an undisclosed agent or trustee for any such real party in interest;



(b) unless the licensing authority of the municipality where the premises are located shall determine, after thorough investigation, that the applicant satisfies the requirements for an authorized games of chance lessor as defined in sections 186 and 191 of the Games of Chance Licensing Law; and

(c) unless the licensing authority of the municipality where the premises are located has approved a schedule of fair and reasonable rentals for the premises concerned.

§ 4606.4. Issuance by clerk.

When the licensing authority of the municipality where the premises are located has determined that the applicant possesses the requisite qualifications to receive a license, the licensing authority shall issue a license to an applicant as an authorized games of chance lessor upon payment by the applicant of a license fee of \$50 for each scheduled games of chance license period.

§ 4606.5. Disapproval procedure.

If the application is not approved, the licensing authority where the premises are located shall give due notice to the applicant, in writing, of a hearing to be held upon the qualifications of the applicant and the merits of the application.

§ 4606.6. Notification of commission.

The licensing authority of the municipality where the premises are located shall notify the commission of the final determination respecting each license application received.

§ 4606.7. Grounds for revocation or suspension.

Any license issued to an authorized games of chance lessor, pursuant to the Games of Chance Licensing Law, may be revoked or suspended for such period of time as the licensing authority or the commission deems to be in the public interest for any of the following acts or omissions on the part of the lessor, its agents or employees, or any person required by the Games of Chance Licensing Law or this Chapter to sign or be identified in an original application for a license:

(a) any cause that would have permitted or required disqualification of the lessor from receiving a license upon original application;

(b) fraud, deceit or misrepresentation in securing the license or in the conduct of the lessor's activities or in connection with any application submitted to, or any inquiry, hearing or proceeding conducted by, the licensing authority or the commission;

(c) failure by the lessor to maintain a complete set of books and records containing a true and accurate account of the lessor's receipts and disbursements arising out of its activities as an authorized games of chance lessor;



(d) failure to keep said books and records available during business hours for inspection by the licensing authority or by the commission and their duly designated representatives; or

(e) violation of any provisions of the Games of Chance Licensing Law, this Chapter, or any lease executed pursuant to this Chapter.

§ 4606.8. Time during which license is effective.

A license as an authorized games of chance lessor shall be valid for a period not exceeding one year or until revoked or suspended by the licensing authority or by the commission.

§ 4606.9. Limitation upon applicant for games of chance lessor license.

No applicant for a license as an authorized games of chance lessor shall rent, or allow the use of, the premises for which a license is sought for the conduct of games of chance unless it be duly licensed. This section shall not apply to an applicant for the annual renewal of a games of chance lessor's license.

§ 4606.10. License form.

Licenses for authorized games of chance lessors shall be issued on form GC-109, as prescribed by the commission.

§ 4606.11. Interest in another games of chance premises prohibited.

No organization shall be eligible to receive or be issued a license as a games of chance lessor if such organization shall have any interest, direct or indirect, in other premises for which an authorized games of chance lessor's license has been issued.

§ 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. 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.

§ 4606.13. Limitation on licenses issued.

When a parent organization has one or more affiliates or auxiliaries, no more than one games of chance lessor's license shall be issued either to the parent, affiliate or auxiliary- it being the purpose of this section to limit to one the number of lessor's licenses issued to any one parent authorized organization and its affiliates and auxiliaries.

§ 4606.14. Identification number required.

Every authorized organization desiring to apply for a license as a games of chance lessor shall have previously filed an application for an identification number on form 1A Application for Registration and Identification Number, as prescribed by the commission, and secured an identification number from the commission. The provisions of this section do not require an authorized organization that has received an identification number to conduct games of chance from the commission to obtain another identification number to become an authorized games of chance lessor.

§ 4606.15. Display of license.

A licensed authorized games of chance lessor must prominently display its license or any amendment thereof on the premises where games of chance are conducted.

PART 4607

Games of Chance Supplier: Application and Licensing

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- 4607.25 No separate fee to be charged by supplier
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- 4607.27 Leasing of games of chance equipment from any unlicensed person prohibited
- 4607.28 [Repealed]
- 4607.29 Temporary permit

§ 4607.1. License required.

No person, firm, partnership, organization, association, joint venture, corporation or other business entity shall sell or distribute games of chance supplies, devices or equipment to any authorized organization licensed to conduct games of chance, or a licensed authorized games of chance lessor, without having first obtained a license therefor as provided in the Games of Chance Licensing Law and this Chapter.

