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Please note that businesses are responsible for knowing and complying with the most current laws, including any City Council amendments. The Department of Consumer Affairs (DCA) is not responsible for errors or omissions in the handout provided in this packet. The information is not legal advice. You can only obtain legal advice from a lawyer.

NEW YORK CITY ADMINISTRATIVE CODE
TITLE 20: CONSUMER AFFAIRS
CHAPTER 2: LICENSES
SUBCHAPTER 26: GAMES OF CHANCE

§ 20-433 Short title. This subchapter shall be known and may be cited as the New York city games of chance licensing law.

§ 20-434 Legislative intent. The council hereby declares that the raising of funds for the promotion of bona fide charitable, educational, scientific, health, religious, and patriotic causes and undertakings, where the beneficiaries are undetermined, is in the public interest. It hereby finds that, as conducted prior to the enactment of this subchapter, games of chance were the subject of exploitation by professional gamblers, promoters and commercial interests. It is hereby declared to be the policy of the council that all phases of supervision, licensing and regulation of games of chance and the conduct of games of chance should be closely controlled and that the local laws and regulations pertaining thereto should be strictly construed and rigidly enforced; that the conduct of the games and all attendant activities should be so regulated and adequate controls so instituted as to discourage commercialization in all its forms, including the rental of commercial premises for games of chance, and to ensure a maximum availability of the net proceeds of games of chance exclusively for application to the worthy causes and undertakings specified herein; that the only justification for this subchapter is to foster and support such worthy causes and undertakings, and that the mandate of section nine of article one of the state constitution, as amended, and of article nine-A of the general municipal law, should be carried out by rigid regulations to prevent commercialized gambling, prevent participation by criminal and other undesirable elements and prevent the diversion of funds from the purposes herein authorized.

§ 20-435 Definitions. As used in this subchapter, the following terms shall have the following meanings:

1. "Board" shall mean New York state racing and wagering board.
2. "Games of chance" shall mean and include specific games of chance, 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" which are controlled under article fourteen-H of the general municipal law and also not including "slot machines", "bookmaking", and "policy or numbers games" as defined in section 225.00 of the penal law. No game of chance shall involve wagering of money by one player against another player.
3. "Authorized organization" shall mean and include any bona fide religious or charitable organization or bona fide educational or service organization or bona fide organization of veterans or volunteer firefighters, which 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 subchapter, 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 subchapter for a period of three years immediately prior to applying for a license under this subchapter.

No organization shall be deemed an authorized organization which is formed primarily for the purpose of conducting games of chance and the distribution of the proceeds thereof to itself or any other organization and which does not devote at least seventy-five percent of its activities to other purposes set forth in this subdivision. No political party shall be deemed an authorized organization.

4. "Lawful purposes" shall mean one or more of the following causes, deeds or activities:

(a) Those which shall 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 a devotion to the principles upon which this nation was founded and enhancing their loyalty to their governments.

(b) Those which shall initiate, perform or foster worthy public works or shall enable or further the erection or maintenance of public structures;

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

5. "Net proceeds" shall mean (a) in relation to the gross receipts from one or more occasions of games of chance, the amount that shall remain after deducting the reasonable sums necessarily and actually expended for supplies and equipment, prizes, stated rental if any, bookkeeping or accounting services according to a schedule of compensation prescribed by the board, janitorial services and utility supplies if any, license fees, and the cost of bus transportation, if authorized by the board and (b) in relation to the gross rent received by an organization licensed to conduct such games for the use of its premises by another 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.

6. "Net lease" shall mean 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 non-commercial or non-profit organization for which the lessee pays rent to the lessor and likewise undertakes to pay substantially all of the regularly recurring expenses to the operation and maintenance of such leased premises.

7. "Authorized games of chance lessor" shall mean an authorized organization which has been granted a lessor's license pursuant to the provisions of this subchapter.

8. "Prize" shall mean a sum of money or item or merchandise awarded by the authorized organization to a participant in any one operation or conducting of a game of chance in which participants utilize currency for participation and in which those who are not winners surrender their participating currency at the conclusion of the single operation of such game of chance. No prize for any one participant in any one operation or conducting of such single game of chance shall exceed the sum of one hundred dollars. If a prize is awarded based on odds, only that portion in excess of the winning participant's bet shall be considered as a prize. For the purposes of this subdivision, the value of a prize which consists of merchandise shall be the actual cost of the item of such merchandise.

