

AMENDMENTS TO HOUSE BILL NO. 271

Sponsor: REPRESENTATIVE MUSTIO

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1 Amend Bill, page 1, lines 11 through 32; page 2, lines 1
2 through 10; by striking out all of said lines on said pages and
3 inserting
4 Amending Titles 3 (Agriculture), 4 (Amusements) and 18 (Crimes
5 and Offenses) of the Pennsylvania Consolidated Statutes, in
6 race horse industry reform, repealing definitions and
7 provisions relating to place and manner of conducting pari-
8 mutuel wagering at racetrack enclosure and to pari-mutuel
9 wagering at nonprimary locations and further providing for
10 licensing costs and fees and for operations; providing for
11 fantasy contests, establishing a Lottery Sales Advisory
12 Council within the Department of Revenue and providing for
13 iLottery; in general provisions, further providing for
14 legislative intent and for definitions; in Pennsylvania
15 Gaming Control Board, further providing for Pennsylvania
16 Gaming Control Board established, for general and specific
17 powers, for licensed gaming entity application appeals from
18 board, for board minutes and records, for regulatory
19 authority of board, for slot machine license fee, for reports
20 of board and for diversity goals of board; in licensees,
21 further providing for Category 1 slot machine license and for
22 Category 3 slot machine license, providing for remaining
23 Category 2 licenses, further providing for number of slot
24 machine licenses, for slot machine license application, for
25 supplier licenses and for manufacturer licenses, providing
26 for nongaming service provider, further providing for slot
27 machine testing and certification standards and for license
28 renewals, providing for slot machine license operation fee
29 and further providing for change in ownership or control of
30 slot machine licensee; repealing provisions related to
31 multiple slot machine license prohibition and prohibiting
32 undue economic concentration; in table games, further
33 providing for authorization to conduct table games, for table
34 game tournaments, for other financial transactions, for table
35 game device and associated equipment testing and
36 certification standards, for table game authorization fee and
37 for local share assessment; providing for interactive gaming,

1 for sports wagering, sports wagering tax and local fee
2 assessment and for slot machines at nonprimary locations; in
3 revenues, further providing for gross terminal revenue
4 deductions, for establishment of State Gaming Fund and net
5 slot machine revenue distribution and for Pennsylvania Gaming
6 Economic Development and Tourism Fund; in administration and
7 enforcement, further providing for responsibility and
8 authority of the Department of Revenue, for wagering on
9 credit, for compulsive and problem gambling program, for
10 financial and employment interests, for political influence,
11 for regulation requiring exclusion or ejection of certain
12 persons, for repeat offenders excludable from licensed gaming
13 facility, for list of persons self excluded from gaming
14 activities, for investigations and enforcement and for
15 prohibited acts and penalties and providing for casino liquor
16 licenses; in miscellaneous provisions, further providing for
17 appropriations and for repayments to State Gaming Fund;
18 providing for video gaming; establishing the Video Gaming
19 Fund, the Fire Company and Emergency Responder Grant Fund,
20 the City of the First Class Enforcement Fund, the Lottery
21 Stabilization Fund and the Gun Violence Task Force Fund; in
22 riot, disorderly conduct and related offenses, further
23 providing for the offense of gambling devices, gambling,
24 etc.; and making related repeals.

25 Amend Bill, page 26, lines 3 through 30; pages 27 through
26 234, lines 1 through 30; by striking out all of said lines on
27 said pages and inserting

28 Section 1. The definitions of "primary market area of a
29 racetrack" and "secondary market of a racetrack" in section 9301
30 of Title 3 of the Pennsylvania Consolidated Statutes are
31 repealed:

32 § 9301. Definitions.

33 The following words and phrases when used in this chapter
34 shall have the meanings given to them in this section unless the
35 context clearly indicates otherwise:

36 * * *

37 ["Primary market area of a racetrack." The land area
38 included in a circle drawn with the racetrack as the center and
39 a radius of 35 land miles.]

40 * * *

41 ["Secondary market area of a racetrack." The land area
42 included in a circle drawn with the racetrack as the center and
43 a radius of 50 land miles, not including the primary market area
44 of the racetrack.]

45 * * *

46 Section 1.1. Section 9330(f) of Title 3 is repealed:
47 § 9330. Place and manner of conducting pari-mutuel wagering at
48 racetrack enclosure.

1 * * *

2 [(f) Primary market area.--

3 (1) A licensed racing entity or secondary pari-mutuel
4 organization may not accept a wager or establish electronic
5 wagering or advanced deposit account wagering for any person
6 located in the primary market area of a racetrack, other than
7 the racetrack at which the licensed racing entity is
8 conducting a horse race meeting.

9 (2) Nothing in this subsection shall be construed to
10 prohibit a licensed racing entity from accepting a wager from
11 or establishing an electronic wagering account for any person
12 located in the primary market area of the racetrack where the
13 licensed racing entity is conducting a horse race meeting. If
14 two tracks share the primary market area, both racetracks
15 shall have equal rights to the market in the shared area.]

16 Section 1.2. Sections 9331(a)(1), (d)(4) and (e), 9352(3)
17 and (4) and 9356(b)(2) of Title 3 are amended to read:

18 § 9331. Pari-mutuel wagering at nonprimary locations.

19 (a) Nonprimary locations.--The following shall apply:

20 (1) Notwithstanding any other provision of this chapter,
21 the commission may approve a licensed racing entity to
22 continue to operate a nonprimary location where it has
23 conducted pari-mutuel wagering on horse races conducted by
24 the licensed racing entity. The licensed racing entity may
25 continue to conduct pari-mutuel wagering at the location on
26 horse races conducted by another licensed racing entity,
27 which horse races may be televised to the location or on
28 horse races simulcast to the location under section 9329
29 (relating to interstate simulcasting)[, provided that:

30 (i) A licensed racing entity has not established a
31 nonprimary location within the primary market area of any
32 racetrack other than a racetrack where the licensed
33 racing entity conducts horse race meetings. Establishment
34 of a nonprimary location by a licensed racing entity
35 within the primary market area of a racetrack where the
36 licensed racing entity conducts horse race meetings shall
37 require approval of the commission.

38 (ii) A licensed racing entity has not established a
39 nonprimary location within the secondary market area of a
40 racetrack if the nonprimary location is approved by the
41 commission.

42 (iii) A licensed racing entity has not established a
43 nonprimary location in an area outside the primary and
44 secondary market areas of any racetrack if the location
45 is approved by the commission].

46 * * *

47 (d) Payment of purses.--A licensed racing entity conducting
48 a horse race meeting where pari-mutuel wagering is conducted at
49 one or more nonprimary locations shall distribute money to the
50 horsemen's organization, or, in accordance with the practice of
51 the parties, to be used for payment of purses at that racetrack,

1 as follows:

2 * * *

3 [(4) Whenever a nonprimary location is within the
4 primary market area of a licensed racing entity other than
5 the licensed racing entity conducting the races, the
6 applicable percentage shall be distributed one-half to the
7 horsemen's organization at the racetrack or in accordance
8 with the practice of the parties.]

9 * * *

10 [(e) Other payments.--Notwithstanding any other provision of
11 this chapter, a nonprimary location may be established within
12 the primary market area of a racetrack by agreement between the
13 licensed racing entity and the horsemen's organization at the
14 racetrack specifying the total percentage of handle wagered at
15 the nonprimary location to be distributed to the horsemen's
16 organization, or, in accordance with the practice of the
17 parties, to be used for the payment of purses at that racetrack.
18 If no agreement is reached covering the locations, the total
19 percentage to be paid for purses shall be the same as that
20 applied to on-track wagering at the racetrack located within the
21 primary market area.]

22 § 9352. Licensing costs and fees.

23 Costs and fees are as follows:

24 * * *

25 (3) Initial license fee:

26 (i) The fee for an electronic wagering license under
27 section 9351(a) (relating to general license
28 requirements) shall be [\$500,000] \$50,000. If an
29 applicant that is also a Category 1 slot machine licensee
30 or its corporate successor or affiliate paid the license
31 fee under 4 Pa.C.S. § 1209 (relating to slot machine
32 license fee), the fee required under this paragraph shall
33 be deemed paid. A fee paid under this paragraph shall be
34 deposited in the State Racing Fund, or, in the case of a
35 deemed payment, transferred to the State Racing Fund upon
36 certification of the Secretary of the Budget.

37 (ii) The fee for an initial totalisator or racing
38 vendor license under section 9351(a.1) shall be \$25,000
39 and shall be deposited in the State Racing Fund.

40 (4) License renewal fee:

41 (i) The fee for an electronic wagering license
42 renewal under section 9351(b)(2) shall be [\$100,000]
43 \$10,000. If an existing licensee under this section that
44 is also a Category 1 slot machine licensee or its
45 corporate successor or an affiliate paid the license fee
46 under 4 Pa.C.S. § 1209, the fee required under this
47 paragraph shall be deemed paid. A license renewal may not
48 be issued until receipt of the license renewal fee. The
49 license fee shall be deposited into the State Racing
50 Fund, or, in the case of a deemed payment, it shall be
51 transferred to the State Racing Fund.

(ii) The fee for the renewal of a totalisator or racing vendor license under section 9351(b)(1) shall be \$5,000 and shall be deposited in the State Racing Fund.

* * *

§ 9356. Operations.

* * *

(b) Requirements.--

* * *

(2) A licensee shall [enter into an agreement with each licensed racing entity in this Commonwealth on whose races the licensee offers wagering regarding payment of host fees and any other applicable fees, costs or payments of any kind to be paid to the licensed racing entity. The licensed racing entity and the applicable horsemen's organization shall negotiate a separate agreement for contributions to the purse account.] contribute to the purse account in accordance with section 9331(d) (relating to pari-mutuel wagering at nonprimary locations).

* * *

Section 1.3. Title 4 is amended by adding a part to read:

PART I

AMUSEMENTS GENERALLY

Chapter

1. Preliminary Provisions (Reserved)

3. Fantasy Contests

5. Lottery

7. iLottery

CHAPTER 1

PRELIMINARY PROVISIONS

(Reserved)

CHAPTER 3

FANTASY CONTESTS

Subchapter

A. General Provisions

B. Administration

C. Licensure

D. Fiscal Provisions

E. Miscellaneous Provisions

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

301. Scope of chapter.

302. Definitions.

§ 301. Scope of chapter.

This chapter relates to fantasy contests.

§ 302. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Board." The Pennsylvania Gaming Control Board.

"Conduct of gaming." As defined in section 1103 (relating to

1 definitions).

2 "Controlling interest." Either of the following:

3 (1) For a publicly traded domestic or foreign
4 corporation, partnership, limited liability company or other
5 form of publicly traded legal entity, a controlling interest
6 is an interest if a person's sole voting rights under State
7 law or corporate articles or bylaws entitle the person to
8 elect or appoint one or more of the members of the board of
9 directors or other governing board or the ownership or
10 beneficial holding of 5% or more of the securities of the
11 publicly traded corporation, partnership, limited liability
12 company or other form of publicly traded legal entity, unless
13 this presumption of control or ability to elect is rebutted
14 by clear and convincing evidence.

15 (2) For a privately held domestic or foreign
16 corporation, partnership, limited liability company or other
17 form of privately held legal entity, a controlling interest
18 is the holding of securities of 15% or more in the legal
19 entity, unless this presumption of control is rebutted by
20 clear and convincing evidence.

21 "Department." The Department of Revenue of the Commonwealth.

22 "Entry fee." The cash or cash equivalent paid by a
23 participant to a licensed operator in order to participate in a
24 fantasy contest.

25 "Fantasy contest." An online fantasy or simulated game or
26 contest with an entry fee and a prize or award administered by a
27 licensed operator in which:

28 (1) The value of all prizes or awards offered to winning
29 participants is established and made known to participants in
30 advance of the contest.

31 (2) All winning outcomes reflect the relative knowledge
32 and skill of participants and are determined by accumulated
33 statistical results of the performance of individuals,
34 including athletes in the case of sports events.

35 (3) No winning outcome is based on the score, point
36 spread or performance of a single actual team or combination
37 of teams or solely on a single performance of an individual
38 athlete or player in a single actual event.

39 "Fantasy contest account." The formal electronic system
40 implemented by a licensed operator to record a participant's
41 entry fees, prizes or awards and other activities related to
42 participation in the licensed operator's fantasy contests.

43 "Fantasy contest adjusted revenues." For each fantasy
44 contest, the amount equal to the total amount of all entry fees
45 collected from all participants entering the fantasy contest
46 minus prizes or awards paid to participants in the fantasy
47 contest, multiplied by the in-State percentage.

48 "Fantasy contest license." A license issued by the board
49 authorizing a person to offer fantasy contests in this
50 Commonwealth in accordance with this chapter.

51 "Fantasy contest terminal." A physical, land-based

1 computerized or electronic terminal or similar device that
2 allows participants to:

3 (1) register for a fantasy contest account;

4 (2) pay an entry fee;

5 (3) select athletes for a fantasy contest;

6 (4) receive winnings; or

7 (5) otherwise participate in a fantasy contest.

8 "Gaming service provider." As defined in section 1103.

9 "In-State participant." An individual who participates in a
10 fantasy contest conducted by a licensed operator and pays a fee
11 to a licensed operator from a location within this Commonwealth.
12 The term includes an individual who pays an entry fee through a
13 fantasy contest terminal within a licensed facility.

14 "In-State percentage." For each fantasy contest, the
15 percentage, rounded to the nearest tenth of a percent, equal to
16 the total entry fees collected from all in-State participants
17 divided by the total entry fees collected from all participants
18 in the fantasy contest.

19 "Key employee." An individual who is employed by an
20 applicant for a fantasy contest license or a licensed operator
21 in a director or department head capacity and who is empowered
22 to make discretionary decisions that regulate fantasy contest
23 operations as determined by the board.

24 "Licensed entity representative." A person, including an
25 attorney, agent or lobbyist, acting on behalf of or authorized
26 to represent the interest of an applicant, licensee or other
27 person authorized by the board to engage in an act or activity
28 which is regulated under this chapter regarding a matter before,
29 or which may be reasonably be expected to come before, the
30 board.

31 "Licensed gaming entity." As defined in section 1103.

32 "Licensed operator." A person who holds a fantasy contest
33 license.

34 "Participant." An individual who participates in a fantasy
35 contest, whether the individual is located in this Commonwealth
36 or another jurisdiction.

37 "Person." A natural person, corporation, publicly traded
38 corporation, foundation, organization, business trust, estate,
39 limited liability company, licensed corporation, trust,
40 partnership, limited liability partnership, association or any
41 other form of legal business entity.

42 "Principal." An officer, director, person who directly holds
43 a beneficial interest in or ownership of the securities of an
44 applicant for a fantasy contest license or a licensed operator,
45 person who has a controlling interest in an applicant for a
46 fantasy contest license or a licensed operator or who has the
47 ability to elect a majority of the board of directors of a
48 licensed operator or to otherwise control a licensed operator,
49 lender or other licensed financial institution of an applicant
50 for a fantasy contest license or a licensed operator, other than
51 a bank or lending institution which makes a loan or holds a

1 mortgage or other lien acquired in the ordinary course of
2 business, underwriter of an applicant for a fantasy contest
3 license or a licensed operator or other person or employee of an
4 applicant for a fantasy contest license or a licensed operator
5 deemed to be a principal by the board.

6 "Prize or award." Anything of value worth \$100 or more or
7 any amount of cash or cash equivalents.

8 "Publicly traded corporation." A person, other than an
9 individual, that:

10 (1) has a class or series of securities registered under
11 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
12 § 78a et seq.);

13 (2) is a registered management company under the
14 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
15 80a-1 et seq.); or

16 (3) is subject to the reporting obligations imposed by
17 section 15(d) of the Securities Exchange Act of 1934 by
18 reason of having filed a registration statement that has
19 become effective under the Securities Act of 1933 (48 Stat.
20 74, 15 U.S.C. § 77a et seq.).

21 "Script." A list of commands that a fantasy-contest-related
22 computer program can execute that is created by a participant or
23 third party not approved by the licensed operator to automate
24 processes on a licensed operator's fantasy contest platform.

25 "Season-long fantasy contest." A fantasy contest offered by
26 a licensed operator that is conducted over an entire sports
27 season.

28 SUBCHAPTER B
29 ADMINISTRATION

30 Sec.

31 311. General and specific powers of board.

32 312. Temporary regulations.

33 313. Fantasy contest license appeals.

34 314. Board minutes and records.

35 315. Reports of board.

36 § 311. General and specific powers of board.

37 (a) General powers.--

38 (1) The board shall have regulatory authority over
39 licensed operators, principals and key employees and shall
40 ensure the integrity of fantasy contests offered in this
41 Commonwealth in accordance with this chapter.

42 (2) The board may employ individuals as necessary to
43 carry out the requirements of this chapter, who shall serve
44 at the board's pleasure. An employee of the board shall be
45 considered a State employee for purposes of 71 Pa.C.S. Pt.
46 XXV (relating to retirement for State employees and
47 officers).

48 (b) Specific powers.--The board shall have the following
49 powers:

50 (1) At the board's discretion, to issue, approve, renew,
51 revoke, suspend, condition or deny issuance of licenses.

1 (2) At the board's discretion, to suspend, condition or
2 deny the issuance or renewal of a license or levy fines for
3 any violation of this chapter.

4 (3) To publish each January on the board's publicly
5 accessible Internet website a complete list of all persons
6 who applied for or held a fantasy contest license at any time
7 during the preceding calendar year and the status of the
8 application or fantasy contest license.

9 (4) To prepare and, through the Governor, submit
10 annually to the General Assembly an itemized budget
11 consistent with Article VI of the act of April 9, 1929
12 (P.L.177, No.175), known as The Administrative Code of 1929,
13 consisting of the amounts necessary to be appropriated by the
14 General Assembly out of the accounts established under
15 section 332 (relating to licensed operator deposits) required
16 to meet the obligations under this chapter accruing during
17 the period beginning July 1 of the following fiscal year.

18 (5) In the event that, in any year, appropriations for
19 the administration of this chapter are not enacted by June
20 30, any funds appropriated for the administration of this
21 chapter which are unexpended, uncommitted and unencumbered at
22 the end of a fiscal year shall remain available for
23 expenditure by the board until the enactment of appropriation
24 for the ensuing fiscal year.

25 (6) To promulgate rules and regulations necessary for
26 the administration and enforcement of this chapter. Except as
27 provided in section 312 (relating to temporary regulations),
28 regulations shall be adopted under the act of July 31, 1968
29 (P.L.769, No.240), referred to as the Commonwealth Documents
30 Law, and the act of June 25, 1982 (P.L.633, No.181), known as
31 the Regulatory Review Act.

32 (7) To administer oaths, examine witnesses and issue
33 subpoenas compelling the attendance of witnesses or the
34 production of documents and records or other evidence or to
35 designate officers or employees to perform duties required by
36 this chapter.

37 (8) At the board's discretion, to delegate any of the
38 board's responsibilities under this chapter to the executive
39 director of the board or other designated staff.

40 (9) To require licensed operators and applicants for a
41 fantasy contest license to submit any information or
42 documentation necessary to ensure the proper regulation of
43 fantasy contests in accordance with this chapter.

44 (10) To require licensed operators, except for a
45 licensed operator operating season-long fantasy contests that
46 generate less than \$250,000 in season-long fantasy contest
47 adjusted revenue, unless the board determines otherwise, to:

48 (i) annually contract with a certified public
49 accountant to conduct an independent audit in accordance
50 with standards adopted by the American Institute of
51 Certified Public Accountants to verify compliance with

1 the provisions of this chapter and board regulations;

2 (ii) annually contract with a testing laboratory
3 approved by the board to verify compliance with the
4 provisions of this chapter and board regulations; and

5 (iii) annually submit to the board and department a
6 copy of the audit report required by subparagraph (i) and
7 submit to the board a copy of the report of the testing
8 laboratory required by subparagraph (ii).

9 (11) In conjunction with the Department of Drug and
10 Alcohol Programs or successor agency, to develop a process by
11 which licensed operators provide participants with a toll-
12 free telephone number that provides individuals with
13 information on how to access appropriate treatment services
14 for compulsive and problem play.

15 (12) To promulgate regulations regarding the placement
16 and operation of fantasy contest terminals within licensed
17 facilities and to ensure the integrity of fantasy contest
18 terminals.

19 (b.1) Licensed entity representative.--

20 (1) A licensed entity representative shall register with
21 the board, in a manner prescribed by the board. The
22 registration shall include the name, employer or firm,
23 business address and business telephone number of both the
24 licensed entity representative and any licensed operator,
25 applicant for licensure or other person being represented.

26 (2) A licensed entity representative shall have an
27 affirmative duty to update its registration information on an
28 ongoing basis. Failure to update shall be punishable by the
29 board.

30 (3) The board shall maintain a list of licensed entity
31 representatives which shall contain the information required
32 under paragraph (1) and shall be available for public
33 inspection at the offices of the board and on the board's
34 publicly accessible Internet website.

35 (c) Exceptions.--Except as provided under section 342
36 (relating to licensed gaming entities), nothing in this section
37 shall be construed to authorize the board:

38 (1) To require background investigations for employees,
39 other than key employees and principals, of an applicant for
40 a fantasy contest license or a licensed operator.

41 (2) To require any additional permits or licenses not
42 specifically enumerated in this chapter.

43 § 312. Temporary regulations.

44 (a) Promulgation.--In order to facilitate the prompt
45 implementation of this chapter, regulations promulgated by the
46 board shall be deemed temporary regulations and shall expire no
47 later than two years following the effective date of this
48 section. The board may promulgate temporary regulations not
49 subject to:

50 (1) Sections 201, 202, 203 and 205 of the act of July
51 31, 1968 (P.L.769, No.240), referred to as the Commonwealth

1 Documents Law.

2 (2) Section 204(b) of the act of October 15, 1980
3 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

4 (3) The act of June 25, 1982 (P.L.633, No.181), known as
5 the Regulatory Review Act.

6 (b) Expiration.--Except for temporary regulations concerning
7 network connectivity, security and testing and compulsive and
8 problem play, the authority provided to the board to adopt
9 temporary regulations in subsection (a) shall expire no later
10 than two years following the effective date of this section.
11 Regulations adopted after this period shall be promulgated as
12 provided by law.

13 § 313. Fantasy contest license appeals.

14 An applicant may appeal any final order, determination or
15 decision of the board involving the approval, issuance, denial,
16 revocation or conditioning of a fantasy contest license in
17 accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice
18 and procedure of Commonwealth agencies) and 7 Subch. A (relating
19 to judicial review of Commonwealth agency action).

20 § 314. Board minutes and records.

21 (a) Record of proceedings.--The board shall maintain a
22 record of all proceedings held at public meetings of the board.
23 The verbatim transcript of the proceedings shall be the property
24 of the board and shall be prepared by the board upon the request
25 of any board member or upon the request of any other person and
26 the payment by that person of the costs of preparation.

27 (b) Applicant information.--

28 (1) The board shall maintain a list of all applicants
29 for a fantasy contest license. The list shall include a
30 record of all actions taken with respect to each applicant.
31 The list shall be open to public inspection during the normal
32 business hours of the board.

33 (2) Information under paragraph (1) regarding an
34 applicant whose fantasy contest license has been denied,
35 revoked or not renewed shall be removed from the list after
36 seven years from the date of the action.

37 (c) Other files and records.--The board shall maintain such
38 other files and records as it may deem appropriate.

39 (d) Confidentiality of information.--

40 (1) The following information submitted by an applicant
41 for a fantasy contest license under section 322 (relating to
42 application) or otherwise obtained by the board as part of a
43 background or other investigation from any source shall be
44 confidential and withheld from public disclosure:

45 (i) All information relating to character, honesty
46 and integrity, including family, habits, reputation,
47 history of criminal activity, business activities,
48 financial affairs and business, professional and personal
49 associations.

50 (ii) Nonpublic personal information, including home
51 addresses, telephone numbers and other personal contact

1 information, Social Security numbers, educational
2 records, memberships, medical records, tax returns and
3 declarations, actual or proposed compensation, financial
4 account records, creditworthiness or financial condition
5 relating to an applicant.

6 (iii) Information relating to proprietary
7 information, trade secrets, patents or exclusive
8 licenses, architectural and engineering plans and
9 information relating to competitive marketing materials
10 and strategies that may include customer-identifying
11 information or customer prospects for services subject to
12 competition.

13 (iv) Information with respect to which there is a
14 reasonable possibility that public release or inspection
15 of the information would constitute an unwarranted
16 invasion into personal privacy of an individual as
17 determined by the board.

18 (v) Records of an applicant for a fantasy contest
19 license or a licensed operator not required to be filed
20 with the Securities and Exchange Commission by issuers
21 that either have securities registered under section 12
22 of the Securities Exchange Act of 1934 (48 Stat. 881, 15
23 U.S.C. § 781) or are required to file reports under
24 section 15(d) of the Securities Exchange Act of 1934 (48
25 Stat. 881, 15 U.S.C. § 78o)

26 (vi) Records considered nonpublic matters or
27 information by the Securities and Exchange Commission as
28 provided by 17 CFR 200.80 (relating to commission records
29 and information).

30 (vii) Financial or security information deemed
31 confidential by the board upon a showing of good cause by
32 the applicant for a fantasy contest license or licensed
33 operator.

34 (2) No claim of confidentiality may be made regarding
35 any criminal history record information that is available to
36 the public under 18 Pa.C.S. § 9121(b) (relating to general
37 regulations).

38 (3) No claim of confidentiality shall be made regarding
39 any record in possession of the board that is otherwise
40 publicly available from a Commonwealth agency, local agency
41 or another jurisdiction.

42 (4) The information made confidential under this section
43 shall be withheld from public disclosure, in whole or in
44 part, except that any confidential information shall be
45 released upon the order of a court of competent jurisdiction
46 or, with the approval of the Attorney General, to a duly
47 authorized law enforcement agency or shall be released to the
48 public, in whole or in part, to the extent that such release
49 is requested by an applicant for a fantasy contest license or
50 licensed operator and does not otherwise contain confidential
51 information about another person.

1 (5) The board may seek a voluntary waiver of
2 confidentiality from an applicant for a fantasy contest
3 license or a licensed operator, but may not require an
4 applicant or licensed operator to waive any confidentiality
5 provided for in this subsection as a condition for the
6 approval of an application, renewal of a fantasy contest
7 license or any other action of the board.

8 (e) Notice.--Notice of the contents of any information,
9 except to a duly authorized law enforcement agency under this
10 section, shall be given to an applicant or licensee in a manner
11 prescribed by the rules and regulations adopted by the board.

12 (f) Information held by department.--Files, records, reports
13 and other information in the possession of the department
14 pertaining to licensed operators shall be made available to the
15 board as may be necessary for the effective administration of
16 this chapter.

17 § 315. Reports of board.

18 (a) General rule.--The annual report submitted by the board
19 under section 1211 (relating to reports of board) shall include
20 the following information on the conduct of fantasy contests:

21 (1) Total fantasy contest adjusted revenues.

22 (2) All taxes, fees, fines and other revenue collected
23 from licensed operators during the previous year. The
24 department shall collaborate with the board to carry out the
25 requirements of this section.

26 (3) At the board's discretion, any other information
27 related to the conduct of fantasy contests or licensed
28 operators.

29 (b) Licensed operators.--The board may require licensed
30 operators to provide information to the board to assist in the
31 preparation of the report.

32 SUBCHAPTER C

33 LICENSURE

34 Sec.

35 321. General prohibition.

36 322. Application.

37 323. Issuance and denial of license.

38 324. License renewal.

39 325. Conditions of licensure.

40 326. Prohibitions.

41 327. Change in ownership or control of licensed operators.

42 328. Penalties.

43 § 321. General prohibition.

44 (a) General rule.--Except as provided for in subsection (b),
45 no person may offer or otherwise make available for play in this
46 Commonwealth a fantasy contest without a fantasy contest license
47 issued by the board.

48 (b) Existing activity.--A person who applies for or renews a
49 fantasy contest license in accordance with this chapter may
50 operate during the application or renewal period unless:

51 (1) The board has reasonable cause to believe the person

1 is or may be in violation of the provisions of this chapter.

2 (2) The board requires the person to suspend the
3 operation of any fantasy contest until the license is issued
4 or renewed.

5 § 322. Application.

6 (a) Form and information.--An application for a license
7 shall be submitted on a form and in manner as shall be required
8 by the board. An application for a fantasy contest license shall
9 contain the following information:

10 (1) (i) if an individual, the name, Federal employer
11 identification number and principal address of the
12 applicant;

13 (ii) if a corporation, the state of its
14 incorporation, the full name and address of each officer
15 and director thereof;

16 (iii) if a foreign corporation, whether it is
17 qualified to do business in this Commonwealth; and

18 (iv) if a partnership or joint venture, the name and
19 address of each officer thereof.

20 (2) The name and address of the person having custody of
21 the applicant's financial records.

22 (3) The names and addresses of key employees.

23 (4) The names and addresses of each of the applicant's
24 principals.

25 (5) Information, documentation and assurances related to
26 financial and criminal history as the board deems necessary
27 to establish by clear and convincing evidence the financial
28 stability, integrity and responsibility of the applicant and
29 the applicant's key employees and principals.

30 (6) Information and documentation necessary to establish
31 the applicant's ability to comply with section 325 (relating
32 to conditions of licensure).

33 (7) Any other information required by the board.

34 (b) Nonrefundable application fee.--Each application
35 submitted under this chapter shall be accompanied by a
36 nonrefundable application fee, which shall be established by the
37 board, and which may not exceed the amount necessary to
38 reimburse the board for all costs incurred by the board for
39 fulfilling the requirements of this section and section 323
40 (relating to issuance and denial of license).

41 (c) Additional information.--A person applying for a fantasy
42 contest license shall have the continuing duty to provide
43 information required by the board and to cooperate in any
44 inquiry or investigation.

45 (d) Abbreviated application process.--The board, at its
46 discretion, may establish an abbreviated application process for
47 a fantasy contest license for persons that are also licensed
48 gaming entities. The abbreviated application may only require
49 information not in possession of the board that is necessary to
50 fulfill the requirements of this chapter.

51 § 323. Issuance and denial of license.

1 (a) Duty to review applications.--The board shall review all
2 applications for a license and shall issue a license to any
3 applicant that:

4 (1) Has submitted a completed application and paid the
5 nonrefundable application fee as required by the board under
6 section 322 (relating to application).

7 (2) Has demonstrated that the applicant has the
8 financial stability, integrity and responsibility to comply
9 with the provisions of this chapter and regulations
10 established by the board.

11 (3) Has not been denied a license under subsection (b).

12 (b) Reasons to deny applications.--The board may deny an
13 application for a license if the applicant:

14 (1) has knowingly made a false statement of material
15 fact or has deliberately failed to disclose any information
16 requested;

17 (2) employs a principal or key employee who has been
18 convicted of a felony, a crime of moral turpitude or any
19 criminal offense involving dishonesty or breach of trust
20 within 10 years prior to the date of the application for
21 license;

22 (3) has at any time knowingly failed to comply with the
23 provisions of this chapter or of any requirements of the
24 board;

25 (4) has had a registration, permit or license to conduct
26 fantasy contests denied or revoked in any other jurisdiction;

27 (5) has legally defaulted in the payment of any
28 obligation or debt due to the Commonwealth or is not
29 compliant with taxes due; or

30 (6) is not qualified to do business in this Commonwealth
31 or is not subject to the jurisdiction of the courts of the
32 Commonwealth.

33 (c) Time period for review.--The board shall conclude its
34 review of an application for a fantasy contest license within
35 120 days of receipt of the completed application. If the license
36 is not issued, the board shall provide the applicant with the
37 justification for not issuing the license with specificity.

38 (d) License fee.--

39 (1) Within 30 days of the board issuing a fantasy
40 contest license, an applicant shall pay to the board a
41 license fee of \$50,000.

42 (2) The license fee collected under this subsection
43 shall be deposited into the General Fund.

44 (3) If an applicant fails to pay the fee required by
45 this subsection, the board shall suspend or revoke the
46 applicant's fantasy contest license until payment of the
47 license fee is received.

48 (e) Abbreviated approval process.--The board, at its
49 discretion, may establish an abbreviated approval process for
50 the issuance of a fantasy contest license to a licensed gaming
51 entity whose slot machine license under Chapter 13 (relating to

1 licenses) and table game operation certificate under Chapter 13A
2 (relating to table games) are in good standing.

3 § 324. License renewal.

4 (a) Renewal.--

5 (1) A license issued under this chapter shall be valid
6 for a period of five years.

7 (2) Nothing in this subsection shall be construed to
8 relieve a licensed operator of the affirmative duty to notify
9 the board of any changes relating to the status of its
10 fantasy contest license or to any other information contained
11 in the application materials on file with the board.

12 (3) The application for renewal of a fantasy contest
13 license must be submitted at least 90 days prior to the
14 expiration of the license and include an update of the
15 information contained in the initial application for a
16 fantasy contest license. A fantasy contest license for which
17 a completed renewal application and fee as required under
18 subsection (c) has been received by the board shall continue
19 in effect unless and until the board sends written
20 notification to the licensed operator that the board has
21 denied the renewal of the license.

22 (b) Revocation or failure to renew.--

23 (1) In addition to any other sanction the board may
24 impose under this chapter, the board may at its discretion
25 suspend, revoke or deny renewal of a fantasy contest license
26 issued under this chapter if it receives information that:

27 (i) the applicant or any of the applicant's key
28 employees or principals are in violation of any provision
29 of this chapter;

30 (ii) the applicant has furnished the board with
31 false or misleading information;

32 (iii) the information contained in the applicant's
33 initial application or any renewal application is no
34 longer true and correct;

35 (iv) the applicant has failed to remit taxes or
36 assessments required under section 331 (relating to
37 fantasy contest tax), 332 (relating to licensed operator
38 deposits) or 333 (relating to responsibility and
39 authority of department); or

40 (v) the applicant has legally defaulted in the
41 payment of any obligation or debt due to the
42 Commonwealth.

43 (2) In the event of a revocation or failure to renew,
44 the applicant's authorization to conduct fantasy contests
45 shall immediately cease and all fees paid in connection with
46 the application shall be deemed to be forfeited.

47 (3) In the event of a suspension, the applicant's
48 authorization to conduct fantasy contests shall immediately
49 cease until the board has notified the applicant that the
50 suspension is no longer in effect.

51 (c) Renewal fee.--

1 (1) Within 30 days of the board renewing a fantasy
2 contest license, the licensed operator shall pay to the board
3 a renewal fee of \$5,000, or an amount equal to 7.5% of the
4 applicant's fantasy contest adjusted revenue, whichever is
5 less.

6 (2) The renewal fee collected by the board under this
7 subsection shall be deposited into the General Fund.

8 (3) If a licensed operator fails to pay the renewal fee
9 required under this subsection, the board shall suspend or
10 revoke the licensed operator's fantasy contest license until
11 payment of the renewal fee is received.

12 § 325. Conditions of licensure.

13 As a condition of licensure, a licensed operator shall
14 establish and implement the following commercially reasonable
15 procedures related to conduct of fantasy contests in this
16 Commonwealth:

17 (1) Permit only participants who have established a
18 fantasy contest account with the licensed operator to
19 participate in a fantasy contest conducted by the licensed
20 operator.

21 (2) Verify the age, location and identity of any
22 participant prior to making a deposit into a fantasy contest
23 account for a participant located in this Commonwealth. No
24 participant under 18 years of age may be permitted to
25 establish a fantasy contest account with a licensed operator.

26 (3) Verify the identity of a participant by requiring
27 the participant to provide the licensed operator a unique
28 user name and password prior to accessing a fantasy contest
29 account.

30 (4) Ensure rules and prizes and awards established by
31 the licensed operator for a fantasy contest are made known to
32 a participant prior to the acceptance of any entry fee.

33 (5) Ensure that a player who is the subject of a fantasy
34 contest is restricted from entering as a participant in a
35 fantasy contest that is determined, in whole or part, on the
36 accumulated statistical results of a team of individuals in
37 the league in which the player is a member.

38 (6) Allow a person to restrict himself from entering a
39 fantasy contest or accessing a fantasy contest account for a
40 specific period of time as determined by the participant and
41 implement reasonable procedures to prevent the individual
42 from participating in the licensed operator's fantasy
43 contests.

44 (7) Allow a person to restrict the total amount of
45 deposits that the participant may pay to the licensed
46 operator for a specific time period established by the
47 participant and implement reasonable procedures to prevent
48 the participant from exceeding the limit.

49 (8) Conspicuously post compulsive and problem play
50 notices at fantasy contest registration points and provide a
51 toll-free telephone number to participants who have expressed

1 to the licensed operator issues with compulsive and problem
2 play of fantasy contests. The toll-free telephone number and
3 the compulsive and problem play notice shall be approved by
4 the board, in consultation with the Department of Drug and
5 Alcohol Programs or a successor agency.

6 (9) Disclose the number of entries a single participant
7 may submit to each fantasy contest and take commercially
8 reasonable steps to prevent such participants from submitting
9 more than the allowable number.

10 (10) Prohibit the licensed operator's principals,
11 employees and relatives living in the same household of an
12 employee or principal from competing in a fantasy contest
13 offered by any licensed operator to the general public and in
14 which fantasy contest the licensed operator offers a prize or
15 award.

16 (11) Prevent the sharing of confidential information
17 that could affect fantasy contest play with third parties
18 until the information is made publicly available.

19 (12) Take commercially reasonable steps to maintain the
20 confidentiality of a participant's personal and financial
21 information.

22 (13) Segregate participant funds from operational funds
23 in separate accounts and maintain a reserve in the form of
24 cash, cash equivalents, security deposits held by banks and
25 processors, an irrevocable letter of credit, payment
26 processor reserves and receivables, a bond or a combination
27 thereof in an amount sufficient to pay all prizes and awards
28 offered to winning participants. To satisfy this paragraph, a
29 licensed operator that only offers season-long fantasy
30 contests that generate less than \$250,000 in season-long
31 fantasy contest adjusted revenue may contract with a third
32 party to hold prizes and awards in an escrow account until
33 after the season is concluded and prizes and awards are
34 distributed.

35 (14) Provide winning in-State participants with
36 information and documentation necessary to ensure the proper
37 reporting of winnings by in-State participants to the
38 department.

39 (15) Remit taxes or assessments to the department in
40 accordance with sections 331 (relating to fantasy contest
41 tax), 332 (relating to licensed operator deposits) and 333
42 (relating to responsibility and authority of department).

43 (16) Prohibit the use of scripts by participants and
44 implement technologies to prevent the use of scripts.

45 (17) Monitor fantasy contests for the use of scripts and
46 restrict players found to have used such scripts from
47 participation in future fantasy contests.

48 (18) Establish any other condition deemed appropriate by
49 the board.

50 § 326. Prohibitions.

51 (a) General rule.--No licensed operator may:

1 (1) accept an entry fee from or permit a natural person
2 under 18 years of age to become a participant in a fantasy
3 contest;

4 (2) offer a fantasy contest based, in whole or in part,
5 on collegiate or high school athletic events or players;

6 (3) permit a participant to enter a fantasy contest
7 prior to establishing a fantasy contest account, unless the
8 licensed operator is also a licensed gaming entity and the
9 participant enters a fantasy contest through a fantasy
10 contest terminal located within the licensed gaming entity's
11 licensed facility;

12 (4) establish a fantasy contest account for a person who
13 is not an individual;

14 (5) alter rules established for a fantasy contest after
15 a participant has entered the fantasy contest;

16 (6) issue credit to a participant to establish or fund a
17 fantasy contest account;

18 (7) knowingly directly market to a participant during
19 the time period in which the participant has self-excluded
20 from the licensed operator's fantasy contests;

21 (8) knowingly permit a participant to enter the licensed
22 operator's fantasy contests during the time period in which
23 the participant has self-excluded from the licensed
24 operators' fantasy contests;

25 (8.1) knowingly allow a self-excluded individual to keep
26 a prize or award.

27 (9) knowingly accept a deposit in excess of a limit
28 established by a participant for the specific time period
29 established by the participant;

30 (10) share confidential information that could affect
31 fantasy contest play with third parties until the information
32 is made publicly available;

33 (11) knowingly permit a principal, an employee or a
34 relative living in the same household of an employee or
35 principal to become a participant in a fantasy contest
36 offered by any licensed operator in which a licensed operator
37 offers a prize or award;

38 (12) offer a fantasy contest where:

39 (i) the minimum value of all prizes or awards
40 offered to winning participants is not established and
41 made known to participants in advance of the fantasy
42 contest;

43 (ii) winning outcomes do not reflect the relative
44 knowledge and skill of participants;

45 (iii) the winning outcome is based on the score,
46 point spread or performance of a single actual team or
47 combination of teams or solely on a single performance of
48 an individual athlete or player in a single actual event;
49 or

50 (iv) the winning outcome is not based on statistical
51 results accumulated from fully completed athletic sports

1 contests or events, except that participants may be
2 credited for statistical results accumulated in a
3 suspended or shortened sports event which has been
4 partially completed on account of weather or other
5 natural or unforeseen event;
6 (13) fail to remit taxes or assessments to the
7 department in accordance with sections 331 (relating to
8 fantasy contest tax), 332 (relating to licensed operator
9 deposits) and 333 (relating to responsibility and authority
10 of department);
11 (14) knowingly allow a participant to use a script
12 during a fantasy contest;
13 (15) except as permitted under section 342 (relating to
14 licensed gaming entities), offer or make available in this
15 Commonwealth a fantasy contest terminal; and
16 (16) perform any other action prohibited by the board.
17 (b) Deposit.--The licensed operator shall deposit the amount
18 of the prize or award under subsection (a) (8.1) in the General
19 Fund.
20 § 327. Change in ownership or control of licensed operators.
21 (a) Notification and approval.--
22 (1) A licensed operator shall notify the board upon
23 becoming aware of any proposed change of ownership of the
24 licensed operator by a person or group of persons acting in
25 concert which involves any of the following:
26 (i) More than 15% of a licensed operator's
27 securities or other ownership interests.
28 (ii) The sale other than in the ordinary course of
29 business of a licensed operator's assets.
30 (iii) Any other transaction or occurrence deemed by
31 the board to be relevant to fantasy contest license
32 qualifications.
33 (2) Notwithstanding the provisions of paragraph (1), a
34 licensed operator shall not be required to notify the board
35 of any acquisition by an institutional investor under
36 paragraph (1)(i) or (ii) if the institutional investor holds
37 less than 10% of the securities or other ownership interests
38 referred to in paragraph (1)(i) or (ii), the securities or
39 interests are publicly traded securities and its holdings of
40 such securities were purchased for investment purposes only
41 and the institutional investor files with the board a
42 certified statement to the effect that the institutional
43 investor has no intention of influencing or affecting,
44 directly or indirectly, the affairs of the licensed operator.
45 However, the institutional investor may vote on matters put
46 to the vote of the outstanding security holders. Notice to
47 the board shall be required prior to completion of any
48 proposed or contemplated change of ownership of a licensed
49 operator that meets the criteria of this section.
50 (b) Qualification of purchaser and change of control.--
51 (1) A purchaser of the assets, other than in the

1 ordinary course of business, of a licensed operator shall
2 independently qualify for a fantasy contest license in
3 accordance with this chapter and shall pay the application
4 fee and license fee as required by sections 322 (relating to
5 application) and 323 (relating to issuance and denial of
6 license), except that if the purchaser of assets is another
7 licensed operator, the purchaser of assets shall not be
8 required to requalify for a fantasy contest license or pay
9 another application fee and license fee.

10 (2) A change in control of any licensed operator shall
11 require that the licensed operator independently qualify for
12 a fantasy contest license in accordance with this chapter,
13 and the licensed operator shall pay a new application and
14 license fee as required by sections 322 and 323, except that
15 if the new controller is another licensed operator, the new
16 controller shall not be required to requalify for a fantasy
17 contest license or pay another application fee and license
18 fee.

19 (c) License revocation.--Failure to comply with this section
20 may cause the fantasy contest license issued under this chapter
21 to be revoked or suspended by the board unless the purchase of
22 the assets or the change in control that meets the criteria of
23 this section has been independently qualified in advance by the
24 board and any required application or license fee has been paid.

25 (d) Definitions.--As used in this section, the following
26 words and phrases shall have the meanings given to them in this
27 subsection unless the context clearly indicates otherwise:

28 "Change in control of a licensed operator." The acquisition
29 by a person or group of persons acting in concert of more than
30 20% of a licensed operator's securities or other ownership
31 interests, with the exception of any ownership interest of the
32 person that existed at the time of initial licensing and payment
33 of the initial fantasy contest license fee, or more than 20% of
34 the securities or other ownership interests of a corporation or
35 other form of business entity that owns directly or indirectly
36 at least 20% of the voting or other securities or other
37 ownership interests of the licensed operator.

38 § 328. Penalties.

39 (a) Suspension or revocation of license.--

40 (1) After a public hearing with at least 15 days'
41 notice, the board may suspend or revoke a licensed operator's
42 fantasy contest license in any case where a violation of this
43 chapter has been shown by a preponderance of the evidence.

44 (2) The board may revoke a fantasy contest license if
45 the board finds that facts not known by the board at the time
46 the board considered the application indicate that such
47 license should not have been issued.

48 (b) Administrative penalties.--

49 (1) In addition to suspension or revocation of a fantasy
50 contest license, the board may impose administrative
51 penalties on a licensed operator for violations of this

chapter.

(2) A violation of this chapter that is determined to be an offense of a continuing nature shall be deemed to be a separate offense on each event or day during which the violation occurs.

(3) The licensed operator shall have the right to appeal administrative penalties in accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

(4) Penalties imposed under this subsection shall be deposited into the General Fund.