§ 4607.2. Form for application.

Application for a license as a games of chance supplier shall be made on form GC-106, as prescribed by the commission. The application with supporting material as set forth in this Part shall be filed in duplicate with the commission.

§ 4607.3. Individual and business entity statement.

Where the applicant is an individual, the application shall be accompanied by an individual statement on form GC-103; where the applicant is a firm, partnership, organization, association, joint venture or any business entity other than a corporation, it shall be accompanied by a business entity statement on form GC-104. Each person named in form GC-104 shall file an individual statement on form GC-103. For corporations, see section 4607.4 of this Part.

§ 4607.4. Corporation statement.

If the applicant is a corporation, the application shall be accompanied by a corporation statement on form GC-105. Each officer and stockholder shall file an individual statement on form GC-103.



§ 4607.5. List of employees, agents or representatives.

The application shall be accompanied by a statement on form GC-108, as prescribed by the commission, containing a list of all employees, agents or representatives of the applicant.

§ 4607.6. Requisites for license.

No license as a games of chance supplier shall be granted:

(a) if any person whose signature or name appears on the application is not in all respects the real party in interest, or if the person so signing or named in the application is an undisclosed agent or trustee for any such real party in interest; and

(b) unless the commission shall determine that the applicant satisfies the requirements for a games of chance supplier as set forth in the Games of Chance Licensing Law and this Chapter.

§ 4607.7. Hearings.

The commission may hold hearings or inquiries at which the applicant, and its employees and, if the applicant is a corporation, its officers, directors and stockholders, may be required to appear and testify under oath respecting the contents of the application.

§ 4607.8. Issuance by commission.

(a) When the commission has determined that the applicant possesses the requisite qualifications to receive a license, it shall issue a license as a games of chance supplier upon payment by the applicant of a license fee.

(b) The fee for such license shall be a sum equal to \$25 plus an amount equal to two per centum of the gross sales or rentals, if any, of games of chance equipment or supplies to licensed authorized games of chance organizations and licensed authorized games of chance lessors by the applicant during the license year, or fiscal year, whichever is specified by the commission.

§ 4607.9. When fees shall be payable.

The licensing fee shall be payable to the commission upon application for license.

§ 4607.10. Ineligibility for a license.

The following 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.

§ 4607.11. Disapproval procedure.

If the application is not approved, the commission shall give due notice in writing to the applicant, who may, within 10 days of receipt thereof, request a hearing to be held upon the qualifications of the applicant and the merits of the application. At the hearing the burden of proof shall be on the applicant to establish eligibility for a license.

§ 4607.12. Grounds for revocation or suspension.

Any license as a games of chance supplier issued pursuant to the Games of Chance Licensing Law may be revoked or suspended for such period as the board deems in the public interest for any of the following acts or omissions on the part of the licensee, its agents or employees, or any person required by the Games of Chance Licensing Law or this Chapter to sign or be identified in an original application for a license:

- (a) any cause that would have permitted or required disqualification of the licensee from receiving a license upon an original application;
- (b) fraud, deceit or misrepresentation in securing the license or in the conduct of the licensee's activities or in connection with any application submitted to, or any inquiry, hearing or proceeding conducted by, the commission;
- (c) failure by the licensee to maintain a complete set of books and records containing a true and accurate account of the licensee's receipts and disbursements arising out of such licensee's activities as a licensed games of chance supplier;
- (d) failure to keep said books and records available during business hours for inspection by the commission and its duly designated representatives; or
- (e) violation of any provision of the Games of Chance Licensing Law or this Chapter.



§ 4607.13. Persons prohibited from participating in the conduct of games of chance.

No person who is directly or indirectly connected with the manufacture, sale or distribution of games of chance equipment or supplies, or such person's agents or employees, shall conduct, participate, advise or assist in the conduct of games of chance, or render any service to anyone conducting, participating or assisting in the conduct of games of chance, or prepare any form pertaining to games of chance. This shall not be construed so as to prohibit a licensed manufacturer or supplier from selling, offering for sale, or explaining a product to a licensed authorized organization or installing or servicing games of chance equipment upon the premises of a licensed authorized organization.

§ 4607.14. Games of chance supplier to notify commission of all changes in structure.