9. "Authorized supplier of games of chance equipment" shall mean any person, firm, partnership or organization licensed by the board to sell or lease games of chance equipment or paraphernalia which meets the specifications and regulations established by the board. Nothing herein 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 by an authorized organization shall be sold or leased to any other authorized organization without written permission from the board.

10. "One occasion" shall mean the conducting of any one type of game

of chance during any one license period. No series of prizes on any one occasion shall aggregate more than one thousand dollars.

11. "Licensed period" shall mean a period of time not to exceed fourteen consecutive hours.

§ 20-436 Conduct of games of chance. 1. No person, firm, association, corporation or organization, other than a licensee under the provisions of this subchapter, shall conduct such game or shall lease or otherwise make available for conducting games of chance a hall or other premises for any consideration whatsoever, direct or indirect, except as provided in section 20-437 of this subchapter.

2. No game of chance shall be held, operated or conducted on or within any leased premises if rental under such lease is to be paid, wholly or partly, on the basis of a percentage of the receipts or net profits derived from the operation of such game.

3. No authorized organization licensed under the provisions of this subchapter shall purchase or receive any supplies or equipment specifically designed or adapted for use in the conduct of games of chance from other than a supplier licensed by the board or from another authorized organization.

4. The entire net proceeds of any game of chance and of any rental shall be exclusively devoted to the lawful purposes of the organization permitted to conduct the same.

5. No prize shall exceed the sum or value of one hundred dollars in any operation or conducting of a single game of chance as defined in section 20-435 of this subchapter. No single wager shall exceed ten dollars.

6. No series of prizes on any one occasion of games of chance shall aggregate more than one thousand dollars as defined in section 20-435 of this subchapter.

7. No person except a bona fide member of any such organization, its auxiliary or affiliated organization, shall participate in the management or operation of such game, as set forth in section 20-444 of this subchapter.

8. No person shall receive any remuneration for participating in the management or operation of any such game.

9. The unauthorized conduct of a game of chance shall constitute and be punishable as a misdemeanor.

§ 20-437 Application for license. 1. To conduct games of chance. (a) Each applicant for a license shall, after obtaining an identification number from the board, file with the department, a written application therefor in form to be prescribed by the board, duly executed and verified, in which shall be stated:

(1) the name and address of the applicant together with sufficient facts relating to its incorporation and organization to enable such department to determine whether or not it is a bona fide authorized organization;

(2) the names and addresses of its officers; the place or places where, the date or dates and the time or times when the applicant intends to conduct games under the license applied for;

(3) the amount of rent to be paid or other consideration to be given directly or indirectly for each occasion for use of the premises of another authorized organization licensed under this subchapter to conduct such games or for the use of the premises of an authorized games of chance lessor;

(4) all other items of expense intended to be incurred or paid in connection with the holding, operating and conducting of such games of chance and the names and addresses of the persons to whom, and the purposes for which, they are to be paid;

(5) the purposes to which the entire net proceeds of such games are to be devoted and in what manner; that no commission, salary, compensation, reward or recompense will be paid to any person for conducting such game or games or for assisting therein except as in this subchapter otherwise provided; and such other information as shall be prescribed by such rules and regulations of the board.

(b) In each application there shall be designated not less than four active members of the applicant organization under whom the game or games of chance will be conducted and to the application shall be appended a statement executed by the members so designated, that they will be responsible for the conduct of such games in accordance with the terms of the license, and the rules and regulations of the board and of this subchapter.

2. Authorized games of chance lessor. Each applicant for a license to lease premises to a licensed organization for the purpose of conducting games of chance therein shall file with the department a written application therefor, in a form to be prescribed by the board, duly executed and verified, which shall set forth the name and address of the applicant; designation and address of the premises intended to be covered by the license sought; a statement that the applicant in all respects conforms with the specifications contained in the definition of "authorized organization" set forth in section 20-435 of this subchapter, and such other information as shall be prescribed by the board.

§ 20-438 Investigation; matters to be determined; issuance of license; fees; duration of license. 1. The department shall make an investigation of the qualifications of each applicant and the merits of each application, with due expedition after the filing of the

application.