(c) Civil penalties.--

(1) In addition to the provisions of this section, a person who knowingly violates a provision of this chapter shall be liable for a civil penalty of not more than \$1,000 for each such violation.

(2) The civil penalty shall be recovered in a civil action brought by the board and shall be paid into the General Fund.

SUBCHAPTER D FISCAL PROVISIONS

Sec.

331. Fantasy contest tax.

332. Licensed operator deposits.

333. Responsibility and authority of department.

§ 331. Fantasy contest tax.

(a) Imposition.--Each licensed operator shall report to the department and pay from its monthly fantasy contest adjusted revenues, on a form and in the manner prescribed by the department, a tax of 19% of its monthly fantasy contest adjusted revenues.

(b) Deposits and distributions.--

(1) The tax imposed under subsection (a) shall be payable to the department on a monthly basis and shall be based upon monthly fantasy contest adjusted revenue derived during the previous month.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the licensed operator until the funds are paid to the department.

(3) The tax imposed under subsection (a) shall be deposited into the General Fund.

(c) Penalty.--

(1) A licensed operator who fails to timely remit to the department amounts required under this section shall be liable, in addition to any liability imposed elsewhere in this chapter, to a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.

(2) Penalties imposed under this subsection shall be deposited in the General Fund.

1 § 332. Licensed operator deposits.

2 (a) Accounts established.--The State Treasurer shall
3 establish within the State Treasury an account for each licensed
4 operator for the deposit required under subsection (b) to:

5 (1) recover costs or expenses incurred by the board and
6 the department in carrying out their powers and duties under
7 this chapter based upon a budget submitted by the board and
8 the department under subsection (c); and

9 (2) repay any loans made by the General Fund to the
10 board or the department in connection with carrying out its
11 powers and duties under this chapter.

12 (b) Deposits.--

13 (1) The department shall determine the appropriate
14 assessment amount for each licensed operator, which shall be
15 a percentage assessed on the licensed operator's fantasy
16 contest adjusted revenues. Each licensed operator shall
17 deposit funds into its account on a quarterly basis.

18 (2) The percentage assessed shall not exceed an amount
19 necessary to:

20 (i) recover costs or expenses incurred by the board
21 and the department in carrying out their powers and
22 duties under this chapter based on a budget submitted by
23 the board and the department under subsection (c); and

24 (ii) repay any loans made from the General Fund to
25 the board in connection with carrying out its powers and
26 duties under this chapter.

27 (c) Itemized budget reporting.--

28 (1) The board and the department shall prepare and
29 annually submit to the chairperson and minority chairperson
30 of the Appropriations Committee of the Senate and the
31 chairperson and minority chairperson of the Appropriations
32 Committee of the House of Representatives an itemized budget
33 consisting of amounts to be appropriated out of the accounts
34 established under this section necessary to administer this
35 chapter.

36 (2) As soon as practicable after submitting copies of
37 the itemized budget, the department shall submit to the
38 chairperson and minority chairperson of the Appropriations
39 Committee of the Senate and the chairperson and minority
40 chairperson of the Appropriations Committee of the House of
41 Representatives analyses of and recommendations regarding the
42 itemized budget.

43 (3) The itemized budget required under paragraph (1)
44 shall be submitted in conjunction with the budget required to
45 be submitted under section 1202(b)(28) (relating to general
46 and specific powers).

47 (d) Appropriation.--Costs and expenses from accounts
48 established under subsection (a) shall only be disbursed upon
49 appropriation by the General Assembly.

50 (e) Penalty.--

51 (1) A licensed operator who fails to timely remit to the

1 department amounts required under this section shall be
2 liable, in addition to any liability imposed elsewhere in
3 this chapter, to a penalty of 5% per month up to a maximum of
4 25% of the amounts ultimately found to be due, to be
5 recovered by the department.

6 (2) Penalties imposed under this subsection shall be
7 deposited into the General Fund.

8 § 333. Responsibility and authority of department.

9 (a) General rule.--The department may administer and collect
10 taxes imposed under section 331 (relating to fantasy contest
11 tax) and interest imposed under section 806 of the act of April
12 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and
13 promulgate and enforce rules and regulations to carry out its
14 prescribed duties in accordance with sections 331 and 332
15 (relating to licensed operator deposits), including the
16 collection of taxes, penalties, assessments and interest.

17 (b) Procedure.--For purposes of implementing sections 331
18 and 332, the department may promulgate regulations in the same
19 manner in which the board is authorized as provided in section
20 312 (relating to temporary regulations).

21 SUBCHAPTER E

22 MISCELLANEOUS PROVISIONS

23 Sec.

24 341. Applicability of other statutes.

25 342. Licensed gaming entities.

26 § 341. Applicability of other statutes.

27 (a) Unlawful gambling.--The provisions of 18 Pa.C.S. § 5513
28 (relating to gambling devices, gambling, etc.) shall not apply
29 to a fantasy contest conducted in accordance with this chapter.

30 (b) Pool selling and bookmaking.--The provisions of 18
31 Pa.C.S. § 5514 (relating to pool selling and bookmaking) shall
32 not apply to a fantasy contest conducted in accordance with this
33 chapter.

34 (c) Lotteries.--The provisions of 18 Pa.C.S. § 5512
35 (relating to lotteries, etc.) shall not apply to a fantasy
36 contest conducted in accordance with this chapter.

37 (d) State Lottery Law.--This chapter shall not apply to a
38 fantasy contest or similar product authorized under the act of
39 August 26, 1971 (P.L.351, No.91), known as the State Lottery
40 Law, and authorized solely by the department and the Division of
41 the State Lottery.

42 § 342. Licensed gaming entities.

43 (a) Scope.--This section shall apply to a licensed gaming
44 entity that holds a fantasy contest license.

45 (b) Applicability.--Nothing in this chapter shall be
46 construed to limit the board's general and sole regulatory
47 authority over the conduct of gaming or related activities under
48 Part II (relating to gaming), including, but not limited to, the
49 certification, registration and regulation of gaming service
50 providers and individuals and entities associated with them.

51 (c) Restricted contests.--A licensed gaming entity may offer

1 fantasy contests that are exclusive to participants who are at
2 least 21 years of age.

3 (d) Promotional play.--For a restricted contest under
4 subsection (c), a licensed gaming entity may offer slot machine
5 or table game promotional play to a participant who is at least
6 21 years of age as a prize or award or for participating in a
7 fantasy contest conducted by the licensed gaming entity.

8 (e) Gaming service providers.--A licensed operator who is
9 not a licensed gaming entity may, at the discretion of the
10 board, be certificated or registered as a gaming service
11 provider under section 1317.2 (relating to gaming service
12 provider) in order to operate fantasy contests subject to the
13 restrictions of subsections (c) and (f) on behalf of a licensed
14 gaming entity.

15 (f) Fantasy contest terminals.--

16 (1) A licensed gaming entity may petition the board, on
17 a form and in a manner as required by the board, to place and
18 operate fantasy contest terminals within the licensed gaming
19 entity's licensed facility.

20 (2) The board may, according to regulations adopted by
21 the board, approve the placement and operation of fantasy
22 contest terminals at one or more locations within a licensed
23 facility, provided that fantasy contest terminals may not be
24 placed on the gaming floor.

25 (3) The board may not require a participant to establish
26 a fantasy contest account prior to entering a fantasy contest
27 through a fantasy contest terminal.

28 CHAPTER 5

29 LOTTERY

30 Sec.

31 501. Definitions.

32 502. Sales agent compensation.

33 503. Lottery Sales Advisory Council.

34 § 501. Definitions.

35 The following words and phrases when used in this chapter
36 shall have the meanings given to them in this section unless the
37 context clearly indicates otherwise:

38 "Cash bonus." Compensation paid to a licensed lottery sales
39 agent for issuing prizes to players for winning lottery tickets
40 or shares, the amount of which compensation is a percentage
41 amount of the prize awarded by the licensed lottery sales agent
42 to a player for a winning ticket or share.

43 "Commission." Compensation paid to a licensed lottery sales
44 agent for the sale of lottery tickets or shares to the public,
45 the amount of which compensation is a percentage amount of the
46 retail price of a ticket or share sold by a licensed lottery
47 sales agent.

48 "Department." The Department of Revenue of the Commonwealth.

49 "Secretary." The Secretary of Revenue of the Commonwealth.

50 § 502. Sales agent compensation.

51 (a) Commission required.--

1 (1) Notwithstanding section 303 of the act of August 26,
2 1971 (P.L.351, No.91), known as the State Lottery Law, and
3 subject to paragraph (2), the secretary shall provide a
4 commission to licensed lottery sales agents that shall be no
5 less than 5.5%.

6 (2) Beginning one year after the effective date of this
7 section, the secretary shall provide a commission to licensed
8 lottery sales agents in an amount that shall be no less than
9 6%.

10 (b) Cash bonus required.--

11 (1) Notwithstanding section 303 of the State Lottery
12 Law, the secretary shall provide a cash bonus to licensed
13 lottery sales agents in an amount that shall be no less than
14 1%.

15 (2) The secretary shall permit a licensed lottery sales
16 agent to redeem a winning ticket or share for a prize amount
17 of \$2,500 or less.

18 § 503. Lottery Sales Advisory Council.

19 (a) Establishment.--

20 (1) The department shall establish a Lottery Sales
21 Advisory Council which shall be comprised of the secretary,
22 the Director of the Division of the State Lottery, a
23 representative from the Department of Aging or a successor
24 agency, representatives from a Statewide food merchants
25 association, licensed lottery sales agents and any other
26 individual, at the discretion of the department.

27 (2) The Lottery Sales Advisory Council shall meet at
28 times and in a manner at the department's discretion for the
29 purposes of increasing the partnership between the State
30 Lottery and licensed lottery sales agents and developing
31 policy recommendations for increased lottery sales.

32 (3) The Lottery Sales Advisory Council shall operate in
33 an advisory, nonbinding capacity.

34 (b) Compensation.--No member of the Lottery Sales Advisory
35 Council shall be entitled to any form of compensation from the
36 Commonwealth for the performance of any duty that may be
37 required by the Lottery Sales Advisory Council.

38 CHAPTER 7

39 iLOTTERY

40 Sec.

41 701. Scope of chapter.

42 702. Definitions.

43 703. iLottery authorization.

44 § 701. Scope of chapter.

45 This chapter relates to iLottery.

46 § 702. Definitions.

47 The following words and phrases when used in this chapter
48 shall have the meanings given to them in this section unless the
49 context clearly indicates otherwise:

50 "Department." The Department of Revenue of the Commonwealth.

51 "iLottery." A digital system that provides for the

distribution of lottery products through numerous channels that include, but are not limited to, web applications, mobile applications, mobile web, tablets and social media platforms that allows players to interface through a portal for the purpose of obtaining lottery products and ancillary services, such as account management, game purchase, game play and prize redemption. The term does not include games that represent physical, Internet-based or monitor-based interactive lottery games which simulate casino-style lottery games, specifically including poker, roulette, slot machines or blackjack.

"Internet instant game." A lottery game of chance in which, by the use of a computer, tablet computer or other mobile device, a player purchases a lottery play, with the result of play being a reveal on the device of numbers, letters or symbols indicating whether a lottery prize has been won according to an established methodology as provided by the lottery.

"Lottery products." Plays, shares or chances offered by the lottery as well as lottery property that may be exchanged for plays, shares or chances. The term includes instant tickets, terminal-based tickets, raffle games, Internet instant tickets, iLottery games, play-for-fun games, lottery vouchers, subscription services and gift cards.

"Secretary." The Secretary of Revenue of the Commonwealth.

"Subscription services." A payment, advance payment or promise of payment for multiple lottery products over a specified period of time, including payment through iLottery.
§ 703. iLottery authorization.

(a) Authority.--Notwithstanding any provision of law to the contrary, the department may operate iLottery and Internet instant games.

(b) Temporary regulatory authority.--

(1) In order to facilitate the prompt implementation of iLottery products or new sales methods of existing lottery products over the Internet, regulations promulgated by the secretary shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulations. The secretary may promulgate temporary regulations not subject to:

(i) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(ii) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(iii) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(2) Regulations adopted after the two-year time period shall be promulgated as provided by law.

(c) Prompt implementation.--Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of iLottery in this Commonwealth, initial

contracts entered into by the department for iLottery and related gaming systems, including any necessary hardware, software, licenses or related services, shall not be subject to the provisions of 62 Pa.C.S. (relating to procurement). Contracts entered into under this subsection may not exceed five years.

(d) Player identifiable information.--With the exception of certain information released by the department to notify the public of the identity of a prize recipient or to perform any other obligation of the lottery under laws or regulations related to the payment of lottery prizes, personally identifying information obtained by the department as a result of a player's purchase of lottery products or the claim of a lottery prize, such as name, address, telephone number or player financial information, shall be considered confidential and otherwise exempt from disclosure whether retained by the department, an agent of the department or a lottery retailer.

(e) Lottery proprietary information.--

(1) Information obtained by the department as a result of a player's purchase of lottery products or entering a lottery drawing, such as aggregate statistical data which may include play history or player tendencies, shall be considered proprietary information of the department and otherwise exempt from disclosure whether retained by the department, an agent of the lottery or a lottery retailer.

(2) Proprietary information shall include any research or study conducted by the lottery or a lottery vendor that utilizes proprietary information obtained under this section.

(f) Revenues.--

(1) Notwithstanding any provision of law to the contrary, revenues accruing from the sale of lottery products under this chapter shall be dedicated to and deposited in the State Lottery Fund as provided for in section 311 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law. The revenues shall be apportioned as provided for in section 303(a)(11) of the State Lottery Law.

(2) For fiscal years beginning after June 30, 2017, revenues raised under this chapter shall not be subject to the profit margin limitations specified in section 303(a)(11)(iv) of the State Lottery Law.

(g) Prepaid cards.--

(1) The department shall provide licensed lottery sales agents prepaid cards or other mechanisms for sale to the public that allow a player to prepurchase lottery products offered through iLottery.

(2) Nothing in this subsection shall be construed to require a player to purchase prepaid cards or other mechanisms from a licensed lottery sales agent in order to engage in iLottery.

(h) Sales agent compensation.--A licensed lottery sales agent shall be entitled to no less than 6% of the retail amount

1 of a prepaid card or other mechanism authorized under subsection
2 (g) that is sold by the licensed lottery sales agent.

3 Section 2. Section 1102 of Title 4 is amended to read:
4 § 1102. Legislative intent.

5 The General Assembly recognizes the following public policy
6 purposes and declares that the following objectives of the
7 Commonwealth are to be served by this part:

8 (1) The primary objective of this part to which all
9 other objectives and purposes are secondary is to protect the
10 public through the regulation and policing of all activities
11 involving gaming and practices that continue to be unlawful.

12 (2) The authorization of limited gaming by the
13 installation and operation of slot machines as authorized in
14 this part is intended to enhance live horse racing, breeding
15 programs, entertainment and employment in this Commonwealth.

16 (2.1) The authorization of table games and interactive
17 gaming in this part is intended to supplement slot machine
18 gaming by increasing revenues to the Commonwealth and
19 providing new employment opportunities by creating skilled
20 jobs for individuals related to the conduct of table games at
21 licensed facilities in this Commonwealth and related to the
22 conduct of interactive gaming.

23 (3) The authorization of limited gaming is intended to
24 provide a significant source of new revenue to the
25 Commonwealth to support property tax relief, wage tax
26 reduction, economic development opportunities and other
27 similar initiatives.

28 (4) The authorization of limited gaming is intended to
29 positively assist the Commonwealth's horse racing industry,
30 support programs intended to foster and promote horse
31 breeding and improve the living and working conditions of
32 personnel who work and reside in and around the stable and
33 backside areas of racetracks.

34 (5) The authorization of limited gaming is intended to
35 provide broad economic opportunities to the citizens of this
36 Commonwealth and shall be implemented in such a manner as to
37 prevent possible monopolization by establishing reasonable
38 restrictions on the control of multiple licensed gaming
39 facilities in this Commonwealth.

40 (6) The authorization of limited gaming is intended to
41 enhance the further development of the tourism market
42 throughout this Commonwealth, including, but not limited to,
43 year-round recreational and tourism locations in this
44 Commonwealth.

45 (7) Participation in limited gaming authorized under
46 this part by any licensee [or], permittee, registrant or
47 certificate holder shall be deemed a privilege, conditioned
48 upon the proper and continued qualification of the licensee
49 [or], permittee, registrant or certificate holder and upon
50 the discharge of the affirmative responsibility of each
51 licensee, permittee, registrant and certificate holder to

1 provide the regulatory and investigatory authorities of the
2 Commonwealth with assistance and information necessary to
3 assure that the policies declared by this part are achieved.

4 (8) Strictly monitored and enforced control over all
5 limited gaming authorized by this part shall be provided
6 through regulation, licensing and appropriate enforcement
7 actions of specified locations, persons, associations,
8 practices, activities, licensees [and], permittees,
9 registrants and certificate holders.

10 (9) Strict financial monitoring and controls shall be
11 established and enforced by all licensees [or], permittees,
12 registrants and certificate holders.

13 (10) The public interest of the citizens of this
14 Commonwealth and the social effect of gaming shall be taken
15 into consideration in any decision or order made pursuant to
16 this part.

17 (10.1) The General Assembly has a compelling interest in
18 protecting the integrity of both the electoral process and
19 the legislative process by preventing corruption and the
20 appearance of corruption which may arise through permitting
21 any type of political campaign contributions by certain
22 persons involved in the gaming industry and regulated under
23 this part.

24 (10.2) Banning all types of political campaign
25 contributions by certain persons subject to this part is
26 necessary to prevent corruption and the appearance of
27 corruption that may arise when political campaign
28 contributions and gaming regulated under this part are
29 intermingled.

30 (11) It is necessary to maintain the integrity of the
31 regulatory control and legislative oversight over the
32 operation and play of slot machines [and], table games and
33 interactive gaming in this Commonwealth; to ensure the
34 bipartisan administration of this part; and avoid actions
35 that may erode public confidence in the system of
36 representative government.

37 (12) It is the intent of the General Assembly to
38 authorize the operation and play of slot machines [and], table games and interactive gaming under a single slot
39 machine license issued to a slot machine licensee when a slot
40 machine licensee has been issued a table game operation
41 certificate and an interactive gaming certificate under this
42 part.
43

44 (12.1) The continued growth and success of the
45 commercial gaming industry in this Commonwealth is dependent
46 upon a regulatory environment which promotes and fosters
47 technological advances and encourages the development and
48 delivery of innovative gaming products.

49 (12.2) It is also the intent of the General Assembly to
50 ensure the sustainability and competitiveness of the
51 commercial gaming industry in this Commonwealth by

1 authorizing interactive gaming, the operation of multistate
2 wide-area progressive slot machines, skill and hybrid slot
3 machines.

4 (12.3) It is also the intent of the General Assembly to
5 authorize the operation and play of interactive gaming in
6 conformance with Federal law, including the Unlawful Internet
7 Gambling Enforcement Act of 2006 (Title VIII of Public Law
8 109-347, 31 U.S.C. §§ 5361-5367).

9 (13) The authorization of limited gaming in this
10 Commonwealth requires the Commonwealth to take steps to
11 increase awareness of compulsive and problem gambling and to
12 develop and implement effective strategies for prevention,
13 assessment and treatment of this behavioral disorder.

14 (14) Research indicates that [for some individuals]
15 compulsive and problem gambling and drug and alcohol
16 addiction are related. Therefore, the General Assembly
17 intends to establish an approach to compulsive and problem
18 gambling prevention, assessment and treatment that will
19 ensure the provision of adequate resources to identify,
20 assess and treat both compulsive and problem gambling and
21 drug and alcohol addiction.

22 Section 3. The definitions of "associated equipment," "cash
23 equivalent," "cheat," "cheating or thieving device,"
24 "commission" or "commissions," "conduct of gaming," "contest,"
25 "counterfeit chip," "fully automated electronic gaming table,"
26 "gaming employee," "gaming school," "gaming service provider,"
27 "key employee," "licensed facility," "licensed racing entity,"
28 "manufacturer," "manufacturer license," "player," "progressive
29 payout," "progressive system," "Race Horse Industry Reform Act,"
30 "slot machine," "supplier," "supplier license," "table game" and
31 "table game device" in section 1103 of Title 4 are amended and
32 the section is amended by adding definitions to read:

33 § 1103. Definitions.

34 The following words and phrases when used in this part shall
35 have the meanings given to them in this section unless the
36 context clearly indicates otherwise:

37 * * *

38 "Airport authority." Any of the following:

39 (1) the governing body of a municipal authority
40 organized and incorporated to oversee the operations of a
41 qualified airport under 53 Pa.C.S. Ch. 56 (relating to
42 municipal authorities); or

43 (2) a city of the first class that regulates the use and
44 control of a qualified airport located partially in a county
45 of the first class and partially in a county contiguous to a
46 county of the first class.

47 "Airport gaming area." A location or locations within a
48 qualified airport approved by the airport authority and the
49 Pennsylvania Gaming Control Board for the conduct of interactive
50 gaming through the use of multi-use computing devices by
51 eligible passengers.

1 * * *

2 "Associated equipment." Any equipment or mechanical,
3 electromechanical or electronic contrivance, component or
4 machine used in connection with slot machines or table games,
5 including linking devices which connect to progressive slot
6 machines and multistate wide-area progressive slot machines or
7 slot [machines, replacement] machine replacement parts,
8 equipment which affects the proper reporting and counting of
9 gross terminal revenue [and], gross table game revenue and gross
10 interactive gaming revenue, computerized systems for controlling
11 and monitoring slot machines [or], table games or interactive
12 games, including, but not limited to, the central control
13 computer to which all slot machines communicate [and], devices
14 for weighing or counting money[.] and interactive gaming devices
15 necessary for the operation of interactive games as approved by
16 the Pennsylvania Gaming Control Board. The term shall not
17 include count room equipment.

18 * * *

19 "Authorized interactive game." An interactive game approved
20 by regulation of the Pennsylvania Gaming Control Board to be
21 suitable for interactive gaming offered by an interactive gaming
22 certificate holder or an interactive gaming operator on behalf
23 of an interactive gaming certificate holder in accordance with
24 Chapter 13B (relating to interactive gaming). The term shall
25 include any interactive game approved by regulation of the
26 Pennsylvania Control Board to be suitable for interactive gaming
27 through the use of a multi-use computing device.

28 * * *

29 "Cash equivalent." An asset that is readily convertible to
30 cash, including, but not limited to, any of the following:

- 31 (1) Chips or tokens.
- 32 (2) Travelers checks.
- 33 (3) Foreign currency and coin.
- 34 (4) Certified checks, cashier's checks and money orders.
- 35 (5) Personal checks or drafts.
- 36 (6) A negotiable instrument applied against credit
37 extended by a certificate holder, an interactive gaming
38 certificate holder, an interactive gaming operator or a
39 financial institution.

40 (6.1) A prepaid access instrument.

- 41 (7) Any other instrument or representation of value that
42 the Pennsylvania Gaming Control Board deems a cash
43 equivalent.

44 * * *

45 "Cheat." To defraud or steal from any player, slot machine
46 licensee or the Commonwealth while operating or playing a slot
47 machine [or], table game[,] or authorized interactive game,
48 including causing, aiding, abetting or conspiring with another
49 person to do so. The term shall also mean to alter or causing,
50 aiding, abetting or conspiring with another person to alter the
51 elements of chance, method of selection or criteria which

1 determine:

2 (1) The result of a slot machine game [or], table game
3 or authorized interactive game.

4 (2) The amount or frequency of payment in a slot machine
5 game [or], table game or authorized interactive game.

6 (3) The value of a wagering instrument.

7 (4) The value of a wagering credit.

8 The term does not include altering a slot machine, table game
9 device or associated equipment or interactive gaming device or
10 associated equipment for maintenance or repair with the approval
11 of a slot machine licensee.

12 "Cheating or thieving device." A device, software or
13 hardware used or possessed with the intent to be used to cheat
14 during the operation or play of any slot machine [or], table
15 game or authorized interactive game. The term shall also include
16 any device used to alter a slot machine [or], a table game
17 device or associated equipment, an authorized interactive game
18 or interactive gaming device or associated equipment without the
19 slot machine licensee's approval.

20 * * *

21 ["Commission" or "commissions."] "Commission." The State
22 Horse Racing Commission [or the State Harness Racing Commission,
23 or both as the context may require.] as defined in 3 Pa.C.S. §
24 9301 (relating to definitions).

25 "Communications technology." Any method used and the
26 components employed to facilitate the transmission and receipt
27 of information, including transmission and reception by systems
28 using wire, wireless, cable, radio, microwave, light, fiber
29 optics, satellite or computer data networks, including the
30 Internet and intranets.

31 * * *

32 "Concession operator." A person engaged in the sale or
33 offering for sale of consumer goods or services to the public at
34 a qualified airport, or authorized to conduct other commercial
35 activities related to passenger services at a qualified airport,
36 in accordance with the terms and conditions of an agreement or
37 contract with an airport authority, government entity or other
38 person.

39 "Conduct of gaming." The licensed placement, operation and
40 play of slot machines [and], table games and interactive games
41 and casino simulcasting under this part, as authorized and
42 approved by the Pennsylvania Gaming Control Board. The term
43 shall include the licensed placement, operation and play of
44 authorized interactive games through the use of multi-use
45 computing devices at a qualified airport under Subchapter B.1 of
46 Chapter 13B (relating to multi-use computing devices).

47 "Contest." A slot machine, table game or authorized
48 interactive game competition among players for cash, cash
49 equivalents or prizes.

50 * * *

51 "Counterfeit chip." Any object or thing that is:

1 (1) used or intended to be used to play a table game at
2 a certificate holder's licensed facility and which was not
3 issued by that certificate holder for such use; [or]

4 (2) presented to a certificate holder for redemption if
5 the object was not issued by the certificate holder[.];

6 (3) used or intended to be used to play an authorized
7 interactive game which was not approved by the interactive
8 gaming certificate holder for such use; or

9 (4) presented during play of an authorized interactive
10 game for redemption, if the object or thing was not issued by
11 the interactive gaming certificate holder or interactive
12 gaming operator.

13 * * *

14 "Eligible passenger." An individual 21 years of age or older
15 who has cleared security check points with a valid airline
16 boarding pass for travel from one destination to another by
17 airplane.

18 * * *

19 "Fully automated electronic gaming table." An electronic
20 gaming table determined by the Pennsylvania Gaming Control Board
21 to be playable or operable as a table game without the
22 assistance or participation of a person acting on behalf of a
23 certificate holder. The term shall include a multi-use computing
24 device, which through the use of digital, electronic or other
25 communications technology, is capable of simulating a table
26 game.

27 * * *

28 "Gaming employee." Any employee of a slot machine licensee,
29 including, but not limited to:

30 (1) Cashiers.

31 (2) Change personnel.

32 (3) Count room personnel.

33 (4) Slot attendants.

34 (5) Hosts or other individuals authorized to extend
35 complimentary services, including employees performing
36 functions similar to those performed by a gaming junket
37 representative.

38 (6) Machine mechanics, computer machine technicians or
39 table game device technicians.

40 (7) Security personnel.

41 (8) Surveillance personnel.

42 (9) Promotional play supervisors, credit supervisors,
43 pit supervisors, cashier supervisors, shift supervisors,
44 table game managers and assistant managers and other
45 supervisors and managers, except for those specifically
46 identified in this part as key employees.

47 (10) Boxmen.

48 (11) Dealers or croupiers.

49 (12) Floormen.

50 (13) Personnel authorized to issue promotional play.

51 (14) Personnel authorized to issue credit.

1 The term shall include employees of a person holding a
2 supplier's license whose duties are directly involved with the
3 repair or distribution of slot machines, table game devices or
4 associated equipment or interactive gaming devices or associated
5 equipment sold or provided to a licensed facility within this
6 Commonwealth as determined by the Pennsylvania Gaming Control
7 Board. The term shall further include employees of a person
8 authorized by the board to supply goods and services related to
9 interactive gaming or any subcontractor or an employee of a
10 subcontractor that supplies interactive gaming devices,
11 including multi-use computing devices, or associated equipment
12 to an interactive gaming certificate holder or interactive
13 gaming operator who are directly involved in the operations of
14 interactive gaming. The term does not include bartenders,
15 cocktail servers or other persons engaged solely in preparing or
16 serving food or beverages, clerical or secretarial personnel,
17 parking attendants, janitorial, stage, sound and light
18 technicians and other nongaming personnel as determined by the
19 board.

20 "Gaming floor." Any portion of a licensed facility where
21 slot machines or table games have been installed for use or
22 play.

23 * * *

24 "Gaming-related restricted area." Any room or area of a
25 licensed facility which is specifically designated by the
26 Pennsylvania Gaming Control Board as restricted or by the slot
27 machine licensee as restricted in its board-approved internal
28 controls.

29 * * *

30 "Gaming school." Any educational institution approved by the
31 Department of Education as an accredited college or university,
32 community college, Pennsylvania private licensed school or its
33 equivalent and whose curriculum guidelines are approved by the
34 Department of Labor and Industry to provide education and job
35 training related to employment opportunities associated with
36 slot machines [or], table games or interactive games, including
37 slot machine, table game device and associated equipment
38 maintenance and repair and interactive gaming devices and
39 associated equipment maintenance and repair.

40 "Gaming service provider." A person that is not required to
41 be licensed as a manufacturer, supplier, management company or
42 gaming junket enterprise under this part or regulations of the
43 Pennsylvania Gaming Control Board and:

44 (1) provides goods or services, including, but not
45 limited to, count room equipment, to a slot machine licensee
46 or an applicant for a slot machine license for use in the
47 operation of a licensed facility; [or] and

48 (2) provides goods or services [at] to a slot machine
49 licensee or an applicant for a slot machine license that
50 requires access to the gaming floor or a gaming-related
51 restricted area of a licensed facility as determined by the

Pennsylvania Gaming Control Board.

"Gross interactive gaming revenue." As follows:

(1) The total of all cash or cash equivalent wagers paid by registered players or eligible passengers to an interactive gaming certificate holder in consideration for the play of authorized interactive games, minus:

(i) The total of cash or cash equivalents paid out to registered players as winnings.

(ii) The cash equivalent value of any personal property or other noncash items or things of value included in a drawing, contest or tournament and distributed to registered players as a result of playing authorized interactive games.

(iii) Any administrative fee, operations fee or tax paid to another state or jurisdiction pursuant to an interactive gaming reciprocal agreement.

(2) Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed shall not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue. For purposes of calculating the tax imposed under section 13B52 (relating to interactive gaming tax) and the local share assessment imposed under section 13B53 (relating to local share assessment), the term shall not include gross revenue generated from the conduct of interactive gaming through multi-use computing devices at a qualified airport.

* * *

"Hybrid slot machine." A slot machine in which a combination of the skill of the player and elements of chance affects the outcome of the game.

* * *

"Interactive game." Any gambling game offered through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term shall not include:

(1) A lottery game or Internet instant game as defined in the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

(2) iLottery under Chapter 7 (relating to iLottery).

(3) A nongambling game that does not otherwise require a license under the laws of this Commonwealth.

"Interactive gaming." The placing of wagers with an interactive gaming certificate holder or interactive gaming

1 operator using a computer network of both Federal and non-
2 Federal interoperable packet switched data networks through
3 which an interactive gaming certificate holder may offer
4 authorized interactive games to registered players. The term
5 shall include the placing of wagers through the use of a multi-
6 use computing device.

7 "Interactive gaming account." The formal, electronic system
8 implemented by an interactive gaming certificate holder to
9 record the balance of a registered player's debits, credits and
10 other financial activity related to interactive gaming.

11 "Interactive gaming account agreement." An agreement entered
12 into between an interactive gaming certificate holder and a
13 registered player which governs the terms and conditions of the
14 registered player's interactive gaming account and the use of
15 the Internet for purposes of placing wagers on authorized
16 interactive games operated by an interactive gaming certificate
17 holder or interactive gaming operator.

18 "Interactive gaming agreement." An agreement entered into by
19 or between an interactive gaming certificate holder and an
20 interactive gaming operator related to the offering or operation
21 of interactive gaming or an interactive gaming system by the
22 interactive gaming operator on behalf of the interactive gaming
23 certificate holder. The term shall include an interactive gaming
24 agreement entered into between an interactive gaming certificate
25 holder and an interactive gaming operator for the conduct of
26 interactive gaming through the use of multi-use computing
27 devices at a qualified airport in accordance with Chapter 13B
28 (relating to interactive gaming).

29 "Interactive gaming certificate." The authorization issued
30 to a slot machine licensee by the Pennsylvania Gaming Control
31 Board authorizing the operation and conduct of interactive
32 gaming by a slot machine licensee in accordance with Chapter 13B
33 (relating to interactive gaming).

34 "Interactive gaming certificate holder." A slot machine
35 licensee that has been granted authorization by the Pennsylvania
36 Gaming Control Board to operate interactive gaming in accordance
37 with Chapter 13B (relating to interactive gaming).

38 "Interactive gaming device." All hardware and software and
39 other technology, equipment or device of any kind as determined
40 by the Pennsylvania Gaming Control Board to be necessary for the
41 conduct of authorized interactive games.

42 "Interactive gaming license." A license issued to an
43 interactive gaming operator by the Pennsylvania Gaming Control
44 Board under Chapter 13B (relating to interactive gaming).

45 "Interactive gaming operator." A person licensed by the
46 Pennsylvania Gaming Control Board to operate interactive gaming
47 or an interactive gaming system on behalf of an interactive
48 gaming certificate holder. The term shall include a person that
49 has received conditional authorization under section 13B14
50 (relating to interactive gaming operators) for so long as such
51 authorization is effective.

1 "Interactive gaming platform." The combination of hardware
2 and software or other technology designed and used to manage,
3 conduct and record interactive games and the wagers associated
4 with interactive games, as approved by the Pennsylvania Gaming
5 Control Board. The term shall include any emerging or new
6 technology deployed to advance the conduct and operation of
7 interactive gaming, as approved through regulation by the
8 Pennsylvania Gaming Control Board.

9 "Interactive gaming reciprocal agreement." An agreement
10 negotiated by the Pennsylvania Gaming Control Board on behalf of
11 the Commonwealth with the regulatory agency of one or more
12 states or jurisdictions where interactive gaming is legally
13 authorized which will permit the conduct of interactive gaming
14 between interactive gaming certificate holders in this
15 Commonwealth and gaming entities in the states or jurisdictions
16 that are parties to the agreement.

17 "Interactive gaming restricted area." Any room or area, as
18 approved by the Pennsylvania Gaming Control Board, used by an
19 interactive gaming certificate holder or interactive gaming
20 operator to manage, control and operate interactive gaming,
21 including, where approved by the board, redundancy facilities.

22 "Interactive gaming skin or skins." The portal or portals to
23 an interactive gaming platform or Internet website through which
24 authorized interactive games are made available by an
25 interactive gaming certificate holder or interactive gaming
26 operator to registered players in this Commonwealth or
27 registered players in any other state or jurisdiction which has
28 entered into an interactive gaming reciprocal agreement.

29 "Interactive gaming system." All hardware, software and
30 communications that comprise a type of server-based gaming
31 system for the purpose of offering authorized interactive games.

32 "Internet website." The interactive gaming skin or skins
33 through which an interactive gaming certificate holder or other
34 person makes authorized interactive games available for play.

35 * * *

36 "Key employee." Any individual who is employed in a director
37 or department head capacity and who is empowered to make
38 discretionary decisions that regulate slot machine [or]
39 operations, table game operations, interactive gaming operations
40 or casino simulcasting, including the general manager and
41 assistant manager of the licensed facility, director of slot
42 operations, director of table game operations, director of
43 interactive gaming, director of cage and/or credit operations,
44 director of surveillance, director of marketing, director of
45 management information systems, director of interactive gaming
46 system programs or other similar job classifications associated
47 with interactive gaming and casino simulcasting, persons who
48 manage, control or administer interactive gaming and casino
49 simulcasting or the bets and wagers associated with authorized
50 interactive games and casino simulcasting, director of security,
51 comptroller and any employee who is not otherwise designated as

1 a gaming employee and who supervises the operations of these
2 departments or to whom these department directors or department
3 heads report and such other positions not otherwise designated
4 or defined under this part which the Pennsylvania Gaming Control
5 Board shall determine based on detailed analyses of job
6 descriptions as provided in the internal controls of the
7 licensee as approved by the Pennsylvania Gaming Control Board.
8 All other gaming employees unless otherwise designated by the
9 Pennsylvania Gaming Control Board shall be classified as non-key
10 employees.

11 * * *

12 "Licensed facility." As follows:

13 (1) The physical land-based location at which a licensed
14 gaming entity is authorized to place and operate slot
15 machines and, if authorized by the Pennsylvania Gaming
16 Control Board under Chapter 13A (relating to table games), to
17 conduct table games and if authorized under Chapter 13B
18 (relating to interactive gaming), to conduct interactive
19 gaming. The term includes any:

20 [(1)] (i) area of a licensed racetrack at which a
21 slot machine licensee was previously authorized pursuant
22 to section 1207(17) (relating to regulatory authority of
23 board) to operate slot machines prior to the effective
24 date of this paragraph;

25 [(2)] (ii) board-approved interim facility or
26 temporary facility; [and]

27 [(3)] (iii) area of a hotel which the Pennsylvania
28 Gaming Control Board determines is suitable to conduct
29 table games[.]; and

30 (iv) area of a licensed facility where casino
31 simulcasting is conducted, as approved by the
32 Pennsylvania Gaming Control Board.

33 (2) The term shall not include a redundancy facility or
34 an interactive gaming restricted area which is not located on
35 the premises of a licensed facility as approved by the
36 Pennsylvania Gaming Control Board and which is maintained and
37 operated by an interactive gaming certificate holder in
38 connection with interactive gaming or by a Category 1 slot
39 machine licensee in connection with the operation of slot
40 machines at a nonprimary location or in connection with
41 casino simulcasting.

42 * * *

43 "Licensed racing entity." Any legal entity that has obtained
44 a license to conduct live thoroughbred or harness horse race
45 meetings respectively with pari-mutuel wagering from [either]
46 the State Horse Racing Commission [or the State Harness Racing
47 Commission] pursuant to [the act of December 17, 1981 (P.L.435,
48 No.135), known as] the Race Horse Industry Reform Act.

49 "Manufacturer." A person who manufactures, builds, rebuilds,
50 fabricates, assembles, produces, programs, designs or otherwise
51 makes modifications to any slot machine, table game device or

1 associated equipment or authorized interactive games for use or
2 play of slot machines [or], table games or authorized
3 interactive games in this Commonwealth for gaming purposes. The
4 term shall not include a person who manufactures, builds,
5 rebuilds, fabricates, assembles, produces, programs, designs or
6 otherwise makes modifications to multi-use computing devices
7 used in connection with the conduct of interactive gaming at a
8 qualified airport.

9 "Manufacturer license." A license issued by the Pennsylvania
10 Gaming Control Board authorizing a manufacturer to manufacture
11 or produce slot machines, table game devices or associated
12 equipment, interactive gaming devices or associated equipment
13 for use in this Commonwealth for gaming purposes.

14 * * *

15 "Multi-use computing device." As follows:

16 (1) A computing device, including, but not limited to, a
17 tablet computer, that:

18 (i) Is located and accessible to eligible passengers
19 only in an airport gaming area.

20 (ii) Allows an eligible passenger to play an
21 authorized interactive game.

22 (iii) Communicates with a server that is in a
23 location approved by the Pennsylvania Gaming Control
24 Board.

25 (iv) Is approved by the Pennsylvania Gaming Control
26 Board.

27 (v) Has the capability of being linked to and
28 monitored by the department's central control computer
29 system, as applicable for any particular interactive
30 game, in accordance with section 1323 (relating to
31 central control computer system).

32 (vi) Offers a player additional functions which
33 shall include Internet browsing, the capability of
34 checking flight status and ordering food or beverages.

35 (2) The term shall not include any tablet or computing
36 device that restricts, prohibits or is incapable of providing
37 access to interactive gaming, interactive gaming skins or
38 interactive gaming platforms.

39 "Multistate agreement." The written agreement between the
40 Pennsylvania Gaming Control Board and regulatory agencies in
41 other states or jurisdictions for the operation of a multistate
42 wide-area progressive slot machine system.

43 "Multistate wide-area progressive slot machine system." The
44 linking of slot machines located in this Commonwealth with slot
45 machines located in one or more states or jurisdictions whose
46 regulatory agencies have entered into written agreements with
47 the Pennsylvania Gaming Control Board for the operation of the
48 system.

49 * * *

50 "Nongaming service provider." A person that is not a gaming
51 service provider or required to be licensed as a manufacturer,

1 supplier, management company or gaming junket enterprise under
2 this part or regulations of the Pennsylvania Gaming Control
3 Board and that provides goods or services:

4 (1) to a slot machine licensee or applicant for a slot
5 machine license for use in the operation of a licensed
6 facility; and

7 (2) that does not require access to the gaming floor or
8 a gaming-related restricted area of a licensed facility.

9 * * *

10 "Player." An individual wagering cash, a cash equivalent or
11 other thing of value in the play or operation of a slot machine
12 [or], an authorized interactive game or a table game, including
13 during a contest or tournament, the play or operation of which
14 may deliver or entitle the individual playing or operating the
15 slot machine [or], authorized interactive game or table game to
16 receive cash, a cash equivalent or other thing of value from
17 another player or a slot machine licensee.

18 "Prepaid access instrument." A card, code, electronic serial
19 number, mobile identification number, personal identification
20 number or similar device that:

21 (1) Allows patron access to funds that have been paid in
22 advance and can be retrieved or transferred at some point in
23 the future through the device.

24 (2) Qualifies as an access device for purposes of
25 Regulation E issued by the Board of Governors of the Federal
26 Reserve System under 12 CFR Pt. 205 (relating to electronic
27 fund transfers (Regulation E));

28 (3) Must be distributed by a slot machine licensee or
29 its affiliates in order to be considered a cash equivalent at
30 the slot machine licensee's location or the location of the
31 slot machine licensee's affiliates.

32 (4) Must be used in conjunction with an approved
33 cashless wagering system or electronic credit system in order
34 to transfer funds for gaming purposes.

35 * * *

36 "Progressive payout." A slot machine wager payout that
37 increases in a monetary amount based on the amounts wagered in a
38 progressive system, including a multistate wide-area progressive
39 slot machine system.

40 "Progressive system." A computerized system linking slot
41 machines in one or more licensed facilities within this
42 Commonwealth and offering one or more common progressive payouts
43 based on the amounts wagered. The term shall include a
44 multistate wide-area progressive system.

45 * * *

46 "Qualified airport." Any of the following:

47 (1) A publicly owned commercial service airport that is
48 designated by the Federal Government as an international
49 airport.

50 (2) A publicly owned commercial service airport that has
51 at least 50,000 passenger enplanements in any calendar year.

1 "Race Horse Industry Reform Act." [The act of December 17,
2 1981 (P.L.435, No.135), known as the Race Horse Industry Reform
3 Act.] 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

4 * * *

5 "Redundancy facilities." Any and all rooms or areas used by
6 a slot machine licensee for emergency backup, redundancy or
7 secondary operations attendant to interactive gaming as approved
8 by the Pennsylvania Gaming Control Board.

9 "Registered player." An individual who has entered into an
10 interactive gaming account agreement with an interactive gaming
11 certificate holder.

12 * * *

13 "Skill." The knowledge, dexterity, adroitness, acumen or
14 other mental skill of an individual.

15 "Skill slot machine." A slot machine in which the skill of
16 the player, rather than the elements of chance, is the
17 predominant factor in affecting the outcome of the game.

18 "Slot machine."

19 (1) The term includes:

20 (i) Any mechanical, electrical or computerized
21 contrivance, terminal, machine or other device approved
22 by the Pennsylvania Gaming Control Board which, upon
23 insertion of a coin, bill, ticket, token or similar
24 object therein or upon payment of any consideration
25 whatsoever, including the use of any electronic payment
26 system except a credit card or debit card, is available
27 to play or operate, the play or operation of which,
28 whether by reason of skill or application of the element
29 of chance or both[, may]:

30 (A) May deliver or entitle the person or persons
31 playing or operating the contrivance, terminal,
32 machine or other device to receive cash, billets,
33 tickets, tokens or electronic credits to be exchanged
34 for cash or to receive merchandise or anything of
35 value whatsoever, whether the payoff is made
36 automatically from the machine or manually. [A slot
37 machine:]

38 [(1)] (B) May utilize spinning reels or video
39 displays or both.

40 [(2)] (C) May or may not dispense coins, tickets
41 or tokens to winning patrons.

42 [(3)] (D) May use an electronic credit system
43 for receiving wagers and making payouts. [The term
44 shall include associated equipment.]

45 (ii) Associated equipment necessary to conduct the
46 operation of the contrivance, terminal, machine or other
47 device.

48 (iii) A skill slot machine, hybrid slot machine and
49 the devices or associated equipment necessary to conduct
50 the operation of a skill slot machine or hybrid slot
51 machine.

1 (iv) A slot machine used in a multistate wide-area
2 progressive slot machine system and devices and
3 associated equipment as defined by the Pennsylvania
4 Gaming Control Board through regulations.

5 (v) A multi-use computing device which is capable of
6 simulating, either digitally or electronically, a slot
7 machine.

8 (2) The term does not include a fantasy contest terminal
9 within the meaning of Chapter 3 (relating to fantasy
10 contests).

11 * * *

12 "Supplier." A person that sells, leases, offers or otherwise
13 provides, distributes or services any slot machine, table game
14 device or associated equipment, or interactive gaming device or
15 associated equipment for use or play of slot machines [or],
16 table games or interactive games in this Commonwealth. The term
17 shall include a person that sells, leases, offers or otherwise
18 provides, distributes or services any multi-use computing device
19 as approved by the Pennsylvania Gaming Control Board.