An applicant for a license as a games of chance supplier shall, during the pendency of the application, notify the commission immediately of any change respecting any facts set forth in the application. If any such change occurs after the issuance of the license applied for, the change must be reported to the commission within 10 days of the date of the change. Furthermore, every licensed games of chance supplier shall notify the commission of any change in its organization, structure, mode of operation, or of any change in the identity of persons named or required to be named in the application, or of the nature or extent of their interest, or of any other change respecting any facts set forth in the application, within 10 days of the date of such change. Failure to give the notice provided by this section shall constitute sufficient cause for denial of a pending license or suspension or revocation of a license that has been granted.

§ 4607.15. Maintenance of books and records.

All licensed games of chance, manufacturers and suppliers shall maintain their books and records in such manner as to enable the commission to determine the gross sales and rentals of games of chance equipment, devices and supplies to licensed suppliers and authorized organizations duly licensed to conduct games of chance in the State of New York.

§ 4607.16. Sales to other than licensed organizations or lessors prohibited.

No licensed games of chance supplier, its duly authorized agents, salespersons or representatives, shall, during the term of such license, sell or distribute games of chance supplies, devices or equipment in the State of New York to other than an organization licensed to conduct games of chance or licensed authorized games of chance lessors.

§ 4607.17. [Repealed]



§ 4607.18. Examination of records.

The commission shall have power to examine the books and records of any applicant for a license, or any licensee under this Part.

§ 4607.19. Time during which license is effective.

A license as a games of chance supplier shall be valid for a period not exceeding one year, or until revoked or suspended by the commission.

§ 4607.20. License form.

A license as a games of chance supplier shall be issued on form GC-107, as prescribed by the commission.

§ 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. 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.

§ 4607.22. Identification of games of chance devices and equipment.

No licensed supplier shall sell or lease any type of games of chance devices and equipment unless there has been permanently and prominently marked thereon the name and license number of the supplier.

§ 4607.23. Specifications of games of chance equipment and supplies.

All equipment and supplies designed for, manufactured, sold or leased for use in the conduct of games of chance shall be restricted to those games authorized by the commission and in accordance with the specifications and rules for such games promulgated by the commission.

§ 4607.24. Maintenance to be licensed activity.

No person, firm, partnership, corporation, joint venture, association or organization shall engage in the business of repairing or maintaining games of chance equipment or paraphernalia without having first obtained a games of chance supplier's license therefor from the commission.



§ 4607.25. No separate fee to be charged by supplier.

No licensed supplier, its duly authorized agent, salesperson or representative, shall charge a separate fee for the demonstration of games of chance equipment or paraphernalia.

§ 4607.26. Supplier's gifts or donations prohibited.

No licensed supplier, its duly authorized agent, salesperson or representative, shall furnish any equipment, devices or supplies without a charge to a licensed organization; nor shall any agreement, oral or written, be made to give or allow the use of any property or thing of value to a licensed organization in consideration of its purchase, lease or use of the licensed supplier's equipment, devices or supplies.

§ 4607.27. Leasing of games of chance equipment from any unlicensed person prohibited.

No licensed games of chance supplier, its duly authorized agents, salespersons or representatives, shall rent or lease games of chance supplies, devices or equipment from any person, firm, partnership, association, joint venture, corporation, or organization unless such person, firm, partnership, association, joint venture, corporation or organization is a licensed games of chance supplier.

§ 4607.28. [Repealed]

§ 4607.29. Temporary permit.

The commission may issue a temporary permit to an applicant pending final action on the application. Any such temporary permit shall be valid until withdrawn by the commission.

PART 4608

Manufacturing and Distribution of Bell Jar Tickets

- Section
- 4608.1 Purchase of bell jar tickets
- 4608.2 Manufacturers of bell jar tickets: reports and records
- 4608.3 Standards for construction of bell jar tickets
- 4608.4 Submission of bell jar tickets for commission approval
- 4608.5 Licensed games of chance suppliers of bell jar tickets, supplies and equipment
- 4608.6 Business records; retention
- 4608.7 Invoices; licensed manufacturers and/or licensed suppliers of bell jar tickets, supplies and equipment
- 4608.8 Bell jar ticket inventory control; defective bell jar ticket deals
- 4608.9 Inspection



- 4608.10 Possession or sale of bell jar tickets in which winning tickets or location of winning tickets may be determined in advance prohibited
- 4608.11 Possession of duplicate numbered, color coded bell jar tickets prohibited
- 4608.12 Additional licensing fee
- 4608.13 Flare defined

§ 4608.1. Purchase of bell jar tickets.

(a) No licensed authorized organization shall purchase bell jar tickets, coin boards, merchandise boards, seal cards or deals of bell jar tickets from any other person, organization or entity other than a games of chance supplier licensed by the commission.