(a) Issuance of licenses to conduct games of chance. If such department shall determine that the applicant is duly qualified to be licensed to conduct games of chance under this subchapter; that the members of the applicant designated in the application to conduct games of chance are bona fide active members of the applicant and are persons of good moral character and have never been convicted of a crime, or, if convicted, have received a pardon or a certificate of good conduct; that such games are to be conducted in accordance with the provisions of this subchapter and in accordance with the rules and regulations of the board and that the proceeds thereof are to be disposed of as provided by this subchapter; and if such department is satisfied that no commission, salary, compensation, reward or recompense whatever will be paid or given to any person holding, operating or conducting or assisting in the holding, operation and conduct of any such games except as in this subchapter otherwise provided; and that no prize will be given in excess of the sum or value of one hundred dollars in any single game and that the aggregate of all prizes given on one occasion, under said license shall not exceed the sum or value of one thousand dollars, the department shall issue a license to the applicant for the conduct of games of chance upon payment of a license fee of twenty-five dollars for each license period.

(b) Issuance of licenses to authorized games of chance lessors. If such department shall determine that the applicant seeking to lease a hall or premises for the conduct of games of chance to an authorized organization is duly qualified to be licensed under this subchapter; that the applicant satisfies the requirements for an authorized games of chance lessor as defined in section 20-435 of this subchapter that such department shall find and determine that there is a public need and that public advantage will be served by the issuance of such license; that the applicant has filed its proposed rent for each game of chance occasion; that there is no diversion of the funds of the proposed lessee from the lawful purposes as defined in this subchapter; and that such leasing of a hall or premises for the conduct of such games is to be in accordance with the provisions of this subchapter and in accordance with the rules and regulations of the board, it shall issue a license permitting the applicant to lease said premises for the conduct of such games to the authorized organization or organizations specified in the application during the period therein specified or such shorter period as such department shall determine, but not to exceed one year, upon payment of a license fee of fifty dollars.

2. On or before the thirtieth day of each month, the comptroller shall transmit to the state comptroller a sum equal to fifty percent of all authorized games of chance lessor license fees and the sum of fifteen dollars per license period for the conduct of games of chance collected by such department pursuant to this section during the

preceding calendar month.

3. No license shall be issued under this subchapter which shall be effective for a period of more than one year.

§ 20-439 Hearing; amendment of license. 1. No application for the issuance of a license to an authorized organization shall be denied by the department, until after a hearing, held on due notice to the applicant, at which the applicant shall be entitled to be heard upon the qualifications of the applicant and the merits of the application.

2. Any license issued under this subchapter may be amended, upon application made to such department which issued it, if the subject matter of the proposed amendment could lawfully and properly have been included in the original license and upon payment of such additional license fee if any, as would have been payable if it had been so included.

§ 20-440 Form and contents of license; display of license. 1. Each license to conduct games of chance shall be in such form as shall be prescribed in the rules and regulations promulgated by the board, and shall contain a statement of the name and address of the licensee, of the names and addresses of the member or members of the licensee under whom the games will be conducted, of the place or places where and the date or dates and time or times when such games are to be conducted and of the purposes to which the entire net proceeds of such games are to be devoted; if any prize or prizes are to be given in cash, a statement of the amounts of the prizes authorized so to be given; and any other information which may be required by said rules and regulations to be contained therein, and each license issued for the conduct of any games shall be conspicuously displayed at the place where same is to be conducted at all times during the conduct thereof.

2. Each license to lease premises for conducting games of chance will be in such form as shall be prescribed in the rules and regulations of the board and shall contain a statement of the name and address of the licensee and the address of the leased premises, the amount of permissible rent and any information which may be required by said rules and regulations to be contained therein, and each such license shall be conspicuously displayed upon such premises at all times during the conduct of games of chance.

§ 20-441 Control and supervision; suspension of licenses; inspection of premises; rulemaking. 1. The department shall have and exercise rigid control and close supervision over all games of chance conducted under such license, to the end that the same are fairly conducted in

accordance with the provisions of such license, the provisions of the rules and regulations promulgated by the board and the provisions of this subchapter, and the department and the board shall have the power and authority to temporarily suspend any license issued by the department pending a hearing and, after notice and hearing, the department and the board may suspend or revoke same, and additionally, impose a fine not exceeding one thousand dollars for violation of any such provisions, and the department and the board shall have the right of entry, by their respective officers and agents, at all times into any premises where any game of chance is being conducted or where it is intended that any such game shall be conducted, or where any equipment being used or intended to be used in the conduct thereof is found, for the purpose of inspecting the same. An agent of the department shall make an on-site inspection during the conduct of all games of chance licensed pursuant to this subchapter.