20 "Supplier license." A license issued by the Pennsylvania
21 Gaming Control Board authorizing a supplier to provide products
22 or services related to slot machines, table game devices or
23 associated equipment, interactive gaming devices, including any
24 multi-use computing device or associated equipment, to slot
25 machine licensees for use in this Commonwealth for gaming
26 purposes.

27 * * *

28 "Table game." Any banking or nonbanking game approved by the
29 Pennsylvania Gaming Control Board. The term includes roulette,
30 baccarat, blackjack, poker, craps, big six wheel, mini-baccarat,
31 red dog, pai gow, twenty-one, casino war, acey-ducey, sic bo,
32 chuck-a-luck, Panguingue, Fan-tan, Asia poker, Boston 5 stud
33 poker, Caribbean stud poker, Colorado hold'em poker, double
34 attack blackjack, double cross poker, double down stud poker,
35 fast action hold'em, flop poker, four card poker, let it ride
36 poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish
37 21, Texas hold'em bonus poker, three card poker, two card joker
38 poker, ultimate Texas hold'em, winner's pot poker and any other
39 banking or nonbanking game. The term shall not include:

40 (1) Lottery games of the Pennsylvania State Lottery as
41 authorized under the act of August 26, 1971 (P.L.351, No.91),
42 known as the State Lottery Law.

43 (2) Bingo as authorized under the act of July 10, 1981
44 (P.L.214, No.67), known as the Bingo Law.

45 (3) Pari-mutuel betting on the outcome of thoroughbred
46 or harness horse racing as authorized under the act of
47 December 17, 1981 (P.L.435, No.135), known as the Race Horse
48 Industry Reform Act.

49 (4) Small games of chance as authorized under the act of
50 December 19, 1988 (P.L.1262, No.156), known as the Local
51 Option Small Games of Chance Act.

1 (5) Slot machine gaming and progressive slot machine
2 gaming as defined and authorized under this part.

3 (6) Keno.

4 (7) A fantasy contest terminal within the meaning of
5 Chapter 3 (relating to fantasy contests).

6 (8) iLottery under Chapter 7 (relating to iLottery).
7 "Table game device." Includes gaming tables, cards, dice,
8 chips, shufflers, tiles, dominoes, wheels[, drop boxes] or any
9 mechanical, electrical or computerized contrivance, terminal,
10 machine or other device, apparatus, equipment or supplies
11 approved by the Pennsylvania Gaming Control Board and used to
12 conduct a table game or that is capable, through the use of
13 digital, electronic or other communications technology, of
14 simulating play of a table game.

15 * * *

16 Section 4. Section 1201(h)(11) of Title 4 is amended to
17 read:

18 § 1201. Pennsylvania Gaming Control Board established.

19 * * *

20 (h) Qualifications and restrictions.--

21 * * *

22 (11) No member, employee of the board or independent
23 contractor shall accept a complimentary service, wager or be
24 paid any prize from any wager at any licensed facility within
25 this Commonwealth [or], at any other facility outside this
26 Commonwealth which is owned or operated by a licensed gaming
27 entity or any of its affiliates, intermediaries, subsidiaries
28 or holding companies or as a result of playing an interactive
29 game including on a multi-use computing device for the
30 duration of their term of office, employment or contract with
31 the board and for a period of two years from the termination
32 of term of office, employment or contract with the board. The
33 provisions of this paragraph prohibiting wagering during the
34 term of employment shall not apply to employees or
35 independent contractors while utilizing slot machines [or],
36 table game devices, interactive gaming devices or multi-use
37 computing devices for testing purposes or while verifying the
38 performance of a slot machine [or], table game, interactive
39 gaming device or multi-use computing device as part of an
40 enforcement investigation.

41 * * *

42 Section 5. Section 1202(a)(1) and (b)(17), (18), (20) and
43 (23) of Title 4 are amended and subsection (b) is amended by
44 adding paragraphs to read:

45 § 1202. General and specific powers.

46 (a) General powers.--

47 (1) The board shall have general and sole regulatory
48 authority over the conduct of gaming [or] and related
49 activities as described in this part. The board shall ensure
50 the integrity of the acquisition and operation of slot
51 machines, table games, table game devices and associated

1 equipment and authorized interactive games and interactive
2 gaming devices and associated equipment and shall have sole
3 regulatory authority over every aspect of the authorization,
4 operation and play of slot machines [and], table games and
5 interactive gaming devices and associated equipment and the
6 implementation and regulation of airport gaming.

7 * * *

8 (b) Specific powers.--The board shall have the specific
9 power and duty:

10 * * *

11 (12.2) At its discretion, to award, revoke, suspend,
12 condition or deny an interactive gaming certificate or an
13 interactive gaming license in accordance with Chapter 13B
14 (relating to interactive gaming).

15 (12.3) To award, revoke, suspend, condition or deny a
16 casino simulcasting permit in accordance with Chapter 13F
17 (relating to casino simulcasting).

18 * * *

19 (17) To require prospective and existing employees,
20 independent contractors, applicants, licensees and permittees
21 to submit to fingerprinting by the Pennsylvania State Police
22 or an authorized agent of the Pennsylvania State Police. The
23 Pennsylvania State Police or an authorized agent of the
24 Pennsylvania State Police shall submit the fingerprints to
25 the Federal Bureau of Investigation for purposes of verifying
26 the identity of the individual and obtaining records of
27 criminal arrests and convictions.

28 (18) To require prospective and existing employees,
29 independent contractors, applicants, licensees and permittees
30 to submit photographs consistent with the standards [of the
31 Commonwealth Photo Imaging Network] established by the board.

32 * * *

33 (20) In addition to the power of the board regarding
34 license and permit applicants, to determine at its discretion
35 the suitability of any person who furnishes or seeks to
36 furnish to a slot machine licensee directly or indirectly any
37 goods, services or property related to slot machines, table
38 games, table game devices or associated equipment, and
39 interactive games and interactive gaming devices and
40 associated equipment or casino simulcasting technology and
41 equipment or through any arrangements under which that person
42 receives payment based directly or indirectly on earnings,
43 profits or receipts from the slot machines, table games,
44 table game devices and associated equipment[.], interactive
45 games, interactive gaming devices and associated equipment or
46 casino simulcasting technology and equipment. The board may
47 require any such person to comply with the requirements of
48 this part and the regulations of the board and may prohibit
49 the person from furnishing the goods, services or property[.]
50 except that, in determining the suitability of a person who
51 furnishes or seeks to furnish casino simulcasting technology

1 and equipment, the board shall consult the commission.

2 * * *

3 (23) The board shall not approve an application for or
4 issue or renew a license, certificate, registration or permit
5 unless it is satisfied that the applicant has demonstrated by
6 clear and convincing evidence that the applicant is a person
7 of good character, honesty and integrity and is a person
8 whose prior activities, criminal record, if any, reputation,
9 habits and associations do not pose a threat to the public
10 interest or the effective regulation and control of slot
11 machine [or] operations, table game operations, interactive
12 gaming operations or casino simulcasting, or create or
13 enhance the danger of unsuitable, unfair or illegal
14 practices, methods and activities in the conduct of slot
15 machine [or] operations, table game operations, interactive
16 gaming operations or casino simulcasting or the carrying on
17 of the business and financial arrangements incidental
18 thereto.

19 * * *

20 (27.2) Within six months of the effective date of this
21 section, to publish on the board's Internet website a
22 complete list of all slot machine licensees who filed a
23 petition seeking authorization to conduct interactive gaming
24 and the status of each petition or interactive gaming
25 certificate.

26 * * *

27 (35) To review detailed site plans identifying the
28 interactive gaming restricted area or room where a slot
29 machine licensee proposes to manage, administer or control
30 interactive gaming operations to determine the adequacy of
31 the proposed internal and external security and proposed
32 surveillance measures.

33 (36) To require each slot machine licensee that holds an
34 interactive gaming certificate to provide on a quarterly
35 basis the following information with respect to interactive
36 gaming:

37 (i) the name of any person, entity or firm to whom
38 any payment, remuneration or other benefit or thing of
39 value has been made or conferred for professional
40 services, including, but not limited to, interactive
41 gaming system operations or management, legal, consulting
42 and lobbying services;

43 (ii) the amount or value of the payments,
44 remuneration, benefit or thing of value;

45 (iii) the date on which the payments, remuneration,
46 benefit or thing of value was submitted; and

47 (iv) the reason or purpose for the procurement of
48 the services.

49 (37) To review and approve detailed site and
50 architectural plans identifying the area of a licensed
51 facility where a slot machine licensee proposes to place slot

1 machines that are or will be used in a multistate wide-area
2 progressive slot machine system, skill slot machines or
3 hybrid slot machines or administer casino simulcasting and
4 make them available for play in order to determine the
5 adequacy of proposed internal and external controls, security
6 and proposed surveillance measures.

7 Section 6. Sections 1204 and 1206(f) (1) of Title 4 are
8 amended to read:

9 § 1204. Licensed gaming entity application appeals from board.

10 The Supreme Court of Pennsylvania shall be vested with
11 exclusive appellate jurisdiction to consider appeals of any
12 final order, determination or decision of the board involving
13 the approval, issuance, denial or conditioning of a slot machine
14 license [or], the award, denial or conditioning of a table game
15 operation certificate[.] or the award, denial or conditioning of
16 an interactive gaming certificate, an interactive gaming license
17 or a casino simulcasting permit. Notwithstanding the provisions
18 of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of
19 Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to
20 direct appeals from government agencies), the Supreme Court
21 shall affirm all final orders, determinations or decisions of
22 the board involving the approval, issuance, denial or
23 conditioning of a slot machine license [or], the award, denial
24 or conditioning of a table game operation certificate or the
25 award, denial or conditioning of an interactive gaming
26 certificate, an interactive gaming license or a casino
27 simulcasting permit, unless it shall find that the board
28 committed an error of law or that the order, determination or
29 decision of the board was arbitrary and there was a capricious
30 disregard of the evidence.

31 § 1206. Board minutes and records.

32 * * *

33 (f) Confidentiality of information.--

34 (1) The following information submitted by an applicant,
35 permittee, certificate holder, interactive gaming certificate
36 holder or licensee pursuant to section 1310(a) (relating to
37 slot machine license application character requirements)
38 [or], 1308(a.1) (relating to applications for license or
39 permit), 13B12 (relating to interactive gaming certificate
40 required and content of petition), 13B14 (relating to
41 interactive gaming operators) or 13F12 (relating to casino
42 simulcasting permit) or obtained by the board or the bureau
43 as part of a background or other investigation from any
44 source shall be confidential and withheld from public
45 disclosure:

46 (i) All information relating to character, honesty
47 and integrity, including family, habits, reputation,
48 history of criminal activity, business activities,
49 financial affairs and business, professional and personal
50 associations submitted under section 1310(a) or 1308(a.1)
51 or otherwise obtained by the board or the bureau.

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant, licensee [or], permittee, certificate holder, interactive gaming certificate holder or casino simulcasting permit holder, or the immediate family thereof.

(iii) Information relating to proprietary information, trade secrets, patents or exclusive licenses, architectural and engineering plans and information relating to competitive marketing materials and strategies, which may include customer-identifying information or customer prospects for services subject to competition.

(iv) Security information, including risk prevention plans, detection and countermeasures, location of count rooms, location of interactive gaming restricted areas and redundancy facilities, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud prevention plans and countermeasures.

(v) Information with respect to which there is a reasonable possibility that public release or inspection of the information would constitute an unwarranted invasion into personal privacy of any individual as determined by the board.

(vi) Records of an applicant or licensee not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78o).

(vii) Records considered nonpublic matters or information by the Securities and Exchange Commission as provided by 17 CFR 200.80 (relating to commission records and information).

(viii) Any financial information deemed confidential by the board upon a showing of good cause by the applicant or licensee.

* * *

Section 7. Section 1207(1), (5), (6), (8), (9), (10) and (21) of Title 4 are amended and the section is amended by adding paragraphs to read:

§ 1207. Regulatory authority of board.

The board shall have the power and its duties shall be to:

(1) Deny, deny the renewal, revoke, condition or suspend

1 any license [or], permit, certificate, registration or other
2 authorization provided for in this part if the board finds in
3 its sole discretion that a licensee [or], permittee,
4 registrant, certificate holder, or interactive gaming
5 certificate holder, under this part, or its officers,
6 employees or agents, have furnished false or misleading
7 information to the board or failed to comply with the
8 provisions of this part or the rules and regulations of the
9 board and that it would be in the public interest to deny,
10 deny the renewal, revoke, condition or suspend the license
11 [or], permit, certificate, registration or other
12 authorization.

13 * * *

14 (5) Prescribe the procedures to be followed by slot
15 machine licensees for any financial event that occurs in the
16 operation and play of slot machines [or], table games,
17 authorized interactive games, casino simulcasting or multi-
18 use computing devices.

19 (6) Prescribe criteria and conditions for the operation
20 of slot machine progressive systems, including multistate
21 wide-area progressive slot machine systems. A wide area
22 progressive slot system shall be collectively administered by
23 participating slot machine licensees in accordance with the
24 terms of a written agreement executed by each participating
25 slot machine licensee and, in the case of a multistate wide-
26 area progressive slot machine system, in accordance with the
27 multistate agreement, as approved by the board.

28 (6.1) Collaborate with the appropriate regulatory
29 agencies in other states or jurisdictions to facilitate the
30 establishment of multistate wide-area progressive slot
31 machine systems by slot machine licensees in this
32 Commonwealth and, if determined necessary, enter into the
33 multistate agreements.

34 * * *

35 (7.2) Enforce prescribed hours for the operation of
36 authorized interactive games so that an interactive gaming
37 certificate holder or interactive gaming operator may conduct
38 authorized interactive games on any day during the year in
39 order to meet the needs of registered players or to meet
40 competition.

41 (7.3) In consultation with the commission, enforce
42 prescribed hours of operation of casino simulcasting by slot
43 machine licensees and the operation of slot machines at a
44 nonprimary location by a Category 1 slot machine licensee.

45 (8) Require that each licensed gaming entity prohibit
46 persons under 21 years of age from operating or using slot
47 machines [or], playing table games or participating in
48 interactive gaming and casino simulcasting.

49 (9) Establish procedures for the inspection and
50 certification of compliance of each slot machine, table game,
51 table game device and associated equipment, interactive game

1 and interactive gaming device and associated equipment and
2 casino simulcasting technology and equipment prior to being
3 placed into use by a slot machine licensee. However, the
4 board shall collaborate with the commission to facilitate the
5 inspection and certification of casino simulcasting
6 technology and equipment.

7 (10) [Require] Subject to paragraph (10.1), require that
8 no slot machine or authorized interactive game that
9 replicates the play of a slot machine, other than a slot
10 machine or authorized interactive game that replicates the
11 play of a slot machine that is used in a multistate wide-area
12 progressive slot machine system, may be set to pay out less
13 than the theoretical payout percentage, which shall be no
14 less than 85%, as specifically approved by the board. The
15 board shall adopt regulations that define the theoretical
16 payout percentage [of a slot machine game] based on the total
17 value of the jackpots expected to be paid by a play or a slot
18 machine game or an authorized interactive game that
19 replicates the play of a slot machine divided by the total
20 value [of slot machine] wagers expected to be made on that
21 play or slot machine game or an authorized interactive game
22 that replicates the play of a slot machine during the same
23 portion of the game cycle. In so doing, the board shall
24 decide whether the calculation shall include the entire cycle
25 of a slot machine game or an authorized interactive game that
26 replicates the play of a slot machine or any portion thereof.
27 Subject to paragraph (10.1), in the case of a slot machine
28 that is used in a multistate wide-area progressive slot
29 machine system, the theoretical payout percentage shall be as
30 set forth in the multistate agreement.

31 (10.1) For each of the following, define the player's
32 win percentage based on the relative skill of the player or
33 the combination of skill and the elements of chance of the
34 game:

35 (i) A skill slot machine or an authorized
36 interactive game that replicates the play of a skill slot
37 machine. For a skill slot machine or authorized
38 interactive game that replicates the play of a skill slot
39 machine that is used in a multistate wide-area
40 progressive slot machine system, the player's win
41 percentage shall be as set forth in the multistate
42 agreement.

43 (ii) A hybrid slot machine or an authorized
44 interactive game that replicates the play of a hybrid
45 slot machine. For a hybrid slot machine or an authorized
46 interactive game that replicates the play of a hybrid
47 slot machine that is used in a multistate wide-area
48 progressive slot machine system, the player's win
49 percentage shall be set forth in the multistate
50 agreement.

51 * * *

1 (21) Authorize, in its discretion, a slot machine
2 licensee to conduct slot machine contests or tournaments,
3 table game contests or tournaments in accordance with section
4 13A22.1 (relating to table game tournaments) or interactive
5 gaming contests or tournaments and adopt regulations
6 governing the conduct of such contests and tournaments.

7 (21.1) Authorize, at its discretion, a slot machine
8 licensee to place slot machines that are used in a multistate
9 wide-area progressive slot machine system, skill slot
10 machines or hybrid slot machines and make them available for
11 play at licensed facilities.

12 (21.2) Adopt and promulgate regulations to govern the
13 operation and placement of skill slot machines and hybrid
14 slot machines by slot machine licensees at licensed
15 facilities in the same manner as provided in section 13B03
16 (relating to regulations).

17 (22) License, regulate, investigate and take any other
18 action determined necessary regarding all aspects of
19 interactive gaming and casino simulcasting.

20 (23) Define and limit the rules of authorized
21 interactive games, including odds, interactive gaming devices
22 and associated equipment permitted and the method of
23 operation of authorized interactive games and interactive
24 gaming devices and associated equipment.

25 (24) Require, as applicable, that all wagering offered
26 through interactive gaming display online the permissible
27 minimum and maximum wagers associated with each authorized
28 interactive game.

29 (25) Ensure, in consultation with the commission, that
30 the wagering at casino simulcasting facilities is conducted
31 in conformance with the pari-mutuel system of wagering
32 regulated by the commission under 3 Pa.C.S. Ch. 93 (relating
33 to race horse industry reform).

34 (26) Negotiate and enter into interactive gaming
35 reciprocal agreements on behalf of the Commonwealth to govern
36 the conduct of interactive gaming between interactive gaming
37 certificate holders in this Commonwealth and gaming entities
38 in other states or jurisdictions. Notwithstanding any
39 provision of this part, wagers may be accepted in accordance
40 with this part and regulations of the board from persons in
41 other states or jurisdictions and wagers from persons in this
42 Commonwealth may be made through an interactive gaming
43 platform to a state or jurisdiction with which the
44 Commonwealth has an interactive gaming reciprocal agreement
45 if the board determines that such wagering is not
46 inconsistent with Federal law or the law of the state or
47 jurisdiction in which the person or gaming entity is located,
48 or such wagering is conducted pursuant to an interactive
49 gaming reciprocal agreement to which this Commonwealth is a
50 party that is not inconsistent with Federal law. The board is
51 hereby designated as the agency of the Commonwealth with the

1 sole power and authority to enter into interactive gaming
2 reciprocal agreements with other states or jurisdictions.

3 (27) Enter into multistate agreements with other states
4 or jurisdictions for the operation of multistate wide-area
5 progressive slot machine systems.

6 (28) Authorize a Category 2 or Category 3 slot machine
7 licensee to enter into an agreement with a Category 1 slot
8 machine licensee for the conduct of casino simulcasting under
9 the Category 1 slot machine licensee's authority as a
10 licensed racing entity, if such agreement is approved by the
11 board and by the commission, pursuant to the commission's
12 authority under 3 Pa.C.S. Ch. 93.

13 (29) Adopt, in consultation with the commission,
14 regulations to govern the conduct of casino simulcasting by a
15 Category 2 or Category 3 slot machine licensee in accordance
16 with paragraph (28).

17 (30) Adopt and promulgate regulations to govern the
18 installation of video display technology in approved areas of
19 a Category 1 licensed facility to enable the delivery of
20 simulcast horse race meetings to patrons through video walls
21 and other such video display technology. The board may
22 consult with the commission to facilitate the installation of
23 video display monitors in accordance with this paragraph and
24 to facilitate the conduct of casino simulcasting under
25 paragraph (28).

26 Section 8. Section 1209(b) of Title 4 is amended to read:

27 § 1209. Slot machine license fee.

28 * * *

29 (b) Term.--A slot machine license, after payment of the fee,
30 shall be in effect unless suspended, revoked or not renewed by
31 the board upon good cause consistent with the license
32 requirements as provided for in this part. Slot machine
33 licensees shall be required to update the information in their
34 initial applications annually, and the license of a licensee in
35 good standing shall be renewed every [three] five years. Nothing
36 in this subsection shall relieve a licensee of the affirmative
37 duty to notify the board of any changes relating to the status
38 of its license or to any other information contained in the
39 application materials on file with the board. As to the renewal
40 of a license, except as required in subsection (f)(3), no
41 additional license fee pursuant to subsection (a) shall be
42 required.

43 * * *

44 Section 9. Section 1211 of Title 4 is amended by adding
45 subsections to read:

46 § 1211. Reports of board.

47 * * *

48 (a.4) Interactive gaming reporting requirements.--

49 (1) The annual report submitted by the board in
50 accordance with subsection (a) shall include information on
51 the conduct of interactive games as follows:

1 (i) Total gross interactive gaming revenue.
2 (ii) The number and win by type of authorized
3 interactive game at each licensed facility conducting
4 interactive gaming during the previous year.

5 (iii) All taxes, fees, fines and other revenue
6 collected and, where appropriate, revenue disbursed
7 during the previous year. The department shall
8 collaborate with the board to carry out the requirements
9 of this subparagraph.

10 (2) The board may require interactive gaming certificate
11 holders and interactive gaming operators to provide
12 information to the board to assist in the preparation of the
13 report.

14 * * *

15 (d.1) Impact of interactive gaming.--Commencing one year
16 after the issuance of the first interactive gaming certificate
17 and continuing annually thereafter, the board shall prepare and
18 distribute a report to the Governor and the standing committees
19 of the General Assembly with jurisdiction over the board on the
20 impact of interactive gaming on compulsive and problem gambling
21 and gambling addiction in this Commonwealth. The report shall be
22 prepared by a private organization or entity with expertise in
23 serving and treating the needs of persons with compulsive
24 gambling addictions, which organization or entity shall be
25 selected by the Department of Drug and Alcohol Programs. The
26 report may be prepared and distributed in coordination with the
27 board. Any costs associated with the preparation and
28 distribution of the report shall be borne by all interactive
29 gaming certificate holders. The board shall be authorized to
30 assess a fee against each interactive gaming certificate holder
31 for these purposes.

32 (d.2) Additional information for annual report.--

33 (1) One year after the commencement of casino
34 simulcasting in accordance with Chapter 13F (relating to
35 casino simulcasting), the operation of skill slot machines,
36 hybrid slot machines and the operation of a multistate wide-
37 area slot machine system, the report required under
38 subsection (a) shall include information related to the
39 following:

40 (i) The conduct of casino simulcasting.

41 (ii) The operation of skill slot machines and hybrid
42 slot machines.

43 (iii) The operation of the multistate wide-area
44 progressive slot machine system.

45 (2) Information on revenue, taxes, fees and fines, if
46 any, collected during the preceding calendar year and any
47 other information, data or recommendations related to the
48 conduct of casino simulcasting and the operation of the
49 multistate wide-area progressive slot machine system, skill
50 slot machines and hybrid slot machines as determined by the
51 board.

1 (d.3) Study.--The board shall study and annually report to
2 the standing committees of the General Assembly with
3 jurisdiction over the board on developments in gaming technology
4 and the impact, if any, new technologies are having or are
5 expected to have on the sustainability and competitiveness of
6 the gaming industry in this Commonwealth. The initial report
7 shall be due one year after the effective date of this
8 subsection. Each report shall specifically address the
9 following:

10 (1) Awareness and growth, to the extent known, of any
11 unregulated commercial gaming products, such as e-Sports and
12 other such digital-based computer or video technology.

13 (2) New gaming products, if any, which have been
14 introduced in other states or jurisdictions.

15 (3) Any gaming products which the board may authorize
16 pursuant to its regulatory authority under this part.

17 (4) Any legislative or administrative concerns regarding
18 traditional, new or emerging gaming technologies with
19 recommendations regarding resolution of such concerns.

20 * * *

21 Section 10. Section 1212(e) of Title 4 is amended by adding
22 paragraphs to read:

23 § 1212. Diversity goals of board.

24 * * *

25 (e) Definition.--As used in this section, the term
26 "professional services" means those services rendered to a slot
27 machine licensee which relate to a licensed facility in this
28 Commonwealth, including, but not limited to:

29 * * *

30 (9) Technology related to interactive gaming and
31 interactive gaming devices and associated equipment.

32 (10) Technology related to casino simulcasting.

33 Section 11. Section 1302(a) of Title 4 is amended to read:
34 § 1302. Category 1 slot machine license.

35 (a) Eligibility.--A person may be eligible to apply for a
36 Category 1 license to place and operate slot machines at a
37 licensed racetrack facility if the person:

38 (1) has been issued a license from either the State
39 Horse Racing Commission or the State Harness Racing
40 Commission to conduct thoroughbred or harness race meetings
41 respectively with pari-mutuel wagering and has conducted live
42 horse races for not less than two years immediately preceding
43 the effective date of this part;

44 (2) has been approved or issued a license from either
45 the State Horse Racing Commission or the State Harness Racing
46 Commission to conduct thoroughbred or harness race meetings
47 respectively with pari-mutuel wagering within 18 months
48 immediately preceding the effective date of this part and
49 will successfully conduct live racing pursuant to the
50 requirements of section 1303 (relating to additional Category
51 1 slot machine license requirements);

(3) has been approved by the State Harness Racing Commission, after the effective date of this part, to conduct harness race meetings with pari-mutuel wagering and will conduct live racing pursuant to the requirements of section 1303; or

(4) is a successor in interest to persons eligible under paragraph (1), (2) or (3) who comply with the requirements of section 1328 (relating to change in ownership or control of slot machine licensee) or is a successor in interest to persons otherwise eligible under paragraph (1), (2) or (3) but precluded from eligibility under the provisions of section [1330] 1330.1 (relating to undue economic concentration prohibited).

Nothing in this part shall be construed to permit the approval or issuance of more than one slot machine license at a licensed racetrack facility.

* * *

Section 12. Section 1305(a) and (e) of Title 4 are amended and the section is amended by adding subsections to read:
§ 1305. Category 3 slot machine license.

(a) Eligibility.--

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2 slot machine license and the person is seeking to locate a Category 3 licensed facility in a well-established resort hotel having no fewer than 275 guest rooms under common ownership and having substantial year-round [recreational] guest amenities. The applicant for a Category 3 license shall be the owner or be a wholly owned subsidiary of the owner of the well-established resort hotel. [A Category 3 license may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

(i) A registered overnight guest of the well-established resort hotel.

(ii) A patron of one or more of the amenities provided by the well-established resort hotel.

(iii) An authorized employee of the slot machine licensee, of a gaming service provider, of the board or of any regulatory, emergency response or law enforcement agency while engaged in the performance of the employee's duties.

(iv) An individual holding a valid membership approved in accordance with paragraph (1.1) or a guest of such individual.

(1.1) The board may approve a seasonal or year-round membership that allows an individual to use one or more of the amenities provided by the well-established resort hotel holding a Category 3 slot machine license. The membership

1 shall allow the member and one guest to enter the gaming
2 floor at any time as long as the guest is accompanied by the
3 individual owning or holding the membership. The board shall
4 base its approval of a membership on all of the following:

- 5 (i) The duration of the membership.
- 6 (ii) The amenity covered by the membership.
- 7 (iii) Whether the fee charged for the membership
8 represents the fair market value for the use of the
9 amenity.]

10 (2) Notwithstanding section 1512(a) and (a.1) (relating
11 to public official financial interest), if at the time of
12 application an applicant has terminated public office or
13 employment as an executive-level public employee within the
14 last calendar year, the applicant shall be eligible to apply
15 for a slot machine license under this section but may not be
16 issued a license until one year following the date of
17 termination as a public official or executive-level public
18 employee. An application submitted in accordance with this
19 paragraph shall not constitute a violation of section 1512(a)
20 or (a.1).

21 (3) If the person seeking a slot machine license
22 proposes to place the licensed facility upon land designated
23 a subzone, an expansion subzone or an improvement subzone
24 under the act of October 6, 1998 (P.L.705, No.92), known as
25 the Keystone Opportunity Zone, Keystone Opportunity Expansion
26 Zone and Keystone Opportunity Improvement Zone Act, the
27 person shall, at any time prior to the application being
28 approved, submit a statement waiving the exemptions,
29 deductions, abatements or credits granted under the Keystone
30 Opportunity Zone, Keystone Opportunity Expansion Zone and
31 Keystone Opportunity Improvement Zone Act if the board
32 approves the application.

33 * * *

34 (c.1) Additional slot machines.--

35 (1) Upon submission by a Category 3 slot machine
36 licensee of a petition to the board, in such form and manner
37 as the board may require, the board may authorize the
38 Category 3 slot machine licensee to increase the number of
39 slot machines at the Category 3 slot machine licensee's
40 licensed facility.

41 (2) An increase in the number of slot machines by a
42 Category 3 slot machine licensee under paragraph (1) may not,
43 at the discretion of the board, exceed 250 additional slot
44 machines, which shall be in addition to the number of
45 permissible slot machines authorized under subsection (c).

46 * * *

47 (d.1) Additional fee.--Notwithstanding subsection (d), no
48 later than 60 days after the effective date of this subsection,
49 each holder of an existing Category 3 slot machine license
50 issued by the board before January 1, 2017, shall pay a one-time
51 fee of \$1,000,000. Each holder of a Category 3 slot machine

1 license issued by the board after January 1, 2017, shall pay a
2 one-time fee of \$1,000,000 within 60 days of issuance of the
3 slot machine license. The fee shall be deposited in the General
4 Fund.

5 (d.2) Fee for additional slot machines.--Notwithstanding
6 subsection (d), no later than 60 days after the board approves a
7 request for an increase in the number of slot machines submitted
8 by a Category 3 slot machine licensee in accordance with
9 subsection (c.1), the Category 3 slot machine licensee shall pay
10 a one-time fee of \$2,500,000 for deposit into the General Fund.

11 [(e) Definitions.--For the purpose of subsection (a), the
12 following words and phrases shall have the meaning given to them
13 in this subsection:

14 "Amenities." Any ancillary activities, services or
15 facilities in which a registered guest or the transient public,
16 in return for non-de minimis consideration as defined by board
17 regulation, may participate at a well-established resort hotel,
18 including, but not limited to, sports and recreational
19 activities and facilities such as a golf course or golf driving
20 range, tennis courts or swimming pool; health spa; convention,
21 meeting and banquet facilities; entertainment facilities; and
22 restaurant facilities.

23 "Patron of the amenities." Any individual who is a
24 registered attendee of a convention, meeting or banquet event or
25 a participant in a sport or recreational event or any other
26 social, cultural or business event held at a resort hotel or who
27 participates in one or more of the amenities provided to
28 registered guests of the well-established resort hotel.]

29 Section 12.1. Title 4 is amended by adding a section to
30 read:

31 § 1306.1. Remaining Category 2 licenses.

32 Notwithstanding any other provisions of this part, the board
33 shall create an expedited approval process that prioritizes the
34 issuance of any remaining Category 2 slot machine licenses not
35 issued prior to the effective date of this section, provided
36 that the expedited approval process shall protect the public
37 interest and integrity of gaming. When creating the expedited
38 approval process, the board shall include procedures for
39 ensuring that a Category 2 slot machine license applied for, the
40 application for which is withdrawn after the effective date of
41 this section, is eligible to be reapplied for by another
42 applicant within 30 days of the withdrawn application. The board
43 shall create the expedited approval process within 30 days of
44 the effective date of this section.

45 Section 12.2. Section 1307 of Title 4 is amended to read:

46 § 1307. Number of slot machine licenses.

47 (a) Limitation.--The board may license no more than seven
48 Category 1 licensed facilities and no more than five Category 2
49 licensed facilities, as it may deem appropriate, as long as two,
50 and not more, Category 2 licensed facilities are located by the
51 board within the city of the first class and that one, and not

1 more, Category 2 licensed facility is located by the board
2 within the city of the second class. The board may at its
3 discretion increase the total number of Category 2 licensed
4 facilities permitted to be licensed by the board by an amount
5 not to exceed the total number of Category 1 licenses not
6 applied for within five years following the effective date of
7 this part. Except as permitted by section 1328 (relating to
8 change in ownership or control of slot machine licensee), any
9 Category 1 license may be reissued by the board at its
10 discretion as a Category 2 license if an application for
11 issuance of such license has not been made to the board. The
12 board may license no more than [three] two Category 3 licensed
13 facilities.

14 (b) Delay of issuance.--Notwithstanding subsection (a) or
15 any other provisions of this part, the board may not:

16 (1) Accept an application for a Category 1 slot machine
17 license for a period starting on the effective date of this
18 subsection through July 1, 2020.

19 (2) Issue a Category 1 slot machine license for a period
20 starting on the effective date of this subsection through
21 July 1, 2020.

22 (c) Applicability.--Subsection (b) shall not apply to a
23 change of ownership or control of a Category 1 slot machine
24 license as permitted by section 1328.

25 Section 13. Section 1309(a.1) heading of Title 4 is amended
26 and the subsection is amended by adding a paragraph to read:
27 § 1309. Slot machine license application.

28 * * *

29 (a.1) Table games and interactive gaming information.--

30 * * *

31 (3) The board may permit an applicant for a slot machine
32 license that has an application under paragraph (1) or (2)
33 pending before the board to supplement its application with
34 all information required under Chapter 13B (relating to
35 interactive gaming) and to request that the board consider
36 its application for a slot machine license, a table game
37 operation certificate and an interactive gaming certificate
38 concurrently. All fees for an interactive gaming certificate
39 shall be paid by the applicant in accordance with the
40 requirements of this part.

41 * * *

42 Section 14. Sections 1317(a) and (c) and 1317.1(a), (b),
43 (c), (c.1), (d.1) and (e) of Title 4 are amended and the
44 sections are amended by adding subsections to read:
45 § 1317. Supplier licenses.

46 (a) Application.--A manufacturer that elects to contract
47 with a supplier under section 1317.1(d.1) (relating to
48 manufacturer licenses) shall ensure that the supplier is
49 appropriately licensed under this section. A person seeking to
50 provide slot machines, table game devices or associated
51 equipment, interactive gaming devices or associated equipment or

1 multi-use computing devices to a slot machine licensee, an
2 interactive gaming certificate holder or an interactive gaming
3 operator within this Commonwealth through a contract with a
4 licensed manufacturer shall apply to the board for the
5 appropriate supplier license.

6 * * *

7 (c) Review and approval.--Upon being satisfied that the
8 requirements of subsection (b) have been met, the board may
9 approve the application and issue the applicant a supplier
10 license consistent with all of the following:

11 (1) The [initial license shall be for a period of one
12 year, and, if renewed under subsection (d), the] license
13 shall be issued for a period of [three] five years and shall
14 be renewed in accordance with subsection (d). Nothing in this
15 paragraph shall relieve a licensee of the affirmative duty to
16 notify the board of any changes relating to the status of its
17 license or to any information contained in the application
18 materials on file with the board.

19 (2) The license shall be nontransferable.

20 (3) Any other condition established by the board.

21 * * *

22 (c.2) Abbreviated process for supplier.--

23 (1) Notwithstanding subsection (c.1)(1) or any
24 regulations of the board to the contrary, the board may
25 extend the use of the abbreviated process authorized under
26 subsection (c.1) to an applicant for a supplier license to
27 supply slot machines used in a multistate wide-area
28 progressive slot machine system, skill slot machines, hybrid
29 slot machines and devices or associated equipment used in
30 connection with multistate wide-area progressive slot machine
31 systems, skill slot machines or hybrid slot machines,
32 interactive gaming devices or associated equipment used in
33 connection with interactive gaming, including multi-use
34 computing devices, if the applicant holds a valid supplier
35 license issued by the board to supply slot machines or
36 associated equipment or table games or table game devices or
37 associated equipment. The requirements of subsection (c.1)(2)
38 and (3) shall apply to this subsection.

39 (2) An applicant for a supplier's license to supply slot
40 machines used in a multistate wide-area progressive systems,
41 skill slot machines or hybrid slot machines or associated
42 equipment or interactive gaming devices or associated
43 equipment shall be subject to the applicable provisions of
44 this part.

45 * * *

46 § 1317.1. Manufacturer licenses.

47 (a) Application.--A person seeking to manufacture slot
48 machines, table game devices and associated equipment or
49 interactive gaming devices and associated equipment for use in
50 this Commonwealth shall apply to the board for a manufacturer
51 license.

1 (b) Requirements.--An application for a manufacturer license
2 shall be on the form required by the board, accompanied by the
3 application fee, and shall include all of the following:

4 (1) The name and business address of the applicant and
5 the applicant's affiliates, intermediaries, subsidiaries and
6 holding companies; the principals and key employees of each
7 business; and a list of employees and their positions within
8 each business, as well as any financial information required
9 by the board.

10 (2) A statement that the applicant and each affiliate,
11 intermediary, subsidiary or holding company of the applicant
12 are not slot machine licensees.

13 (3) The consent to a background investigation of the
14 applicant, its principals and key employees or other persons
15 required by the board and a release to obtain any and all
16 information necessary for the completion of the background
17 investigation.

18 (4) The details of any equivalent license granted or
19 denied by other jurisdictions where gaming activities as
20 authorized by this part are permitted and consent for the
21 board to acquire copies of applications submitted or licenses
22 issued in connection therewith.

23 (5) The type of slot machines, table game devices or
24 associated equipment or interactive gaming devices or
25 associated equipment to be manufactured or repaired.

26 (6) Any other information determined by the board to be
27 appropriate.

28 (c) Review and approval.--Upon being satisfied that the
29 requirements of subsection (b) have been met, the board may
30 approve the application and grant the applicant a manufacturer
31 license consistent with all of the following:

32 (1) The [initial license shall be for a period of one
33 year, and, if renewed under subsection (d), the] license
34 shall be issued for a period of [three] five years and shall
35 be renewed in accordance with subsection (d). Nothing in this
36 paragraph shall relieve the licensee of the affirmative duty
37 to notify the board of any changes relating to the status of
38 its license or to any other information contained in
39 application materials on file with the board.

40 (2) The license shall be nontransferable.

41 (3) Any other condition established by the board.

42 (c.1) Abbreviated process.--In the event an applicant for a
43 manufacturer license to manufacture table game devices or
44 associated equipment used in connection with table games is
45 licensed by the board under this section to manufacture slot
46 machines or associated equipment used in connection with slot
47 machines, the board may determine to use an abbreviated process
48 requiring only that information determined by the board to be
49 necessary to consider the issuance of a license to manufacture
50 table game devices or associated equipment used in connection
51 with table games, including financial viability of the

1 applicant. Nothing in this section shall be construed to waive
2 any fees associated with obtaining a license, certificate or
3 permit through the normal application process. The board may
4 only use the abbreviated process if all of the following apply:

5 (1) The manufacturer license was issued by the board
6 within a 36-month period immediately preceding the date the
7 manufacturer licensee files an application to manufacture
8 table game devices or associated equipment.

9 (2) The person to whom the manufacturer license was
10 issued affirms there has been no material change in
11 circumstances relating to the license.

12 (3) The board determines, in its sole discretion, that
13 there has been no material change in circumstances relating
14 to the licensee that necessitates that the abbreviated
15 process not be used.

16 (c.2) Abbreviated process for manufacturer.--

17 (1) Notwithstanding subsection (c.1) (1) or any
18 regulations of the board to the contrary, the board may
19 extend the use of the abbreviated process authorized under
20 subsection (c.1) to an applicant for a manufacturer license
21 to manufacture slot machines used in multistate wide-area
22 progressive slot machine systems, skill slot machines, hybrid
23 slot machines or associated equipment used in connection with
24 multistate wide-area progressive slot machine systems, skill
25 slot machines or hybrid slot machines or interactive gaming
26 devices or associated equipment used in connection with
27 interactive gaming, if the applicant holds a valid
28 manufacturer license issued by the board to manufacturer slot
29 machines or associated equipment or table games or table game
30 devices or associated equipment. The requirements of
31 subsection (c.1) (2) and (3) shall apply to this subsection.

32 (2) An applicant for a manufacturer license to
33 manufacture slot machines used in a multistate wide-area
34 progressive system, skill or hybrid slot machines or
35 associated equipment or interactive gaming devices or
36 associated equipment shall be subject to the applicable
37 provisions of this part.

38 * * *

39 (d.1) Authority.--The following shall apply to a licensed
40 manufacturer:

41 (1) A manufacturer or its designee, as licensed by the
42 board, may supply or repair any slot machine, table game
43 device or associated equipment or interactive gaming device
44 or associated equipment manufactured by the manufacturer,
45 provided the manufacturer holds the appropriate manufacturer
46 license.

47 (2) A manufacturer of slot machines may contract with a
48 supplier under section 1317 (relating to supplier licenses)
49 to provide slot machines or associated equipment to a slot
50 machine licensee within this Commonwealth, provided the
51 supplier is licensed to supply slot machines or associated

1 equipment used in connection with slot machines.

2 (3) A manufacturer may contract with a supplier under
3 section 1317 to provide table game devices or associated
4 equipment to a certificate holder, provided the supplier is
5 licensed to supply table game devices or associated equipment
6 used in connection with table games.

7 (4) A manufacturer may contract with a supplier under
8 section 1317 to provide slot machines used in a multistate
9 wide-area progressive system, skill slot machines or hybrid
10 slot machines or associated equipment, interactive gaming
11 devices or associated equipment, provided that the
12 manufacturer is licensed to manufacture slot machines used in
13 a multistate wide-area progressive slot machine system, skill
14 slot machines or hybrid slot machines or associated equipment
15 or interactive gaming devices or associated equipment used in
16 connection with interactive games.

17 (e) Prohibitions.--

18 (1) No person may manufacture slot machines, table game
19 devices or associated equipment or interactive gaming devices
20 or associated equipment for use within this Commonwealth [by
21 a slot machine licensee] unless the person has been issued
22 the appropriate manufacturer license under this section.

23 (2) Except as permitted in section 13A23.1 (relating to
24 training equipment), no [slot machine licensee] person may
25 use slot machines, table game devices or associated
26 equipment, authorized interactive games or interactive gaming
27 devices or associated equipment unless the slot machines,
28 table game devices or associated equipment, interactive games
29 or interactive gaming devices or associated equipment were
30 manufactured by a person that has been issued the appropriate
31 manufacturer license under this section.

32 (3) No person issued a license under this section shall
33 apply for or be issued a license under section 1317.

34 (4) No limitation shall be placed on the number of
35 manufacturer licenses issued or the time period to submit
36 applications for licensure, except as required to comply with
37 section 1306 (relating to order of initial license issuance).
38 Section 15. Title 4 is amended by adding a section to read:

39 § 1317.3. Nongaming service provider.

40 (a) Notification required.--

41 (1) A slot machine licensee or applicant for a slot
42 machine license that contracts with or otherwise engages in
43 business with a nongaming service provider shall provide
44 notification to the board prior to:

45 (i) the nongaming service provider's provision of
46 goods or services at the slot machine licensee's licensed
47 facility; or

48 (ii) the provision of goods or services for use in
49 the operation of the slot machine licensee's licensed
50 facility.

51 (2) Notification under this section shall be on a form

1 and in a manner as determined by the board. The board may
2 impose a fee, not to exceed \$100, which must accompany the
3 notification.

4 (b) Contents of notification.--Notification under this
5 section shall include:

6 (1) The name and business address of the nongaming
7 service provider.

8 (2) A description of the type or nature of the goods or
9 services to be provided.

10 (3) An affirmation from the slot machine licensee or
11 applicant for a slot machine license that the goods or
12 services to be provided by the nongaming service provider
13 will not require access to the gaming floor or a gaming-
14 related restricted area of a licensed facility.

15 (4) An affirmation from the slot machine licensee or
16 applicant for a slot machine license certifying that the
17 licensee or applicant has performed due diligence regarding
18 the nongaming service provider and believes that neither the
19 nongaming service provider nor its employees will adversely
20 affect the public interest or integrity of gaming.

21 (5) Any other information that the board may require.

22 (c) Duration of notification.--The nongaming service
23 provider notification required under subsection (a) may be valid
24 for three years unless modified by the board. In determining the
25 duration of a nongaming service provider notification, the board
26 shall consider the following:

27 (1) The type or nature of the goods or services.

28 (2) The frequency of business transactions related to
29 the provision of such goods or services.

30 (3) Any other information the board deems necessary and
31 appropriate.

32 (d) Conditions.--A slot machine licensee or applicant for a
33 slot machine license that contracts or otherwise engages in
34 business with a nongaming service provider shall be subject to
35 the following conditions:

36 (1) The nongaming service provider and its employees
37 shall only provide the goods and services described in the
38 notification under this section.

39 (2) The slot machine licensee or applicant for a slot
40 machine license shall notify the board of any material change
41 in the information provided in the notification under this
42 section. No fee shall be required for a subsequent change
43 during the time for which the notification remains valid
44 under subsection (c).

45 (3) The slot machine licensee or applicant for a slot
46 machine license shall ensure that employees of the nongaming
47 service provider do not enter the gaming floor or a gaming-
48 related restricted area of the licensed facility.

49 (4) The slot machine licensee or applicant for a slot
50 machine license shall report to the board an employee of a
51 nongaming service provider that does any of the following:

1 (i) Enters the gaming floor or a gaming-related
2 restricted area of the licensed facility.