(b) No licensed authorized organization shall sell, donate or otherwise transfer bell jar tickets, coin boards, merchandise boards or seal cards except as otherwise permitted by commission rules and regulations.

(c) No bell jar ticket, coin board, merchandise board or seal card shall be sold or offered for sale in New York State unless such ticket has been approved by the commission.

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

(a) Manufacturers of bell jar tickets, coin boards, merchandise boards and seal cards who offer for sale or resale such tickets, coin boards, merchandise boards and seal cards or bell jar dispensing machines into New York State shall be licensed by the commission. Manufacturers of bell jar tickets, coin boards, merchandise boards and seal cards shall be considered suppliers of such and may only sell such tickets, coin boards, merchandise boards and seal cards to distributors licensed by the commission as suppliers.

(b) For business conducted in New York State, any licensed manufacturer who sells bell jar tickets to other than a distributor licensed by the commission as a supplier shall:

- (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 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.*

(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. Each number within the serial number shall be printed in digits and/or characters not less than one-half inch high.

(5) 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) 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 comply with the following standards:

(a) All bell jar tickets offered for sale or resale in New York must have a 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 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, use of a marking, variance in size, variance in paper color and fiber, or 500 watt high intensity light until the bell jar ticket has been dispensed to and opened by the player.

(d) All bell jar tickets, except banded bell jar tickets, shall be constructed using paper stock of at least two ply.

(e) The manufacturer shall conspicuously print on each bell jar ticket, excluding banded, single-sided single-tabbed and double-sided single-tabbed bell jar tickets, at least the following information:

(1) the game serial number;

(2) the name of the manufacturer and/or the commission approved logo;

(3) the name of the game which must be identical to the name of the game appearing on the flare for the deal;

(4) the manufacturer's form number;

(5) price per individual bell jar ticket; and

(6) the number of winners in each tier and respective winning numbers or symbols and prize amounts. On banded, single-sided single-tabbed and double-sided single-tabbed bell jar tickets, the game serial number, the name of the manufacturer and/or



commission approved logo shall be printed so both are readily visible prior to opening the bell jar ticket.

(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 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) 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) on the tickets. The licensed manufacturer requesting review and approval of bell jar ticket(s) 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) accompanied by a statement indicating the new, revised or modified feature(s) 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); and

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

(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:

- (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.

(c) No bell jar ticket(s), coin board(s), merchandise board(s) or seal card(s) submitted to the commission for approval shall be sold until such licensed manufacturer has received written approval from the commission that such bell jar ticket(s), coin board(s), merchandise board(s) or seal card(s) satisfies all commission requirements.

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

(a) Any person or entity licensed as a games of chance supplier pursuant to the Games of Chance Licensing Law and the commission rules and regulations shall purchase bell jar tickets, supplies and equipment to be sold in New York State only from manufacturers licensed by the commission.

(b) Licensed suppliers of bell jar tickets, supplies and equipment shall sell such tickets, supplies or equipment only to licensed authorized organizations or federally recognized Indian tribes or nations.

(c) Licensed suppliers who willfully violate the provisions of this section shall:

- (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 contain the following information:

- (1) The name, address, commission identification number and license number of all purchasers;
- (2) The name and address of the federally recognized Indian tribe or nation; and
- (3) 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 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.

(a) A manufacturer who ships bell jar tickets into this State or sells bell jar tickets for resale in this State shall forward to the commission quarterly on or before the 20th day of the month succeeding the quarter in which the sale was made, an invoice of such shipped bell jar tickets covering each sale to a licensed supplier or a federally recognized Indian tribe or nation. A quarter shall be based on the calendar year.

(b) A licensed games of chance supplier who possesses bell jar tickets in this State for sale shall forward to the commission quarterly on or before the 20th day of the month succeeding the quarter in which the sale was made, an invoice reflecting each sale to a licensed authorized organization or a federally recognized Indian tribe or nation. A quarter shall be based on the calendar year.

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

- (1) Name, address and commission license number of the manufacturer;
- (2) Name, address and commission license number of the games of chance supplier or federally recognized Indian tribe or nation;
- (3) Total number of bell jar ticket deals;

(4) 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 of sale;

(6) Date of shipment;

(7) Identity of carrier;

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

- (i) 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 name(s) of the bona fide member(s) who ordered the product.