2. Service of alcoholic beverages. Subject to the applicable provisions of the alcoholic beverage control law, beer may be offered for sale during the conduct of games of chance but the offering of all other alcoholic beverages is prohibited.

3. The commissioner of the department may promulgate such rules and regulations as deemed necessary for the proper implementation and enforcement of this subchapter and which are not inconsistent with those rules and regulations promulgated by the board.

§ 20-442 Participation by persons under eighteen. No person under the age of eighteen years shall be permitted to play any game or games of chance conducted pursuant to any license issued under this subchapter. No person under the age of eighteen years shall be permitted to conduct or assist in the conduct of any game of chance conducted pursuant to any license issued under this subchapter.

§ 20-443 Frequency of games. No game or games of chance shall be conducted under any license issued under this subchapter more often than twelve times in any calendar year. Games shall be conducted only between the hours of noon and midnight on Monday, Tuesday, Wednesday, Thursday, and Sunday; and between the hours of noon on Friday and two a.m. Saturday; and between the hours of noon on Saturday and two a.m. Sunday. The two a.m. closing period shall also apply to a legal holiday. Notwithstanding the foregoing provisions of this section no games of chance shall be conducted on Easter Sunday, Christmas Day, New Year's Eve, and the days of Rosh Hashanah and Yom Kippur.

§ 20-444 Persons operating and conducting games; equipment; expenses;

compensation. No person shall hold, operate or conduct any games of chance under any license issued under this subchapter except an active member of the authorized organization to which the license is issued, and no person shall assist in the holding, operating or conducting of any game of chance under such license except such an active member or a member of an organization or association which is an auxiliary to the licensee or a member of an organization or association of which such licensee is an auxiliary or member of an organization or association which is affiliated with the licensee by being, with it, auxiliary to another organization or association. No game of chance shall be conducted with any equipment except such as shall be owned or leased by the authorized organization so licensed or used without payment of any compensation therefor by the licensee. At least two officers, directors, trustees or clergy of the authorized organization shall upon request certify, under oath, that the persons assisting in holding, operating or conducting any game of chance are bona fide members of such authorized organization, auxiliary or affiliated organization. Upon request by the department, any such person involved in such games of chance shall certify that he or she has no criminal record. No items of expense shall be incurred or paid in connection with the conducting of any game of chance pursuant to any license issued under this subchapter except those that are reasonable and are necessarily expended for games of chance supplies and equipment, prizes stated rental if any, bookkeeping or accounting services according to a schedule of compensation prescribed by the board, janitorial services and utility supplies if any, license fees, and the cost of bus transportation, if authorized by such department.

§ 20-445 Charge for admission and participation; amount of prizes; award of prizes. Not more than two dollars shall be charged by any licensee for admission to any room or place in which any game or games of chance are to be conducted under any license issued under this subchapter. The department may in its discretion fix a minimum fee. Every winner shall be determined and every prize shall be awarded and delivered within the same calendar day as that upon which the game was played. No alcoholic beverage shall be offered or given as a prize in any game of chance.

§ 20-446 Advertising games. No game of chance conducted or to be conducted in this city shall be advertised as to its location, the time when it is to be or has been played, or the prizes awarded or to be awarded, or transportation facilities to be provided to such game, by means of newspapers, radio, television or sound trucks or by means of billboards, posters or handbills or any other means addressed to the

general public, except that one sign not exceeding sixty square feet in area may be displayed on or adjacent to the premises owned or occupied by a licensed authorized organization, and when an organization is licensed to conduct games of chance on premises of an authorized games of chance lessor, one additional such sign may be displayed on or adjacent to the premises in which the games are to be conducted. Additional signs may be displayed upon any fire fighting equipment belonging to any licensee, which is a volunteer fire company, or upon any first-aid or rescue squad equipment belonging to any licensee, which is a first-aid or rescue squad, in and throughout the community or communities served by such volunteer fire company or such first-aid or rescue squad, as the case may be.