3 (ii) Commits an act that adversely affects the
4 public interest or integrity of gaming.

5 (5) The board may prohibit a nongaming service provider
6 or any of its employees from providing goods or services to a
7 slot machine licensee or applicant for a slot machine license
8 at a licensed facility if the board determines the
9 prohibition is necessary to protect the public interest or
10 integrity of gaming.

11 (e) Authority to exempt.--The board may exempt a slot
12 machine licensee or applicant for a slot machine license from
13 the notification requirements of this section if the board
14 determines any of the following:

15 (1) The nongaming service provider or the type or nature
16 of the nongaming service provider's business is regulated by
17 an agency of the Federal Government, an agency of the
18 Commonwealth or the Pennsylvania Supreme Court.

19 (2) Notification is not necessary to protect the public
20 interest or integrity of gaming.

21 (f) (Reserved).

22 (g) Criminal history record information.--Notwithstanding
23 any other provision of this part or regulation of the board, a
24 nongaming service provider shall obtain from the Pennsylvania
25 State Police and provide to the board the results of a criminal
26 history record information check under 18 Pa.C.S. Ch. 91
27 (relating to criminal history record information).

28 (h) Emergency notification.--

29 (1) A slot machine licensee may use a nongaming service
30 provider prior to the board receiving notification under this
31 section when a threat to public health, welfare or safety
32 exists or circumstances outside the control of the slot
33 machine licensee require immediate action to mitigate damage
34 or loss to the slot machine licensee's licensed facility or
35 to the Commonwealth.

36 (2) A slot machine licensee that uses a nongaming
37 service provider in accordance with paragraph (1) shall:

38 (i) Notify the board immediately upon engaging a
39 nongaming service provider for which the board has not
40 previously received notification in accordance with
41 subsection (a).

42 (ii) Provide the notification required under
43 subsection (a) within a reasonable time as established by
44 the board.

45 (i) Nongaming service provider list.--

46 (1) The board shall have the authority to prohibit a
47 nongaming service provider from engaging in business with a
48 slot machine licensee upon a finding by the board that the
49 prohibition is necessary to protect the public interest and
50 the integrity of gaming.

51 (2) The board shall develop and maintain a list of

1 prohibited nongaming service providers and make it available
2 upon request to a slot machine licensee or an applicant for a
3 slot machine license.

4 (3) A slot machine licensee or applicant for a slot
5 machine license may not enter into an agreement or engage in
6 business with a nongaming service provider appearing on the
7 list described in paragraph (2).

8 (j) Duties of nongaming service provider.--A nongaming
9 service provider shall:

10 (1) Cooperate with the board and bureau regarding an
11 investigation, hearing, enforcement action or disciplinary
12 action.

13 (2) Comply with each condition, restriction,
14 requirement, order or ruling of the board issued under this
15 part or regulation of the board.

16 (3) Report any change in circumstances to the slot
17 machine licensee or applicant for a slot machine license that
18 may render the nongaming service provider ineligible,
19 unqualified or unsuitable for the provision of goods or
20 services at a licensed facility or use in the operation of a
21 licensed facility. The slot machine licensee or applicant for
22 a slot machine license shall report any change in
23 circumstances to the board in such form and manner as the
24 board may establish.

25 (k) Construction.--Nothing in this section shall be
26 construed to limit the powers and authority of the board under
27 section 1202 (relating to general and specific powers) or the
28 regulatory authority of the board under section 1207 (relating
29 to regulatory authority of board).

30 Section 16. Section 1320(a) of Title 4 is amended and the
31 section is amended by adding a subsection to read:

32 § 1320. Slot machine testing and certification standards.

33 (a) Use of other state standards.--[Until such time as the
34 board establishes an independent testing and certification
35 facility pursuant to subsection (b), the] The board may
36 determine, at its discretion, whether the slot machine testing
37 and certification standards of another jurisdiction within the
38 United States in which an applicant for a manufacturer license
39 is licensed are comprehensive and thorough and provide similar
40 adequate safeguards as those required by this part. If the board
41 makes that determination, it may permit a manufacturer through a
42 licensed supplier as provided in section 1317 (relating to
43 supplier [and manufacturer licenses application] licenses) to
44 deploy those slot machines which have met the slot machine
45 testing and certification standards in such other jurisdictions
46 without undergoing the full testing and certification process by
47 a board-established independent facility. In the event slot
48 machines of an applicant for a manufacturer license are licensed
49 in such other jurisdiction, the board may determine to use an
50 abbreviated process requiring only that information determined
51 by the board to be necessary to consider the issuance of a slot

1 machine certification to such an applicant. [Alternatively, the
2 board in its discretion may also rely upon the certification of
3 a slot machine that has met the testing and certification
4 standards of a board-approved private testing and certification
5 facility until such time as the board establishes an independent
6 testing and certification facility pursuant to subsection (b).
7 Nothing in this section shall be construed to waive any fees
8 associated with obtaining a license through the normal
9 application process.]

10 * * *

11 (b.1) Use of private testing and certification facilities.--
12 Notwithstanding any other provisions of this part or regulation
13 of the board, if a slot machine is tested and certified by a
14 private testing and certification facility registered with the
15 board, the board shall use an abbreviated certification process
16 requiring only that information determined by it to be necessary
17 to consider the issuance of a slot machine certification under
18 this section. Within one year of the effective date of this
19 subsection, the board shall promulgate regulations that:

20 (1) Provide for the registration of private testing and
21 certification facilities. Persons seeking registration under
22 this subsection shall be subject to section 1202(b)(9)
23 (relating to general and specific powers).

24 (2) Specify the form and content of the application for
25 registration.

26 (3) Establish and collect an application fee for persons
27 seeking registration. The application fee shall include the
28 costs of all background investigations as determined
29 necessary and appropriate by the bureau.

30 (4) Establish uniform procedures and standards which
31 private testing and certification facilities must comply with
32 during the testing and certification of slot machines.

33 (5) Utilize information provided by private testing and
34 certification facilities for the abbreviated certification of
35 slot machines.

36 (6) Establish an abbreviated certification process that
37 may be used by registered private testing and certification
38 facilities to test and certify slot machines.

39 (7) Establish fees that must be paid by licensed
40 manufacturers.

41 (8) Require slot machines submitted for abbreviated
42 certification to be approved or denied by the board within 30
43 days from the date of submission to the board. If the board
44 fails to act within the 30-day period, the abbreviated
45 certification shall be deemed conditionally approved.

46 (9) Provide procedures and standards for the suspension
47 and revocation of the registration of a private testing and
48 certification facility and the reinstatement of a suspended
49 or revoked registration, as determined appropriate by the
50 board.

51 * * *

1 Section 17. Section 1326 of Title 4 is amended to read:

2 § 1326. [License renewals] Renewals.

3 (a) Renewal.--All permits [and], licenses, registrations or
4 certificates issued under this part unless otherwise provided
5 shall be subject to renewal every [three] five years. Nothing in
6 this subsection shall relieve a licensee, permittee or holder of
7 a certificate or registration of the affirmative duty to notify
8 the board of any changes relating to the status of its license,
9 permit, certificate or registration or to any other information
10 contained in the application materials on file with the board.
11 The application for renewal shall be submitted at least [60] 180
12 days prior to the expiration of the permit [or], license,
13 registration or certificate and shall include an update of the
14 information contained in the initial and any prior renewal
15 applications and the payment of any renewal fee required by this
16 part. Unless otherwise specifically provided in this part, the
17 amount of any renewal fee shall be calculated by the board to
18 reflect the longer renewal period. A permit [or], license,
19 registration or certificate for which a completed renewal
20 application and fee, if required, has been received by the board
21 will continue in effect unless and until the board sends written
22 notification to the holder of the permit [or], license,
23 registration or certificate that the board has denied the
24 renewal of such permit [or], license, registration or
25 certificate.

26 (b) Revocation or failure to renew.--In addition to any
27 other sanctions the board may impose under this part, the board
28 may at its discretion suspend, revoke or deny renewal of any
29 permit [or], license, registration or certificate issued under
30 this part if it receives any information from any source that
31 the applicant or any of its officers, directors, owners or key
32 employees is in violation of any provision of this part, that
33 the applicant has furnished the board with false or misleading
34 information or that the information contained in the applicant's
35 initial application or any renewal application is no longer true
36 and correct. In the event of a revocation or failure to renew,
37 the applicant's authorization to conduct the previously approved
38 activity shall immediately cease, and all fees paid in
39 connection therewith shall be deemed to be forfeited. In the
40 event of a suspension, the applicant's authorization to conduct
41 the previously approved activity shall immediately cease until
42 the board has notified the applicant that the suspension is no
43 longer in effect.

44 Section 18. Title 4 is amended by adding a section to read:
45 § 1326.1. Slot machine license operation fee.

46 (a) Imposition.--Beginning January 1, 2017, each Category 1
47 and Category 2 licensed gaming entity, except a Category 1 or
48 Category 2 licensed gaming entity located in a city of the first
49 class, shall pay to the board an annual slot machine license
50 operation fee in an amount equal to 20% of the slot machine
51 license fee paid at the time of issuance under section 1209(a)

1 (relating to slot machine license fee).

2 (b) Payment of fee.--The slot machine license operation fee
3 imposed under subsection (a) shall be paid in equal monthly
4 installments on or before the first day of each month.

5 (c) Failure to pay.--The board may at the board's discretion
6 suspend, revoke or deny any permit or license issued under this
7 part to a Category 1 licensed gaming entity or Category 2
8 licensed gaming entity that fails to pay the slot machine
9 license operation fee imposed under subsection (a).

10 (d) Deposit.--The slot machine license operation fees
11 collected by the board under this section shall be deposited in
12 the fund and shall be appropriated to the department on a
13 continuing basis for the purposes under section 1403(c)(3)
14 (relating to establishment of State Gaming Fund and net slot
15 machine revenue distribution).

16 Section 19. Section 1328(d) of Title 4 is amended and the
17 section is amended by adding a subsection to read:

18 § 1328. Change in ownership or control of slot machine
19 licensee.

20 * * *

21 (d) Fee reduction.--The board may in its discretion
22 eliminate the need for qualification and/or proportionately
23 reduce[, but not eliminate,] the new license fee otherwise
24 required pursuant to this section in connection with a change of
25 control of a licensee, provided that the reduced minimum license
26 fee for a Category 1 or Category 2 slot machine license shall
27 not be less than \$15,000,000 and the reduced minimum license fee
28 for a Category 3 slot machine license shall not be less than
29 \$1,000,000, depending upon the type of transaction, the relevant
30 ownership interests and changes thereto resulting from the
31 transaction and other considerations deemed relevant by the
32 board.

33 * * *

34 (f) Undue economic concentration prohibited.--A change in
35 ownership or control of a slot machine licensee shall comply
36 with section 1330.1 (relating to undue economic concentration
37 prohibited).

38 Section 20. Section 1330 of Title 4 is repealed:

39 [§ 1330. Multiple slot machine license prohibition.

40 No slot machine licensee, its affiliate, intermediary,
41 subsidiary or holding company may possess an ownership or
42 financial interest that is greater than 33.3% of another slot
43 machine licensee or person eligible to apply for a Category 1
44 license, its affiliate, intermediary, subsidiary or holding
45 company. The board shall approve the terms and conditions of any
46 divestiture under this section. Under no circumstances shall any
47 such divestiture be approved by the board if the compensation
48 for the divested interest in a person eligible to apply for a
49 Category 1 license exceeds the greater of the original cost of
50 the interest, the book value of the interest or an independently
51 assessed value of the interest one month prior to the effective

1 date of this part and, in the case of a person eligible to apply
2 for a Category 1 license, unless the person acquiring the
3 divested interest is required to continue conducting live racing
4 at the location where live racing is currently being conducted
5 in accordance with section 1303 (relating to additional Category
6 1 slot machine license requirements) and be approved for a
7 Category 1 slot machine license. No such slot machine license
8 applicant shall be issued a slot machine license until the
9 applicant has completely divested its ownership or financial
10 interest that is in excess of 33.3% in another slot machine
11 licensee or person eligible to apply for a Category 1 license,
12 its affiliate, intermediary, subsidiary or holding company.]

13 Section 21. Title 4 is amended by adding a section to read:
14 § 1330.1. Undue economic concentration prohibited.

15 (a) General rule.--No slot machine licensee, its affiliate,
16 intermediary, subsidiary or holding company may possess an
17 ownership or financial interest of another slot machine licensee
18 or person eligible to apply for a Category 1 license, its
19 affiliate, intermediary, subsidiary or holding company if the
20 ownership or financial interest would result in undue economic
21 concentration in this Commonwealth.

22 (b) Board to establish criteria.--The board shall establish
23 through regulation criteria for determining whether the issuance
24 of a slot machine license or a change in ownership or control of
25 a slot machine licensee occurring under section 1328 (relating
26 to change in ownership or control of slot machine licensee)
27 constitutes undue economic concentration. The criteria shall
28 include:

29 (1) The percentage share of the market presently
30 controlled by the applicant.

31 (2) The estimated increase in the market share if the
32 applicant is issued the slot machine license.

33 (3) The relative position of other slot machine
34 licensees.

35 (4) The current and projected financial condition of the
36 gaming industry in this Commonwealth.

37 (5) Current market conditions, including level of
38 competition, consumer demand, market concentration, any
39 consolidation trends in the industry and any other relevant
40 characteristics of the market.

41 (6) Whether the applicant has separate organizational
42 structures or other independent obligations.

43 (7) Potential impact on the projected future growth and
44 development of the gaming industry in this Commonwealth.

45 (8) Whether the issuance or holding of the slot machine
46 license by the applicant will adversely impact consumer
47 interests.

48 (9) Any other criteria the board may require.

49 (c) Divestiture.--No applicant shall be issued a slot
50 machine license or approved for a change in ownership or control
51 until the applicant has completely divested a portion of

1 ownership or financial interest of another slot machine
2 licensee. The board shall approve the terms and conditions of
3 any divestiture that may be required under this section.

4 (d) Definition.--For the purpose of this section, "undue
5 economic concentration" means that a slot machine licensee, its
6 affiliate, intermediary, subsidiary or holding company would
7 have such actual or potential domination of the gaming market in
8 this Commonwealth as to substantially impede or suppress
9 competition among slot machine licensees or adversely impact the
10 economic stability of the gaming industry in this Commonwealth.

11 Section 22. Sections 13A11(b), 13A22.1(c) and 13A27(a) and
12 (c) of Title 4 are amended to read:

13 § 13A11. Authorization to conduct table games.

14 * * *

15 (b) Number of authorized gaming tables.--

16 (1) A Category 1 and Category 2 slot machine licensee
17 awarded a table game operation certificate may operate up to
18 250 gaming tables at any one time at its licensed facility.
19 No more than 30% of these gaming tables may be used to play
20 nonbanking games at any one time. Six months following the
21 date of commencement of table game operations, the board may
22 permit a Category 1 or Category 2 certificate holder to
23 increase the number of gaming tables above the number
24 authorized under this paragraph. The certificate holder shall
25 petition the board for the increase at its licensed facility.
26 The board, in considering the petition, shall take into
27 account the appropriateness of the physical space where the
28 gaming tables will be located and the convenience of the
29 public attending the facility. The board may also take into
30 account the potential benefit to the Commonwealth.

31 (2) A Category 3 slot machine licensee awarded a table
32 game operation certificate may operate up to 50 gaming tables
33 at any one time at its licensed facility. [No more than 30%
34 of these gaming tables may be used to play nonbanking games
35 at any one time.]

36 (2.1) A Category 3 slot machine licensee awarded a table
37 game operation certificate may petition the board for
38 additional table games at its licensed facility. The board
39 may authorize up to 15 additional gaming tables. The
40 additional tables shall be used to play nonbanking games. The
41 board, in considering the petition, shall take into account
42 the appropriateness of the physical space where the gaming
43 tables will be located and the convenience of the public
44 attending the facility. The board may also take into account
45 the potential benefit to the Commonwealth.

46 (3) Nonbanking gaming tables shall seat a maximum of ten
47 players.

48 § 13A22.1. Table game tournaments.

49 * * *

50 (c) Exemptions and additional tables.--The following shall
51 apply:

1 (1) For a Category 1 or Category 2 licensed facility,
2 gaming tables used in tournaments shall be exempt from
3 section 13A11 (b) (1) (relating to authorization to conduct
4 table games) and shall not be used in any calculation of the
5 total number of gaming tables authorized in the table game
6 authorization certificate.

7 (2) For a Category 3 licensed facility, the executive
8 director may authorize the licensed facility to operate up to
9 15 additional gaming tables for use in tournaments. [The
10 executive director may grant the use of the additional gaming
11 tables for tournaments authorized under this paragraph only
12 one day per month.] Additional gaming tables for use in
13 tournaments at a Category 3 licensed facility shall be exempt
14 from section 13A11(b) (2) and shall not be used in any
15 calculation of the total number of gaming tables authorized
16 in the table game authorization certificate. The executive
17 director may grant the use of additional gaming tables on the
18 dates and times listed in the proposed schedule of
19 tournaments submitted by the Category 3 slot machine licensee
20 in accordance with subsection (b).

21 * * *

22 § 13A27. Other financial transactions.

23 (a) Credit.--

24 (1) Notwithstanding section 1504 (relating to wagering
25 on credit), a certificate holder may extend interest-free,
26 unsecured credit to patrons for the purpose of playing slot
27 machines or table games in accordance with this section;
28 however, a certificate holder shall not accept credit cards,
29 charge cards or debit cards from a patron or player for the
30 exchange or purchase or chips, slot machine or table game
31 credits or for an advance of coins or currency to be utilized
32 by a player to play slot machine or table games. No credit
33 card advance machine may be placed on the gaming floor.

34 (2) Prepaid access instruments are not deemed to be a
35 credit card, charge card, debit card or any other instrument
36 of credit and are not prohibited under this section. A device
37 or other mechanism that allows or facilitates the funding of
38 a prepaid access instrument shall not be deemed a credit card
39 advance machine under this section.

40 * * *

41 (c) Credit application verification.---Prior to approving an
42 application for credit, a certificate holder shall verify:

43 (1) The identity, creditworthiness and indebtedness
44 information of the applicant by conducting a comprehensive
45 review of the information submitted with the application and
46 any information regarding the applicant's credit activity at
47 other licensed facilities which the certificate holder may
48 obtain through a casino credit bureau and, if appropriate,
49 through direct contact with other slot machine licensees.

50 (2) That the applicant's name is not included on an
51 exclusion list under section 1514 (relating to regulation

1 requiring exclusion [or], ejection or denial of access of
2 certain persons) or 1516 (relating to list of persons self
3 excluded from gaming activities) or the voluntary credit
4 suspension list under subsection (h).

5 * * *

6 Section 23. Section 13A41 of Title 4 is amended by adding a
7 subsection to read:

8 § 13A41. Table game device and associated equipment testing and
9 certification standards.

10 * * *

11 (b.1) Use of private testing and certification facilities.--
12 Notwithstanding any provision of this part or regulation of the
13 board, if a table game device or associated equipment is tested
14 and certified by a private testing and certification facility
15 registered with the board, the board shall use an abbreviated
16 certification process requiring only that information determined
17 by it to be necessary to consider the issuance of a table game
18 device or associated equipment certification under this section.
19 Within one year of the effective date of this subsection, the
20 board shall promulgate regulations that:

21 (1) Provide for the registration of private testing and
22 certification facilities. Persons seeking registration under
23 this subsection shall be subject to section 1202(b) (9)
24 (relating to general and specific powers).

25 (2) Specify the form and content of the application for
26 registration.

27 (3) Establish and collect an application fee for persons
28 seeking registration. The application fee shall include the
29 costs of all background investigations as determined
30 necessary and appropriate by the board.

31 (4) Establish uniform procedures and standards which
32 private testing and certification facilities must comply with
33 during the testing and certification of table game devices
34 and associated equipment.

35 (5) Utilize information provided by private testing and
36 certification facilities for the abbreviated certification of
37 table game devices or associated equipment.

38 (6) Establish an abbreviated certification process that
39 may be used by registered private testing and certification
40 facilities to test and certify table game devices or
41 associated equipment.

42 (7) Establish fees that must be paid by a licensed
43 manufacturer.

44 (8) Require table game devices and associated equipment
45 submitted for abbreviated certification to be approved or
46 denied by the board within 30 days from the date of
47 submission to the board. If the board fails to act within the
48 30-day period, the abbreviated certification shall be deemed
49 conditionally approved.

50 (9) Provide procedures and standards for the suspension
51 and revocation of the registration of a private testing and

1 certification facility and the reinstatement of a suspended
2 or revoked registration.

3 Section 23.1. Section 13A61(a) of Title 4 is amended by
4 adding a paragraph to read:

5 § 13A61. Table game authorization fee.

6 (a) Amount of authorization fee.--

7 * * *

8 (3.1) Notwithstanding any other provision of this part,
9 no later than 60 days after the board approves a request for
10 additional table games in accordance with section 13A11
11 (relating to authorization to conduct table games) submitted
12 by a Category 3 slot machine licensee, the Category 3 slot
13 machine licensee shall pay a one-time nonrefundable fee in
14 the amount of \$1,000,000. The fee shall be deposited into the
15 General Fund.

16 * * *

17 Section 24. Section 13A63(b) (3) (iii) (C) and (4) of Title 4
18 are amended to read:

19 § 13A63. Local share assessment.

20 * * *

21 (b) Distributions to counties.--The department shall make
22 quarterly distributions from the local share assessments
23 deposited into the fund under subsection (a) to counties,
24 including home rule counties, hosting a licensed facility
25 authorized to conduct table games under this chapter in
26 accordance with the following:

27 * * *

28 (3) If the facility is a Category 2 licensed facility
29 and if the county in which the licensed facility is located
30 is:

31 * * *

32 (iii) A county of the third class where a city of
33 the third class hosting the licensed facility is located
34 in two counties of the third class: 50% of the licensed
35 facility's local share assessment shall be distributed as
36 follows:

37 * * *

38 (C) Twenty percent to the nonhost county in
39 which the host city is located, of which 50% shall be
40 deposited into a restricted receipts account to be
41 established in the Commonwealth Financing Authority
42 to be used [solely for grants to municipalities [that
43 are contiguous to the host city] exclusively for
44 economic development projects, community improvement
45 projects and other projects in the public interest
46 within the nonhost county, with priority given to
47 municipalities contiguous to the host city.

48 * * *

49 (4) The following apply:

50 (i) If the facility is a Category 3 licensed
51 facility located in a county of the second class A: 50%

of the licensed facility's local share assessment shall be [deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Waste Water Infrastructure Program).] distributed as follows:

(A) Seventy-five percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting the maintenance and refurbishment of the Parks and Heritage sites throughout the county in which the licensee is located.

(B) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting a child advocacy center located within the county in which the licensee is located.

(C) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensee is located.

(ii) Except as provided in subparagraph (i), if the facility is a Category 3 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established under section 1403(c) (2) (iv) for distribution with those funds.

* * *

Section 25. Title 4 is amended by adding chapters to read:

CHAPTER 13B

INTERACTIVE GAMING

Subchapter

A. General Provisions

B. Interactive Gaming Authorized

B.1. Multi-use Computing Devices

C. Conduct of Interactive Gaming

D. Facilities and Equipment

E. Testing and Certification

F. Taxes and Fees

G. Miscellaneous Provisions

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

13B01. (Reserved).

1 13B02. Regulatory authority.

2 13B03. Regulations.

3 § 13B01. (Reserved).

4 § 13B02. Regulatory authority.

5 (a) Authority.--The board shall promulgate and adopt rules
6 and regulations to govern the conduct of interactive gaming in
7 order to ensure that it will be implemented in a manner that
8 provides for the security and effective management,
9 administration and control of interactive gaming, including, but
10 not limited to, regulations:

11 (1) Ensuring that interactive gaming is offered for play
12 in this Commonwealth in a manner that is consistent with
13 Federal law and the provisions of this chapter.

14 (2) Establishing standards and procedures for testing
15 and approving interactive games and interactive gaming
16 devices and associated equipment, and any variations or
17 composites of authorized interactive games, provided that the
18 board determines that the interactive games and any new
19 interactive games or any variations or composites are
20 suitable for use after a test or experimental period under
21 any terms and conditions as the board may deem appropriate.
22 The board may give priority to the testing of interactive
23 games, interactive gaming devices and associated equipment or
24 other gaming equipment which a slot machine licensee or an
25 applicant for an interactive gaming license has certified
26 that it will use to conduct interactive gaming in this
27 Commonwealth. Nothing in this paragraph shall be construed to
28 prohibit the board from using the testing and certification
29 standards of another state or jurisdiction in which
30 interactive gaming is conducted, if it determines that the
31 standards of the jurisdiction are comprehensive, thorough and
32 provide similar and adequate safeguards as those required
33 under this part. If the board makes such a determination and
34 the slot machine licensee or applicant for an interactive
35 gaming license is licensed in another state or jurisdiction
36 to operate interactive gaming or an interactive gaming
37 system, it may use an abbreviated process requiring only the
38 information determined by it to be necessary to consider the
39 issuance of an interactive gaming certificate or interactive
40 gaming license under this chapter. The board, in its
41 discretion, may also rely upon the certification of
42 interactive games that have met the testing and certification
43 standards of a board-approved private testing and
44 certification facility.

45 (3) Establishing standards and rules to govern the
46 conduct of interactive gaming and the system of and wagering
47 associated with interactive gaming, including internal
48 controls and accounting controls, and the type, number,
49 payout, wagering limits and rules for interactive games.

50 (4) Establishing the method for calculating gross
51 interactive gaming revenue and standards for the daily

1 counting and recording of cash and cash equivalents received
2 in the conduct of authorized interactive games and ensure
3 that internal controls and accounting controls are followed,
4 including the maintenance of financial books and records and
5 the conduct of audits. The board shall consult with the
6 department in establishing these regulations.

7 (5) Establishing notice requirements pertaining to
8 minimum and maximum wagers on authorized interactive games.

9 (6) Ensuring that all facilities and interactive gaming
10 devices and associated equipment are arranged in a manner to
11 promote appropriate security for interactive gaming.

12 (7) Establishing technical standards for the approval of
13 interactive games, interactive gaming devices and associated
14 equipment, including mechanical, electrical or program
15 reliability, security against tampering and any other
16 standards as it may deem necessary to protect registered
17 players from fraud or deception.

18 (8) Governing the creation, ownership and utilization of
19 interactive gaming accounts by registered players, including
20 the following:

21 (i) Requiring that an interactive gaming account be
22 created, owned and utilized by a natural person and not
23 in the name of any beneficiary, custodian, joint trust,
24 corporation, partnership or other organization or entity.

25 (ii) Prohibiting the assignment or other transfer of
26 an interactive gaming account.

27 (iii) Prohibiting the creation, ownership or
28 utilization of an interactive gaming account by an
29 individual under 21 years of age.

30 (9) Establishing procedures for a registered player to
31 log into the registered player's interactive gaming account,
32 authenticate the registered player's identity, agree to
33 terms, conditions and rules applicable to authorized
34 interactive games and log out of the registered player's
35 interactive gaming account, including procedures for
36 automatically logging off a registered player from an
37 interactive game after a specified period of inactivity.

38 (10) Establishing procedures for:

39 (i) Depositing funds in an interactive gaming
40 account by cash, transfer or other means, as approved by
41 the board.

42 (ii) The withdrawal of funds from an interactive
43 gaming account.

44 (iii) The suspension of interactive gaming account
45 activity for security reasons.

46 (iv) The termination of an interactive gaming
47 account and disposition of funds in the account.

48 (v) The disposition of unclaimed funds in a dormant
49 interactive gaming account.

50 (11) Establishing mechanisms by which a registered
51 player may place a limit on the amount of money being wagered

1 on an authorized interactive game or during any specified
2 time period or the amount of money lost during any specified
3 time period.

4 (12) Establishing mechanisms to exclude from interactive
5 gaming persons not eligible to play by reason of age,
6 identity or location or inclusion on a list of persons denied
7 access to interactive gaming activities in accordance with
8 sections 1514 (relating to regulation requiring exclusion,
9 ejection or denial of access of certain persons), 1515
10 (relating to repeat offenders excludable from licensed gaming
11 facility) and 1516 (relating to list of persons self excluded
12 from gaming activities).

13 (13) Establishing procedures for the protection,
14 security and reliability of interactive gaming accounts,
15 authorized interactive games, interactive gaming devices and
16 associated equipment and mechanisms to prevent tampering or
17 utilization by unauthorized persons.

18 (14) Establishing data security standards to govern age,
19 identity and location verification of persons engaged in
20 interactive gaming activity.

21 (15) Requiring each interactive gaming certificate
22 holder to:

23 (i) Provide written information on its interactive
24 gaming skin or Internet website, which explains the rules
25 for each authorized interactive game, payoffs or winning
26 wagers and other information as the board may require.

27 (ii) Designate one or more interactive gaming
28 restricted areas where interactive gaming will be
29 managed, administered or controlled.

30 (iii) Provide the board with access to the
31 interactive gaming skin or website, interactive gaming
32 platform, signal or transmission used in connection with
33 interactive gaming and interactive gaming restricted
34 areas.

35 (iv) Adopt procedures for the recordation,
36 replication and storage of all play and transactions for
37 a period to be determined by the board.

38 (v) Provide statements on its interactive gaming
39 skin or website about the permissible minimum and maximum
40 wagers for each authorized interactive game, as
41 applicable.

42 (vi) Adopt policies or procedures to prohibit any
43 unauthorized person from having access to interactive
44 gaming devices and associated equipment.

45 (vii) Adopt data security standards to verify the
46 age, identity and location of persons engaged in
47 interactive gaming and prevent unauthorized access by any
48 person whose age, identity and location have not been
49 verified or whose age, identity and location cannot be
50 verified in accordance with regulations adopted by the
51 board.

1 (viii) Adopt standards to protect the privacy and
2 security of registered players engaged in interactive
3 gaming.

4 (ix) Collect, report and pay any and all applicable
5 taxes and fees and maintain all books, records and
6 documents related to the interactive gaming certificate
7 holder's interactive gaming activities in a manner and in
8 a location within this Commonwealth as approved by the
9 board or the department. All books, records and documents
10 shall be immediately available for inspection during all
11 hours of operation in accordance with the regulations of
12 the board and shall be maintained in a manner and during
13 periods of time as the board shall by regulation require.

14 (b) Additional authority.--

15 (1) At its discretion, the board may determine whether
16 persons that provide the following goods or services shall be
17 required to obtain a license, permit or other authorization:

18 (i) Payment processing and related money
19 transmitting and services.

20 (ii) Identity, location or age verification and
21 geospatial technology services.

22 (iii) General telecommunications services, which are
23 not specifically designed for or related to interactive
24 gaming.

25 (iv) Other goods or services that are not
26 specifically designed for use with interactive gaming if
27 the persons providing the goods or services are not paid
28 a percentage of gaming revenue or of money wagered on
29 interactive games or of any fees, not including fees to
30 financial institutions and payment providers for
31 facilitating a deposit by an interactive gaming account
32 holder.

33 (v) Any other goods or services related to
34 interactive gaming as the board may determine.

35 (2) The board shall develop a classification system for
36 the licensure, permitting or other authorization of persons
37 that provide the following goods or services related to
38 interactive gaming:

39 (i) Persons that provide interactive games and
40 interactive gaming devices and associated equipment.

41 (ii) Persons that manage, control or administer the
42 interactive games or the wagers associated with
43 interactive games.

44 (iii) Providers of customer lists comprised of
45 persons identified or selected, in whole or in part,
46 because they placed or may place wagers on interactive
47 gaming.

48 § 13B03. Regulations.

49 (a) Promulgation.--

50 (1) In order to facilitate the prompt implementation of
51 this chapter, the board shall have the authority to

1 promulgate temporary regulations which shall expire not later
2 than two years following the publication of the temporary
3 regulation in the Pennsylvania Bulletin and on the board's
4 publicly accessible Internet website.

5 (2) The board may promulgate temporary regulations not
6 subject to:

7 (i) Sections 201, 202, 203, 204 and 205 of the act
8 of July 31, 1968 (P.L.769, No.240), referred to as the
9 Commonwealth Documents Law.

10 (ii) Sections 204(b) and 301(10) of the act of
11 October 15, 1980 (P.L.950, No.164), known as the
12 Commonwealth Attorneys Act.

13 (iii) The act of June 25, 1982 (P.L.633, No.181),
14 known as the Regulatory Review Act.

15 (b) Publications.--The board shall begin publishing
16 temporary regulations governing the rules for interactive
17 gaming, the issuance of interactive gaming certificates and
18 interactive gaming licenses, standards for approving
19 manufacturers, suppliers and other persons seeking to provide
20 interactive games, interactive gaming devices and associated
21 equipment, including age, identity and location verification
22 software or system programs and security and surveillance
23 standards in the Pennsylvania Bulletin within 30 days of the
24 effective date of this subsection.

25 (c) Expiration of temporary regulations.--Except for
26 temporary regulations governing the rules for issuing
27 certificates and licenses under this chapter, for new
28 interactive games, for approving interactive games or variations
29 thereof, interactive gaming devices and associated equipment and
30 for approving manufacturers, suppliers and other persons seeking
31 to provide interactive games, interactive gaming devices and
32 associated equipment, the board's authority to adopt temporary
33 regulations under subsection (a) shall expire two years after
34 the effective date of this section. Regulations adopted after
35 this period shall be promulgated as provided by law.

36 SUBCHAPTER B

37 INTERACTIVE GAMING AUTHORIZED

38 Sec.

39 13B11. Authorization to conduct interactive gaming.

40 13B12. Interactive gaming certificate required and content of
41 petition.

42 13B13. Issuance of interactive gaming certificate.

43 13B14. Interactive gaming operators.

44 13B15. Interactive gaming certificate and interactive gaming
45 license.

46 13B16. Timing of initial interactive gaming authorizations.

47 § 13B11. Authorization to conduct interactive gaming.

48 (a) Authority of board.--The board may authorize a slot
49 machine licensee:

50 (1) To conduct interactive gaming directly or through an
51 interactive gaming operator under an interactive gaming

1 agreement, including contests and tournaments and any other
2 game which is determined by the board to be suitable for
3 interactive gaming.

4 (2) To deploy interactive gaming skins or Internet
5 websites to facilitate the conduct of interactive gaming
6 activities.

7 (b) Authority to play interactive games.--Notwithstanding
8 any other provision of law, an individual who is 21 years of age
9 or older is hereby permitted to participate as a registered
10 player in interactive gaming and wagering associated with
11 playing an authorized interactive game offered by an interactive
12 gaming certificate holder in accordance with this chapter and
13 regulations of the board. Except as provided in Subchapter G
14 (relating to miscellaneous provisions), a registered player must
15 be physically located within this Commonwealth in order to
16 participate in interactive gaming.

17 § 13B12. Interactive gaming certificate required and content of
18 petition.

19 (a) Certificate required.--No person shall operate or
20 conduct or attempt to operate or conduct interactive gaming,
21 except for test purposes as approved by the board, or offer open
22 interactive gaming for play by the public in this Commonwealth
23 without first obtaining an interactive gaming certificate or an
24 interactive gaming license from the board. A slot machine
25 licensee may seek approval to conduct interactive gaming by
26 filing a petition for an interactive gaming certificate with the
27 board. The board shall prescribe the form and the manner in
28 which it shall be filed.

29 (b) Content of petition.--In addition to information and
30 documentation demonstrating that the slot machine licensee is
31 qualified for an interactive gaming certificate under this
32 chapter, a petition for an interactive gaming certificate shall
33 include the following:

34 (1) The name, business address and contact information
35 of the slot machine licensee.

36 (2) The name, business address and contact information
37 of any affiliate or other person that will be a party to an
38 agreement with the slot machine licensee related to the
39 operation of interactive gaming or an interactive gaming
40 system on behalf of the slot machine licensee, including a
41 person applying for an interactive gaming license.

42 (3) The name and business address, job title and a
43 photograph of each principal and key employee of the slot
44 machine licensee who will be involved in the conduct of
45 interactive gaming, whether or not the principal or key
46 employee is currently licensed by the board, if known.

47 (4) The name and business address, job title and a
48 photograph of each principal and key employee of the
49 interactive gaming operator, if any, who will conduct
50 interactive gaming or an interactive gaming system on behalf
51 of the slot machine licensee, whether or not the principal or

1 key employee is currently licensed by the board, if known.

2 (5) An itemized list of the interactive games and any
3 other game or games the slot machine licensee plans to offer
4 over the Internet for which authorization is being sought.
5 The slot machine licensee shall, in accordance with
6 regulations promulgated by the board, file with the board any
7 changes in the number of authorized interactive games offered
8 through interactive gaming.

9 (6) The estimated number of full-time and part-time
10 employment positions that will be created at the slot machine
11 licensee's licensed facility or at any interactive gaming
12 restricted area if an interactive gaming certificate is
13 issued and an updated hiring plan under section 1510(a)
14 (relating to labor hiring preferences) which outlines the
15 slot machine licensee's plan to promote the representation of
16 diverse groups and Commonwealth residents in the employment
17 positions.

18 (7) A brief description of the economic benefits
19 expected to be realized by the Commonwealth, the host
20 municipalities and residents if an interactive gaming
21 certificate is issued.

22 (8) The details of any financing obtained or that will
23 be obtained to fund an expansion or modification of the slot
24 machine licensee's licensed facility to accommodate
25 interactive gaming and to otherwise fund the cost of
26 commencing interactive gaming.

27 (9) Information and documentation concerning financial
28 background and resources, as the board may require, to
29 establish by clear and convincing evidence the financial
30 stability, integrity and responsibility of the slot machine
31 licensee, and information or documentation concerning any
32 person that will operate interactive gaming or an interactive
33 gaming system on behalf of the slot machine licensee as an
34 interactive gaming operator, as the board may require. The
35 interactive gaming agreement with such person shall be
36 subject to the review and approval of the board.

37 (10) Information and documentation, as the board may
38 require, to establish by clear and convincing evidence that
39 the slot machine licensee has sufficient business ability and
40 experience to conduct a successful interactive gaming
41 operation. In making this determination, the board may
42 consider the results of the slot machine licensee's slot
43 machine and table game operations, including financial
44 information, employment data and capital investment.

45 (11) Information and documentation, as the board may
46 require, to establish by clear and convincing evidence that
47 the slot machine licensee has or will have the financial
48 ability to pay the interactive gaming authorization fee.

49 (12) Detailed site plans identifying the proposed
50 interactive gaming restricted area where interactive gaming
51 operations will be managed, administered or controlled as

1 approved by the board.

2 (13) A detailed description of all of the following:

3 (i) The slot machine licensee's initial system of
4 internal and accounting controls applicable to
5 interactive gaming.

6 (ii) The slot machine licensee's proposed standards
7 to protect, with a reasonable degree of certainty, the
8 privacy and security of its registered players.

9 (iii) How the slot machine licensee will facilitate
10 compliance with all of the requirements set forth in this
11 chapter and in section 802(a) of the Unlawful Internet
12 Gambling Enforcement Act of 2006 (Public Law 109-347, 31
13 U.S.C. § 5362(10)(B)), including, but not limited to, all
14 of the following:

15 (A) Age, identity and location verification
16 requirements.

17 (B) Appropriate data security standards to
18 prevent unauthorized access by any person whose age,
19 identity or location have not been verified or cannot
20 be verified in accordance with this chapter and
21 applicable regulations of the board.

22 (C) Except as provided in Subchapter G (relating
23 to miscellaneous provisions), the requirement that
24 all wagers made in the conduct of interactive gaming
25 be initiated and received or otherwise made
26 exclusively within this Commonwealth.

27 (iv) The slot machine licensee's proposed age,
28 identity and location verification standards designed to
29 block access to persons under 21 years of age and other
30 persons excluded or prohibited from participating in
31 interactive gaming under this chapter.

32 (v) The procedures the slot machine licensee will
33 use to register individuals as registered players.

34 (vi) The procedures the slot machine licensee will
35 use to establish interactive gaming accounts for
36 registered players.

37 (vii) The interactive games and services the slot
38 machine licensee proposes to offer to registered players.

39 (viii) Documentation and information relating to
40 known proposed contractors of the slot machine licensee
41 and subcontractors of the contractors.

42 (14) The interactive gaming devices and associated
43 equipment and interactive gaming system or systems, that the
44 slot machine licensee plans to or will utilize to manage,
45 administer or control its interactive gaming operations.

46 (15) Compliance certification of the slot machine
47 licensee's proposed interactive gaming devices and associated
48 equipment, including interactive gaming software and
49 hardware, by a board-approved gaming laboratory to ensure
50 that the gaming software and hardware comply with the
51 requirements of this chapter and regulations of the board.

1 (16) Detailed description of accounting systems,
2 including, but not limited to, accounting systems for all of
3 the following:

4 (i) Interactive gaming accounts.

5 (ii) Per-hand charges, if applicable.

6 (iii) Transparency and reporting to the board and
7 the department.

8 (iv) Distribution of revenue to the Commonwealth and
9 winnings to registered players.

10 (v) Ongoing auditing and internal control compliance
11 reviews.

12 (17) Detailed information on security systems to protect
13 the interactive gaming skins or Internet website from
14 internal and external breaches and threats.

15 (18) Any other information the board may require.

16 (c) Confidentiality.--Information submitted to the board
17 under subsection (b) may be considered confidential by the board
18 if the information would be confidential under section 1206(f)
19 (relating to board minutes and records).

20 § 13B13. Issuance of interactive gaming certificate.

21 (a) Requirements for approval of petition.--

22 (1) The board may approve a petition under section 13B12
23 (relating to interactive gaming certificate required and
24 content of petition) upon finding clear and convincing
25 evidence of all of the following:

26 (i) The slot machine licensee's proposed conduct of
27 interactive gaming complies in all respects with the
28 requirements of this chapter and regulations promulgated
29 by the board.

30 (ii) Age, identity and location verification
31 requirements designed to block access to individuals
32 under 21 years of age and persons otherwise excluded or
33 prohibited from engaging in interactive gaming in
34 accordance with this chapter, as approved by the board,
35 have been implemented by the slot machine licensee.

36 (iii) The slot machine licensee has implemented or
37 will implement appropriate data security standards to
38 prevent unauthorized access by any person whose age,
39 identity and location has not been verified or cannot be
40 verified in accordance with the regulations promulgated
41 by the board.

42 (iv) The slot machine licensee has implemented or
43 will implement appropriate standards to protect the
44 privacy and security of registered players with a
45 reasonable degree of certainty.

46 (v) The slot machine licensee's initial system of
47 internal and accounting controls applicable to
48 interactive gaming, and the security and integrity of all
49 financial transactions in connection with the system,
50 complies with this chapter and regulations promulgated by
51 the board.

1 (vi) The slot machine licensee is in good standing
2 with the board.

3 (vii) The slot machine licensee agrees that the
4 number of slot machines and table games in operation at
5 its licensed facility, as of the effective date of this
6 section, will not be reduced as a result of the
7 authorization and commencement of interactive gaming.

8 (2) It shall be an express condition of the issuance and
9 continued validity of an interactive gaming certificate that
10 a slot machine licensee shall collect, report and pay all
11 applicable taxes and fees and shall maintain all books,
12 records and documents pertaining to the slot machine
13 licensee's interactive gaming operations in a manner and
14 location within this Commonwealth as approved by the board.
15 All books, records and documents shall be immediately
16 available for inspection by the board and the department
17 during all hours of operation in accordance with the
18 regulations of the board and shall be maintained in a manner
19 and during periods of time as the board shall require.

20 (b) Issuance of interactive gaming certificate.--

21 (1) Upon approval of a petition for an interactive
22 gaming certificate, the board shall issue an interactive
23 gaming certificate to the slot machine licensee. The issuance
24 of an interactive gaming certificate prior to the full
25 payment of the authorization fee required under section 13B51
26 (relating to interactive gaming authorization fee) shall not
27 relieve the slot machine licensee from the obligation to pay
28 the authorization fee in accordance with the requirements of
29 section 13B51.

30 (2) Upon issuing an interactive gaming certificate, the
31 board shall amend the slot machine licensee's statement of
32 conditions to include conditions pertaining to the
33 requirements of this chapter.

34 (c) Term of interactive gaming certificate.--Subject to the
35 power of the board to deny, revoke or suspend an interactive
36 gaming certificate, an interactive gaming certificate shall be
37 valid for five years from the date of issuance and may be
38 renewed in accordance with the requirements of section 1326
39 (relating to renewals).

40 (d) Sanctions.--An interactive gaming certificate holder
41 that fails to abide by the requirements of this chapter or
42 regulations of the board or any condition contained in the
43 interactive gaming certificate holder's statement of conditions
44 governing the operation of interactive gaming shall be subject
45 to board-imposed administrative sanctions or other penalties
46 authorized under this part.

47 (e) Background investigations.--Each petition for an
48 interactive gaming certificate shall be accompanied by a
49 nonrefundable fee established by the board to cover the cost of
50 background investigations. The board shall determine by
51 regulation the persons who shall be subject to background

1 investigation. Any additional costs and expenses incurred in any
2 background investigation or other investigation or proceeding
3 under this chapter shall be reimbursed to the board.

4 § 13B14. Interactive gaming operators.