(d) A licensed manufacturer or licensed supplier who sells bell jar supplies or equipment for resale in this State or ships bell jar supplies or equipment into this State shall forward quarterly on or before the 20th day of the month succeeding the quarter in which the sale was made, an invoice of such bell jar supplies or equipment covering each sale to a licensed supplier, licensed authorized organization or federally recognized Indian tribe or nation. A quarter shall be based on the calendar year.

(1) The invoice for bell jar ticket vending machines shall contain the following information:

- (i) serial number;
- (ii) model number;

- (iii) model trade name;
- (iv) date of sale;
- (v) date of shipment;
- (vi) identity of carrier;
- (vii) unit price and total sale price;
- (viii) name of bona fide member ordering the machine; and
- (ix) license number of purchasing organization, licensed games of chance supplier or name of the federally recognized Indian nation or tribe.

(2) The invoice for all other bell jar supplies and materials shall contain the following information:

- (i) item purchased;
- (ii) unit price and total price;
- (iii) license number of purchasing organization, licensed games of chance supplier or name of the federally recognized Indian nation or tribe;
- (iv) date of sale;
- (v) date shipped;
- (vi) identity of carrier; and
- (vii) name of bona fide member ordering the bell jar equipment or supplies.

(e) Upon permission from the commission, a manufacturer or supplier may submit an invoice via magnetic media or electronic data transfer.

§ 4608.8. Bell jar ticket inventory control; defective bell jar ticket deals.

(a) Each licensed games of chance supplier and licensed authorized organization shall monitor bell jar ticket deals to assure that the game serial numbers of deals are correctly entered in all records.

(1) At the time a deal of bell jar tickets is received by either a licensed games of chance supplier or a licensed authorized organization, the recipient must ascertain that all information contained on the sender's invoice corresponds with the product received. Should the invoice not correspond with the product received respecting the game serial number, form number and game flare, the invoice shall be deemed defective.



(i) The recipient of the deal shall provide written notification to the sender of the deal and the commission of the defective invoice within 30 days of discovery of such defect.

(ii) The sender of the deal, after receiving notification of such defective invoice shall provide the commission with written notification of action taken to correct the invoice.

(iii) Should the recipient of the deal with the defective invoice fail to notify the commission within 30 days of receipt of the deal, the deal shall be deemed defective and shall be returned to the sender.

(2) The party returning a defective deal(s) shall notify the commission by sending a written verification of such return, accompanied by a copy of the invoice of the returned deal(s). The party receiving returned defective deal(s) shall immediately notify the commission by sending a written verification of receipt of the returned defective deal(s), accompanied by a copy of the invoice(s) of the returned deal(s).

(3) When a defective deal(s) of bell jar tickets is returned to a licensed games of chance supplier, such deal(s) shall be returned to the licensed manufacturer. The licensed manufacturer of the bell jar ticket deal(s) shall immediately furnish the commission written verification of receipt of such defective deal(s) and provide verification of the disposition of such deal.

(4) No defective deal(s) of bell jar tickets shall be resold in New York State after such defect has been cured, except with express written permission of the commission.

(b) Should a deal(s) of bell jar tickets be damaged while in transit to or in the possession of a licensed games of chance supplier or licensed authorized organization, the deal(s) shall be returned to the respective manufacturer or supplier.

(1) When a damaged deal(s) is returned, the party returning such deal shall notify the commission by sending a written verification of such return, accompanied by a copy of the invoice of the returned deal(s).

(2) The party receiving a damaged deal(s) shall notify the commission by sending a written verification of such return, accompanied by a copy of the invoice of the returned deal(s). The party receiving returned damaged deal(s) shall immediately notify the commission by sending a written verification of receipt of the returned damaged deal(s), accompanied by a copy of the invoice(s) of the returned deal(s).

(3) When a damaged deal(s) of bell jar tickets is returned to a licensed games of chance supplier, such deal(s) shall be returned to the licensed manufacturer. The licensed manufacturer of the bell jar ticket deal(s) shall immediately furnish the commission written verification of receipt of such damaged deal(s) and provide verification of the disposition of such deal.



§ 4608.9. Inspection.

(a) The commission may inspect the premises, books, records and inventory of licensed games of chance suppliers of bell jar tickets or licensed manufacturers of bell jar tickets without notice during normal business hours.

(b) Certified physical inventory. The commission may, upon request, require a licensed games of chance supplier to furnish a certified physical inventory of all bell jar tickets, bell jar ticket vending machines and bell jar ticket supplies in stock. The inventory shall contain all information requested by the commission.