§ 20-447 Statement of receipts, expenses; additional license fees. 1. Within seven days after the conclusion of any license period, the authorized organization which conducted the same, and its members who were in charge thereof, and when applicable the authorized organization which rented its premises therefor, shall each furnish to the department a statement subscribed by the member in charge and affirmed by him or her as true, under the penalties of perjury, showing the amount of the gross receipts derived therefrom and each item of expense incurred, or paid, and each item of expenditure made or to be made other than prizes, the name and address of each person to whom each such item of expense has been paid, or is to be paid, with a detailed description of the merchandise purchased or the services rendered therefor, the net proceeds derived from the conduct of the games of chance during such license period, and the use to which such proceeds have been or are to be applied and a list of prizes offered and given, with the respective values thereof, and it shall be the duty of each licensee to maintain and keep such books and records as may be necessary to substantiate the particulars of each such statement.

2. Upon the filing of such statement of receipts, the authorized organization furnishing the same shall pay to the department as and for an additional license fee a sum based upon the reported net proceeds, if any, for the license period covered by such statement and determined in accordance with such schedule as shall be established from time to time by the board to defray the actual cost to the city of administering the provisions of this subchapter, but such additional license fee shall not exceed five percent of the net proceeds for such occasion.

§ 20-448 Examination of books and records; examination of officers and employees; disclosure of information. 1. The department and the board shall have power to examine or cause to be examined the books and records of:

a. Any authorized organization which is or has been licensed to conduct games of chance, so far as they may relate to games of chance including the maintenance, control and disposition of net proceeds derived from games of chance or from the use of its premises for games of chance, and to examine any manager, officer, director, agent, member or employee thereof under oath in relation to the conduct of any such game under any such license, the use of its premises for games of chance, or the disposition of net proceeds derived from games of chance, as the case may be.

b. Any authorized games of chance lessor so far as they may relate to leasing premises for games of chance and to examine said lessor or any manager, officer, director, agent or employee thereof under oath in relation to such leasing.

2. Any information received pursuant to subdivision one shall not be disclosed except so far as may be necessary for the purpose of carrying out the provisions of this subchapter.

§ 20-449 Appeals from the decision of the department to the board. Any applicant for, or holder of, any license issued or to be issued under this subchapter aggrieved by any action of the department may appeal to the board from the determination of said department by filing with such department a written notice of appeal within thirty days after the determination or action appealed from, and upon the hearing of such appeal, the evidence, if any, taken before such department and any additional evidence, may be produced and shall be considered in arriving at a determination of the matters in issue, and the action of the board upon said appeal shall be binding upon such department and all parties to said appeal.

§ 20-450 Offenses; forfeiture of license; ineligibility to apply for license. Any person, association, corporation or organization who or which shall:

(1) make any material false statement in any application for any license authorized to be issued under this subchapter;

(2) pay or receive, for the use of any premises for conducting games of chance, a rental in excess of the amount specified as the permissible rent in the license provided for in subdivision two of section 20-440 of this subchapter;

(3) fail to keep such books and records as shall fully and truly record all transactions connected with the conducting of games of chance or the leasing of premises to be used for the conduct of games of chance;

(4) falsify or make any false entry in any books or records so far as they relate in any manner to the conduct of games of chance, to the

disposition of the proceeds thereof and to the application of the rents received by any authorized organization;

(5) divert or pay any portion of the net proceeds of any game of chance to any person, association or corporation, except in furtherance of one or more of the lawful purposes defined in this subchapter; shall be guilty of a misdemeanor and shall forfeit any license issued under this subchapter and be ineligible to apply for a license under this subchapter for at least one year thereafter.

§ 20-451 Unlawful games of chance. Any person, association, corporation or organization holding, operating, or conducting a game or games of chance is guilty of a misdemeanor, except when operating, holding or conducting:

(a) in accordance with a valid license issued pursuant to this subchapter, or

(b) on behalf of a bona fide organization of persons sixty years of age or over, commonly referred to as senior citizens, solely for the purpose of amusement and recreation of its members where (i) the organization has applied for and received an identification number from the board, (ii) no player or other person furnishes anything of value for the opportunity to participate, (iii) the prizes awarded or to be awarded are nominal, (iv) no person other than a bona fide active member of the organization participates in the conduct of the games, and (v) no person is paid for conducting or assisting in the conduct of the game or games.