5 (a) License required.--No person shall serve or attempt to
6 serve as an interactive gaming operator without first obtaining
7 an interactive gaming license from the board for each
8 interactive gaming certificate holder the applicant proposes to
9 operate interactive gaming or an interactive gaming system on
10 behalf of. A person may seek approval to serve as an interactive
11 gaming operator by filing an application with the board. The
12 board shall prescribe the form of the application and the manner
13 in which it shall be filed. The board shall:

14 (1) Determine suitability of the person filing an
15 application under this section. The board shall determine
16 suitability in accordance with the same requirements of this
17 part applicable to the determination of suitability of the
18 issuance of an interactive gaming certificate to a slot
19 machine licensee. Notwithstanding the provisions of this
20 paragraph, the board may consider a holder of a valid
21 license, permit, registration, certificate or other
22 authorization approved and issued under this part, which is
23 in good standing, as suitable under this section without
24 additional investigation. The consideration shall not relieve
25 the applicant for an interactive gaming license from payment
26 of all fees imposed under this chapter.

27 (2) Provide for the approval of the terms and conditions
28 of all agreements entered into by or between an interactive
29 gaming certificate holder and a person applying for an
30 interactive gaming license.

31 (b) Classification and approval of employees.--

32 (1) The board shall establish a classification system
33 for employees of interactive gaming operators or other
34 persons who provide products or services associated with or
35 related to interactive gaming, interactive gaming platforms
36 and interactive gaming systems.

37 (2) The board shall provide for the licensure,
38 permitting, registration or certification, as it deems
39 appropriate, of employees in each employee classification
40 established by it in accordance with paragraph (1).

41 (c) Applicability of certain provisions.--Interactive gaming
42 operators shall be subject to the applicable provisions of this
43 part that apply to interactive gaming certificate holders, as
44 determined by the board, including the provisions of section
45 13B13(d) (relating to issuance of interactive gaming
46 certificate).

47 (d) Term of interactive gaming license.--Subject to the
48 power of the board to deny, revoke or suspend an interactive
49 gaming license, an interactive gaming license shall be valid for
50 five years from the date of issuance and may be renewed in
51 accordance with the requirements of section 1326 (relating to

1 renewals).

2 (e) Interactive gaming license and conditional
3 authorization.--

4 (1) The following shall apply:

5 (i) During the first 18 months after the effective
6 date of this section, the board may issue conditional
7 authorization to a person applying for an interactive
8 gaming license.

9 (ii) Conditional authorization issued under this
10 subsection shall remain in effect until the earlier of
11 the date occurring 12 months after the issuance of the
12 authorization or the date upon which the board makes a
13 final determination on the person's application.

14 (iii) The effectiveness of a conditional
15 authorization may be extended by the board not more than
16 once, upon a showing of good cause.

17 (iv) Conditional authorization shall allow an
18 applicant for an interactive gaming license to engage in
19 all of the functions of a licensed interactive gaming
20 operator for the duration of the conditional
21 authorization.

22 (2) A conditional authorization may not be issued
23 unless:

24 (i) The applicant has submitted a complete
25 application for an interactive gaming license to the
26 board.

27 (ii) The applicant agrees to pay or has paid the fee
28 prescribed in section 13B51 (relating to interactive
29 gaming authorization fee) prior to the issuance of
30 conditional authorization.

31 (iii) The bureau has no objection to the issuance of
32 a conditional authorization to the applicant.

33 (3) Within 45 days of the date that the bureau receives
34 the completed application for an interactive gaming license
35 from an applicant for investigation, the bureau shall conduct
36 a preliminary investigation of the applicant and any employee
37 of the applicant determined by the board to be included in
38 the investigation, which shall include a criminal background
39 investigation.

40 (4) If the bureau's preliminary investigation discloses
41 no adverse information that would impact suitability for
42 licensure, the bureau shall provide the board with a
43 statement of no objection to the issuance of conditional
44 authorization to the applicant.

45 (5) If the bureau's preliminary investigation discloses
46 adverse information that would impact suitability for
47 licensure, it shall register an objection, and a conditional
48 authorization may not be issued until the bureau's concerns
49 are resolved.

50 (6) A conditional authorization approved and issued to
51 an applicant for an interactive gaming license under this

1 subsection may be suspended or withdrawn by the board upon a
2 showing of good cause by the bureau.

3 § 13B15. Interactive gaming certificate and interactive gaming
4 license.

5 The following shall apply:

6 (1) An interactive gaming certificate and an interactive
7 gaming license issued to an interactive gaming operator
8 conducting interactive gaming or an interactive gaming system
9 on behalf of the interactive gaming certificate holder shall
10 be valid unless not renewed in accordance with the provisions
11 of this chapter or:

12 (i) The certificate or license is suspended or
13 revoked by the board as permitted by this part and
14 regulations of the board.

15 (ii) The interactive gaming certificate holder's
16 slot machine license is suspended, revoked or not renewed
17 by the board as permitted by this part and regulations of
18 the board.

19 (iii) The interactive gaming certificate holder
20 licensee relinquishes or does not seek renewal of its
21 slot machine license.

22 (iv) The interactive gaming certificate holder does
23 not seek renewal of its interactive gaming certificate.

24 (2) The interactive gaming certificate may include an
25 initial itemized list by number and type of authorized
26 interactive games for interactive gaming to be conducted by
27 the interactive gaming certificate holder or interactive
28 gaming operator. The interactive gaming certificate holder
29 may increase or decrease the number of interactive games
30 authorized for play on its interactive gaming skin or
31 Internet website or change the type of authorized interactive
32 games played on its interactive gaming skin or Internet
33 website upon notice, if required by the board, to the board
34 and approval by the board or a designated employee of the
35 board. Unless approved by the board or a designated employee
36 of the board, the total number and type of authorized
37 interactive games offered for play by an interactive gaming
38 certificate holder may not differ from the number and type
39 approved by the board and authorized in the interactive
40 gaming certificate.

41 (3) A slot machine licensee shall be required to update
42 the information in its petition for an interactive gaming
43 certificate at times and in the form and manner prescribed by
44 the board.

45 (4) A valid interactive gaming certificate or
46 interactive gaming license may be renewed in accordance with
47 the procedures set forth in section 1326 (relating to
48 renewals) and upon the payment of the applicable renewal fee
49 required by section 13B51(c) (relating to interactive gaming
50 authorization fee).

51 § 13B16. Timing of initial interactive gaming authorizations.

1 The board shall prescribe the date on which petitions for an
2 interactive gaming certificate and applications for an
3 interactive gaming license must be filed with the board and
4 shall approve or deny a petition or application within 90 days
5 following receipt.

6 SUBCHAPTER B.1
7 MULTI-USE COMPUTING DEVICES

8 Sec.

9 13B20. Authorization.

10 13B20.1. (Reserved).

11 13B20.2. (Reserved).

12 13B20.3. Fee.

13 13B20.4. Multi-use gaming device tax.

14 13B20.5. Local share assessment.

15 13B20.6. Regulations.

16 13B20.7. Construction.

17 § 13B20. Authorization.

18 (a) Authority.--The board may authorize an interactive
19 gaming certificate holder to provide for the conduct of
20 interactive gaming, either directly or through an interactive
21 gaming operator under an interactive gaming agreement, at a
22 qualified airport through the use of multi-use computing devices
23 by eligible passengers in accordance with this subchapter and
24 the regulations of the board. The following shall apply:

25 (1) If the interactive gaming certificate holder intends
26 to operate interactive gaming under an interactive gaming
27 agreement, the interactive gaming operator that is a party to
28 the interactive gaming agreement shall have been issued an
29 interactive gaming license or will be issued an interactive
30 gaming license prior to the commencement of operations under
31 the interactive gaming agreement. The interactive gaming
32 agreement shall be subject to the review and approval of the
33 board.

34 (2) The interactive gaming certificate holder or the
35 interactive gaming operator, as the case may be, shall enter
36 into written agreements with the airport authority and the
37 concession operator at the qualified airport or, for
38 operation at a qualified airport which is not located
39 primarily within a city of the first class, a written
40 agreement with the airport authority that permits the conduct
41 of interactive gaming through the use of multi-use computing
42 devices within the airport gaming area. The agreements shall
43 be subject to the review and approval of the board.

44 (3) Notwithstanding any provision to the contrary
45 contained in this part or regulation of the board, an
46 eligible passenger does not need to be a registered player.

47 (b) Petition.--An interactive gaming certificate holder
48 desiring to provide interactive gaming at a qualified airport
49 under subsection (a) shall submit a petition for approval to the
50 board. The petition shall be in the form and submitted in the
51 manner prescribed by the board.

1 (c) Requirements.--The petition filed under subsection (b)
2 shall include the following:

3 (1) The name, business address and contact information
4 of the interactive gaming certificate holder and the name,
5 business address and contact information of the interactive
6 gaming operator, if applicable.

7 (2) The name and business address, job title and a
8 photograph of each principal and key employee, if known, of
9 the interactive gaming certificate holder and the interactive
10 gaming operator, if applicable, who will be directly involved
11 in the conduct of the authorized interactive games at the
12 qualified airport and who are not currently licensed by the
13 board.

14 (3) The name and job title of the person or persons who
15 will be responsible for ensuring the operation and integrity
16 of the conduct of interactive gaming at the qualified airport
17 and for reviewing reports of suspicious transactions.

18 (4) A copy of the interactive gaming agreement, if
19 applicable.

20 (5) The location of the qualified airport together with
21 detailed site plans indicating the location of the proposed
22 airport gaming area.

23 (6) Except as provided in paragraph (7), the name and
24 business address of the airport authority governing the
25 qualified airport and the names of the members of the
26 governing body of the airport authority.

27 (7) If the use and control of the qualified airport is
28 regulated by a city of the first class, an identification of
29 the municipal agency and primary officials of the city of the
30 first class.

31 (8) Copies of the agreements required under subsection
32 (a) (2).

33 (9) The brand name of the multi-use computing devices
34 that will be placed in operation at the qualified airport and
35 any information required by the board, in its discretion,
36 regarding persons that manufacture or will supply the multi-
37 use computing devices as it deems necessary.

38 (10) The interactive games the interactive gaming
39 certificate holder or the interactive gaming operator, as
40 applicable, intends to offer for play at the qualified
41 airport.

42 (11) Information, as the board may require, on any
43 computer applications, including gaming applications, that
44 can be accessed on the multi-use computing devices to be
45 placed into operation at the qualified airport.

46 (12) Information and documentation evidencing the
47 financial stability, integrity and responsibility of the
48 interactive gaming certificate holder and the interactive
49 gaming operator, if applicable.

50 (13) The agreement of the interactive gaming certificate
51 holder to pay the fee required by section 13B20.3 (relating

1 to fee).

2 (14) Any other information required by the board.

3 (d) Confidentiality.--Information submitted to the board
4 under subsection (c) may be considered confidential by the board
5 if the information would be confidential under section 1206(f)
6 (relating to board minutes and records).

7 (e) Approval.--The board shall approve the petition
8 submitted under subsection (b) upon review and approval of the
9 information submitted under subsection (c) and a determination
10 by the board by clear and convincing evidence that:

11 (1) The interactive gaming certificate holder and the
12 interactive gaming operator, if applicable, have paid all
13 required fees and taxes payable under provisions of this part
14 other than this subchapter to the date of submission of the
15 petition.

16 (2) The interactive gaming certificate holder, or the
17 interactive gaming operator, as the case may be, possesses
18 the necessary funds or has secured adequate financing to
19 commence the conduct of interactive gaming at the qualified
20 airport.

21 (3) The proposed internal and external security and
22 surveillance measures at the qualified airport and within the
23 airport gaming area are adequate.

24 (4) Interactive gaming at the qualified airport will be
25 conducted and operated in accordance with this part and
26 regulations of the board.

27 § 13B20.1. (Reserved).

28 § 13B20.2. (Reserved).

29 § 13B20.3. Fee.

30 (a) Required fee.--

31 (1) An interactive gaming certificate holder shall pay a
32 one-time, nonrefundable fee upon the authorization to conduct
33 interactive gaming at a qualified airport through the use of
34 multi-use computing devices in accordance with this
35 subchapter.

36 (2) The amount of the fee shall be as follows:

37 (i) If the airport is an international airport
38 located partially in a county of the first class and
39 partially in a county contiguous to a county of the first
40 class, the amount of the fee shall be \$5,000,000.

41 (ii) If the airport is an international airport
42 located in a county of the second class, the amount of
43 the fee shall be \$2,500,000.

44 (iii) If the airport is an international airport
45 located in a county other than a county of the first or
46 second class, the amount of the fee shall be \$1,000,000.

47 (iv) If the airport is a qualified airport that has
48 not been designated an international airport, the amount
49 of the fee shall be \$250,000.

50 (b) Deposit of fees.--Notwithstanding section 1208 (relating
51 to collection of fees and fines), all fees or penalties received

1 by the board under this subchapter shall be deposited in the
2 General Fund.

3 § 13B20.4. Multi-use gaming device tax.

4 (a) Imposition.--

5 (1) Each interactive gaming certificate holder
6 authorized to conduct interactive gaming at a qualified
7 airport in accordance with the provisions of this subchapter
8 shall report to the department and pay from its daily gross
9 interactive gaming revenue generated from the conduct of
10 interactive gaming through multi-use computing devices at the
11 qualified airport, on a form and in the manner prescribed by
12 the department, a tax of 16% of its daily gross interactive
13 gaming revenue generated from multi-use computing devices at
14 the qualified airport.

15 (2) The tax imposed under subsection (a) shall be
16 payable to the department on a daily basis and shall be based
17 upon the gross interactive gaming revenue generated from
18 multi-use computing devices at the qualified airport derived
19 during the previous day.

20 (3) All funds owed to the Commonwealth under this
21 section shall be held in trust for the Commonwealth by the
22 interactive gaming certificate holder until the funds are
23 paid to the department. An interactive gaming certificate
24 holder shall establish a separate bank account into which
25 gross interactive gaming revenue from multi-use computing
26 devices at a qualified airport shall be deposited and
27 maintained until such time as the funds are paid to the
28 department under this section.

29 (4) The department shall transfer the funds collected
30 under this section to the General Fund.

31 § 13B20.5. Local share assessment.

32 (a) Required payment.--In addition to the tax imposed under
33 section 13B20.4 (relating to multi-use gaming device tax), each
34 interactive gaming certificate holder authorized to conduct
35 interactive gaming at a qualified airport shall pay, on a form
36 and in a manner prescribed by the department, a local share
37 assessment equal to 20% of the interactive gaming certificate
38 holder's daily gross interactive gaming revenue from multi-use
39 devices at the qualified airport. The funds shall be payable to
40 the department on a weekly basis and shall be based upon the
41 revenue generated during the previous week. The funds shall be
42 paid into a restricted receipts account established by the
43 department in the fund. All funds owed to the Commonwealth under
44 this section shall be held in trust by the interactive gaming
45 certificate holder until the funds are paid to the department.
46 Funds in the account are hereby appropriated to the department
47 on a continuing basis for the purposes set forth in this
48 section.

49 (b) Distributions to qualified airports.--

50 (1) Except as provided in paragraph (2), the department
51 shall make quarterly distributions from the local share

1 assessments deposited into the restricted receipts account
2 under subsection (a) to each airport authority regulating the
3 use and control of a qualified airport where interactive
4 gaming is conducted under this subchapter. The amount
5 distributed to an airport authority under this subsection
6 shall be equal to the funds deposited into the restricted
7 receipts account by the interactive gaming certificate holder
8 authorized to conduct interactive gaming at the qualified
9 airport regulated by the airport authority.

10 (2) (Reserved).

11 § 13B20.6. Regulations.

12 The board shall promulgate regulations related to the
13 operation of authorized interactive games through the use of
14 multi-use computing devices at qualified airports, including,
15 but not limited to:

16 (1) Procedures for the creation of temporary or
17 provisional interactive gaming accounts that take into
18 consideration the nature of interactive gaming through multi-
19 use computing devices at qualified airports.

20 (2) Procedures to govern credits, debits, deposits and
21 payments to interactive gaming accounts.

22 (3) In consultation with the department, procedures to
23 govern financial transactions between an interactive gaming
24 certificate holder, an interactive gaming operator or other
25 persons that relates to the reporting of gross interactive
26 gaming revenue generated through the use of multi-use
27 computing devices at qualified airports.

28 § 13B20.7. Construction.

29 Nothing in this subchapter shall be construed to:

30 (1) Create a separate license governing the use of
31 multi-use computing devices for the conduct of interactive
32 games at eligible airports by interactive gaming certificate
33 holders within this Commonwealth.

34 (2) Limit the board's authority to determine the
35 suitability of any person who may be directly or indirectly
36 involved in or associated with the operation of interactive
37 gaming at a qualified airport or to ensure the integrity of
38 interactive gaming and protect the public interest.

39 SUBCHAPTER C

40 CONDUCT OF INTERACTIVE GAMING

41 Sec.

42 13B21. Situs of interactive gaming operations.

43 13B22. Establishment of interactive gaming accounts.

44 13B23. Interactive gaming account credits, debits, deposits and
45 payments.

46 13B24. Acceptance of wagers.

47 13B25. Dormant interactive gaming accounts.

48 13B26. Log-in procedure required.

49 13B27. Information provided at login.

50 13B28. Prohibitions.

51 13B29. Commencement of interactive gaming operations.

1 § 13B21. Situs of interactive gaming operations.

2 Except as provided in Subchapter G (relating to miscellaneous
3 provisions), all wagers made through interactive gaming shall be
4 deemed to be initiated, received or otherwise made within the
5 geographic boundaries of this Commonwealth. The intermediate
6 routing of electronic data associated or in connection with
7 interactive gaming shall not determine the location or locations
8 in which a bet or wager is initiated, received or otherwise
9 made.

10 § 13B22. Establishment of interactive gaming accounts.

11 (a) Registration restrictions.--Only a registered player who
12 has first established an interactive gaming account shall be
13 permitted to play an authorized interactive game or place a
14 wager associated with an authorized interactive game. The
15 interactive gaming account shall be in the name of a registered
16 player and may not be in the name of any beneficiary, custodian,
17 joint trust, corporation, partnership or other organization or
18 entity. An eligible passenger is not required to comply with
19 this section in order to play or place a wager associated with
20 an interactive game through the use of a multi-use computing
21 device at a qualified airport.

22 (b) Establishment of interactive gaming accounts.--

23 (1) An interactive gaming account may be established in
24 person, provided that the board shall, through regulations,
25 provide procedures for the establishment of interactive
26 gaming accounts over the Internet through the interactive
27 gaming certificate holder's interactive gaming skin or
28 Internet website. Each interactive gaming account shall
29 comply with the internal controls of the interactive gaming
30 certificate holder that, at a minimum, require the following:

31 (i) The filing and execution of an interactive
32 gaming account application, the form of which has been
33 preapproved by the board.

34 (ii) Proof of age, identity and physical address of
35 the principal residence of the prospective interactive
36 gaming account holder in a method approved by the board
37 through regulation.

38 (iii) Electronic mail address and other contact
39 information of the prospective account holder, as the
40 board or interactive gaming certificate holder may
41 require.

42 (iv) Password or other secured identification
43 provided by the interactive gaming certificate holder to
44 access the interactive gaming account or some other
45 mechanism approved by the board to authenticate the
46 registered player as the holder to the interactive gaming
47 account.

48 (v) An acknowledgment under penalty of perjury that
49 false or misleading statements made in regard to an
50 application for an interactive gaming account may subject
51 the applicant to civil and criminal penalties.

1 (2) The interactive gaming certificate holder may accept
2 or reject an application after receipt and review of the
3 application and verification of age, identity and physical
4 address for compliance with the provisions of this chapter.
5 The interactive gaming certificate holder shall have the
6 right, at any time with or without cause, to suspend or close
7 any interactive gaming account at its sole discretion.

8 (3) The address provided by the applicant in the
9 application for an interactive gaming account shall be deemed
10 the address of record for the purposes of mailing checks,
11 account withdrawals, notices and other materials to the
12 prospective interactive gaming account holder.

13 (4) An interactive gaming account shall be a noninterest
14 bearing account and shall not be assignable or otherwise
15 transferable.

16 (c) Password required.--As part of the application process,
17 the interactive gaming certificate holder shall provide the
18 prospective interactive gaming account holder with a password to
19 access the interactive gaming account or shall establish some
20 other method approved by the board to authenticate the
21 registered player as the holder of the interactive gaming
22 account and allow the registered player access to the
23 interactive gaming account.

24 (d) Grounds for rejection.--Any individual who provides
25 false or misleading information in the application for an
26 interactive gaming account may be subject to rejection of the
27 application or cancellation of the account by the interactive
28 gaming certificate holder.

29 (e) Suspension of interactive gaming account.--The
30 interactive gaming certificate holder shall have the right to
31 suspend or close any interactive gaming account or declare all
32 or any part of an interactive gaming account closed for wagering
33 at its discretion.

34 (f) Persons prohibited from establishing or maintaining an
35 interactive gaming account.--The following persons shall not be
36 entitled to establish or maintain an interactive gaming account:

37 (1) A person under 21 years of age.

38 (2) A person on the list of persons who are or will be
39 excluded or ejected from or denied access to any licensed
40 facility under section 1514 (relating to regulation requiring
41 exclusion, ejection or denial of access of certain persons),
42 1515 (relating to repeat offenders excludable from licensed
43 gaming facility) or 1516 (relating to list of persons self
44 excluded from gaming activities).

45 (3) A gaming employee, key employee or principal
46 employee of a slot machine licensee and any employee or key
47 employee of an interactive gaming operator.

48 § 13B23. Interactive gaming account credits, debits, deposits
49 and payments.

50 (a) Duty of board.--The board shall, by regulation, develop
51 procedures to govern credits, debits and deposits to interactive

1 gaming accounts. Notwithstanding any provision of this part to
2 the contrary, all credits, debits and deposits to interactive
3 gaming accounts shall be made in accordance with regulations
4 promulgated by the board, in consultation with the department,
5 and all payments of winnings shall be made in accordance with
6 the rules of each authorized interactive game.

7 (b) Rights of interactive gaming certificate holder.--An
8 interactive gaming certificate holder shall have the right to:

9 (1) Credit an interactive gaming account as part of a
10 promotion.

11 (2) Refuse all or part of any wager or deposit to the
12 interactive gaming account of a registered player.

13 § 13B24. Acceptance of wagers.

14 (a) Acceptance.--An interactive gaming certificate holder
15 may accept wagers only as follows:

16 (1) The wager shall be placed directly with the
17 interactive gaming certificate holder by the registered
18 player, after the interactive gaming certificate holder has
19 verified the identity of the individual seeking to place the
20 wager.

21 (2) The registered player provides the interactive
22 gaming certificate holder with the correct password or other
23 authentication information for access to the interactive
24 gaming account.

25 (b) Nonacceptance.--An interactive gaming certificate holder
26 may not accept a wager in an amount in excess of funds on
27 deposit in the interactive gaming account of the registered
28 player placing the wager. Funds on deposit include amounts
29 credited to a registered player's interactive gaming account in
30 accordance with regulations of the board and any funds in the
31 account at the time the wager is placed.

32 § 13B25. Dormant interactive gaming accounts.

33 Before closing a dormant interactive gaming account, the
34 interactive gaming certificate holder shall attempt to contact
35 the interactive gaming account holder by mail and phone or e-
36 mail to inform the account holder that the interactive gaming
37 account is inactive and may be subject to termination. The time
38 and manner of terminating a dormant interactive gaming account
39 shall be prescribed by regulation of the board.

40 § 13B26. Log-in procedure required.

41 Each interactive gaming certificate holder shall establish a
42 log-in procedure for a registered player to access interactive
43 gaming. The log-in procedure shall include the provision of the
44 appropriate authentication information by the registered player
45 for access to the registered player's interactive gaming
46 account. The interactive gaming certificate holder shall not
47 allow a registered player to log in and access an interactive
48 gaming account unless the correct password or other
49 authentication information is provided.

50 § 13B27. Information provided at login.

51 The interactive gaming certificate holder shall configure its

1 interactive gaming skin to include a link that, upon login, will
2 allow a registered player to access all of the following
3 information:

4 (1) The current amount of funds in the registered
5 player's interactive gaming account.

6 (2) The wins and losses since the registered player's
7 interactive gaming account was established.

8 (3) The wins and losses at the beginning of the current
9 gaming session and the wins and losses at the end of the
10 current gaming session.

11 (4) The complete text in searchable format of the rules
12 of each authorized interactive game offered by the
13 interactive gaming certificate holder and any other
14 information as the board may require.

15 § 13B28. Prohibitions.

16 Except as provided in this part, no interactive gaming
17 certificate holder or any person licensed under this part to
18 operate interactive gaming or an interactive gaming system and
19 no person acting on behalf of, or under any arrangement with, an
20 interactive gaming certificate holder or other person licensed
21 under this part shall:

22 (1) Make any loan to any person for the purpose of
23 crediting an interactive gaming account.

24 (2) Release or discharge any debt, either in whole or in
25 part, or make any loan which represents any losses incurred
26 by any registered player while playing an authorized
27 interactive game without maintaining a written record thereof
28 in accordance with regulations of the board.

29 § 13B29. Commencement of interactive gaming operations.

30 An interactive gaming certificate holder may not operate or
31 offer interactive games for play on its interactive gaming skin
32 until the board determines that:

33 (1) The interactive gaming certificate holder is in
34 compliance with the requirements of this chapter.

35 (2) The interactive gaming certificate holder's
36 internal, administrative and accounting controls are
37 sufficient to meet the requirements of section 13B32
38 (relating to internal, administrative and accounting
39 controls) and have been implemented.

40 (3) The interactive gaming certificate holder's
41 interactive gaming employees, where applicable, are licensed,
42 permitted, registered, certified or otherwise authorized by
43 the board to perform their respective duties.

44 (4) The employees of the interactive gaming operator, if
45 any, that is conducting interactive gaming on behalf of the
46 interactive gaming certificate holder are, where applicable,
47 licensed, permitted or otherwise authorized by the board to
48 perform their duties.

49 (5) The interactive gaming certificate holder is
50 prepared in all respects to offer interactive gaming to the
51 public over its interactive gaming skin.

1 (6) The interactive gaming certificate holder has
2 implemented necessary security arrangements and surveillance
3 systems for the operation of interactive gaming.

4 (7) The interactive gaming certificate holder is in
5 compliance with or will comply with section 13B31 (relating
6 to responsibilities of interactive gaming certificate
7 holder).

8 (8) The board has approved the interactive gaming
9 agreement between the interactive gaming certificate holder
10 and the interactive gaming operator, if applicable.

11 SUBCHAPTER D

12 FACILITIES AND EQUIPMENT

13 Sec.

14 13B31. Responsibilities of interactive gaming certificate
15 holder.

16 13B32. Internal, administrative and accounting controls.

17 § 13B31. Responsibilities of interactive gaming certificate
18 holder.

19 (a) Facilities and equipment.--All facilities and
20 interactive gaming devices and associated equipment shall:

21 (1) Be arranged in a manner promoting appropriate
22 security for interactive gaming.

23 (2) Include a closed-circuit video monitoring system
24 according to rules or specifications approved by the board,
25 with board absolute access to the interactive gaming
26 certificate holder's interactive gaming skin, Internet
27 website and platform, signal or transmission used in
28 connection with interactive gaming.

29 (3) Not be designed in any way that might interfere with
30 or impede the board in its regulation of interactive gaming.

31 (4) Comply in all respects with regulations of the
32 board.

33 (b) Location of equipment and interactive gaming restricted
34 areas.--

35 (1) All interactive gaming devices and associated
36 equipment used by an interactive gaming certificate holder or
37 an interactive gaming licensee to conduct interactive gaming
38 may be located, with the prior approval of the board, in an
39 interactive gaming restricted area on the premises of the
40 licensed facility, in an interactive gaming restricted area
41 within the geographic limits of the county in this
42 Commonwealth where the licensed facility is situated or in
43 any other area approved by the board.

44 (2) All wagers associated with interactive gaming shall
45 be deemed to be placed, initiated and received when received
46 by the interactive gaming certificate holder.

47 § 13B32. Internal, administrative and accounting controls.

48 (a) Submissions to board.--Notwithstanding any provision of
49 this part, each slot machine licensee who holds or has applied
50 for an interactive gaming certificate in accordance with this
51 chapter shall submit a description of its system of internal

1 procedures and administrative and accounting controls for
2 interactive gaming to the board, including provisions that
3 provide for real-time monitoring, recordation or storage of all
4 interactive games and a description of any changes to its
5 procedures and controls. The submission shall be made at least
6 90 days before interactive gaming is to commence or at least 90
7 days before any change in those procedures or controls is to
8 take effect, unless otherwise directed by the board.

9 (b) Filing.--Notwithstanding subsection (a), the procedures
10 and controls may be implemented by an interactive gaming
11 certificate holder upon the filing of the procedures and
12 controls with the board. Each procedure or control submission
13 shall contain both narrative and diagrammatic representations of
14 the system to be utilized and shall include but need not be
15 limited to:

16 (1) Accounting controls, including the standardization
17 of forms and definition of terms to be utilized in the
18 interactive gaming operations.

19 (2) Procedures, forms and, where appropriate, formulas
20 to govern the following:

- 21 (i) calculation of hold percentages;
- 22 (ii) revenue drops;
- 23 (iii) expense and overhead schedules;
- 24 (iv) complimentary services; and
- 25 (v) cash-equivalent transactions.

26 (3) Job descriptions and the system of personnel and
27 chain of command, establishing a diversity of responsibility
28 among employees engaged in interactive gaming operations,
29 including employees of an interactive gaming operator, and
30 identifying primary and secondary management and supervisory
31 positions for areas of responsibility, salary structure and
32 personnel practices.

33 (4) Procedures for the registration of players and
34 establishment of interactive gaming accounts, including a
35 procedure for authenticating the age, identity and physical
36 address of an applicant for an interactive gaming account and
37 whether the applicant is a person prohibited from
38 establishing or maintaining an account under section 13B22
39 (relating to establishment of interactive gaming accounts).

40 (5) Procedures for terminating a registered player's
41 interactive gaming account and the return of any funds
42 remaining in the interactive gaming account to the registered
43 player.

44 (6) Procedures for suspending or terminating a dormant
45 interactive gaming account and the return of any funds
46 remaining in the dormant interactive gaming account to the
47 registered player.

48 (7) Procedures for the logging in and authentication of
49 a registered player in order to enable the player to commence
50 interactive gaming and the logging off of the registered
51 player when the player has completed play, including a

1 procedure to automatically log a registered player out of the
2 player's interactive gaming account after a specified period
3 of inactivity.

4 (8) Procedures for the crediting and debiting of a
5 registered player's interactive gaming account.

6 (9) Procedures for cashing checks, receiving electronic
7 negotiable instruments and for redeeming chips, tokens or
8 other cash equivalents.

9 (10) Procedures for withdrawing funds from an
10 interactive gaming account by the registered player.

11 (11) Procedures for the protection of a registered
12 player's funds, including the segregation of a registered
13 player's funds from operating funds of the interactive gaming
14 certificate holder.

15 (12) Procedures for recording transactions pertaining to
16 interactive gaming.

17 (13) Procedures for the security and sharing of personal
18 identifiable information of a registered player, funds in an
19 interactive gaming account and other information as required
20 by the board. The procedures shall include the means by which
21 an interactive gaming certificate holder or interactive
22 gaming operator will provide notice to a registered player
23 related to the sharing of personal identifiable information.
24 For the purpose of this paragraph, "personal identifiable
25 information" shall mean any data or information that can be
26 used, on its own or with other data or information, to
27 identify, contact or otherwise locate a registered player,
28 including a registered player's name, address, date of birth
29 and Social Security number.

30 (14) Procedures and security for the calculation and
31 recording of revenue.

32 (15) Procedures for the security of interactive gaming
33 devices and associated equipment.

34 (16) Procedures and security standards as to receipt,
35 handling and storage of interactive gaming devices and
36 associated equipment.

37 (17) Procedures and security standards to protect the
38 interactive gaming certificate holder's interactive gaming
39 skin or Internet website and interactive gaming devices and
40 associated equipment from hacking or tampering by any person.

41 (18) Procedures for responding to suspected or actual
42 hacking or tampering with an interactive gaming certificate
43 holder's interactive gaming skin or Internet website and
44 interactive gaming devices and associated equipment,
45 including partial or complete suspension of interactive
46 gaming or the suspension of any or all interactive gaming
47 accounts when warranted.

48 (19) Procedures to verify each registered player's
49 physical location each time a registered player logs into his
50 or her interactive gaming account and at appropriate
51 intervals thereafter as determined by the board.

1 (20) Procedures to ensure, to a reasonable degree of
2 certainty, that the interactive games are fair and honest and
3 that appropriate measures are in place to deter, detect and,
4 to the extent reasonably possible, to prevent cheating,
5 including collusion, and use of cheating devices, including
6 the use of software programs that make wagers according to
7 algorithms.

8 (21) Procedures to assist problem and compulsive
9 gamblers, including procedures reasonably intended to prevent
10 a person from participating in interactive gaming activities
11 in accordance with sections 1514 (relating to regulation
12 requiring exclusion, ejection or denial of access of certain
13 persons), 1515 (relating to repeat offenders excludable from
14 licensed gaming facility) and 1516 (relating to list of
15 persons self excluded from gaming activities).

16 (22) Procedures to govern emergencies, including
17 suspected or actual cyber attacks, hacking or tampering with
18 the interactive gaming certificate holder's interactive
19 gaming skin, platform or Internet website.

20 (c) Review of submissions.--

21 (1) The board shall review each submission required by
22 subsections (a) and (b) and shall determine whether the
23 submission conforms to the requirements of this chapter and
24 regulations promulgated by the board and whether the system
25 submitted provides adequate and effective controls for
26 interactive gaming of the interactive gaming certificate
27 holder making the submission.

28 (2) If the board determines that the submission is not
29 sufficient, it shall specify the insufficiencies in writing
30 to the interactive gaming certificate holder, who shall make
31 appropriate alterations to ensure compliance with the
32 requirements of this chapter and regulations of the board.
33 When the board determines a submission to be adequate in all
34 respects, it shall notify the interactive gaming certificate
35 holder.

36 (3) Except as otherwise provided in subsection (a) or an
37 emergency situation threatening the integrity of the
38 interactive gaming platform, no interactive gaming
39 certificate holder, interactive gaming operator or other
40 person shall commence or alter interactive gaming operations
41 unless and until the system of procedures, controls and
42 alternations is submitted to and approved by the board.

43 SUBCHAPTER E

44 TESTING AND CERTIFICATION

45 Sec.

46 13B41. Interactive games and interactive gaming devices and
47 associated equipment testing and certification
48 standards.

49 § 13B41. Interactive games and interactive gaming devices and
50 associated equipment testing and certification
51 standards.

1 (a) Testing required.--

2 (1) No interactive game or interactive gaming device or
3 associated equipment shall be used to conduct interactive
4 gaming unless it has been tested and approved by the board.
5 The board may, in its discretion and for the purpose of
6 expediting the approval process, refer testing to any testing
7 laboratory as approved by the board.

8 (2) The board shall establish, by regulation, technical
9 standards for approval of interactive games and interactive
10 gaming devices and associated equipment, including standards
11 to govern mechanical, electrical or program reliability and
12 security against tampering and threats, as it may deem
13 necessary to protect a registered player from fraud or
14 deception and to ensure the integrity of interactive gaming.

15 (b) Cost of testing and certification.--Any costs associated
16 with the board's testing and certification under this section
17 shall be assessed on persons authorized by the board to
18 manufacture, supply, distribute or otherwise provide interactive
19 games and interactive gaming devices and associated equipment to
20 interactive gaming certificate holders or to interactive gaming
21 operators in this Commonwealth. The costs shall be assessed in
22 accordance with a schedule adopted by the board.

23 (c) Use of other state standards.--The board may determine
24 whether the testing and certification standards for interactive
25 games and interactive gaming devices and associated equipment as
26 adopted by another jurisdiction within the United States are
27 comprehensive and thorough and provide similar and adequate
28 safeguards as those required by this chapter and regulations of
29 the board. If the board makes that determination, it may permit
30 the person authorized to manufacture, supply, distribute or
31 otherwise provide interactive games and interactive gaming
32 devices or associated equipment that have met the testing and
33 certification standard in such other jurisdiction to furnish
34 interactive games or interactive gaming devices and associated
35 equipment to interactive gaming certificate holders in this
36 Commonwealth without undergoing the full testing and
37 certification under this section.

38 SUBCHAPTER F
39 TAXES AND FEES

40 Sec.

41 13B51. Interactive gaming authorization fee.

42 13B52. Interactive gaming tax.

43 13B53. Local share assessment.

44 13B54. Compulsive and problem gambling.

45 § 13B51. Interactive gaming authorization fee.

46 (a) Amount of authorization fee.--

47 (1) Each slot machine licensee that is issued an
48 interactive gaming certificate to conduct interactive gaming
49 in accordance with section 13B11 (relating to authorization
50 to conduct interactive gaming) shall pay a one-time
51 nonrefundable authorization fee in the amount of \$8,000,000.

1 (2) Each interactive gaming operator shall pay a one-
2 time nonrefundable authorization fee in the amount of
3 \$2,000,000.

4 (3) Each interactive gaming operator that has been
5 approved by the board to provide for the conduct of
6 interactive gaming on behalf of an interactive gaming
7 certificate holder at a qualified airport shall pay a one-
8 time nonrefundable authorization fee in the amount of
9 \$1,000,000.

10 (b) Payment of fee.--Persons required to pay the
11 authorization fee under subsection (a) shall remit the fee to
12 the board within 60 days of the board's approval of its
13 petition, license or conditional authorization.

14 (c) Renewal fee.--

15 (1) Notwithstanding any other provision of this chapter,
16 an interactive gaming certificate holder shall pay a renewal
17 fee in the amount of \$250,000 upon the renewal of its
18 interactive gaming certificate.

19 (2) Each interactive gaming operator shall pay a renewal
20 fee of \$100,000 upon the renewal of its interactive gaming
21 license.

22 (d) Deposit of fees.--The fees imposed and collected under
23 this section shall be deposited in the General Fund.
24 \$ 13B52. Interactive gaming tax.

25 (a) Imposition of tax.--Each interactive gaming certificate
26 holder that conducts interactive gaming shall report to the
27 department and pay from its daily gross interactive gaming
28 revenue, on a form and in the manner prescribed by the
29 department, a tax of 16% of its daily gross interactive gaming
30 revenue.

31 (b) Deposits and distributions.--

32 (1) The tax imposed under subsection (a) shall be
33 payable to the department on a weekly basis and shall be
34 based upon gross interactive gaming revenue derived during
35 the previous week.

36 (2) An interactive gaming certificate holder shall
37 establish a separate bank account into which gross
38 interactive gaming revenue shall be deposited and maintained
39 until such time as the funds are paid to the department under
40 this section.

41 (c) Taxes on out-of-State wagering.--The tax rate which
42 shall be assessed and collected by the department with respect
43 to wagers placed by registered players located in this
44 Commonwealth with an interactive gaming operator located outside
45 of this Commonwealth, but authorized under an interactive gaming
46 reciprocal agreement, shall be governed by the agreement but may
47 not exceed 19% of gross interactive gaming revenue derived from
48 registered players located in this Commonwealth.

49 (d) Deposit of funds.--The tax imposed under subsection (a)
50 shall be collected by the department and deposited in the
51 General Fund.

1 § 13B53. Local share assessment.

2 (a) Required payment.--

3 (1) In addition to the tax imposed under section 13B52
4 (relating to interactive gaming tax), each interactive gaming
5 certificate holder that conducts interactive gaming shall pay
6 on a weekly basis, on a form and in a manner prescribed by
7 the department, a local share assessment equal to 3% of the
8 interactive gaming certificate holder's daily gross
9 interactive gaming revenue.

10 (2) One-third of the local share assessment under
11 paragraph (1) of each interactive gaming certificate holder's
12 daily gross interactive gaming revenue shall be provided to
13 the county hosting the interactive gaming certificate
14 holder's licensed facility and the remaining funds shall be
15 paid into a restricted receipt account established in the
16 Department of Community and Economic Development to be used
17 exclusively for grants to all counties in this Commonwealth,
18 to economic development authorities or redevelopment
19 authorities within each county, for grants for economic
20 development projects, community improvement projects and
21 other projects in the public interest. Funds in the account
22 are hereby appropriated to the Department of Community and
23 Economic Development on a continuing basis for the purposes
24 specified in this paragraph.

25 (b) Distribution of grants.--The Department of Community and
26 Economic Development shall develop policies and procedures to
27 govern the distribution of grants from the local share
28 assessment established under subsection (a). The policies and
29 procedures shall be of sufficient scope to ensure equal access
30 to grant funds by all counties in this Commonwealth.

31 § 13B54. Compulsive and problem gambling.

32 The following shall apply:

33 (1) Each year, from the tax imposed in section 13B52
34 (relating to interactive gaming tax), \$2,000,000 or an amount
35 equal to .002 multiplied by the total gross interactive
36 gaming revenue of all active and operating interactive gaming
37 certificate holders, whichever is greater, shall be
38 transferred into the Compulsive and Problem Gambling
39 Treatment Fund established in section 1509 (relating to
40 compulsive and problem gambling program).

41 (2) Each year, from the tax imposed in section 13B52,
42 \$2,000,000 or an amount equal to .002 multiplied by the total
43 gross interactive gaming revenue of all active and operating
44 interactive gaming certificate holders, whichever is greater,
45 shall be transferred to the Department of Drug and Alcohol
46 Programs to be used for drug and alcohol addiction treatment
47 services, including treatment for drug and alcohol addiction
48 related to compulsive and problem gambling, as set forth in
49 section 1509.1 (relating to drug and alcohol treatment).

50 § 13B55. Certificate holder deposits.

51 (a) Accounts established.--except for an interactive gaming

1 certificate holder that already has an account established under
2 section 1401 (relating to slot machine licensee deposits), the
3 State Treasurer shall establish within the State Treasury an
4 account for each interactive gaming certificate holder for the
5 deposit of sums required under subsection (b) to recover costs
6 or expenses incurred by the board and the department in carrying
7 out their powers and duties under this chapter based upon a
8 budget submitted by the board and the department under
9 subsection (c).

10 (b) Deposits.--

11 (1) The department shall determine the appropriate
12 assessment amount for each interactive gaming certificate
13 holder, which amount shall be a percentage assessed on the
14 interactive gaming certificate holder's gross interactive
15 gaming revenues. Each interactive gaming certificate holder
16 shall deposit funds into its account established under this
17 section or under section 1401 on a quarterly basis.

18 (2) The percentage assessed shall not exceed an amount
19 necessary to recover costs or expenses incurred by the board
20 and the department in carrying out powers and duties under
21 this chapter based on a budget submitted by the board and the
22 department under subsection (c).

23 (c) Itemized budget reporting.--

24 (1) The board and the department shall prepare and
25 annually submit to the chairperson and minority chairperson
26 of the Appropriations Committee of the Senate and the
27 chairperson and minority chairperson of the Appropriations
28 Committee of the House of Representatives an itemized budget
29 consisting of amounts to be appropriated out of the accounts
30 established under this section as necessary to administer
31 this chapter.

32 (2) As soon as practicable after submitting copies of
33 the itemized budget, the department shall submit to the
34 chairperson and minority chairperson of the Appropriations
35 Committee of the Senate and the chairperson and minority
36 chairperson of the Appropriations Committee of the House of
37 Representatives analyses of and recommendations regarding the
38 itemized budget.

39 (3) The itemized budget required under paragraph (1)
40 shall be submitted in conjunction with the budget required to
41 be submitted under section 1202(b)(28) (relating to general
42 and specific powers).

43 (d) Appropriation.--Costs and expenses from accounts
44 established under subsection (a) or under section 1401 shall
45 only be disbursed upon appropriation by the General Assembly.

46 (e) Penalty.--

47 (1) An interactive gaming certificate holder that fails
48 to timely remit to the department amounts required under this
49 section shall be subject to, in addition to liability imposed
50 in this chapter, a penalty of 5% per month up to a maximum of
51 25% of the amounts ultimately found to be due. The penalty

1 shall be recovered by the department.

2 (2) Penalties imposed under this subsection shall be
3 deposited into the General Fund.

4 SUBCHAPTER G

5 MISCELLANEOUS PROVISIONS

6 Sec.

7 13B61. Participation in interactive gaming outside
8 Commonwealth.

9 13B62. Institutional investors.

10 13B63. Internet cafes and prohibition.

11 § 13B61. Participation in interactive gaming outside
12 Commonwealth.

13 Notwithstanding any other provision of this chapter to the
14 contrary, an interactive gaming certificate holder may accept
15 interactive gaming wagers from a person who is not physically
16 located in this Commonwealth or may accept interactive gaming
17 wagers from a person physically present in this Commonwealth and
18 transmit such wagers to an interactive gaming platform operated
19 by one or more operators licensed in a foreign jurisdiction
20 where interactive gaming is permitted, if the board determines
21 the following:

22 (1) participation in interactive gaming and acceptance
23 of wagers associated with interactive gaming from a person
24 not physically located in this Commonwealth or accepting
25 interactive gaming wagers from a person physically present in
26 this Commonwealth and transmitting such wagers to an
27 interactive gaming platform operated by one or more operators
28 licensed in a foreign jurisdiction where interactive gaming
29 is permitted is not inconsistent with Federal law or
30 regulation or the law or regulation of the state or
31 jurisdiction in which the person or operator is located; and

32 (2) participation in interactive gaming is conducted
33 pursuant to an interactive gaming reciprocal agreement with
34 the state or jurisdiction where the person is located and the
35 interactive gaming reciprocal agreement is not inconsistent
36 with Federal law or regulation.

37 § 13B62. Institutional investors.