§ 4608.10. Possession or sale of bell jar tickets in which winning tickets or location of winning tickets may be determined in advance prohibited.

No licensed authorized organization, licensed games of chance supplier or licensed manufacturer of bell jar tickets, or representative thereof, with knowledge or in circumstances wherein he or she reasonably should know, shall possess, display, place in play, sell or otherwise furnish to any person any bell jar tickets from any deals:

(a) in which the winning bell jar tickets have not been randomly mixed among all other bell jar tickets contained in the deal; or

(b) in which the location, or approximate location, of any of the winning tickets may be determined in advance of opening of the ticket; or

(c) that do not conform in any other respect to the requirements of these rules as to manufacture, assembly, or packaging of bell jar tickets.

§ 4608.11. Possession of duplicate numbered, color coded bell jar tickets prohibited.

(a) Each licensed manufacturer of bell jar tickets shall assign a serial number to each deal of bell jar tickets manufactured and place that serial number on each ticket in that deal. No serial number used on a deal of bell jar tickets shall be repeated on that same manufacturer's form number within a three year period. When a licensed manufacturer assigns a color to that game ticket deal each bell jar ticket in that deal shall also reflect that color.

(b) No representative of a licensed authorized organization shall purchase or possess, or shall allow upon the licensed premises, a deal of bell jar tickets, or portion thereof, with the same game serial number or game form number as any other deal of bell jar tickets or portions thereof in his or her possession. This rule shall not prevent a person from retaining upon the premises bell jar tickets remaining from deals removed from play for the purposes of complying with State law or regulation if:

(1) the remaining bell jar tickets have a hole punched through each;



(2) are accompanied by a written record of the deal, color code and the number of bell jar tickets remaining in that deal; and

(3) the written record of the removed bell jar tickets are maintained upon the licensed premises for a period of not less than one year after the deal is removed from play.

§ 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 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.

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.

PART 4609

Manufacture and Distribution of Bell Jar Ticket Vending Machines

Section

4609.1 Manufacture and distribution of bell jar ticket vending machines

§ 4609.1. Manufacture and distribution of bell jar ticket vending machines.

The following provisions govern the manufacture and distribution of bell jar ticket vending machines:



(a) Manufacturers of bell jar ticket vending machines shall be considered suppliers of such equipment and may sell such equipment to distributors licensed by the commission, licensed authorized organizations and federally recognized Indian nations or tribes.

(b) No distributor licensed by the commission as a supplier shall sell, lease, or distribute any bell jar ticket vending machine to other than a licensed authorized organization or federally recognized Indian nation or tribe.

(c) No licensed authorized organization shall purchase, lease, or otherwise obtain a bell jar ticket vending machine from any person or entity other than a commission licensed games of chance supplier.

(d) No bell jar ticket vending machine shall be used by any licensed authorized organization unless and until the organization is first in possession of a document from the manufacturer warranting that said machine meets or exceeds commission specifications regarding bell jar ticket vending machines. A certified copy of such warrant shall be filed, along with GC-01-BJ, as prescribed by the commission, with the commission prior to the machine's use.

(e) Each bell jar ticket vending machine shall meet the following specifications:

(1) For bell jar ticket vending machines utilizing an electronic paper currency validator OR coin operated electrical bell jar ticket vending machines:

(i) If the bell jar ticket vending machine is designed to accommodate two or more different games of bell jar tickets, each compartment of the bell jar ticket vending machine must independently meet the specifications of this subdivision.

(ii) Electrical and mechanical components and design principles may not subject a person to any physical hazard or cause electrical interference. Each bell jar vending machine must be approved by the Underwriters Laboratories (UL) or any other independent testing laboratory approved by the commission.

(iii) A bell jar ticket vending machine must have one or more columns or containers for stacking or holding bell jar tickets.

(iv) The bell jar ticket vending machine must have a bell jar dispensing outlet or tray to hold or catch a dispensed bell jar ticket.

(v) The bell jar ticket vending machine, except coin operated electrical bell jar ticket vending machines, may have an electronic currency validator. The electronic currency validator must meet the following standards:

(a) validate paper currency of the United States in values of at least one dollar, five dollar and 10 dollar bills;



- (b) have an anti-pull back mechanism and other anti-cheat devices that prevent cheating of the bill acceptor by mechanical or other means;
 - (c) be able to prevent all known manipulations of United States currency;
 - (d) return invalid currency to a player;
 - (e) have a currency collection and stacker box; and
 - (f) if a malfunction occurs, automatically discontinue accepting or validating currency.
- (vi) The bell jar ticket vending machine, except coin-operated electrical bell jar ticket vending machines, must be capable of accommodating pricing of 25 cents, 50 cents, one dollar and two dollar per bell jar ticket and dispense the correct number of bell jar tickets on the amount of credit played.
- (vii) The coin operated electrical bell jar ticket vending machine must be capable of accommodating pricing of twenty five cent bell jar tickets and dispense the correct number of bell jar tickets per currency played.
- (viii) An exterior door must have at least one keyed lock specific to the bell jar ticket vending machine. The internal space shall not be accessible from outside the bell jar ticket vending machine when the exterior door is closed and locked.
- (ix) A bell jar ticket vending machine may have an optional “all” play button that, when pressed, activates the vending machine to dispense bell jar tickets at one time, equal to the value of the unplayed credits from the columns of bell jar tickets.
- (x) The bell jar ticket vending machine must have the capacity, when activated through the use of a key, to enable the authorized member in charge or their designated assistant in charge to set the price per bell jar ticket. The price per ticket set for each column must correspond with the price printed on the bell jar ticket contained in said column.
- (xi) The bell jar ticket vending machine must contain at least one non-resettable electronic or non-resettable mechanical accounting meter independent of any other meters. The meter must maintain accounting information of at least 6-digits in length and be capable of maintaining the accounting information for 30 days after electrical power to a device is disconnected or the electrical current used to operate a device is switched off. The meter must record the cumulative value of currency validated.
- (xii) The bell jar ticket vending machine shall have at least one resettable electronic or mechanical accounting meter independent of any other meters. The meter must maintain accounting information of at least 4-digits in length and be



capable of maintaining the accounting information for 30 days after electrical power to a device is disconnected or the electrical current used to operate a device is switched off. The meter shall record the total number of bell jar tickets dispensed.

(xiii) Instructions for player operation must be displayed on the front of the vending machine. The instructions must be permanently affixed or placed under glass or other transparent material. No stickers or other removable objects may be placed on the front of the bell jar ticket vending machine. The bell jar ticket vending machine must have space available on the front of the machine for one permanently affixed sign reading "PLAYERS MUST BE 18 YEARS OR OLDER TO PLAY" and a second permanently affixed sign, where applicable, reading "MACHINE DOES NOT GIVE CHANGE". Lettering on such signs shall be in a minimum of 36 point.

(xiv) There must be one or more player buttons located on the front of the bell jar ticket vending machine which, when pressed, activate the dispensing of a bell jar ticket. However, excluding an "all" play button, the number of play buttons may not exceed the number of stacking columns.

(xv) A bell jar ticket vending machine must have a meter display screen of at least six digits in length. The value of currency validated must be listed on the meter display screen as a monetary credit value that is drawn down as a bell jar ticket vending machine dispenses a bell jar ticket.

(xvi) A bell jar ticket vending machine must record every dispensing of a bell jar ticket and every currency validation, excluding a test dispensement of a bell jar ticket and a test validation of currency, on the accounting meters as required under this section.

(xvii) If a bell jar ticket vending machine malfunction occurs or electrical power is interrupted, the value of credits previously listed on the meter display screen must be correctly relisted immediately after the malfunction is cleared or electrical power is restored.

(xviii) A permanently affixed identification plate or label must be displayed at the top of an exterior side panel of a bell jar ticket vending machine that contains the bell jar ticket vending machine's:

- (a) manufacturer's name;
- (b) machine serial number;
- (c) model number; and
- (d) date of manufacture.



(xix) A bell jar ticket vending machine must automatically discontinue operation when any non-resettable meter is disconnected or disabled. The authorized organization, licensed manufacturer or licensed games of chance supplier shall obtain approval from the commission for the resetting of the meters prior to repair.

(2) For coin-operated mechanical nonelectrical bell jar ticket vending machines:

(i) The bell jar ticket vending machine must be designed to dispense only bell jar tickets 1 7/8 inches x 1 inch plus or minus 1/8 inch.

(ii) The bell jar ticket vending machine may be operated without meters or a display screen.

(iii) The bell jar ticket vending machine must be capable of accepting United States coinage only in denominations of 25 cents and dispense only one ticket per play.

(iv) The bell jar ticket vending machine must not require the utilization of electrical current to dispense tickets or perform any other function(s).