38 (a) Declaration of investment intent.--Notwithstanding any
39 other provision of this part, the following shall apply:

40 (1) An institutional investor holding 20% or less of the
41 equity securities of an interactive gaming certificate
42 holder's, interactive gaming operator's or applicant's
43 holding, subsidiary or intermediary companies shall be
44 granted a waiver of any investigation of suitability or other
45 requirement if the securities are those of a corporation,
46 whether publicly traded or privately held, and the holdings
47 of the securities were purchased for investment purposes
48 only. The institutional investor shall file a certified
49 statement that it has no intention of influencing or
50 affecting the affairs of the interactive gaming certificate
51 holder, interactive gaming operator, applicant or any

1 holding, subsidiary or intermediary company of an interactive
2 gaming certificate holder, interactive gaming operator or
3 applicant. However, an institutional investor shall be
4 permitted to vote on matters put to the vote of the
5 outstanding security holders.

6 (2) The board may grant a waiver to an institutional
7 investor holding a higher percentage of securities upon a
8 showing of good cause and if the other conditions specified
9 in paragraph (1) are met.

10 (3) An institutional investor granted a waiver under
11 this subsection who subsequently decides to influence or
12 affect the affairs of an interactive gaming certificate
13 holder, interactive gaming operator or applicant's holding,
14 subsidiary or intermediary company of an interactive gaming
15 certificate holder, interactive gaming operator or applicant
16 shall provide not less than 30 days' notice of intent and
17 shall file with the board a request for determination of
18 suitability before taking any action that may influence or
19 affect such affairs. An institutional investor shall be
20 permitted to vote on matters put to the vote of the
21 outstanding security holders.

22 (4) If an institutional investor changes its investment
23 intent or if the board finds reasonable cause to believe that
24 the institutional investor may be found unsuitable, no action
25 other than divestiture shall be taken by the institutional
26 investor with respect to its security holdings until there
27 has been compliance with any requirements established by the
28 board, which may include the execution of a trust agreement
29 in accordance with section 1332 (relating to appointment of
30 trustee).

31 (5) The interactive gaming certificate holder or
32 interactive gaming operator or applicant or any holding,
33 intermediary or subsidiary company of an interactive gaming
34 certificate holder, interactive gaming operator or applicant
35 shall notify the board immediately of any information about,
36 or actions of, an institutional investor holding its equity
37 securities where the information or action may impact the
38 eligibility of the institutional investor for a waiver under
39 this subsection.

40 (b) Failure to declare.--If the board finds:

41 (1) that an institutional investor holding any security
42 of a holding or intermediary company of an interactive gaming
43 certificate holder or interactive gaming operator or
44 applicant or, where relevant, of another subsidiary company
45 of a holding or intermediary company of an interactive gaming
46 certificate holder or interactive gaming operator or
47 applicant which is related in any way to the financing of the
48 interactive gaming certificate holder or interactive gaming
49 operator or applicant, fails to comply with the provisions of
50 subsection (a); or

51 (2) by reason of the extent or nature of its holdings,

an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of an interactive gaming certificate holder or interactive gaming operator or applicant that investigation and determination of suitability of the institutional investor is necessary to protect the public interest;

then the board may take any necessary action otherwise authorized under this chapter to protect the public interest.

§ 13B63. Internet cafes and prohibition.

(a) General rule.--No person shall operate a place of public accommodation, club, including a club or association limited to dues-paying members or similar restricted groups, or similar establishment in which computer terminals or similar access devices are advertised or made available to be used principally for the purpose of accessing authorized interactive games. No interactive gaming certificate holder or interactive gaming operator shall offer or make available computer terminals or similar access devices to be used principally for the purpose of accessing interactive games within a licensed facility.

(b) Construction.--Nothing in this section shall be construed to:

(1) require the owner or operator of a hotel or motel or other public place of general use in this Commonwealth to prohibit or block guests from playing authorized interactive games on their own computers or other devices; or

(2) require an interactive gaming certificate holder or an interactive gaming operator to prohibit registered players within a licensed facility from playing authorized interactive games on their own computers or other devices.

CHAPTER 13C

SPORTS WAGERING

Subchapter

- A. General Provisions
- B. Sports Wagering Authorized
- C. Conduct of Sports Wagering
- D. Sports Wagering Taxes and Fees
- E. Miscellaneous Provisions

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

13C01. Definitions.

13C02. Regulatory authority.

13C03. Temporary sports wagering regulations.

13C04. Unauthorized sports wagering.

§ 13C01. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Certificate holder." A person to whom the board has awarded a sports wagering certificate.

"Gross sports wagering revenue."

1 (1) The total of cash or cash equivalents received from
2 sports wagering minus the total of:

3 (i) Cash or cash equivalents paid to players as a
4 result of sports wagering.

5 (ii) Cash or cash equivalents paid to purchase
6 annuities to fund prizes payable to players over a period
7 of time as a result of sports wagering.

8 (iii) The actual cost paid by the certificate holder
9 for any personal property distributed to a player as a
10 result of sports wagering. This subparagraph does not
11 include travel expenses, food, refreshments, lodging or
12 services.

13 (2) The term does not include any of the following:

14 (i) Counterfeit cash or chips.

15 (ii) Coins or currency of other countries received
16 as a result of sports wagering, except to the extent that
17 the coins or currency are readily convertible to cash.

18 (iii) Cash taken in a fraudulent act perpetrated
19 against a certificate holder for which the certificate
20 holder is not reimbursed.

21 "Sporting event." A professional or collegiate sports or
22 athletic event or a motor race event.

23 "Sports wagering." The business of accepting wagers on
24 sporting events or on the individual performance statistics of
25 athletes in a sporting event or combination of sporting events
26 by any system or method of wagering, including over the Internet
27 through websites and mobile applications. The term includes, but
28 is not limited to, exchange wagering, parlays, over-under,
29 moneyline, pools and straight bets. The term does not include:

30 (1) Pari-mutuel betting on the outcome of thoroughbred
31 or harness horse racing as authorized under 3 Pa.C.S. Ch. 93
32 (relating to race horse industry reform).

33 (2) Lottery games of the Pennsylvania State Lottery as
34 authorized under the act of August 26, 1971 (P.L.351, No.91),
35 known as the State Lottery Law.

36 (3) Bingo as authorized under the act of July 10, 1981
37 (P.L.214, No.67), known as the Bingo Law.

38 (4) Small games of chance as authorized under the act of
39 December 19, 1988 (P.L.1262, No.156), known as the Local
40 Option Small Games of Chance Act.

41 (5) Slot machine gaming and progressive slot machine
42 gaming as defined and authorized under this part.

43 (6) Keno.

44 (7) Fantasy sports contests.

45 (8) iLottery under Chapter 7 (relating to iLottery).

46 "Sports wagering certificate." A certificate awarded by the
47 board under this chapter that authorizes a slot machine licensee
48 to conduct sports wagering in accordance with this chapter.

49 "Sports wagering device." The term includes any mechanical,
50 electrical or computerized contrivance, terminal, machine or
51 other device, apparatus, equipment or supplies approved by the

1 board and used to conduct sports wagering.

2 § 13C02. Regulatory authority.

3 The board shall promulgate regulations:

4 (1) Establishing standards and procedures for sports
5 wagering. The standards and procedures shall provide for the
6 conduct and implementation of sports wagering within licensed
7 facilities, including any new sports wagering or variations
8 or composites of approved sports wagering, provided that the
9 board determines that the new sports wagering or any
10 variations or composites or other approved sports wagering
11 are suitable for use after a test or experimental period
12 under the terms and conditions as the board may deem
13 appropriate.

14 (2) Establishing standards and rules to govern the
15 conduct of sports wagering and the system of wagering,
16 including the manner in which wagers are received, payouts
17 are remitted and point spreads, lines and odds are
18 determined. The board may also establish standards and rules
19 to govern the conduct of sports wagering and the system of
20 wagering as a form of interactive gaming authorized by the
21 Commonwealth.

22 (3) Establishing the method for calculating gross sports
23 wagering revenue and standards for the daily counting and
24 recording of cash and cash equivalents received in the
25 conduct of sports wagering, including ensuring that internal
26 controls are followed and how financial books and records are
27 maintained and audits are conducted. The board shall consult
28 with the department in establishing the regulations under
29 this paragraph.

30 (4) Establishing notice requirements pertaining to
31 minimum and maximum wagers on sports wagering.

32 (5) Establishing compulsive and problem gambling
33 standards pertaining to sports wagering consistent with this
34 part.

35 (6) Establishing standards prohibiting persons under 21
36 years of age from participating in sports wagering.

37 (7) Providing information pertaining to sports wagering
38 in the board's annual report required under section 1211(a.1)
39 (relating to reports of board).

40 (8) Requiring each certificate holder to:

41 (i) Provide written information about sports
42 wagering rules, payouts or winning wagers and other
43 information as the board may require.

44 (ii) Provide specifications approved by the board
45 under section 1207(11) (relating to regulatory authority
46 of board) to integrate and update the licensed facility's
47 surveillance system to cover all areas where sports
48 wagering is conducted. The specifications shall include
49 provisions providing the board and other persons
50 authorized by the board with onsite access to the system
51 or its signal.

1 (iii) Designate one or more locations within the
2 licensed facility of the certificate holder to conduct
3 sports wagering.

4 (iv) Ensure that visibility in the licensed facility
5 of the certificate holder is not obstructed in any way
6 that could interfere with the ability of the certificate
7 holder, the board and other persons authorized under this
8 part or by the board to oversee the surveillance of the
9 conduct of sports wagering.

10 (v) Integrate the licensed facility's count room to
11 ensure maximum security of the counting and storage of
12 cash and cash equivalents.

13 (vi) Equip each designated location within the
14 licensed facility providing sports wagering with a sign
15 indicating the permissible sports wagering minimum and
16 maximum wagers.

17 (vii) Ensure that no person under 21 years of age
18 participates in sports wagering.

19 § 13C03. Temporary sports wagering regulations.

20 (a) Promulgation.--In order to facilitate the prompt
21 implementation of this chapter, regulations promulgated by the
22 board shall be deemed temporary regulations which shall expire
23 not later than two years following the publication of the
24 temporary regulations. The board may promulgate temporary
25 regulations not subject to:

26 (1) Sections 201, 202, 203, 204 and 205 of the act of
27 July 31, 1968 (P.L.769, No.240), referred to as the
28 Commonwealth Documents Law.

29 (2) Sections 204(b) and 301(10) of the act of October
30 15, 1980 (P.L.950, No.164), known as the Commonwealth
31 Attorneys Act.

32 (3) The act of June 25, 1982 (P.L.633, No.181), known as
33 the Regulatory Review Act.

34 (b) Expiration.--Except for temporary regulations governing
35 the rules of new sports wagering approved by the board, the
36 board's authority to adopt temporary regulations under
37 subsection (a) shall expire two years after the effective date
38 of this section. Regulations adopted after this period shall be
39 promulgated as provided by law.

40 § 13C04. Unauthorized sports wagering.

41 (a) Offense defined.--

42 (1) It shall be unlawful for any person to willfully and
43 knowingly operate, carry on, offer or expose for play any
44 sports wagering or to accept a bet or wager associated with
45 sports wagering from any person physically located in this
46 Commonwealth at the time of play that is not within the scope
47 of a valid and current sports wagering certificate issued by
48 the board under this chapter or by another state, territory
49 or possession of the United States with which the
50 Commonwealth has a sports wagering agreement.

51 (2) It shall be unlawful for any person to willfully and

1 knowingly provide services with respect to any sports
2 wagering or bet or wager specified in paragraph (1).
3 (b) Grading of offense.--A person who violates subsection
4 (a) commits a misdemeanor of the first degree. For a second or
5 subsequent violation of subsection (a), a person commits a
6 felony of the second degree.
7 (c) Penalties.--
8 (1) For a first violation of subsection (a), a person
9 shall be sentenced to pay a fine of:
10 (i) not less than \$75,000 nor more than \$150,000, if
11 the person is an individual;
12 (ii) not less than \$150,000 nor more than \$300,000,
13 if the person is a licensed manufacturer or supplier; or
14 (iii) not less than \$300,000 nor more than \$600,000,
15 if the person is a licensed gaming entity.
16 (2) For a second or subsequent violation of subsection
17 (a), a person shall be sentenced to pay a fine of:
18 (i) not less than \$150,000 nor more than \$300,000,
19 if the person is an individual;
20 (ii) not less than \$300,000 nor more than \$600,000,
21 if the person is a licensed manufacturer or supplier; or
22 (iii) not less than \$600,000 nor more than
23 \$1,200,000, if the person is a licensed gaming entity.
24 (d) Forfeiture.--If a person engages in sports wagering from
25 a location in which the activity is unauthorized, the person
26 shall forfeit all entitlement to any winnings and the money
27 associated with any forfeited winnings shall be deposited into
28 the Compulsive and Problem Gambling Treatment Fund established
29 under section 1509(b) (relating to compulsive and problem
30 gambling program).
31 (e) Tax liability.--
32 (1) An unlicensed person who offers sports wagering to
33 persons in this Commonwealth shall be liable for all taxes
34 required by this chapter in the same manner and amounts as if
35 the person were a licensee.
36 (2) Timely payment of the taxes may not constitute a
37 defense to any prosecution or other proceeding in connection
38 with unauthorized sports wagering, except for a prosecution
39 or proceeding alleging failure to make such payment.
40 SUBCHAPTER B
41 SPORTS WAGERING AUTHORIZED
42 Sec.
43 13C11. Authorization to conduct sports wagering.
44 13C12. Petition requirements.
45 13C13. Standard for review of petitions.
46 13C14. Award of certificate.
47 13C15. Sports wagering certificate.
48 13C16. Sports wagering by suppliers and manufacturers.
49 § 13C11. Authorization to conduct sports wagering.
50 (a) Persons who may be authorized.--
51 (1) (i) The board may authorize a slot machine licensee

1 to conduct sports wagering and to operate a system of
2 wagering associated with the conduct of sports wagering
3 at the slot machine licensee's licensed facility, a
4 temporary facility authorized under section 13C21(b)
5 (relating to authorized locations for operation), an area
6 authorized under section 13C21(c) or through an Internet-
7 based system.

8 (ii) Authorization shall be contingent upon the slot
9 machine licensee's agreement to ensure that sports
10 wagering will be conducted in accordance with this part
11 and any other conditions established by the board.

12 (iii) Nothing in this part shall be construed to
13 create a separate license governing the conduct of sports
14 wagering by slot machine licensees within this
15 Commonwealth.

16 (2) The board may authorize a sports wagering
17 certificate holder to conduct sports wagering and to operate
18 a system of wagering associated with the conduct of sports
19 wagering as a form of interactive gaming authorized by the
20 Commonwealth.

21 (3) (i) Except as provided in this part, all
22 individuals wagering on sporting events through
23 authorized sports wagering must be physically located
24 within this Commonwealth or within a state or
25 jurisdiction with which the board has entered a sports
26 wagering agreement.

27 (ii) No individual under 21 years of age may make a
28 wager or bet on sporting events through authorized sports
29 wagering or have access to the designated area of the
30 licensed facility authorized to host sports wagering.

31 (b) Federal authorization.--

32 (1) The Secretary of the Commonwealth shall, when
33 Federal law is enacted or repealed or a Federal court
34 decision is filed that affirms the authority of a state to
35 regulate sports wagering, publish a notice in the
36 Pennsylvania Bulletin certifying the enactment or repeal or
37 the filing of the decision.

38 (2) The board may not authorize the conduct of sports
39 wagering in this Commonwealth until the notice is published
40 as prescribed in paragraph (1).

41 § 13C12. Petition requirements.

42 (a) General rule.--Unless otherwise prohibited under section
43 13A13 (relating to prohibitions), a slot machine licensee may
44 seek approval to conduct sports wagering by filing a petition
45 with the board.

46 (b) Petition contents.--A petition seeking authorization to
47 conduct sports wagering shall include the following:

48 (1) The name, business address and contact information
49 of the petitioner.

50 (2) The name, business address, job title and a
51 photograph of each principal and key employee of the

1 petitioner who will be involved in the conduct of sports
2 wagering and who is not currently licensed by the board, if
3 known.

4 (3) A brief description of the economic benefits
5 expected to be realized by the Commonwealth, its
6 municipalities and its residents if sports wagering is
7 authorized at the petitioner's licensed facility.

8 (4) The details of any financing obtained or that will
9 be obtained to fund an expansion or modification of the
10 licensed facility to accommodate sports wagering and to
11 otherwise fund the cost of commencing sports wagering.

12 (5) Information and documentation concerning financial
13 background and resources, as the board may require, to
14 establish by clear and convincing evidence the financial
15 stability, integrity and responsibility of the petitioner.

16 (6) Information and documentation, as the board may
17 require, to establish by clear and convincing evidence that
18 the petitioner has sufficient business ability and experience
19 to create and maintain a successful sports wagering
20 operation. In making this determination, the board may
21 consider the performance of the petitioner's slot machine and
22 table game operation, including financial information,
23 employment data and capital investment.

24 (7) Information and documentation, as the board may
25 require, to establish by clear and convincing evidence that
26 the petitioner has or will have the financial ability to pay
27 the authorization fee under section 13C61 (relating to sports
28 wagering authorization fee).

29 (8) Detailed site plans identifying the petitioner's
30 proposed sports wagering area within the licensed facility.

31 (9) Other information as the board may require.

32 (c) Confidentiality.--Information submitted to the board
33 under subsection (b)(4), (5), (6), (7) and (8) may be considered
34 confidential by the board if the information would be
35 confidential under section 1206(f) (relating to board minutes
36 and records).

37 § 13C13. Standard for review of petitions.

38 (a) General rule.--The board shall approve a petition if the
39 petitioner establishes, by clear and convincing evidence, all of
40 the following:

41 (1) The petitioner's slot machine license is in good
42 standing with the board.

43 (2) The conduct of sports wagering at the petitioner's
44 licensed facility will have a positive economic impact on the
45 Commonwealth, its municipalities and residents through
46 increased revenues and employment opportunities.

47 (3) The petitioner possesses adequate funds or has
48 secured adequate financing to:

49 (i) Fund any necessary expansion or modification of
50 the petitioner's licensed facility to accommodate the
51 conduct of sports wagering.

1 (ii) Pay the authorization fee in accordance with
2 section 13C61 (relating to sports wagering authorization
3 fee).

4 (iii) Commence sports wagering operations at its
5 licensed facility.

6 (4) The petitioner has the financial stability,
7 integrity and responsibility to conduct sports wagering.

8 (5) The petitioner has sufficient business ability and
9 experience to create and maintain a successful sports
10 wagering operation.

11 (6) The petitioner's proposed internal and external
12 security and proposed surveillance measures within the area
13 of the licensed facility where the petitioner seeks to
14 conduct sports wagering are adequate.

15 (7) The petitioner has satisfied the petition
16 application requirements and provided any other information
17 required by section 13C12(b) (relating to petition
18 requirements).

19 (b) Timing of approval.--The board shall approve or deny a
20 petition within 90 days following receipt of the petition.
21 § 13C14. Award of certificate.

22 (a) General rule.--Upon approval of a petition, the board
23 shall award a sports wagering certificate to the petitioner. The
24 award of a sports wagering certificate prior to the payment in
25 full of the authorization fee required by section 13C61
26 (relating to sports wagering authorization fee) shall not
27 relieve the petitioner from complying with the provisions of
28 section 13C61.

29 (b) Statement of conditions.--Upon awarding a sports
30 wagering operation certificate, the board shall amend the slot
31 machine licensee's statement of conditions pertaining to the
32 requirements of this chapter.

33 (c) Term of sports wagering certificate.--Subject to the
34 power of the board to deny, revoke or suspend a sports wagering
35 certificate issued in accordance with the requirements of this
36 section, a sports wagering certificate shall be renewed every
37 five years and shall be subject to the requirements of section
38 1326 (relating to renewals).

39 § 13C15. Sports wagering certificate.

40 The following shall apply:

41 (1) A sports wagering certificate shall be in effect
42 unless:

43 (i) suspended or revoked by the board consistent
44 with the requirements of this part;

45 (ii) the slot machine license held by the
46 certificate holder is suspended, revoked or not renewed
47 by the board consistent with the requirements of this
48 part; or

49 (iii) the certificate holder relinquishes or does
50 not seek renewal of its slot machine license.

51 (2) A certificate holder that fails to abide by this

chapter or any condition contained in the slot machine licensee's statement of conditions governing the conduct of sports wagering shall be subject to board-imposed administrative sanctions or other penalties authorized under this part.

§ 13C16. Sports wagering by suppliers and manufacturers.

(a) Suppliers.--A person that sells, leases, offers or otherwise provides, distributes or services any sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall be licensed by the board under section 1317 (relating to supplier licenses) and shall be subject to application and licensure fees and fines as prescribed under section 1208 (relating to collection of fees and fines), as determined by the board.

(b) Manufacturers.--A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to any sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall be licensed by the board under section 1317.1 (relating to manufacturer licenses) and shall be subject to application and licensure fees and fines as prescribed under section 1208, as determined by the board.

SUBCHAPTER C

CONDUCT OF SPORTS WAGERING

Sec.

13C21. Authorized locations for operation.

13C22. Commencement of sports wagering operations.

13C23. Condition of continued operation.

13C24. Key employees and occupation permits.

13C25. Application of Clean Indoor Air Act.

13C26. Application of Liquor Code.

§ 13C21. Authorized locations for operation.

(a) Restriction.--A certificate holder may only be permitted to conduct sports wagering at the licensed facility, a temporary facility authorized under subsection (b), an area authorized under subsection (c) or through an Internet-based system.

(b) Temporary facilities.--The board may permit a certificate holder to conduct sports wagering at a temporary facility that is physically connected to, attached to or adjacent to a licensed facility for a period not to exceed 24 months.

(c) Powers and duties of board.--

(1) Upon request made by a certificate holder, the board may determine the suitability of a Category 1 licensed gaming entity that is also a licensed racing entity authorized to conduct pari-mutuel wagering at nonprimary locations under 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) to conduct sports wagering at nonprimary locations.

(2) No certificate holder may be approved to conduct sports wagering in a nonprimary location unless the areas are equipped with adequate security and surveillance equipment to

1 ensure the integrity of the conduct of sports wagering.

2 (3) An authorization granted under this subsection may
3 not:

4 (i) Impose any criteria or requirements regarding
5 the contents or structure of a nonprimary location that
6 are unrelated to the conduct of sports wagering.

7 (ii) Authorize the placement or operation of slot
8 machines or table games in a nonprimary location.

9 § 13C22. Commencement of sports wagering operations.

10 No certificate holder may operate or offer sports wagering
11 until the board determines that:

12 (1) The certificate holder is in compliance with the
13 requirements of this part.

14 (2) The certificate holder is prepared in all respects
15 to offer sports wagering play to the public at the licensed
16 facility.

17 (3) The certificate holder has implemented necessary
18 internal and management controls and security arrangements
19 and surveillance systems for the conduct of sports wagering.

20 (4) The certificate holder is in compliance with or has
21 complied with section 13C61 (relating to sports wagering
22 authorization fee).

23 (5) Other conditions as the board may require to
24 implement the conduct of sports wagering.

25 § 13C23. Condition of continued operation.

26 As a condition of continued operation, a certificate holder
27 shall agree to maintain all books, records and documents
28 pertaining to sports wagering in a manner and location within
29 this Commonwealth as approved by the board. All books, records
30 and documents related to sports wagering shall be:

31 (1) segregated by separate accounts within the
32 certificate holder's books, records and documents, except for
33 any books, records or documents that are common to slot
34 machine, table game and sports wagering operations;

35 (2) immediately available for inspection upon request of
36 the board, the bureau, the department, the Pennsylvania State
37 Police or the Attorney General, or agents thereof, during all
38 hours of operation of the certificate holder in accordance
39 with regulations promulgated by the board; and

40 (3) maintained for a period as the board, by regulation,
41 may require.

42 § 13C24. Key employees and occupation permits.

43 Nothing in this part shall be construed to require any
44 individual who holds a principal license, a key employee license
45 or a gaming employee occupation permit under Chapter 13
46 (relating to licensees) to obtain a separate license or permit
47 to be employed in a certificate holder's sports wagering
48 operation authorized under this chapter.

49 § 13C25. Application of Clean Indoor Air Act.

50 For the purpose of section 3(b)(11) of the act of June 13,
51 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the

1 term "gaming floor" shall include the areas of any facility
2 where the certificate holder is authorized to conduct sports
3 wagering, except such areas off the gaming floor where contests
4 or tournaments are conducted unless smoking is otherwise
5 permitted in such areas.

6 § 13C26. Application of Liquor Code.

7 The provisions of section 493(24)(ii) of the act of April 12,
8 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
9 to sports wagering.

10 SUBCHAPTER D

11 SPORTS WAGERING TAXES AND FEES

12 Sec.

13 13C61. Sports wagering authorization fee.

14 13C62. Sports wagering tax.

15 13C63. Local share assessment.

16 13C64. Compulsive and problem gambling.

17 § 13C61. Sports wagering authorization fee.

18 (a) Amount.--Each slot machine licensee that is issued a
19 sports wagering certificate to conduct sports wagering in
20 accordance with section 13C11 (relating to authorization to
21 conduct sports wagering) shall pay a one-time nonrefundable
22 authorization fee in the amount of \$10,000,000.

23 (b) Payment of fee.--A slot machine licensee shall remit the
24 authorization fee under subsection (a) to the board within 60
25 days of the approval of a petition to conduct sports wagering.
26 The board may allow the fee to be paid in installments, provided
27 all installments are paid within the 60-day period. In that
28 event, the board and the slot machine licensee shall enter into
29 a written agreement setting forth the terms of payment. Sports
30 wagering may not be conducted until the fee under subsection (a)
31 is paid in full.

32 (c) Renewal fee.--Notwithstanding any other provision of
33 this chapter, a slot machine licensee that is issued a sports
34 wagering certificate shall pay a renewal fee in the amount of
35 \$250,000 upon the renewal of its sports wagering certificate in
36 accordance with sections 1326 (relating to renewals) and
37 13C14(c) (relating to award of certificate).

38 (d) Failure to pay by deadline.--If a petitioner or
39 certificate holder fails to pay the required authorization fee
40 in full within the 60-day time period, the board shall impose a
41 penalty and may grant the petitioner or certificate holder up to
42 a six-month extension to pay the authorization fee or any
43 remaining portion of the authorization fee and the penalty.

44 (e) Suspension of certificate.--The board shall suspend the
45 sports wagering certificate if the certificate holder fails to
46 pay the total authorization fee and the penalty prior to the
47 expiration of an extension period granted under subsection (d).
48 The suspension shall remain in effect until final payment is
49 made.

50 (f) Deposit of fees.--Notwithstanding section 1208 (relating
51 to collection of fees and fines), all sports wagering

1 authorization fees or penalties received by the board under this
2 subchapter, all sports wagering device and associated equipment
3 manufacturer and supplier license fees, all sports wagering
4 device or associated equipment manufacturer and supplier renewal
5 fees and all fees for licenses issued under Chapter 16 (relating
6 to junkets) shall be deposited into the General Fund.
7 § 13C62. Sports wagering tax.

8 (a) Imposition.--Each certificate holder shall report to the
9 department and pay from its daily gross sports wagering revenue,
10 on a form and in the manner prescribed by the department, a tax
11 of 16% of its daily gross sports wagering revenue.

12 (b) Deposits and distributions.--

13 (1) The tax imposed under subsection (a) shall be
14 payable to the department on a weekly basis and shall be
15 based upon gross sports wagering revenue derived during the
16 previous week.

17 (2) All funds owed to the Commonwealth under this
18 section shall be held in trust for the Commonwealth by the
19 certificate holder until the funds are paid to the
20 department. Unless otherwise agreed to by the board, a
21 certificate holder shall establish a separate bank account
22 into which gross sports wagering revenue shall be deposited
23 and maintained until such time as the funds are paid to the
24 department under this section or paid into the fund under
25 section 13C63(a) (relating to local share assessment).

26 (3) The tax imposed under subsection (a) shall be
27 deposited into the General Fund.

28 § 13C63. Local share assessment.

29 (a) Required payment.--In addition to the tax imposed under
30 section 13C62 (relating to sports wagering tax), each
31 certificate holder shall pay on a weekly basis, on a form and in
32 the manner prescribed by the department, a local share
33 assessment into a restricted receipts account established within
34 the fund. All money owed under this section shall be held in
35 trust by the certificate holder until the money is paid into the
36 restricted account. Funds in the restricted account are hereby
37 appropriated to the department on a continuing basis for the
38 purposes set forth under this section.

39 (b) Distributions.--The department shall make quarterly
40 distributions from the local share assessments deposited into
41 the restricted account under subsection (a) to counties,
42 including home rule counties, and to municipalities, including
43 home rule municipalities, in accordance with the following:

44 (1) For sports wagering conducted at licensed
45 facilities, the local share assessment shall be distributed
46 as follows:

47 (i) Fifty percent to the county in which the
48 licensed facility is located.

49 (ii) Fifty percent to the municipality in which the
50 licensed facility is located.

51 (2) For sports wagering conducted at nonprimary

1 locations, the local share assessment shall be distributed as
2 follows:

3 (i) Fifty percent to the county in which the
4 nonprimary location is located.

5 (ii) Fifty percent to the municipality in which the
6 nonprimary location is located.

7 (c) Definitions.--As used in this section, the following
8 words and phrases shall have the meanings given to them in this
9 subsection unless the context clearly indicates otherwise:

10 "Local share assessment." Two percent of a certificate
11 holder's daily gross sports wagering revenue.

12 § 13C64. Compulsive and problem gambling.

13 The following shall apply:

14 (1) Each year, from the tax imposed under section 13C62
15 (relating to sports wagering tax), \$2,000,000 or an amount
16 equal to 0.002 multiplied by the total gross sports wagering
17 revenue of all active and operating sports wagering
18 certificate holders, whichever is greater, shall be
19 transferred into the Compulsive and Problem Gambling
20 Treatment Fund established under section 1509 (relating to
21 compulsive and problem gambling program).

22 (2) Each year, from the tax imposed under section 13C62,
23 \$2,000,000 or an amount equal to 0.002 multiplied by the
24 total gross sports wagering revenue of all active and
25 operating sports wagering certificate holders, whichever is
26 greater, shall be transferred to the Department of Health to
27 be used for drug and alcohol addiction treatment services,
28 including treatment for drug and alcohol addiction related to
29 compulsive and problem gambling, as set forth under section
30 1509.1 (relating to drug and alcohol treatment).

31 SUBCHAPTER E

32 MISCELLANEOUS PROVISIONS

33 Sec.

34 13C71. Criminal activity.

35 § 13C71. Criminal activity.

36 Sports wagering conducted by a certificate holder in
37 accordance with this chapter shall not constitute a criminal
38 activity under 18 Pa.C.S. § 5514 (relating to pool selling and
39 bookmaking).

40 CHAPTER 13D

41 SLOT MACHINES AT NONPRIMARY LOCATIONS

42 Subchapter

43 A. General Provisions

44 B. Category 1 Licensed Gaming Entities and Nonprimary

45 Locations

46 C. Application and Issuance of Nonprimary Location Permit

47 D. Fees and Taxes

48 SUBCHAPTER A

49 GENERAL PROVISIONS

50 Sec.

51 13D01. Definitions.

1 13D02. Authority to place slot machines at nonprimary
2 locations.

3 13D03. Temporary regulations.

4 § 13D01. Definitions.

5 The following words and phrases when used in this chapter
6 shall have the meanings given to them in this section unless the
7 context clearly indicates otherwise:

8 "Consumer price index." The Consumer Price Index for All
9 Urban Consumers for the Pennsylvania, New Jersey, Delaware and
10 Maryland area for the most recent 12-month period for which
11 figures have been officially reported by the United States
12 Department of Labor, Bureau of Labor Statistics.

13 "Nonprimary location." As defined in 3 Pa.C.S. § 9301
14 (relating to definitions).

15 "Nonprimary location permit." The permit issued to a
16 Category 1 slot machine licensee authorizing the placement and
17 operation of slot machines at a nonprimary location.

18 "Nonprimary location permit holder." A Category 1 slot
19 machine licensee that has been approved for and issued a permit
20 to place and make slot machines available for play at a
21 nonprimary location.

22 "Primary market area." An area within 35 linear miles of a
23 licensed facility or another nonprimary location.

24 § 13D02. Authority to place slot machines at nonprimary
25 locations.

26 (a) Placement of slot machines at nonprimary locations.--
27 Notwithstanding any other provision of this part, 3 Pa.C.S. Ch.
28 93 (relating to race horse industry reform), or any other law or
29 regulation to the contrary, a Category 1 licensed gaming entity
30 that is a licensed racing entity under 3 Pa.C.S. Ch. 93 may
31 apply to the board for a nonprimary location permit.

32 (b) Duty of the board and commission.--

33 (1) Subject to the provisions of paragraph (2), the
34 board shall have general and sole regulatory authority over
35 the placement and operation of slot machines at nonprimary
36 locations and shall, in consultation with the commission,
37 promulgate regulations to govern the placement and operation
38 of slot machines at nonprimary locations.

39 (2) Any regulations specific to the operation of
40 nonprimary locations by licensed racing entities promulgated
41 under 58 Pa. Code Ch. 171 (relating to nonprimary locations)
42 or any regulations related to the operation of nonprimary
43 locations that may be adopted by the commission subsequent to
44 the effective date of this section shall be adopted as
45 regulations under this chapter, unless the board, in
46 consultation with the commission, determine that the
47 regulations are not sufficient for the administration and
48 enforcement of this chapter.

49 (3) In that event, the board, in consultation with the
50 commission, shall promulgate such regulations specific to the
51 operation of slot machines at nonprimary locations as the

1 board and commission deem necessary to facilitate the
2 administration and enforcement of this chapter.

3 § 13D03. Temporary regulations.

4 (a) Promulgation.--In order to facilitate the prompt
5 implementation of this chapter, regulations promulgated by the
6 board or commission under this chapter shall be deemed temporary
7 regulations which shall expire not later than two years after
8 the publication of the temporary regulation in the Pennsylvania
9 Bulletin. The board may promulgate temporary regulations not
10 subject to:

11 (1) Sections 201, 202, 203, 204 and 205 of the act of
12 July 31, 1968 (P.L.769, No.240), referred to as the
13 Commonwealth Documents Law.

14 (2) Sections 204(b) and 301(10) of the act of October
15 15, 1980 (P.L.950, No.164), known as the Commonwealth
16 Attorneys Act.

17 (3) The act of June 25, 1982 (P.L.633, No.181), known as
18 the Regulatory Review Act.

19 (b) Expiration.--The authority of the board and the
20 commission to adopt temporary regulations under subsection (a)
21 shall expire two years after the effective date of this section.
22 Regulations adopted after this period shall be promulgated as
23 provided by law.

24 (c) Temporary regulations.--The board, in consultation with
25 the commission, shall begin publishing temporary regulations
26 governing placement and operation of slot machines at nonprimary
27 locations in the Pennsylvania Bulletin within 60 days of the
28 effective date of this section.

29 SUBCHAPTER B

30 CATEGORY 1 LICENSED GAMING ENTITIES

31 AND NONPRIMARY LOCATIONS

32 Sec.

33 13D07. Category 1 licensed gaming entity and operation of slot
34 machines at nonprimary locations.

35 § 13D07. Category 1 licensed gaming entity and operation of
36 slot machines at nonprimary locations.

37 (a) Requirements.--

38 (1) Each Category 1 licensed gaming entity referred to
39 under section 13D02 (relating to authority to place slot
40 machines at nonprimary locations) and is authorized to hold
41 horse race meetings at a racetrack at which more than one
42 license is authorized may be granted approval to place and
43 make slot machines available for play at four nonprimary
44 locations, if the board, in consultation with the commission,
45 determines that a nonprimary location newly proposed or
46 approved by the commission in accordance with 3 Pa.C.S. Ch.
47 93 (relating to race horse industry reform) and regulations
48 of the commission will benefit economic development,
49 employment, tourism, the race horse industry and result in
50 enhanced revenues to the Commonwealth and the municipality
51 where the newly proposed or approved nonprimary location will

1 be or is situated.

2 (2) Each Category 1 licensed gaming entity under section
3 13D02 that is authorized to hold horse race meetings at a
4 racetrack at which only one license is authorized may be
5 granted approval to place and make slot machines available
6 for play at four nonprimary locations, if the board, in
7 consultation with the commission, determines that a
8 nonprimary location newly proposed or approved by the
9 commission in accordance with 3 Pa.C.S. Ch. 93 and
10 regulations of the commission will benefit economic
11 development, employment, tourism, the race horse industry and
12 result in enhanced revenues to the Commonwealth and the
13 municipality where the newly proposed or approved nonprimary
14 location will be or is situated.

15 (3) No Category 1 licensed gaming entity referred to
16 under section 13D02(a), may place and make slot machines
17 available for play at any nonprimary location that is within
18 the primary market area of another licensed racing entity,
19 regardless of whether the licensed racing entity is
20 authorized to conduct horse race meetings or harness horse
21 race meetings, or both, at the racetrack.

22 (4) No Category 1 licensed gaming entity referred to
23 under section 13D02(a), may place and make slot machines
24 available for play at a nonprimary location that is located
25 within the primary market area of another licensed facility
26 or another nonprimary location.

27 (5) A nonprimary location may be located within the
28 primary market area of a licensed facility if the Category 1
29 licensed gaming entity owns the nonprimary location, the
30 licensed gaming entity enters into an agreement with the
31 affected licensed gaming entity or entities and the agreement
32 is filed with the commission and the board.

33 (6) A Category 1 licensed gaming entity that places and
34 makes slot machines available for play at a nonprimary
35 location shall be subject to the requirements of section
36 1303(a), (b) and (d) (relating to additional Category 1 slot
37 machine license requirements).

38 (b) Existing and newly established nonprimary locations.--
39 Notwithstanding any provision of 3 Pa.C.S. Ch. 93 or any other
40 law or regulation to the contrary:

41 (1) A licensed racing entity that operated nonprimary
42 locations prior to the effective date of this section shall
43 not be prohibited from reopening a previously closed
44 nonprimary location or relocating an existing nonprimary
45 location in order to place and make slot machines available
46 for play in a reopened or relocated nonprimary location,
47 Provided, that, the previously closed or relocated nonprimary
48 location is approved by the commission in accordance with 3
49 Pa.C.S. Ch. 93 and regulations adopted by the commission
50 pursuant to 3 Pa.C.S. Ch. 93 and complies with the location
51 requirements specified in subsection (a)(3), (4) and (5).

1 (2) A licensed racing entity may establish a new
2 nonprimary location in accordance with 3 Pa.C.S. Ch. 93 and
3 regulations of the commission in order to place and make slot
4 machines available for play and operate race horse
5 simulcasting, Provided, that, the new nonprimary location is
6 approved by the commission in accordance with 3 Pa.C.S. Ch.
7 93 and regulations adopted by the commission pursuant to 3
8 Pa.C.S. Ch. 93 and complies with the location requirements
9 set forth in subsection (a)(3), (4) and (5).

10 (c) Permissible number of slot machines.--

11 (1) Notwithstanding section 1210 (relating to number of
12 slot machines), a Category 1 licensed gaming entity, upon
13 approval of the board and remittance of the fee under section
14 13D17 (relating to nonprimary location permit fee), may place
15 and make available for play no more than 250 slot machines at
16 a nonprimary location.

17 (2) The permissible number of slot machines that may be
18 placed and made available for play at a nonprimary location
19 under this subsection shall not be included in the complement
20 of slot machines authorized for a category 1 licensed
21 facility under section 1210.

22 (3) In determining the permissible number of slot
23 machines that may be placed at a nonprimary location in
24 accordance with this subsection, the board shall consider the
25 appropriateness of the physical space of the nonprimary
26 location where the slot machines will be placed and the
27 convenience of the public patronizing the nonprimary
28 location. The board may also consider the potential benefit
29 to economic development, employment, tourism, the race horse
30 industry and enhanced revenues to the Commonwealth and the
31 municipality where the nonprimary location is situated.

32 SUBCHAPTER C

33 APPLICATION AND ISSUANCE OF 34 NONPRIMARY LOCATION PERMIT

35 Sec.

36 13D11. Application for nonprimary location permit.

37 13D12. Issuance and terms of nonprimary location permit.

38 13D13. Confidentiality.

39 13D14. Key employees and occupation permits.

40 § 13D11. Application for nonprimary location permit.

41 (a) Application.--An application for a nonprimary location
42 permit to place and make slot machines available for play at a
43 nonprimary location must be submitted on a form and in a manner
44 as required by the board. In reviewing and approving each
45 application, the board shall:

46 (1) Ensure that the proposed location of the nonprimary
47 location is approved by the commission in accordance with
48 section 13D07 (relating to Category 1 licensed gaming entity
49 and operation of slot machines at nonprimary locations) and
50 complies with the location requirements specified in section
51 13D07(a)(3), (4) and (5).

1 (2) Confirm that the nonprimary location permit fee
2 under section 13D17 (relating to nonprimary location permit
3 fee) has been paid or will be paid in accordance with section
4 13D17.

5 (b) Required information.--An application for a nonprimary
6 location permit shall include, at a minimum:

7 (1) The name of the Category 1 slot machine licensee and
8 the licensed racing entity and location of the existing
9 nonprimary location, if any, or the location of any proposed
10 relocated or new nonprimary location approved by the
11 commission.

12 (2) The name, address and current photograph of the
13 applicant and of all directors and owners and key employees
14 and their positions within the licensed racing entity, if
15 required by the board.

16 (3) The proposed location of the slot machine area or
17 areas in the nonprimary location, if known.

18 (4) Detailed site and architectural plans of the
19 proposed area or areas within the nonprimary location where
20 slot machines will be placed and made available for play.

21 (5) The number of slot machines requested.

22 (6) The current status of the licensed racing entity's
23 horse racing license, if required by the board.

24 (7) The current status of the slot machine license
25 issued under this part, if required by the board.

26 (8) The details of any loan or other financing obtained
27 or that will be obtained to fund an expansion, modification
28 or construction project at an existing nonprimary location, a
29 relocated nonprimary location or a proposed or newly approved
30 nonprimary location to accommodate slot machines at the
31 nonprimary location.

32 (9) The consent to conduct a background investigation by
33 the bureau, the scope of which investigation shall be
34 determined by the bureau at its discretion consistent with
35 the provisions of this part, and a release signed by all
36 persons subject to the investigation of all information
37 required to complete the investigation, if the bureau, at its
38 discretion, determines that a background investigation is
39 necessary under this chapter.

40 (10) Other information determined to be necessary and
41 appropriate by the board.

42 § 13D12. Issuance and terms of nonprimary location permit.

43 (a) Issuance of permit.--Upon approval of an application for
44 a nonprimary location permit and payment of the nonprimary
45 location permit fee under section 13D17 (relating to nonprimary
46 location permit fee), the board shall issue a nonprimary
47 location permit to a category 1 licensed gaming entity
48 authorizing the Category 1 licensed gaming entity to place and
49 make slot machines available for play at a nonprimary location.

50 (b) Terms of permit.--A nonprimary location permit approved
51 and issued by the board in accordance with subsection (a) shall

1 be in effect unless suspended or revoked by the board upon good
2 cause consistent with the requirements of this part, regulations
3 promulgated under this part or regulations of the commission.

4 (c) Notification of change in status.--Nothing in this
5 section shall be construed to relieve a nonprimary location
6 permit holder of the affirmative duty to notify the board of any
7 change relating to the status of its nonprimary location permit,
8 its horse racing license or to other information contained in
9 the application materials on file with the board.

10 § 13D13. Confidentiality.

11 Information submitted to the board under section 13D11
12 (relating to application for nonprimary location permit) may be
13 considered confidential by the board if the information would be
14 confidential under section 1206(f) (relating to board minutes
15 and records).

16 § 13D14. Key employees and occupation permits.

17 Nothing in this subchapter shall be construed to require an
18 individual who holds a principal license, a key employee license
19 or gaming employee license under Chapters 13 (relating to
20 licensees) and 13A (relating to table games) or who holds a
21 license, permit or registration under 3 Pa.C.S. Ch. 93 (relating
22 to race horse industry reform) to obtain a separate license,
23 permit or registration to be employed in a slot machine
24 licensee's slot machine operation at a nonprimary location under
25 this chapter, if the board determines, in consultation with the
26 commission, that licensure under the provisions of this part or
27 3 Pa.C.S. Ch. 93 is sufficient and will not compromise the
28 integrity of the operation of slot machines at nonprimary
29 locations.

30 SUBCHAPTER D
31 FEES AND TAXES

32 Sec.

33 13D17. Nonprimary location permit fee.

34 13D18. Nonprimary location taxes, imposition, deposits and
35 distributions.

36 13D19. Local share.

37 § 13D17. Nonprimary location permit fee.

38 (a) Amount of fee.--At the time a nonprimary location permit
39 is issued under section 13D12(a) (relating to issuance and terms
40 of nonprimary location permit), the board shall impose a one-
41 time fee of \$5,000,000 to be paid by the Category 1 licensed
42 gaming entity for each nonprimary location where it will place
43 and make slot machines available for play.

44 (b) Renewal fee not required.--A nonprimary location permit
45 shall not be subject to renewal or payment of a nonprimary
46 location permit renewal fee.

47 (c) Deposit of fee into General Fund.--Notwithstanding
48 section 1208 (relating to collection of fees and fines), all
49 nonprimary location permit fees and penalties collected by the
50 board under this section shall be deposited in the General Fund.

51 § 13D18. Nonprimary location taxes, imposition, deposits and

1 distributions.

2 (a) Tax and assessment.--The department shall determine and
3 each nonprimary location permit holder shall pay on a weekly
4 basis:

5 (1) A tax of 50% from its gross terminal revenue from
6 the slot machines in operation at the nonprimary location
7 permit holder's nonprimary location.

8 (2) A 4% local share assessment from the nonprimary
9 location permit holder's gross terminal revenue from the slot
10 machines in operation at its nonprimary location.