(v) A bell jar ticket vending machine must have one or more columns or containers for stacking or holding bell jar tickets.

(vi) The bell jar ticket vending machine must have a bell jar dispensing outlet to hold or catch a dispensed bell jar ticket.

(vii) An exterior door must have at least one keyed lock specific to the bell jar ticket vending machine. The internal space may not be accessible from outside the bell jar ticket vending machine when the exterior door is closed and locked.

(3) Prohibitions:

(i) Bell jar ticket vending machines shall not be capable of displaying advertising messages or graphics on the meter display.

(ii) Bell jar ticket vending machines shall not dispense credits in the form of cash or bell jar tickets to redeem a winning bell jar ticket.

(iii) Bell jar ticket vending machines shall not have a video display screen, other than the meter display for listing the value of currency validated and the accounting information required pursuant to this Subchapter, and digital meter for displaying the door access information required pursuant to this Subchapter.

(iv) Bell jar vending machines shall not produce audio sounds other than sounds associated with security alarms.



(v) The appearance or design of bell jar vending machines shall not resemble a slot machine or other gambling device.

(vi) The coin operated bell jar ticket vending machine shall not be capable of accepting any paper currency nor shall be fitted to accept anything other than legal coinage of the United States as currency for the dispensing of bell jar tickets.

(vii) A bell jar ticket vending machine may not have an auxiliary remote control unit for posting credits onto the vending machine or for removing credits from the bell jar ticket vending machine.

(viii) A bell jar ticket vending machine may not be equipped, nor have the capacity to be equipped, with any device, electronic or otherwise, that can determine if a ticket is redeemable for a prize. All bell jar tickets dispensed from a bell jar ticket vending machine shall only be of the type requiring to be manually opened to determine if a winner of any prize.

PART 4610

Bell Jar Ticket Vending Machines in Possession of Licensed Authorized Organizations

Section

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

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

Bell jar ticket vending machines in possession of a licensed authorized organization as of November 4, 1998, the effective date of these rules, but not prior to August 2, 1995, the effective date of L.1995, ch.386, may be registered with the commission as a qualified bell jar ticket vending machine provided such machine was obtained from a commission licensed manufacturer or 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:

(a) Form GC-01BJ, as prescribed by the commission, must be completed and submitted to the commission for each bell jar ticket vending machine requested to be registered by an authorized licensed organization.

(b) Each application for registration shall be accompanied by: an invoice, bill of sale or other similar receipt that indicates the purchase price, date of sale and seller; current



photographs of each bell jar ticket vending machine; and a description of the machine's components depicting that such machine would reasonably meet commission standards and specifications. In the absence of an invoice, bill of sale or similar receipt, an affidavit of the member-in-charge attesting to such information may be submitted.

(c) Bell jar ticket vending machines in 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 possession of licensed authorized organizations as of the date this section shall take effect.

(a) A coin-operated mechanical nonelectrical dispensing device manufactured prior to August 2, 1995 that was designed specifically to hold and dispense United States postage stamps, which device is operated through the insertion of United States currency followed by the selection of the postage denomination and the manual manipulation of a lever or other apparatus resulting in the dispensing of the selected postage, shall be permissible for use as a bell jar ticket dispensing device so long as the coin-operated mechanical nonelectrical dispensing device(s) was in possession of the licensed authorized organization as of the effective date of these rules. Such machine may be registered with the commission provided the provisions of subdivision (a) and (b) of section 4610.01 of this Part are satisfied.

(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 manufacturer or supplier and that the provisions of section 4610.1 of this Part are satisfied.

PART 4611

Coin Board, Merchandise Board and Seal Card

Section

4611.1 Coin boards

4611.2 Operation of coin boards, merchandise boards and seal cards

§ 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 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 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.

(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 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 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.

(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 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.

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

(a) No coin board, merchandise board or seal card shall be put into play unless it shall have imprinted thereon the commission-approved logo of the manufacturer, the game serial number, the game ticket form number, the face value of each coin or cash prize, the fair market value of any merchandise prize and the game name.

(b) In the game coin board, only United States legal tender shall be awarded as prizes. No commemorative coins, merchandise or free plays shall be awarded.

(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.

(d) All tickets accompanying coin boards, merchandise boards and seal cards must meet the specifications and requirements of bell jar tickets as enumerated in this Part.

(e) No coin board, merchandise board or seal card shall be sold by a licensed manufacturer until such licensed manufacturer has received written approval from the commission that such coin board, merchandise board or seal card satisfies all commission requirements.