11 (b) Deposit.--The department shall deposit the tax imposed
12 and assessment under subsection (a) into the General Fund. From
13 the local share assessment established under subsection (a), the
14 department shall make distributions among the counties and
15 municipalities that host nonprimary locations in accordance with
16 section 13D19 (relating to local share).

17 (c) Trust required.--All money owed to the Commonwealth, a
18 county or a municipality under this section shall be held in
19 trust by the licensed racing entity or licensed gaming entity
20 for the Commonwealth, county or municipality until all funds are
21 deposited with and distributed by the department in accordance
22 with this chapter.

23 (d) Applicability.--Chapter 14 (relating to revenues) shall
24 not apply to slot machines operated at nonprimary locations in
25 accordance with this chapter.

26 § 13D19. Local share.

27 (a) Distribution.--

28 (1) Subject to the limitation under subsection (b), the
29 department shall distribute, in a manner and according to a
30 schedule adopted by the department, to each municipality 2%
31 of the gross terminal revenue of slot machines operating at a
32 nonprimary location within the municipality.

33 (2) The department shall on a quarterly basis deposit 2%
34 of the gross terminal revenue of slot machines operating at a
35 nonprimary location within the county into a restricted
36 receipts account to be established in the Commonwealth
37 Financing Authority to be used exclusively for grants for
38 projects in the public interest within the host county.

39 (b) Limitation.--The department may not distribute a local
40 share amount to a municipality in excess of 50% of the
41 municipality's total budget for fiscal year 2017, adjusted for
42 inflation in subsequent fiscal years by an amount not to exceed
43 an annual cost-of-living adjustment calculated by applying an
44 upward percentage change in the Consumer Price Index immediately
45 prior to the date the adjustment is due to take effect.

46 (c) Alternate distribution.--Local share amounts not
47 distributed by the department to a municipality due to the
48 limitation established under subsection (b) shall be distributed
49 to the host county in accordance with subsection (a)(2).

50 (d) Use of assessments.--

51 (1) A municipality that receives assessments from the

department under subsection (a) may use the funds for any purpose.

(2) A county that receives assessments from the department under subsection (a) may use the funds as local matching funds for other grants or loans from the Commonwealth.

(e) Reporting.--

(1) In cooperation with the department and the Commonwealth Financing Authority, the Department of Community and Economic Development shall submit an annual report on all distributions of local share assessments to municipalities and counties under this section to the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate, the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives and the chairperson and minority chairperson of the Gaming Oversight Committee of the House of Representatives. The report shall be submitted by August 31, 2018, and by August 31 of each year thereafter.

(2) A municipality or county that receives distributions of local share assessments under this section shall submit information to the Department of Community and Economic Development on a form prepared by the Department of Community and Economic Development that states the amount and use of the funds received in the prior fiscal year. The form shall specify whether the funds received were deposited in the municipality's or county's general fund or committed to a specific project or use.

CHAPTER 13E

(Reserved)

CHAPTER 13F

CASINO SIMULCASTING

Subchapter

A. General Provisions

B. Casino Simulcasting Authorized

C. Application and Issuance of Permit and Establishment of Simulcasting Facility

D. Conduct of Casino Simulcasting

E. Fees and Taxes

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

13F01. Legislative intent and purpose.

13F02. Definitions.

§ 13F01. Legislative intent and purpose.

The General Assembly finds as follows:

(1) The people of this Commonwealth have a vital economic interest in the continued success of this Commonwealth's gaming industry, including the race horse

1 industry. Due to this economic interest, enhancements to
2 current gaming activities must be authorized to ensure the
3 ongoing competitiveness, viability and stability of the
4 gaming industry in this Commonwealth.

5 (2) A primary intent of the Race Horse Development and
6 Gaming Act, as codified in this part, is to enhance live
7 horse racing. However, the legalization of commercial gaming
8 in states on the geographic borders of this Commonwealth
9 makes it imperative to authorize new and innovative gaming
10 activities related to horse racing and commercial casino-
11 style gaming, which could be implemented by licensed gaming
12 entities, and which could help ensure the viability of both
13 horse racing and commercial gaming.

14 (3) The intent of this chapter is to give licensed
15 gaming entities the authority to conduct casino simulcasting
16 at Category 2 and Category 3 licensed facilities in order to
17 expand horse racing opportunities through simulcasting and,
18 thereby, enhancing the viability of this Commonwealth's race
19 horse and commercial gaming industry.

20 § 13F02. Definitions.

21 The following words and phrases when used in this chapter
22 shall have the meanings given to them in this section unless the
23 context clearly indicates otherwise:

24 "Casino simulcasting." The simultaneous transmission of live
25 thoroughbred or harness horse race meetings from an in-State
26 sending track, out-of-State sending track or a satellite
27 facility, regardless of licensure status or whether the horse
28 race meetings originate within this Commonwealth or any other
29 state or jurisdiction, to a simulcasting facility in this
30 Commonwealth by satellite devices, television cables, telephone
31 lines or any other telecommunications technology for the
32 purposes of conducting pari-mutuel wagering.

33 "Casino simulcasting permit" or "simulcasting permit." A
34 permit awarded by the board under section 13F12 (relating to
35 casino simulcasting permit) which authorizes a licensed gaming
36 entity to conduct casino simulcasting.

37 "Casino simulcasting permit holder." A licensed gaming
38 entity that holds a casino simulcasting permit issued by the
39 board in accordance with section 13F12.

40 "In-State sending track." A racetrack within this
41 Commonwealth which is operated by a licensed racing entity and
42 is permitted to conduct casino simulcasting.

43 "Licensed gaming entity." A person who has been approved for
44 and issued a Category 2 slot machine license or a Category 3
45 slot machine license in accordance with sections 1304 (relating
46 to Category 2 slot machine license), 1305 (relating to Category
47 3 slot machine license) and 1325 (relating to license or permit
48 issuance) and who holds a casino simulcasting permit.

49 "Out-of-State sending track." An interstate or international
50 racetrack in a state or jurisdiction of than this Commonwealth
51 which is equipped to conduct casino simulcasting and the

operator of which is lawfully permitted to conduct horse race meetings and to provide simulcast horse races to slot machine licensees in this Commonwealth.

"Simulcast horse race." A thoroughbred or harness horse race meeting conducted at a racetrack, whether within or outside this Commonwealth, which is simultaneously transmitted by an approved telecommunications technology to racetracks or simulcasting facilities in this Commonwealth in accordance with regulations of the commission.

"Simulcasting facility." An area of a licensed facility established and maintained by a slot machine licensee for the conduct of casino simulcasting in accordance with this chapter, 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and regulations of the board and the commission.

SUBCHAPTER B

CASINO SIMULCASTING AUTHORIZED

Sec.

13F05. Authorization to conduct simulcasting.

13F06. Regulations.

13F07. Temporary regulations.

13F08. Simulcast agreements.

§ 13F05. Authorization to conduct simulcasting.

(a) Authority to conduct.--Notwithstanding any other provision of law or regulation, it shall be lawful for a licensed gaming entity to conduct casino simulcasting or enter into an agreement or agreements with a licensed racing entity or other person for the conduct of casino simulcasting in accordance with the provisions of this chapter, 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and the applicable regulations of the board and the commission promulgated under this chapter.

(b) Administration and enforcement.--The board shall administer and enforce the provisions of this chapter as they relate to the conduct of casino simulcasting by a slot machine licensee and, except as provided in this chapter, shall adopt and promulgate regulations to carry out and enforce the provisions of this chapter.

§ 13F06. Regulations.

(a) Adoption of regulations.--The board, in consultation with the commission, shall adopt and promulgate regulations to govern the conduct of casino simulcasting by licensed gaming entities in this Commonwealth. Such regulations shall establish the following:

(1) The method and form of the application which a licensed gaming entity must follow and complete before consideration of the licensed gaming entity's application to conduct casino simulcasting.

(2) The permissible communications technology which must be used to facilitate the conduct of casino simulcasting in accordance with regulations of the board, the commission and applicable Federal law and regulations.

1 (3) The times during which a licensed gaming entity may
2 conduct casino simulcasting shall be the same as the times
3 authorized for the conduct of casino simulcasting by Category
4 1 slot machine licensees.

5 (4) The approval of the terms and conditions of any
6 agreement between a licensed gaming entity and a licensed
7 racing entity or other person related to the management or
8 operation of casino simulcasting and the pari-mutuel system
9 of wagering, including the percentage of the money retained
10 by a licensed racing entity for pari-mutuel pools which may
11 be distributed to the licensed gaming entity.

12 (5) The required contents of agreements entered into
13 between a licensed gaming entity, a licensed racing entity or
14 other person for the management or operation of casino
15 simulcasting and the pari-mutuel system of wagering.

16 (6) A requirement that wagering on simulcast horse race
17 meetings shall only be conducted within an enclosed location
18 of an authorized licensed gaming entity's licensed facility
19 which has been approved by the board, in consultation with
20 the commission.

21 (7) The standards and rules to govern the conduct of
22 casino simulcasting and the system of pari-mutuel wagering
23 associated with race horse simulcasting.

24 (8) The reporting procedures and records which will be
25 required from a licensed gaming entity to ensure that all
26 money generated from casino simulcasting is accounted for and
27 winners' names, when required under applicable Federal or
28 State law, are filed with the appropriate taxing authorities.

29 (9) Notwithstanding 3 Pa.C.S. § 9340 (relating to
30 prohibition of wagering) or any other provision of law or
31 regulation, the policies and procedures which will be
32 adopted, implemented and followed to ensure that individuals
33 under 21 years of age will be prohibited from participating
34 in casino simulcasting or entering simulcasting areas of
35 licensed facilities.

36 (10) Any other requirements, conditions or controls
37 which the board, in consultation with the commission, deems
38 necessary and appropriate to administer and enforce the
39 provisions of this chapter and to facilitate the
40 implementation of this chapter.

41 (b) Uniform regulation.--In adopting regulations under this
42 chapter, the commission shall cooperate and work with the board
43 to develop uniform regulations to govern the operation of casino
44 simulcasting in this Commonwealth. Except as herein provided,
45 the provisions of this chapter and any regulations promulgated
46 under this chapter shall be considered as establishing uniform
47 requirements and regulations for casino simulcasting at licensed
48 facilities in this Commonwealth.

49 (c) Adoption of existing regulations.--Notwithstanding
50 subsection (b) or any other law or regulation to the contrary,
51 the provisions of 3 Pa.C.S. § 9335 (relating to pari-mutuel pool

distribution) and all regulations and supplements thereto or revisions thereof adopted by the commission under 3 Pa.C.S. § 9335, which relate to the retention of money in pari-mutuel pools and the pari-mutuel system of wagering on, before or after the effective date of this chapter are adopted as regulations under this chapter and shall remain in effect unless subsequently modified or superseded by regulations promulgated by the commission.

§ 13F07. Temporary regulations.

(a) Promulgation.--In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

(1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(b) Expiration.--The authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted by the board and commission after the two-year period shall be promulgated as provided by law.

(c) Publication of temporary regulations.--The board and the commission shall begin publishing temporary regulations governing casino simulcasting in the Pennsylvania Bulletin no later than February 1, 2018.

§ 13F08. Simulcast agreements.

(a) Manner of agreement.--Any agreement entered into between a licensed gaming entity and a licensed racing entity or other person to facilitate casino simulcasting shall be in writing and shall be filed with and approved by the board and the commission in accordance with regulations promulgated by the board in consultation with the commission.

(b) Wager provisions.--Notwithstanding 3 Pa.C.S. § 9334 (relating to State Racing Fund and tax rate) or 9335 (relating to pari-mutuel pool distribution), the following shall apply:

(1) If a licensed gaming entity offers casino simulcasting at its licensed facility through an agreement with a licensed racing entity, the agreement shall specify the percentage of the money wagered each racing day at the casino simulcasting facility and remaining in the wagering pools after the required distributions under 3 Pa.C.S. § 9335, that will be paid to the licensed gaming entity. The amount retained by a licensed gaming entity shall not exceed 25% of the money retained by the licensed racing entity under

1 3 Pa.C.S. § 9335.

2 (2) If a licensed gaming entity chooses to offer casino
3 simulcasting through its own resources or through an
4 agreement with another person, as approved by the board and
5 the commission, the board, in consultation with the
6 commission, shall, through regulation, establish the
7 percentage of money wagered each racing day at the casino
8 simulcasting facility and remaining in the wagering pools
9 after the required distributions under 3 Pa.C.S. § 9334 that
10 will be paid to the licensed gaming entity or other person,
11 provided that the percentage of money to be paid to a
12 licensed gaming entity or other person under this paragraph
13 shall be, if determined appropriate by the board and the
14 commission, the same percentage of money remaining in the
15 wagering pools that is retained by a licensed racing entity
16 in accordance with 3 Pa.C.S. § 9335.

17 (c) Regulations.--The board, in consultation with the
18 commission, shall establish regulations to administer the
19 retention requirements under this section.

20 SUBCHAPTER C

21 APPLICATION AND ISSUANCE OF PERMIT AND
22 ESTABLISHMENT OF SIMULCASTING FACILITY

23 Sec.

24 13F11. Application for permit and requirements.

25 13F12. Casino simulcasting permit.

26 13F13. Casino simulcasting facilities.

27 13F14. License or registration of employees required.

28 13F15. Key employees and occupation permits.

29 § 13F11. Application for permit and requirements.

30 (a) Applications.--A licensed gaming entity shall file an
31 application for a casino simulcasting permit with the board. The
32 application shall include the following:

33 (1) The name, business address and contact information
34 of the applicant.

35 (2) The name and location of the applicant's licensed
36 facility.

37 (3) The name and business address, job title and a
38 photograph of each principal and key employee of the
39 applicant who will be involved in the conduct of casino
40 simulcasting and who is not currently licensed by the board
41 or the commission, if known.

42 (4) The estimated number of full-time and part-time
43 employment positions that will be created at the licensed
44 facility if casino simulcasting is authorized and an updated
45 hiring plan under section 1510(a) (relating to labor hiring
46 preferences) which outlines the applicant's plan to promote
47 the representation of diverse groups and Commonwealth
48 residents in the employment positions.

49 (5) A brief description of the economic benefits
50 expected to be realized by the Commonwealth, the Department
51 of Agriculture and the race horse industry in this

1 Commonwealth if casino simulcasting is authorized at the
2 applicant's licensed facility.

3 (6) The details of any financing, if applicable,
4 obtained or that will be obtained to fund an expansion or
5 modification of the licensed facility to accommodate casino
6 simulcasting or construct a simulcasting facility or to
7 otherwise fund the cost of commencing casino simulcasting
8 operations.

9 (7) Information and documentation concerning financial
10 background and resources, as the board may require, to
11 establish by clear and convincing evidence the financial
12 stability, integrity and responsibility of the applicant.

13 (8) A copy of or a detailed description of the terms and
14 conditions of any agreement or agreements the licensed gaming
15 entity has entered into or will enter into with a licensed
16 corporation or other person to facilitate the conduct of
17 casino simulcasting.

18 (9) A detailed description of any financial arrangements
19 between a licensed gaming entity and a licensed racing entity
20 or other person related to the conduct of casino
21 simulcasting.

22 (10) Detailed site and architectural plans of the
23 proposed simulcasting facility within the applicant's
24 licensed facility.

25 (11) Any other information as the board may require.

26 (b) Review and approval of application.--The board shall
27 review and approve an application for a simulcasting permit if
28 the applicant establishes, by clear and convincing evidence, all
29 of the following:

30 (1) The applicant's slot machine license is in good
31 standing with the board.

32 (2) The conduct of casino simulcasting at the
33 applicant's licensed facility will have a positive economic
34 impact on the Commonwealth and the race horse industry in
35 this Commonwealth through increased revenues, increased
36 purses and employment opportunities.

37 (3) The applicant possesses adequate funds or has
38 secured adequate financing to:

39 (i) Fund any necessary expansion or modification of
40 the applicant's licensed facility or to construct a
41 simulcasting facility to accommodate the conduct of
42 casino simulcasting.

43 (ii) Pay the costs of establishing, maintaining and
44 operating the simulcasting facility.

45 (iii) Commence casino simulcasting operations.

46 (4) The applicant has entered into or will enter into an
47 agreement with a licensed racing entity or other person to
48 manage or operate casino simulcasting operations, and the
49 agreement has been approved by the commission.

50 (5) The applicant has the expertise to manage casino
51 simulcasting.

1 (6) The applicant has the financial stability, integrity
2 and responsibility to conduct casino simulcasting.

3 (7) The applicant has sufficient business ability and
4 experience to create and maintain a successful casino
5 simulcasting operation.

6 (8) The applicant's proposed internal and external
7 security controls and proposed surveillance measures within
8 the area of the licensed facility where the applicant seeks
9 to conduct casino simulcasting are adequate.

10 (c) Confidentiality.--Information submitted to the board
11 under subsection (a)(6), (7) and (8) may be considered
12 confidential by the board if the information would be
13 confidential under section 1206(f) (relating to board minutes
14 and records).

15 § 13F12. Casino simulcasting permit.

16 (a) Issuance of permit.--Upon review and approval of an
17 application submitted to the board in accordance with section
18 13F11 (relating to application for permit and requirements), the
19 board shall issue a casino simulcasting permit to the applicant.

20 (b) Content of permit.--

21 (1) A casino simulcasting permit shall include a list of
22 the horse race meetings which are proposed to be simulcast by
23 the casino simulcasting permit holder at its simulcasting
24 facility, including the names and locations of the in-State
25 sending tracks and out-of-State sending tracks, and the start
26 date and expiration date of any agreement or agreements the
27 permit holder has entered into or will enter into with a
28 licensed racing entity or other person for the operation of
29 casino simulcasting.

30 (2) A casino simulcasting permit holder shall be
31 required to update the initial casino simulcasting
32 application at times prescribed by the board, in consultation
33 with the commission.

34 § 13F13. Casino simulcasting facilities.

35 (a) Establishment of simulcasting facility.--A licensed
36 gaming entity approved for and issued a permit to operate casino
37 simulcasting under this chapter shall establish a simulcasting
38 facility as part of its licensed facility. The simulcasting
39 facility may be adjacent to, but shall not be part of, any room
40 or location in which slot machines or table games are operated
41 or conducted in accordance with the provisions of this part. The
42 following shall apply:

43 (1) The simulcasting facility shall conform to all
44 requirements concerning square footage, equipment, security
45 measures and related matters which the board, in consultation
46 with the commission, shall by regulation prescribe.

47 (2) The space or area required for the establishment of
48 a simulcasting facility shall not be used to decrease the
49 number of slot machines or table games in operation at the
50 licensed facility or to reduce the space approved by the
51 board for the operation of slot machines and the conduct of

1 table games.

2 (3) The cost of establishing, maintaining and operating
3 a simulcasting facility shall be the sole responsibility of
4 the licensed gaming entity.

5 (b) Video display monitors.--Notwithstanding 3 Pa.C.S. Ch.
6 93 (relating to race horse industry reform) or regulations
7 promulgated pursuant to 3 Pa.C.S. Ch. 93, the regulations
8 promulgated by the board shall provide for the installation of
9 video display technology in approved areas of licensed
10 facilities to deliver simulcast horse race meetings to patrons
11 via video walls and other such innovative video display
12 technology. The board may collaborate with the commission in
13 developing regulations to govern the installation and operation
14 of video display monitors in accordance with this subsection.

15 § 13F14. License or registration of employees required.

16 Except as provided in this part, all persons engaged directly
17 in wagering-related activities at a simulcasting facility,
18 whether employed by the licensed gaming entity, licensed racing
19 entity or by a person or entity conducting casino simulcasting
20 in the simulcasting facility under an agreement with the
21 licensed gaming entity and all other employees of the licensed
22 gaming entity, licensed racing entity or of the person or entity
23 conducting casino simulcasting who work or will work in the
24 simulcasting facility, shall be licensed or registered in
25 accordance with regulations promulgated by the board in
26 collaboration with the commission.

27 § 13F15. Key employees and occupation permits.

28 Nothing in this subchapter shall be construed to require any
29 individual who holds a principal license, a key employee license
30 or gaming employee license under Chapters 13 (relating to
31 licensees) and 13A (relating to table games) or who holds a
32 license under 3 Pa.C.S. Ch. 93 (relating to race horse industry
33 reform) to obtain a separate license, permit or registration to
34 be employed in a casino simulcasting permit holder's casino
35 simulcasting operation authorized under this chapter, if the
36 board, in consultation with the commission, determines that
37 licensure under the provisions of this part or 3 Pa.C.S. Ch. 93
38 is sufficient and will not compromise the integrity of casino
39 simulcasting.

40 SUBCHAPTER D

41 CONDUCT OF CASINO SIMULCASTING

42 Sec.

43 13F31. Conduct of casino simulcasting.

44 13F32. Transmission of live races.

45 13F33. Accounting controls and audit protocols.

46 13F34. Condition of continued operation.

47 13F35. Application of Liquor Code.

48 § 13F31. Conduct of casino simulcasting.

49 (a) Wagering.--Wagering on simulcast horse races shall be
50 conducted only in the simulcasting facility.

51 (b) Required security.--

1 (1) The security measures for a simulcasting facility
2 shall include, but may not be limited to, the installation by
3 the licensed gaming entity of a closed-circuit television
4 system according to specifications promulgated by the board,
5 in consultation with the commission.

6 (2) The board and the commission shall have access to
7 the simulcast system or its signal in accordance with
8 regulations promulgated by the board, in consultation with
9 the commission.

10 § 13F32. Transmission of live races.

11 The following shall apply:

12 (1) A licensed racing entity which operates interstate
13 or international simulcasting of horse race meetings in this
14 Commonwealth shall have discretion to transmit all or some of
15 the live races conducted at the racetrack to the licensed
16 facility of a licensed gaming entity which has established a
17 simulcasting facility under this chapter. Any race which is
18 transmitted from an in-State sending track shall be
19 transmitted to all licensed gaming entities which have
20 established simulcasting facilities.

21 (2) A licensed gaming entity which establishes a
22 simulcasting facility and conducts casino simulcasting in
23 accordance with this chapter shall, as a condition of
24 continued operation of casino simulcasting, receive all live
25 races which are transmitted by in-State sending tracks.

26 § 13F33. Accounting controls and audit protocols.

27 (a) Approval.--Prior to the commencement of casino
28 simulcasting, a casino simulcasting permit holder shall submit
29 to the board for approval all proposed site and architectural
30 plans, internal control systems and audit protocols for the
31 permit holder's casino simulcasting operations.

32 (b) Minimum requirements.--A casino simulcasting permit
33 holder's internal controls and audit protocols shall:

34 (1) Provide for reliable records, accounts and reports
35 of any financial event that occurs in the conduct of casino
36 simulcasting, including reports to the board and commission
37 related to casino simulcasting, as may be required by
38 regulation of the board, in consultation with the commission.

39 (2) Provide for accurate and reliable financial records
40 related to the conduct of casino simulcasting and the pari-
41 mutuel system of wagering.

42 (3) Establish procedures and security for the counting,
43 recording and storage of money generated from the conduct of
44 casino simulcasting.

45 (4) Establish procedures and security standards for the
46 maintenance of telecommunications equipment and video display
47 technology used in connection with the conduct of casino
48 simulcasting.

49 (5) Establish procedures and rules to govern the conduct
50 of casino simulcasting and the responsibility of employees
51 related to casino simulcasting.

1 (6) Establish procedures for the collection, recording
2 and deposit of revenue from the conduct of casino
3 simulcasting, including the roles of the commission, the
4 department, licensed racing entities and licensed gaming
5 entities in the collection and recording of the revenue.

6 (7) Ensure that the system of pari-mutuel wagering used
7 in the conduct of casino simulcasting is in accordance with 3
8 Pa.C.S. Ch. 93 (relating to race horse industry reform) and
9 regulations of the commission promulgated under 3 Pa.C.S.
10 (relating to agriculture).

11 (8) Ensure, in consultation with the commission, the
12 proper and timely accounting for and retention of percentages
13 for pari-mutuel pools and the proper and timely distribution
14 of money in any pari-mutuel pool generated from casino
15 simulcasting.

16 (9) Ensure that all functions, duties and
17 responsibilities related to casino simulcasting are
18 appropriately segregated and performed in accordance with
19 sound financial practices by qualified employees.

20 (10) Permit use of its casino simulcasting facility by
21 the board, the bureau, the commission and other persons
22 authorized under this part or by the board and the commission
23 to facilitate their ability to perform regulatory and
24 oversight functions under this chapter.

25 (c) Submission to board.--The submission required under
26 subsection (a) shall include a detailed description of the
27 casino simulcasting permit holder's administrative and
28 accounting procedures related to casino simulcasting, including
29 its written system of internal controls. Each written system of
30 internal controls shall include:

31 (1) An organizational chart depicting appropriate
32 functions and responsibilities of employees involved in
33 casino simulcasting.

34 (2) A description of the duties and responsibilities of
35 each position shown on the organizational chart.

36 (3) The record retention policy of the permit holder.

37 (4) The procedure to be utilized to ensure that money
38 generated from the conduct of casino simulcasting is
39 safeguarded, including mandatory counting and recording
40 procedures.

41 (5) A statement signed by the casino simulcasting permit
42 holder's chief financial officer or other competent person
43 attesting that the signatory believes, in good faith, that
44 the system satisfies the requirements of this section.

45 (d) Review.--Prior to authorizing a permit holder to conduct
46 casino simulcasting, the board, in consultation with the
47 commission, shall review the system of internal controls
48 submitted under subsection (c) to determine whether it conforms
49 to the requirements of this subchapter and whether it provides
50 adequate and effective controls for the conduct of casino
51 simulcasting.

1 (e) License or registration of employees required.--Except
2 as provided in section 13F15 (relating to key employees and
3 occupation permits), persons engaged directly in wagering-
4 related activities at a simulcasting facility, whether employed
5 by the licensed gaming entity, a licensed racing entity or by a
6 person or entity conducting casino simulcasting under an
7 agreement with the licensed gaming entity, licensed racing
8 entity and all other employees of the licensed gaming entity or
9 of the person or entity conducting casino simulcasting who work
10 or will work in the simulcasting facility shall be licensed or
11 registered in accordance with regulations promulgated by the
12 board in collaboration with the commission.
13 § 13F34. Condition of continued operation.

14 As a condition of continued operation, a casino simulcasting
15 permit holder shall agree to maintain all books, records and
16 documents pertaining to casino simulcasting in a manner and
17 location within this Commonwealth as approved by the board, in
18 consultation with the commission. All books, records and
19 documents related to casino simulcasting shall:

20 (1) Be organized in a manner to clearly depict by
21 separate record the total amount of money contributed to
22 every pari-mutuel pool in accordance with the applicable
23 provisions of 3 Pa.C.S. Ch. 93 (relating to race horse
24 industry reform) and any regulation promulgated under 3
25 Pa.C.S. Ch. 93.

26 (2) Be segregated by separate accounts within the
27 licensed gaming entity's books, records and documents, except
28 for any books, records or documents that are common to slot
29 machine operations, table game operations and casino
30 simulcasting, as determined by the board in consultation with
31 the commission.

32 (3) Be immediately available for inspection upon request
33 of the board, the commission, the bureau, the department, the
34 Pennsylvania State Police or the Attorney General, or agents
35 thereof, during all hours of operation of the permit holder's
36 simulcasting facility in accordance with regulations
37 promulgated by the board in consultation with the commission.

38 (4) Be maintained for a specific period of time as the
39 board, in consultation with the commission, by regulation,
40 may require.

41 § 13F35. Application of Liquor Code.

42 The provisions of section 493(24)(ii) of the act of April 12,
43 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
44 to casino simulcasting.

45 SUBCHAPTER E
46 FEES AND TAXES

47 Sec.

48 13F41. Casino simulcasting authorization fee.

49 13F42. Retention and distribution of money and pari-mutuel
50 pools.

51 13F43. Casino simulcasting taxes.

1 13F44. Construction.

2 § 13F41. Casino simulcasting authorization fee.

3 A casino simulcasting permit shall not be subject to the
4 payment of an authorization fee, renewal or a renewal fee or the
5 payment of an additional permit fee.

6 § 13F42. Retention and distribution of money and pari-mutuel
7 pools.

8 (a) Wagers included in pari-mutuel pools.--

9 (1) Sums wagered at a simulcasting facility on the
10 results of a simulcast horse race shall be included in the
11 appropriate pari-mutuel pool generated for the race being
12 transmitted in accordance with 3 Pa.C.S. § 9335 (relating to
13 pari-mutuel pool distribution) and shall be distributed in
14 accordance with 3 Pa.C.S. § 9335 or any regulations
15 promulgated under 3 Pa.C.S. § 9335. All remaining money shall
16 be paid to the General Fund.

17 (2) Payments to persons holding winning tickets at a
18 licensed facility shall be made according to the same odds as
19 those generated at the in-State sending track.

20 (3) A person placing a wager on a simulcast horse race
21 at a simulcasting facility shall not be charged a fee for
22 placing the wager in addition to the amount wagered.

23 (b) Computation of money wagered.--All money wagered by
24 players on horse race meetings at a simulcasting facility shall
25 be computed in the amount of money wagered each racing day for
26 purposes of taxation under 3 Pa.C.S. § 9334 (relating to State
27 Racing Fund and tax rate), all thoroughbred races shall be
28 considered a part of a thoroughbred horse race meeting and all
29 harness races shall be considered a part of a harness horse race
30 meeting for purposes of 3 Pa.C.S. § 9334.

31 § 13F43. Casino simulcasting taxes.

32 (a) Imposition.--

33 (1) All licensed gaming entities that conduct casino
34 simulcasting shall pay a tax through the department for
35 credit to the General Fund.

36 (2) The tax imposed on all licensed gaming entities
37 shall be a percentage tax in the amount of 2% of the amount
38 wagered each racing day on casino simulcasting and shall be
39 paid from the money retained by the licensed gaming entity.
40 The tax imposed under this paragraph shall be paid to the
41 department on a form and in the manner prescribed by the
42 department for deposit into the General Fund.

43 (3) The casino simulcasting tax imposed under this
44 section shall be paid to the department by the casino
45 simulcasting permit holder for deposit into the General Fund.

46 (b) Deposits and distributions.--

47 (1) The tax imposed under subsection (a) shall be
48 payable to the department on a weekly basis and shall be
49 based upon the amounts retained by the casino simulcasting
50 permit holder from the amount wagered on casino simulcasting
51 each racing day during the previous week.

1 (2) All money owed to the Commonwealth under this
2 section shall be held in trust for the Commonwealth by the
3 permit holder until the funds are paid to the department.
4 Unless otherwise agreed to by the board, a casino
5 simulcasting permit holder shall establish a separate bank
6 account into which casino simulcasting revenue shall be
7 deposited and maintained until such time as the funds are
8 paid to the department under this section.

9 § 13F44. Construction.

10 Nothing in this chapter and section 1207 (relating to
11 regulatory authority of board), as it relates to casino
12 simulcasting, shall be construed to alter, preempt or otherwise
13 impinge the authority of the commission under 3 Pa.C.S. Ch. 93
14 (relating to race horse industry reform).

15 Section 26. Section 1402(b) of Title 4 is amended to read:
16 § 1402. Gross terminal revenue deductions.

17 * * *

18 (b) [(Reserved).] Assessment limitation.--

19 (1) Beginning July 1, 2017, the assessment rate
20 determined by the department under subsection (a) shall not
21 exceed an amount equal to 1.7% of the slot machine licensee's
22 gross terminal revenue.

23 (2) Beginning July 1, 2018, and each year thereafter,
24 the assessment rate determined by the department under
25 subsection (a) shall not exceed an amount equal to 1.5% of
26 the slot machine licensee's gross terminal revenue.

27 Section 27. Section 1403 of Title 4 is reenacted and amended
28 to read:

29 § 1403. Establishment of State Gaming Fund and net slot machine
30 revenue distribution.

31 (a) Fund established.--There is hereby established the State
32 Gaming Fund within the State Treasury.

33 (b) Slot machine tax.--The department shall determine and
34 each slot machine licensee shall pay a daily tax of 34% from its
35 daily gross terminal revenue from the slot machines in operation
36 at its facility and a local share assessment as provided in
37 subsection (c). All funds owed to the Commonwealth, a county or
38 a municipality under this section shall be held in trust by the
39 licensed gaming entity for the Commonwealth, the county and the
40 municipality until the funds are paid or transferred to the
41 fund. Unless otherwise agreed to by the board, a licensed gaming
42 entity shall establish a separate bank account to maintain
43 gross terminal revenue until such time as the funds are paid or
44 transferred under this section. Moneys in the fund are hereby
45 appropriated to the department on a continuing basis for the
46 purposes set forth in subsection (c).

47 (c) Transfers and distributions.--The department shall:

48 (1) Transfer the slot machine tax and assessment imposed
49 in subsection (b) to the fund.

50 (2) From the local share assessment established in
51 subsection (b), make quarterly distributions among the

counties hosting a licensed facility in accordance with the following schedule:

(i) If the licensed facility is a Category 1 licensed facility that is located at a harness racetrack and the county, including a home rule county, in which the licensed facility is located is:

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class.

(B) A county of the second class: 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

(C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(D) (I) A county of the third class: Except as provided in subclause (II), 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest to municipalities within the county where the licensed facility is located.

(I.1) Priority shall be given to multiyear projects approved or awarded by the Department of Community and Economic Development under subclause (I) on or before the effective date of this subclause.

(I.2) In addition to municipalities that are eligible to receive grant funding under subclause (I), a county redevelopment authority within the county shall also be eligible to receive grant funding to be used exclusively for economic development projects or infrastructure. A county redevelopment authority shall not be eligible to receive more than 10% of the total grant funds awarded.

(I.3) Notwithstanding the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under subclause (I) may be utilized as local matching funds for other grants or loans from the

1 Commonwealth.

2 (II) If a licensed facility is located in
3 one of two counties of the third class where a
4 city of the third class is located in both
5 counties of the third class, the county in which
6 the licensed facility is located shall receive
7 1.2% of the gross terminal revenue to be
8 distributed as follows: 20% to the host city,
9 30% to the host county and 50% to the host county
10 for the purpose of making municipal grants within
11 the county, with priority given to municipalities
12 contiguous to the host city. The county of the
13 third class, which includes a city of the third
14 class that is located in two counties of the
15 third class and is not the host county for the
16 licensed facility, shall receive .8% of the gross
17 terminal revenue to be distributed as follows:
18 60% to a nonhost city of the third class located
19 solely in the nonhost county in which the host
20 city of the third class is also located or 60% to
21 the nonhost city of the third class located both
22 in the host and nonhost counties of the third
23 class, 35% to the nonhost county and 5% to the
24 nonhost county for the purpose of making
25 municipal grants within the county.

26 (E) A county of the fourth class: 2% of the
27 gross terminal revenue from each such licensed
28 facility shall be distributed as follows:

29 (I) The department shall make distributions
30 directly to each municipality within the county,
31 except the host municipality, by using a formula
32 equal to the sum of \$25,000 plus \$10 per resident
33 of the municipality using the most recent
34 population figures provided by the Department of
35 Community and Economic Development, provided,
36 however, that the amount so distributed to any
37 municipality shall not exceed 50% of its total
38 budget for fiscal year 2009 or 2013, whichever is
39 greater, adjusted for inflation in subsequent
40 fiscal years by an amount not to exceed an annual
41 cost-of-living adjustment calculated by applying
42 any upward percentage change in the Consumer
43 Price Index immediately prior to the date the
44 adjustment is due to take effect. Distributions
45 to a municipality in accordance with this
46 subclause shall be deposited into a special fund
47 which shall be established by the municipality.
48 The governing body of the municipality shall have
49 the right to draw upon the special fund for any
50 lawful purpose provided that the municipality
51 identifies the fund as the source of the

1 expenditure. Each municipality shall annually
2 submit a report to the Department of Community
3 and Economic Development detailing the amount and
4 purpose of each expenditure made from the special
5 fund during the prior fiscal year.

6 (II) Any funds not distributed under
7 subclause (I) shall be deposited into a
8 restricted receipts account established in the
9 Department of Community and Economic Development
10 to be used exclusively for grants to the county,
11 to economic development authorities or
12 redevelopment authorities within the county for
13 grants for economic development projects,
14 infrastructure projects, job training, community
15 improvement projects, other projects in the
16 public interest, and necessary and reasonable
17 administrative costs. Notwithstanding the
18 provisions of the act of February 9, 1999 (P.L.1,
19 No.1), known as the Capital Facilities Debt
20 Enabling Act, grants made under this clause may
21 be utilized as local matching funds for other
22 grants or loans from the Commonwealth.

23 (F) Counties of the fifth through eighth
24 classes:

25 (I) Except as set forth in subclause (II),
26 2% of the gross terminal revenue from each such
27 licensed facility shall be deposited into a
28 restricted account established in the Department
29 of Community and Economic Development to be used
30 exclusively for grants to the county.

31 (II) If the licensed facility is located in
32 a second class township in a county of the fifth
33 class, 2% of the gross terminal revenue from the
34 licensed facility shall be distributed as
35 follows:

36 (a) 1% shall be deposited into a
37 restricted receipts account to be established
38 in the Commonwealth Financing Authority to be
39 used exclusively for grants for projects in
40 the public interest to municipalities within
41 the county where the licensed facility is
42 located.

43 (b) 1% shall be distributed to the county
44 for projects in the public interest in the
45 county.

46 (G) Any county not specifically enumerated in
47 clauses (A) through (F), 2% of the gross terminal
48 revenue to the county hosting the licensed facility
49 from each such licensed facility.

50 (ii) If the licensed facility is a Category 1
51 licensed facility and is located at a thoroughbred

1 racetrack and the county in which the licensed facility
2 is located is:

3 (A) A county of the first class: 4% of the
4 gross terminal revenue to the county hosting the
5 licensed facility from each such licensed facility.
6 Notwithstanding any other provision to the contrary,
7 funds from licensed gaming entities located within
8 the county of the first class shall not be
9 distributed outside of a county of the first class.

10 (B) A county of the second class: 2% of the
11 gross terminal revenue to the county hosting the
12 licensed facility from each such licensed facility.

13 (C) A county of the second class A: 1% of the
14 gross terminal revenue to the county hosting the
15 licensed facility from each such licensed facility.
16 An additional 1% of the gross terminal revenue to the
17 county hosting the licensed facility from each such
18 licensed facility for the purpose of municipal grants
19 within the county in which the licensee is located.

20 (D) A county of the third class which is also a
21 home rule county: 1% of the gross terminal revenue
22 to the county hosting the licensed facility from each
23 such licensed facility. An additional 1% of the gross
24 terminal revenue minus the amount contained in
25 clauses (D.1) and (D.2) to the county hosting the
26 licensed facility from each such licensed facility
27 for the purpose of municipal grants within the county
28 in which the licensee is located. Beginning January
29 1, 2018, municipal grants authorized under this
30 clause shall not be awarded through a county economic
31 development or redevelopment authority and shall only
32 be awarded by the county through an official action
33 of the county council and the county executive
34 governing the county of the third class which is also
35 a home rule county. Notwithstanding the provisions of
36 the Capital Facilities Debt Enabling Act, grants made
37 under this clause may be utilized as local matching
38 funds for other grants or loans from the
39 Commonwealth.

40 (D.1) \$500,000 of the gross terminal revenue to
41 a city of the third class with a population of not
42 less than 80,000 located within a county of the third
43 class that is also a home rule county to be used
44 exclusively for police, fire and other emergency
45 services or infrastructure projects. Notwithstanding
46 the provisions of the Capital Facilities Debt
47 Enabling Act, funds distributed under this clause may
48 be utilized as local matching funds for other grants
49 or loans from the Commonwealth.

50 (D.2) \$1,500,000 of the gross terminal revenue
51 annually to a land bank jurisdiction established by a

1 county of the third class which is also a home rule
2 county. Until a land bank jurisdiction is established
3 by a county of the third class which is also a home
4 rule county after the effective date of this
5 subclause, \$1,500,000 to the county redevelopment
6 authority.

7 (D.3) A county of the third class which is not a
8 home rule county: 1% of the gross terminal revenue
9 to the county hosting the licensed facility from each
10 such licensed facility minus amounts in clauses
11 (D.4), (D.5) and (D.6). An additional 1% of the gross
12 terminal revenue to the county hosting the licensed
13 facility from each such licensed facility for the
14 purpose of municipal grants within the county in
15 which the licensee is located. Notwithstanding the
16 provisions of the Capital Facilities Debt Enabling
17 Act, grants made under this clause may be utilized as
18 local matching funds for other grants or loans from
19 the Commonwealth.

20 (D.4) \$220,000 of the gross terminal revenue
21 annually to a contiguous county containing a township
22 that receives a portion of the licensed facility's
23 slot machine operation fee under paragraph (3)(v)(C)
24 for the purpose of municipal grants within the
25 county. Notwithstanding the provisions of the Capital
26 Facilities Debt Enabling Act, grants made under this
27 clause may be utilized as local matching funds for
28 other grants or loans from the Commonwealth.

29 (D.5) \$50,000 of the gross terminal revenue
30 annually to a contiguous county of the fourth class
31 for fire and emergency services and economic
32 development. Notwithstanding the provisions of the
33 Capital Facilities Debt Enabling Act, grants made
34 under this clause may be utilized as local matching
35 funds for other grants or loans from the
36 Commonwealth.

37 (D.6) \$30,000 of the gross terminal revenue
38 annually to a township of the second class with a
39 population between 2,000 and 2,500 as of the 2010
40 decennial census that is contiguous to a township in
41 a county of the fifth class that receives a portion
42 of the licensed facility's slot machine operation fee
43 under paragraph (3)(v)(C).

44 (E) A county of the fourth class: 2% of the
45 gross terminal revenue from each such licensed
46 facility shall be deposited into a restricted account
47 established in the Department of Community and
48 Economic Development to be used exclusively for
49 grants to the county, to economic development
50 authorities or redevelopment authorities within the
51 county for grants for economic development projects,

1 community improvement projects, job training, other
2 projects in the public interest and reasonable
3 administrative costs. Notwithstanding the Capital
4 Facilities Debt Enabling Act, grants made under this
5 clause may be utilized as local matching funds for
6 other grants or loans from the Commonwealth.

7 (F) Counties of the fifth through eighth
8 classes: 2% of the gross terminal revenue from each
9 such licensed facility shall be deposited into a
10 restricted account established in the Department of
11 Community and Economic Development to be used
12 exclusively for grants to the county.

13 (G) Any county not specifically enumerated in
14 clauses (A) through (F), 2% of the gross terminal
15 revenue to the county hosting the licensed facility
16 from each such licensed facility.

17 (iii) If the facility is a Category 2 licensed
18 facility and if the county in which the licensed facility
19 is located is:

20 (A) A county of the first class: 4% of the
21 gross terminal revenue to the county hosting the
22 licensed facility from each such licensed facility.
23 Notwithstanding any other provision to the contrary,
24 funds from licensed gaming entities located within a
25 county of the first class shall not be distributed
26 outside of a county of the first class. The first
27 \$5,000,000 of the total amount distributed annually
28 to the county of the first class shall be distributed
29 to the Philadelphia School District.

30 (B) A county of the second class: 2% of the
31 gross terminal revenue to the county hosting the
32 licensed facility from each such licensed facility.

33 (C) A county of the second class A: 1% of the
34 gross terminal revenue to the county hosting the
35 licensed facility from each such licensed facility.
36 An additional 1% of the gross terminal revenue to the
37 county hosting the licensed facility from each such
38 licensed facility for the purpose of municipal grants
39 within the county in which the licensee is located.

40 (D) A county of the third class: 1% of the
41 gross terminal revenue to the county hosting the
42 licensed facility from each such licensed facility.
43 An additional 1% of the gross terminal revenue to the
44 county hosting the licensed facility from each such
45 licensed facility for the purpose of municipal grants
46 within the county in which the licensee is located.

47 (D.1) If a licensed facility is located in one
48 of two counties of the third class where a city of
49 the third class is located in both counties of the
50 third class, the following shall apply:

51 (I) The county in which the licensed

1 facility is located shall receive 1.2% of the
2 gross terminal revenue to be distributed as
3 follows: [20% to the host city, 30% to the host
4 county and 50% to the host county for the purpose
5 of making municipal grants within the county,
6 with priority given to municipalities contiguous
7 to the host city.]

8 (a) 20% shall be distributed to the host
9 city.

10 (b) 30% shall be distributed to the host
11 county.

12 (c) 50% shall be distributed as follows:

13 (1) Beginning January 1, 2018, the
14 sum of \$250,000 shall be distributed
15 annually for a period of 20 years to a
16 city of the third class located in two
17 counties of the third class for
18 purposes of funding the redevelopment
19 of an existing arts and education
20 center that has professional artist
21 space and studios and is located within
22 the city of the third class that is
23 located in two counties of the third
24 class, and the sum of \$250,000 annually
25 for a period of 20 years to the host
26 county for the purpose of funding the
27 construction of a pool and indoor
28 recreation facility at an existing
29 nonprofit recreation center in a
30 borough with a population between 3,400
31 and 3,800 at the 2010 decennial census.

32 (2) After the distribution under
33 subunit (1), the remaining funds shall
34 be deposited into a restricted receipts
35 account to be established in the
36 Commonwealth Financing Authority for
37 distribution within the host county to
38 be used exclusively for economic
39 development projects, community
40 improvement projects and other projects
41 in the public interest within the host
42 county, with priority given to
43 municipalities contiguous to the host
44 city.

45 (II) The county of the third class, which
46 includes a city of the third class that is
47 located in two counties of the third class and is
48 not the host county for the licensed facility,
49 shall receive .8% of the gross terminal revenue
50 to be distributed as follows: [60% to a nonhost
51 city of the third class located solely in the

1 nonhost county in which the host city of the
2 third class is also located or 60% to the nonhost
3 city of the third class located both in the host
4 and nonhost counties of the third class, 35% to
5 the nonhost county and 5% to the nonhost county
6 for the purpose of making municipal grants within
7 the county.]

8 (a) 60% shall be distributed to a
9 nonhost city of the third class located
10 solely in the nonhost county in which the
11 host city of the third class is also located
12 or 60% to the nonhost city of the third class
13 located both in the host and nonhost counties
14 of the third class.

15 (b) 35% shall be distributed to the
16 nonhost county.

17 (c) 5% shall be deposited into a
18 restricted receipts account to be established
19 in the Commonwealth Financing Authority for
20 distribution within the nonhost county to be
21 used exclusively for economic development
22 projects, community improvement projects and
23 other projects in the public interest within
24 the nonhost county, with priority given to
25 municipalities contiguous to the host city.

26 (E) A county of the fourth class: 2% of the
27 gross terminal revenue from each such licensed
28 facility shall be deposited into a restricted account
29 established in the Department of Community and
30 Economic Development to be used exclusively for
31 grants to the county, to economic development
32 authorities or redevelopment authorities within the
33 county for grants for economic development projects,
34 community improvement projects, job training, other
35 projects in the public interest and reasonable
36 administrative costs. Notwithstanding the Capital
37 Facilities Debt Enabling Act, grants made under this
38 clause may be utilized as local matching funds for
39 other grants or loans from the Commonwealth.

40 (F) Counties of the fifth class: 2% of the
41 gross terminal revenue from each such licensed
42 facility shall be deposited and distributed as
43 follows:

44 (I) One percent to be distributed as
45 follows:

46 (a) Beginning in 2010, the sum of
47 \$2,400,000 annually for a period of 20 years
48 to the county for purposes of funding debt
49 service related to the construction of a
50 community college campus located within the
51 county.

(b) Any funds not distributed under subclause (a) shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within the county for economic development projects, road projects located within a 20-mile radius of the licensed facility and located within the county, community improvement projects and other projects in the public interest within the county. The amount under this subclause includes reasonable administrative costs.

(II) One percent shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within contiguous counties for economic development projects, community improvement projects and other projects in the public interest within contiguous counties. The amount under this subclause includes reasonable administrative costs. A contiguous county that hosts a Category 1 licensed facility shall be ineligible to receive grants under this subclause.

(II.1) Priority shall be given to multiyear projects approved or awarded by the Department of Community and Economic Development under subclause (I)(b) or (II) on or before the effective date of this subclause.

(III) Fifty percent of any revenue required to be transferred under paragraph (3)(v) shall be deposited into the restricted receipts account established under subclause (I)(b), and 50% shall be deposited into the restricted receipts account established under subclause (II). Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(G) Any county not specifically enumerated in clauses [(A)] (B) through (F), 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

(iv) (A) Except as provided in clause (B) or (C), if the facility is a Category 3 licensed facility, 2% of the gross terminal revenue from the licensed facility shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities

1 within the county for grants for economic development
2 projects, community improvement projects and other
3 projects in the public interest.

4 (B) If the facility is a Category 3 licensed
5 facility located in a county of the second class A,
6 2% of the gross terminal revenue [from the licensed
7 facility shall be deposited into a restricted
8 receipts account to be established in the
9 Commonwealth Financing Authority to be used
10 exclusively for grants or guarantees for projects in
11 the host county that qualify under 64 Pa.C.S. §§ 1551
12 (relating to Business in Our Sites Program), 1556
13 (relating to Tax Increment Financing Guarantee
14 Program) and 1558 (relating to Water Supply and
15 Wastewater Infrastructure Program).] to the county
16 hosting the licensed facility from each such licensed
17 facility shall be deposited as follows:

18 (I) Seventy-five percent shall be deposited
19 for the purpose of supporting the maintenance and
20 refurbishment of the parks and heritage sites
21 throughout the county in which the licensed
22 facility is located.

23 (II) Twelve and one-half percent shall be
24 deposited for the purpose of supporting a child
25 advocacy center located within the county in
26 which the licensed facility is located.

27 (III) Twelve and one-half percent shall be
28 deposited for the purpose of supporting an
29 organization providing comprehensive support
30 services to victims of domestic violence,
31 including legal and medical aid, shelters,
32 transitional housing and counseling located
33 within the county in which the licensed facility
34 is located.

35 (C) If the facility is a Category 3 licensed
36 facility located in a county of the fifth class that
37 is contiguous to a county of the seventh class, 2% of
38 the gross terminal revenue from the licensed facility
39 shall be deposited into a restricted receipts account
40 to be established in the Commonwealth Financing
41 Authority to be used exclusively for grants within
42 the county for economic development projects,
43 infrastructure projects, community improvement
44 projects and other projects in the public interest
45 within the county and for infrastructure projects
46 within a 20-mile radius of the licensed facility in a
47 contiguous county of the seventh class.

48 (v) Unless otherwise specified, for the purposes of
49 this paragraph money designated for municipal grants
50 within a county, other than a county of the first class,
51 in which a licensed facility is located shall be used to

1 fund grants to the municipality in which the licensed
2 facility is located, to the county in which the licensed
3 facility is located and to the municipalities which are
4 contiguous to the municipality in which the licensed
5 facility is located and which are located within the
6 county in which the licensed facility is located. Grants
7 shall be administered by the county through its economic
8 development or redevelopment authority in which the
9 licensed facility is located. Grants shall be used to
10 fund the costs of human services, infrastructure
11 improvements, facilities, emergency services, health and
12 public safety expenses associated with licensed facility
13 operations. If at the end of a fiscal year uncommitted
14 funds exist, the county shall pay to the economic
15 development or redevelopment authority of the county in
16 which the licensed facility is located the uncommitted
17 funds.

18 (vi) If the licensed facility is located in more
19 than one county, the amount available shall be
20 distributed on a pro rata basis determined by the
21 percentage of acreage located in each county to the total
22 acreage of all counties occupied by the licensed
23 facility.

24 (vii) The distributions provided in this paragraph
25 shall be based upon county classifications in effect on
26 the effective date of this section. Any reclassification
27 of counties as a result of a Federal decennial census or
28 of a State statute shall not apply to this subparagraph.

29 (viii) If any provision of this paragraph is found
30 to be unenforceable for any reason, the distribution
31 provided for in the unenforceable provision shall be made
32 to the county in which the licensed facility is located
33 for the purposes of grants to municipalities in that
34 county, including municipal grants as specified in
35 subparagraph (v).

36 (ix) Nothing in this paragraph shall prevent any of
37 the above counties which directly receive a distribution
38 under this section from entering into intergovernmental
39 cooperative agreements with other jurisdictions for
40 sharing this money.

41 (3) From [the local share assessment established in
42 subsection (b)] the slot machine operation fees deposited
43 into the fund under section 1326.1(d) (relating to slot
44 machine license operation fee), make quarterly distributions
45 among the municipalities, including home rule municipalities,
46 hosting a licensed facility in accordance with the following
47 schedule:

48 (i) To a city of the second class hosting a licensed
49 facility, other than a Category 3 licensed facility, [2%
50 of the gross terminal revenue or] \$10,000,000 annually[,
51 whichever is greater, shall be paid by each licensed

1 gaming entity operating a facility located in that city.
2 In the event that the revenues generated by the 2% do not
3 meet the \$10,000,000 minimum specified in this
4 subparagraph, the department shall collect the remainder
5 of the minimum amount of \$10,000,000 from each licensed
6 gaming entity operating a facility in the city and
7 deposit that amount in the city treasury.] shall be
8 distributed to the city treasury.

9 (ii) To a city of the second class A hosting a
10 licensed facility, other than a Category 3 licensed
11 facility, [2% of the gross terminal revenue or
12 \$10,000,000 annually, whichever is greater, shall be paid
13 by each licensed entity operating a licensed facility
14 located in that city] \$10,000,000 annually shall be
15 distributed to the city, subject, however, to the
16 budgetary limitation in this subparagraph. The amount
17 allocated to the designated municipalities shall not
18 exceed 50% of their total budget for fiscal year 2003-
19 2004, adjusted for inflation in subsequent years by an
20 amount not to exceed an annual cost-of-living adjustment
21 calculated by applying the percentage change in the
22 Consumer Price Index immediately prior to the date the
23 adjustment is due to take effect. Any remaining moneys
24 shall be [collected by the department from each licensed
25 gaming entity and] distributed in accordance with
26 paragraph (2) based upon the classification of county
27 where the licensed facility is located. [In the event
28 that the revenues generated by the 2% do not meet the
29 \$10,000,000 minimum specified in this subparagraph, the
30 department shall collect the remainder of the minimum
31 amount of \$10,000,000 from each licensed gaming entity
32 operating a facility in the city, pay any balance due to
33 the city and transfer any remainder in accordance with
34 paragraph (2).]

35 (iii) To a city of the third class hosting a
36 licensed facility, other than a Category 3 licensed
37 facility, [2% of the gross terminal revenue or
38 \$10,000,000 annually, whichever is greater, shall be paid
39 by each licensed gaming entity operating a licensed
40 facility located in that city] \$10,000,000 annually, less
41 any amount up to \$5,000,000 received pursuant to a
42 written agreement with a licensed gaming entity executed
43 prior to the effective date of this part, shall be
44 distributed to the city, subject, however, to the
45 budgetary limitation in this subparagraph. In the event
46 that the city has a written agreement with a licensed
47 gaming entity executed prior to the effective date of
48 this part, the amount paid under the agreement to the
49 city shall be applied and credited [to the difference
50 between 2% of the gross terminal revenue and the
51 \$10,000,000 owed under this subparagraph if the 2% of the

gross terminal revenue is less than \$10,000,000. If 2% of the gross terminal revenue is greater than the \$10,000,000 required to be paid under this subparagraph, the credit shall not apply. The amount of gross terminal revenue required to be paid pursuant to the agreement shall be deemed to be gross terminal revenue for purposes of this subparagraph.], up to \$5,000,000, to the slot machine license operation fee owed under section 1326.1.

The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining moneys shall be [collected by the department from each licensed gaming entity and] distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located. [In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the department shall collect the remainder of the minimum amount of \$10,000,000 from each licensed gaming entity operating a facility, pay any balance due to the city of the third class and transfer any remainder in accordance with paragraph (2).]

(iii.1) If a licensed facility, other than a Category 3 licensed facility, is located in a city of the third class and the city is located in more than one county of the third class, [2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater,] \$10,000,000 annually shall be distributed as follows: 80% to the host city and 20% to the city of the third class located solely in a nonhost county in which the host city of the third class is also located. If a licensed facility, other than a Category 3 licensed facility, is located in a city of the third class and that city is located solely in a host county of the third class in which a nonhost city of the third class is also located[, 2% of gross terminal revenue or \$10,000,000 annually, whichever is greater], \$10,000,000 annually shall be distributed as follows: 80% to the host city and 20% to a city of the third class located both in a nonhost county of the third class and in a host county of the third class in which the host city of the third class is located.

(iv) To a township of the first class hosting a licensed facility, other than a Category 3 licensed facility, [2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, shall be paid by each licensed gaming entity operating a licensed

1 facility located in the township] \$10,000,000 annually
2 shall be distributed to the township, subject, however,
3 to the budgetary limitation in this subparagraph. The
4 amount allocated to the designated municipalities shall
5 not exceed 50% of their total budget for fiscal year
6 2003-2004, adjusted for inflation in subsequent years by
7 an amount not to exceed an annual cost-of-living
8 adjustment calculated by applying the percentage change
9 in the Consumer Price Index immediately prior to the date
10 the adjustment is due to take effect. Any remaining money
11 shall be [collected by the department from each licensed
12 gaming entity and] distributed in accordance with
13 paragraph (2) based upon the classification of county
14 where the licensed facility is located. [In the event
15 that the revenues generated by the 2% do not meet the
16 \$10,000,000 minimum specified in this subparagraph, the
17 department shall collect the remainder of the minimum
18 amount of \$10,000,000 from each licensed gaming entity
19 operating a licensed facility in the township, pay any
20 balance due to the township and transfer any remainder in
21 accordance with paragraph (2).]

22 (v) To a township of the second class hosting a
23 licensed facility:

24 (A) [2% of the gross terminal revenue or
25 \$10,000,000 annually, whichever is greater, shall be
26 paid by each licensed gaming entity operating a
27 licensed facility, other than a Category 3 licensed
28 facility or a licensed facility owning land adjacent
29 to the licensed facility located in more than one
30 township of the second class,] \$10,000,000 annually
31 shall be distributed to the township of the second
32 class hosting [the] a licensed facility, other than a
33 Category 3 licensed facility or a licensed facility
34 located in more than one township of the second
35 class, subject, however, to the budgetary limitation
36 in this subparagraph. The amount allocated to the
37 designated municipalities shall not exceed 50% of
38 their total budget for fiscal year 2003-2004,
39 adjusted for inflation in subsequent years by an
40 amount not to exceed an annual cost-of-living
41 adjustment calculated by applying the percentage
42 change in the Consumer Price Index immediately prior
43 to the date the adjustment is due to take effect. Any
44 remaining money shall be [collected by the department
45 from each licensed gaming entity and] distributed in
46 accordance with paragraph (2) based upon the
47 classification of county where the licensed facility
48 is located. [If revenues generated by the 2% do not
49 meet the \$10,000,000 minimum specified in this
50 subparagraph, the department shall collect the
51 remainder of the minimum amount of \$10,000,000 from

1 each licensed gaming entity operating a licensed
2 facility in the township, pay any balance due to the
3 township and transfer any remainder in accordance
4 with paragraph (2).]

5 (B) [2% of the gross terminal revenue or
6 \$10,000,000 annually, whichever is greater,]
7 \$10,000,000 annually, less the amount paid under
8 clause (C), shall be [paid by each licensed gaming
9 entity operating a licensed facility and owning land
10 adjacent to the licensed facility located in more
11 than one township of the second class, other than a
12 Category 3 licensed facility,] distributed to the
13 township of the second class hosting [the] a licensed
14 facility which owns land adjacent to the licensed
15 facility located in more than one township of the
16 second class, other than a Category 3 licensed
17 facility, subject, however, to the budgetary
18 limitation in this subparagraph. The amount allocated
19 to the designated municipalities may not exceed 50%
20 of their total budget for the fiscal year 2003-2004,
21 adjusted for inflation in subsequent years by an
22 amount not to exceed an annual cost-of-living
23 adjustment calculated by applying the percentage
24 change in the Consumer Price Index immediately prior
25 to the date the adjustment is due to take effect. Any
26 remaining money shall be [collected by the department
27 from each licensed gaming entity and] distributed in
28 accordance with paragraph (2) based upon the
29 classification of the county where the licensed
30 facility is located. The county commissioners of a
31 county of the third class in which the licensed
32 facility is located shall appoint an advisory
33 committee for the purpose of advising the county as
34 to the need for municipal grants for health, safety,
35 transportation and other projects in the public
36 interest to be comprised of two individuals from the
37 host municipality, two from contiguous municipalities
38 within the county of the third class and one from the
39 host county. [In the event that the revenues
40 generated by the 2% do not meet the \$10,000,000
41 minimum specified in this subparagraph, the
42 department shall collect the remainder of the minimum
43 amount of \$10,000,000 from each licensed gaming
44 entity operating a licensed facility in the township,
45 pay any balance due to the township and transfer any
46 remainder in accordance with paragraph (2).]

47 (C) [\$160,000 annually shall be paid by each
48 licensed gaming entity operating a licensed facility
49 and owning land adjacent to the licensed facility
50 located in more than one township of the second
51 class, other than a Category 3 licensed facility, to

1 the township of the second class that is located in a
2 county of the fifth class in which the adjacent land
3 is located, including racetracks, grazing fields or
4 any other adjoining real property.] For land owned by
5 a licensed gaming entity, other than a Category 3
6 licensed facility, and located in more than one
7 township of the second class: \$160,000 shall be
8 distributed annually to the township of the second
9 class which is located in a county of the fifth class
10 if the land owned, including racetracks, grazing
11 fields and other adjoining real property, is adjacent
12 to the licensed facility.

13 (vi) To a borough hosting a licensed facility, other
14 than a Category 3 licensed facility, [2% of the gross
15 terminal revenue or \$10,000,000 annually, whichever is
16 greater, shall be paid by each licensed gaming entity
17 operating a licensed facility located in that borough,]
18 \$10,000,000 annually shall be distributed to the borough,
19 subject, however, to the budgetary limitation in this
20 subparagraph. The amount allocated to the designated
21 municipalities shall not exceed 50% of their total budget
22 for fiscal year 2003-2004, adjusted for inflation in
23 subsequent years by an amount not to exceed an annual
24 cost-of-living adjustment calculated by applying the
25 percentage change in the Consumer Price Index immediately
26 prior to the date the adjustment is due to take effect.
27 Any remaining money shall be [collected by the department
28 from each licensed gaming entity and] distributed in
29 accordance with paragraph (2) based upon the
30 classification of county where the licensed facility is
31 located. [In the event that the revenues generated by the
32 2% do not meet the \$10,000,000 minimum specified in this
33 subparagraph, the department shall collect the remainder
34 of the minimum amount of \$10,000,000 from each licensed
35 gaming entity operating a licensed facility in the
36 borough, pay any balance due to the borough and transfer
37 any remainder in accordance with paragraph (2).]

38 (vii) To an incorporated town hosting a licensed
39 facility, other than a Category 3 licensed facility, [2%
40 of the gross terminal revenue or \$10,000,000 annually,
41 whichever is greater, shall be paid by each licensed
42 entity operating a licensed facility located in the
43 town,] \$10,000,000 annually shall be distributed to the
44 incorporated town, subject, however, to the budgetary
45 limitation in this subparagraph. The amount allocated to
46 the designated municipalities shall not exceed 50% of
47 their total budget for fiscal year 2003-2004, adjusted
48 for inflation in subsequent years by an amount not to
49 exceed an annual cost-of-living adjustment calculated by
50 applying the percentage change in the Consumer Price
51 Index immediately prior to the date the adjustment is due

1 to take effect. Any remaining money shall be [collected
2 by the department from each licensed gaming entity and]
3 distributed in accordance with paragraph (2) based upon
4 the classification of county where the licensed facility
5 is located. [In the event that the revenues generated by
6 the 2% do not meet the \$10,000,000 minimum specified in
7 this subparagraph, the department shall collect the
8 remainder of the minimum amount of \$10,000,000 from each
9 licensed gaming entity operating a licensed facility in
10 the incorporated town, pay any balance due to the town
11 and transfer any remainder in accordance with paragraph
12 (2).

13 (viii) (A) Except as provided in clause (B) or (C),
14 to a municipality of any class hosting a Category 3
15 facility, 2% of the gross terminal revenue from the
16 Category 3 licensed facility located in the
17 municipality, subject, however, to the budgetary
18 limitation in this clause. The amount allocated to
19 the designated municipalities shall not exceed 50% of
20 their total budget for fiscal year 2009, adjusted for
21 inflation in subsequent years by an amount not to
22 exceed an annual cost-of-living adjustment calculated
23 by applying the percentage change in the Consumer
24 Price Index immediately prior to the date the
25 adjustment is due to take effect. Any remaining money
26 shall be collected by the department from each
27 licensed gaming entity and distributed in accordance
28 with paragraph (2) based upon the classification of
29 county where the licensed facility is located.

30 (B) If the municipality hosting a Category 3
31 licensed facility is a borough located in a county of
32 the third class and the borough is contiguous to a
33 city of the third class, 1% of gross terminal revenue
34 shall be distributed to the host borough and 1% of
35 gross terminal revenue shall be distributed to the
36 city of the third class that is contiguous to the
37 host borough, subject, however, to the budgetary
38 limitation in this clause. The amount allocated to
39 each designated municipality shall not exceed 50% of
40 its total budget for fiscal year 2009, adjusted for
41 inflation in subsequent years by an amount not to
42 exceed an annual cost-of-living adjustment calculated
43 by applying the percentage increase, if any, in the
44 Consumer Price Index immediately prior to the date
45 the adjustment is due to take effect. Any remaining
46 money shall be collected by the department from each
47 licensed gaming entity and distributed in accordance
48 with paragraph (2) based upon the classification of
49 county where the licensed facility is located.

50 (C) If the municipality hosting a Category 3
51 licensed facility is a township of the second class

1 in a county of the fifth class which is contiguous to
2 a county of the seventh class, 2% of the gross
3 terminal revenue from the Category 3 licensed
4 facility located in the municipality shall be
5 distributed to the municipality, subject, however, to
6 the budgetary limitation in this clause. The amount
7 allocated to the designated municipalities shall not
8 exceed the lesser of \$1,000,000 or 50% of their total
9 budget for fiscal year 2009, adjusted for inflation
10 in subsequent years by an amount not to exceed an
11 annual cost-of-living adjustment calculated by
12 applying the percentage change in the Consumer Price
13 Index immediately prior to the date the adjustment is
14 due to take effect. Any remaining money shall be
15 collected by the department from each licensed gaming
16 entity and distributed in equal amounts to each
17 municipality contiguous to the host municipality.
18 However, the amount to be allocated to any contiguous
19 municipality shall not exceed the lesser of
20 \$1,000,000 or 50% of the municipality's total budget
21 for fiscal year 2009, adjusted for inflation in
22 subsequent years by an amount not to exceed an annual
23 cost-of-living adjustment calculated by applying the
24 percentage change in the Consumer Price Index
25 immediately prior to the date the adjustment is due
26 to take effect. Any money remaining following
27 distribution to contiguous municipalities shall be
28 collected by the department and distributed in
29 accordance with paragraph (2) based upon the
30 classification of county where the licensed facility
31 is located.

32 (ix) Any municipality not specifically enumerated in
33 subparagraphs (i) through (viii), 2% of the gross
34 terminal revenue to the municipality hosting the licensed
35 facility from each such licensed facility.

36 (x) If the licensed facility is located in more than
37 one municipality, the amount available shall be
38 distributed on a pro rata basis determined by the
39 percentage of acreage located in each municipality to the
40 total acreage of all municipalities occupied by the
41 licensed facility.

42 (xi) If the licensed facility is located at a resort
43 which is also an incorporated municipality, such
44 municipality shall not be eligible to receive any
45 distribution under this paragraph. The distribution it
46 would have otherwise been entitled to under this
47 paragraph shall instead be distributed in accordance with
48 paragraph (2) based upon the county where the licensed
49 facility is located.

50 (xii) The distributions provided in this paragraph
51 shall be based upon municipal classifications in effect

on the effective date of this section. For the purposes of this paragraph, any reclassification of municipalities as a result of a Federal decennial census or of a State statute shall not apply to this paragraph.

(xiii) If any provision of this paragraph is found to be unenforceable for any reason, the distribution provided for in such unenforceable provision shall be made to the municipality in which the licensed facility is located.

(xiv) Nothing in this paragraph shall prevent any of the above municipalities from entering into intergovernmental cooperative agreements with other jurisdictions for sharing this money.

(xv) Notwithstanding any other law, agreement or provision in this part to the contrary, all revenues provided, directed or earmarked under this section to or for the benefit of a city of the second class in which an intergovernmental cooperation authority has been established and is in existence pursuant to the act of February 12, 2004 (P.L.73, No.11), known as the Intergovernmental Cooperation Authority Act for Cities of the Second Class, shall be directed to and under the exclusive control of such intergovernmental cooperation authority to be used:

(A) to reduce the debt of the second class city;

(B) to increase the level of funding of the municipal pension funds of the second class city; or

(C) for any other purposes as determined to be in the best interest of the second class city by such intergovernmental cooperation authority. Such revenues shall not be directed to or under the control of such city of the second class or any coordinator appointed pursuant to the act of July 10, 1987 (P.L.246, No.47), known as the Municipalities Financial Recovery Act, for such city of the second class.]

(4) From the local share assessment established in subsection (b), make quarterly distributions among the municipalities, including home rule municipalities, hosting a licensed facility in accordance with the following schedule:

(i) Except as provided in subparagraph (ii) or (iii), to a municipality of any class hosting a Category 3 facility, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately

1 prior to the date the adjustment is due to take effect.
2 Any remaining money shall be collected by the department
3 from each licensed gaming entity and distributed in
4 accordance with paragraph (2) based upon the
5 classification of county where the licensed facility is
6 located.

7 (ii) If the municipality hosting a Category 3
8 licensed facility is a borough located in a county of the
9 third class and the borough is contiguous to a city of
10 the third class, 1% of gross terminal revenue shall be
11 distributed to the host borough and 1% of gross terminal
12 revenue shall be distributed to the city of the third
13 class that is contiguous to the host borough, subject,
14 however, to the budgetary limitation in this
15 subparagraph. The amount allocated to each designated
16 municipality shall not exceed 50% of its total budget for
17 fiscal year 2009, adjusted for inflation in subsequent
18 years by an amount not to exceed an annual cost-of-living
19 adjustment calculated by applying the percentage
20 increase, if any, in the Consumer Price Index immediately
21 prior to the date the adjustment is due to take effect.
22 Any remaining money shall be collected by the department
23 from each licensed gaming entity and distributed in
24 accordance with paragraph (2) based upon the
25 classification of county where the licensed facility is
26 located.

27 (iii) If the municipality hosting a Category 3
28 licensed facility is a township of the second class in a
29 county of the fifth class which is contiguous to a county
30 of the seventh class, 2% of the gross terminal revenue
31 from the Category 3 licensed facility located in the
32 municipality shall be distributed to the municipality,
33 subject, however, to the budgetary limitation in this
34 subparagraph. The amount allocated to the designated
35 municipalities shall not exceed the lesser of \$1,000,000
36 or 50% of their total budget for fiscal year 2009,
37 adjusted for inflation in subsequent years by an amount
38 not to exceed an annual cost-of-living adjustment
39 calculated by applying the percentage change in the
40 Consumer Price Index immediately prior to the date the
41 adjustment is due to take effect. Any remaining money
42 shall be collected by the department from each licensed
43 gaming entity and distributed in equal amounts to each
44 municipality contiguous to the host municipality. The
45 amount to be allocated to any contiguous municipality
46 shall not exceed the lesser of \$1,000,000 or 50% of the
47 municipality's total budget for fiscal year 2009,
48 adjusted for inflation in subsequent years by an amount
49 not to exceed an annual cost-of-living adjustment
50 calculated by applying the percentage change in the
51 Consumer Price Index immediately prior to the date the

1 adjustment is due to take effect. Any money remaining
2 following distribution to contiguous municipalities shall
3 be collected by the department and distributed in
4 accordance with paragraph (2) based upon the
5 classification of county where the licensed facility is
6 located.

7 (5) From the slot machine operation fees deposited in
8 the fund under section 1326.1(d), make quarterly
9 distributions to any municipality not specifically enumerated
10 in paragraph (3) or (4) hosting a Category 1 or a Category 2
11 licensed facility, other than a Category 1 or Category 2
12 licensed facility located in a city of the first class, equal
13 to \$10,000,000 annually.

14 (6) From the local share assessment established in
15 subsection (b), make quarterly distributions to any
16 municipality not enumerated in paragraph (3) or (4) hosting a
17 Category 3 licensed facility: 2% of the gross terminal
18 revenue paid by each licensed gaming entity operating a
19 Category 3 licensed facility.

20 (7) If a licensed facility is located in more than one
21 municipality, the amount available shall be distributed on a
22 pro rata basis determined by the percentage of acreage
23 located in each municipality to the total acreage of all
24 municipalities occupied by the licensed facility.

25 (8) If a licensed facility is located at a resort which
26 is also an incorporated municipality, the municipality shall
27 not be eligible to receive any distribution under paragraph
28 (3), (4), (5) or (6). The distribution it would have
29 otherwise been entitled to under paragraph (3), (4), (5) or
30 (6) shall instead be distributed in accordance with paragraph
31 (2) based upon the classification of county where the
32 licensed facility is located.

33 (9) The distributions provided in paragraph (3), (4),
34 (5) or (6) shall be based upon municipal classifications in
35 effect on July 5, 2004. For the purposes of paragraphs (3),
36 (4), (5) and (6), any reclassification of municipalities as a
37 result of a Federal decennial census or of a State statute
38 shall not apply to paragraphs (3), (4), (5) and (6).

39 (10) If any provision of paragraph (3), (4), (5) or (6)
40 is found to be unenforceable for any reason, the distribution
41 provided for in the unenforceable provision shall be made to
42 the municipality in which the licensed facility is located.

43 (11) Nothing in paragraph (3), (4), (5) or (6) shall be
44 construed to prevent any of the above municipalities from
45 entering into intergovernmental cooperative agreements with
46 other jurisdictions for sharing the funds distributed to
47 them.

48 (12) Notwithstanding any other law, agreement or
49 provision in this part to the contrary, all revenues
50 provided, directed or earmarked under this section to or for
51 the benefit of a city of the second class in which an

1 intergovernmental cooperation authority has been established
2 and is in existence under the act of February 12, 2004
3 (P.L.73, No.11), known as the Intergovernmental Cooperation
4 Authority Act for Cities of the Second Class, shall be
5 directed to and under the exclusive control of the
6 intergovernmental cooperation authority to be used:

7 (i) to reduce the debt of the city of the second
8 class;

9 (ii) to increase the level of funding of the
10 municipal pension funds of the city of the second class;
11 or

12 (iii) for any other purposes as determined to be in
13 the best interest of the city of the second class by the
14 intergovernmental cooperation authority. The revenues
15 shall not be directed to or under the control of the city
16 of the second class or any coordinator appointed under
17 the act of July 10, 1987 (P.L.246, No.47), known as the
18 Municipalities Financial Recovery Act, for the city of
19 the second class.

20 (d) Consumer Price Index.--For purposes of subsection (c),
21 references to the Consumer Price Index shall mean the Consumer
22 Price Index for All Urban Consumers for the Pennsylvania, New
23 Jersey, Delaware and Maryland area for the most recent 12-month
24 period for which figures have been officially reported by the
25 United States Department of Labor, Bureau of Labor Statistics.

26 (e) Reporting.--

27 (1) In cooperation with the department and the
28 Commonwealth Financing Authority, the Department of Community
29 and Economic Development shall submit an annual report on all
30 distributions of local share assessments and slot machine
31 license operation fees to counties and municipalities under
32 this section to the chairman and minority chairman of the
33 Appropriations Committee of the Senate, the chairman and
34 minority chairman of the Community, Economic and Recreational
35 Development Committee of the Senate, the chairman and
36 minority chairman of the Appropriations Committee of the
37 House of Representatives and the chairman and minority
38 chairman of the Gaming Oversight Committee of the House of
39 Representatives. The report shall be submitted by [August 31,
40 2010] March 31, 2018, and by [August] March 31 of each year
41 thereafter.

42 (2) All counties and municipalities receiving
43 distributions of local share assessments or slot machine
44 license operation fees under this section shall submit
45 information to the Department of Community and Economic
46 Development on a form prepared by the Department of Community
47 and Economic Development that sets forth the amount and use
48 of the funds received in the prior calendar year. The form
49 shall set forth whether the funds received were deposited in
50 the county's or municipality's General Fund or committed to a
51 specific project or use.

1 (f) Prohibited activities.--

2 (1) A person or its affiliated entity or a political
3 subdivision shall not compensate or incur an obligation to
4 compensate a person to engage in lobbying for compensation
5 contingent in whole or in part upon the approval, award,
6 receipt or denial of funds under this section. A person or
7 its affiliated entity shall not engage in or agree to engage
8 in lobbying for compensation contingent in whole or in part
9 upon the approval, award, receipt or denial of funds under
10 this section. This subsection shall not apply to a county or
11 municipality that compensates a person to prepare a grant
12 application for funds under this section if the following
13 requirements are met:

14 (i) The person is not identified in the application.

15 (ii) The person has no direct contact with the
16 agency, county or municipality providing the funding.

17 (iii) The person is paid a fixed fee or percentage
18 of the amount of any funds approved, awarded or received
19 up to .5%.

20 (2) A violation of this section shall be considered an
21 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to
22 penalties).

23 Section 28. Sections 1407(d) introductory paragraph and
24 (d.1) heading and (1), 1501(b), 1504 and 1509 of Title 4 are
25 amended to read:

26 § 1407. Pennsylvania Gaming Economic Development and Tourism
27 Fund.

28 * * *

29 (d) Restrictions on projects for certain counties and
30 cities.--Except as set forth in subsection (d.1), [for a ten-
31 year period beginning with the first fiscal year during which
32 deposits are made into this fund,] no moneys from the
33 Pennsylvania Gaming Economic Development and Tourism Fund shall
34 be distributed for any project located in a city or county of
35 the first or second class except as authorized by this
36 subsection. Moneys not used for the authorized projects in
37 cities and counties of the first and second classes may be used
38 throughout this Commonwealth. Moneys from the fund for projects
39 within cities and counties of the first and second classes may
40 only be used for the following projects [during this ten-year
41 period]:

42 * * *

43 (d.1) Community infrastructure and economic development.--

44 (1) Notwithstanding subsection (b) or any other
45 provision of law to the contrary, the money authorized but
46 not expended under former subsection (d)(7) as of the
47 effective date of this subsection and money authorized but
48 not expended under subsection (d)(5) shall be deposited into
49 a restricted receipts account to be established in the
50 Commonwealth Financing Authority exclusively for eligible
51 applications submitted by the redevelopment authority of a

1 county of the second class created pursuant to the act of May
2 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment
3 Law, for economic development, infrastructure development,
4 job training, community improvement, public safety or other
5 projects in the public interest located in a county of the
6 second class. Community development corporations, political
7 subdivisions, urban redevelopment authorities, municipal
8 authorities, for-profit entities and nonprofit entities
9 located in a county of the second class shall be eligible to
10 receive funds made available under this paragraph.

11 * * *

12 § 1501. Responsibility and authority of department.

13 * * *

14 (b) Application of rules and regulations.--The department
15 may prescribe the extent, if any, to which any rules and
16 regulations shall be applied without retroactive effect. The
17 department shall have authority to prescribe the forms and the
18 system of accounting and recordkeeping to be employed and
19 through its representative shall at all times have power of
20 access to and examination and audit of any equipment and records
21 relating to all aspects of the operation of slot machines [and],
22 table games and interactive gaming under this part.

23 * * *

24 § 1504. Wagering on credit.

25 (a) General rule.--Except as otherwise provided in this
26 section, slot machine licensees shall not extend credit. Slot
27 machine licensees shall not accept credit cards, charge cards or
28 debit cards from a patron or a player for the exchange or
29 purchase of slot machine credits or for an advance of coins or
30 currency to be utilized by a player to play slot machine games
31 or extend credit in any manner to a player so as to enable the
32 player to play slot machines. Slot machine licensees who hold a
33 table game operation certificate may extend credit for slot
34 machine gaming in accordance with section 13A26 (relating to
35 cash equivalents).

36 (b) Prepaid access instruments.--Prepaid access instruments
37 are not deemed to be a credit card, charge card, debit card or
38 any other instrument of credit and are not prohibited under this
39 section.

40 § 1509. Compulsive and problem gambling program.

41 (a) Establishment of program.--The Department of [Health]
42 Drug and Alcohol Programs or successor agency, in consultation
43 with organizations similar to the Mid-Atlantic Addiction
44 Training Institute, shall develop program guidelines for public
45 education, awareness and training regarding compulsive and
46 problem gambling and the treatment and prevention of compulsive
47 and problem gambling. The guidelines shall include strategies
48 for the prevention of compulsive and problem gambling. The
49 Department of [Health] Drug and Alcohol Programs or successor
50 agency may consult with the board and licensed gaming entities
51 to develop such strategies.

1 (a.1) Duties of Department of [Health] Drug and Alcohol
2 Programs or successor agency.--From funds available in the
3 Compulsive and Problem Gambling Treatment Fund, the Department
4 of [Health] Drug and Alcohol Programs or successor agency shall:

5 (1) Maintain [a] one compulsive gamblers assistance
6 organization's toll-free problem gambling telephone number,
7 which shall be the number 1-800-GAMBLER, to provide crisis
8 counseling and referral services to individuals and families
9 experiencing difficulty as a result of problem or compulsive
10 gambling. If the Department of Drug and Alcohol Programs or
11 successor agency determines that it is unable to adopt the
12 number 1-800-GAMBLER, the Department of Drug and Alcohol
13 Programs or successor agency shall maintain another number.

14 (2) Facilitate, through in-service training and other
15 means, the availability of effective assistance programs for
16 problem and compulsive gamblers and family members affected
17 by problem and compulsive gambling.

18 (3) At its discretion, conduct studies to identify
19 individuals in this Commonwealth who are or are at risk of
20 becoming problem or compulsive gamblers.

21 (4) Provide grants to and contract with single county
22 authorities and other organizations which provide services as
23 set forth in this section.

24 (5) Reimburse organizations for reasonable expenses
25 incurred assisting the Department of [Health] Drug and
26 Alcohol Programs or successor agency with implementing this
27 section.

28 (a.2) Duties of Department of [Health] Drug and Alcohol
29 Programs or successor agency and board.--[Within 60 days
30 following the effective date of this subsection, the] The
31 Department of [Health's Bureau of] Drug and Alcohol Programs or
32 successor agency and the board's Office of Compulsive and
33 Problem Gambling shall jointly collaborate with other
34 appropriate offices and agencies of State or local government,
35 including single county authorities, and providers and other
36 persons, public or private, with expertise in compulsive and
37 problem gambling treatment to do the following:

38 (1) Implement a strategic plan for the prevention and
39 treatment of compulsive and problem gambling.

40 (2) Adopt compulsive and problem gambling treatment
41 standards to be integrated with the [Bureau] Department of
42 Drug and Alcohol Program's or successor agency's uniform
43 Statewide guidelines that govern the provision of addiction
44 treatment services.

45 (3) Develop a method to coordinate compulsive and
46 problem gambling data collection and referral information to
47 crisis response hotlines, child welfare and domestic violence
48 programs and providers and other appropriate programs and
49 providers.

50 (4) Develop and disseminate educational materials to
51 provide public awareness related to the prevention,

1 recognition and treatment of compulsive and problem gambling.

2 (5) Develop demographic-specific compulsive and problem
3 gambling prevention, intervention and treatment programs.

4 (6) Prepare an itemized budget outlining how funds will
5 be allocated to fulfill the responsibilities under this
6 section.

7 (b) Compulsive and Problem Gambling Treatment Fund.--There
8 is hereby established in the State Treasury a special fund to be
9 known as the Compulsive and Problem Gambling Treatment Fund. All
10 moneys in the fund shall be administered by the Department of
11 [Health] Drug and Alcohol Programs or successor agency and
12 expended solely for programs for the prevention and treatment of
13 gambling addiction and other emotional and behavioral problems
14 associated with or related to gambling addiction and for the
15 administration of the compulsive and problem gambling program,
16 provided that the Department of [Health] Drug and Alcohol
17 Programs or successor agency shall annually distribute at least
18 50% of the money in the fund to single county authorities under
19 subsection (d). The fund shall consist of money annually
20 allocated to it from the annual payment established under
21 section 1408(a) (relating to transfers from State Gaming Fund),
22 money which may be allocated by the board, interest earnings on
23 moneys in the fund and any other contributions, payments or
24 deposits which may be made to the fund.

25 (c) Notice of availability of assistance.--

26 (1) [Each] Except as otherwise provided for in paragraph
27 (4), each slot machine licensee shall [obtain a] use the
28 toll-free telephone number [to be used] established by the
29 Department of Drug and Alcohol Programs or successor agency
30 in subsection (a.1)(1) to provide persons with information on
31 assistance for compulsive or problem gambling. Each licensee
32 shall conspicuously post at least 20 signs similar to the
33 following statement:

34 If you or someone you know has a gambling problem, help
35 is available. Call (Toll-free telephone number).
36 The signs must be posted within 50 feet of each entrance and
37 exit, within 50 feet of each automated teller machine
38 location within the licensed facility and in other
39 appropriate public areas of the licensed facility as
40 determined by the slot machine licensee.

41 (2) Each racetrack where slot machines or table games
42 are operated shall print a statement on daily racing programs
43 provided to the general public that is similar to the
44 following:

45 If you or someone you know has a gambling problem, help
46 is available. Call (Toll-free telephone number).

47 Except as otherwise provided for in paragraph (4), the toll-
48 free telephone number shall be the same telephone number
49 established by the Department of Drug and Alcohol Programs or
50 successor agency under subsection (a.1)(1).

51 (2.1) Each interactive gaming certificate holder and

1 interactive gaming operator:

2 (i) Shall cause the words:

3 If you or someone you know has a gambling problem,
4 help is available. Call (Toll-free telephone number).
5 or some comparable language approved by the board, which
6 language shall include the words "gambling problem" and
7 "call 1-800-XXXX," to be prominently displayed to any
8 person visiting or logging onto the interactive gaming
9 certificate holder's interactive gaming skin or Internet
10 website.

11 (ii) Shall provide a mechanism by which an
12 interactive gaming account holder may establish the
13 following controls on wagering activity through the
14 interactive gaming account:

15 (A) A limit on the amount of money lost within a
16 specified period of time and the length of time the
17 account holder will be unable to participate in
18 gaming if the holder reaches the established loss
19 limit.

20 (B) A limit on the maximum amount of any single
21 wager on any interactive game.

22 (C) A temporary suspension of interactive gaming
23 through the account for any number of hours or days.

24 (iii) Shall not knowingly mail or otherwise forward
25 any gaming-related promotional material or e-mail to a
26 registered player during any period in which interactive
27 gaming through the registered players' interactive gaming
28 account has been suspended or terminated. The interactive
29 gaming certificate holder shall provide a mechanism by
30 which a registered player may change the controls.
31 Notwithstanding any other provision of this subparagraph,
32 while interactive gaming through the interactive gaming
33 account is suspended, the registered player may not
34 change gaming controls until the suspension expires, but
35 the registered player shall continue to have access to
36 the account and shall be permitted to withdraw funds from
37 the account upon proper application for the funds to the
38 interactive gaming certificate holder.

39 (3) A [licensed facility] licensed gaming entity,
40 interactive gaming certificate holder or interactive gaming
41 operator, as the case may be, which fails to post or print
42 the warning sign in accordance with paragraph (1) [or], (2)
43 or (2.1)(i) shall be assessed a fine of \$1,000 a day for each
44 day the minimum number of signs are not posted or the
45 required statement is not printed as provided in this
46 subsection.

47 (3.1) An interactive gaming certificate holder or
48 interactive gaming operator, as the case may be, that fails
49 to establish the mechanisms, controls and systems in
50 accordance with paragraph (2.1)(ii) and (iii) shall be
51 assessed a fine of not less than \$5,000 per day for each day

1 the mechanisms, controls and systems are not available to
2 interactive gaming account holders.

3 (4) Slot machine licensees or racetracks utilizing a
4 toll-free telephone number other than the number established
5 by the Department of Drug and Alcohol Programs or successor
6 agency under subsection (a.1)(1) prior to the effective date
7 of this paragraph may continue to use that number for a
8 period not to exceed three years from the effective date of
9 this paragraph upon showing good cause to the Department of
10 Drug and Alcohol Programs or successor agency.

11 (d) Single county authorities.--The Department of [Health]
12 Drug and Alcohol Programs or successor agency shall make grants
13 from the fund established under subsection (b) to single county
14 authorities created pursuant to the act of April 14, 1972
15 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol
16 Abuse Control Act, for the purpose of providing compulsive
17 gambling and gambling addiction prevention, treatment and
18 education programs. Treatment may include financial counseling,
19 irrespective of whether the financial counseling is provided by
20 the single county authority, the treatment service provider or
21 subcontracted to a third party. It is the intention of the
22 General Assembly that any grants made by the Department of
23 [Health] Drug and Alcohol Programs or successor agency to any
24 single county authority in accordance with the provisions of
25 this subsection be used exclusively for the development and
26 implementation of compulsive and problem gambling programs
27 authorized under this section.

28 (d.1) Eligibility.--Eligibility to receive treatment
29 services for treatment of compulsive and problem gambling under
30 this section shall be determined using financial eligibility and
31 other requirements of the single county authorities as approved
32 by the Department of [Health] Drug and Alcohol Programs or
33 successor agency.

34 (d.2) Report.--[No later than October 1, 2010, and each]
35 Annually on October 1 [thereafter], the Department of [Health]
36 Drug and Alcohol Programs or successor agency, in consultation
37 with the board, shall prepare and submit a report on the impact
38 of the programs funded by the Compulsive and Problem Gambling
39 Treatment Fund to the Governor and to the members of the General
40 Assembly. The report shall include aggregate demographic-
41 specific data, including race, gender, geography and income of
42 those individuals treated.

43 (e) Definition.--As used in subsection (d), the term "single
44 county authority" means the agency designated by the Department
45 of Health pursuant to the act of April 14, 1972 (P.L.221,
46 No.63), known as the Pennsylvania Drug and Alcohol Abuse Control
47 Act, to plan and coordinate drug and alcohol prevention,
48 intervention and treatment services for a geographic area, which
49 may consist of one or more counties.

50 Section 29. Section 1512 of Title 4 is amended by adding a
51 subsection to read:

1 § 1512. Financial and employment interests.

2 * * *

3 (a.6) Prohibition related to interactive gaming.--

4 (1) Except as may be provided by rule or order of the
5 Pennsylvania Supreme Court and except as provided in section
6 1202.1 (relating to code of conduct) or 1512.1 (relating to
7 additional restrictions), no executive-level public employee,
8 public official or party officer or immediate family member
9 thereof shall hold, directly or indirectly, a financial
10 interest in, be employed by or represent, appear for, or
11 negotiate on behalf of, or derive any remuneration, payment,
12 benefit or any other thing of value for any services,
13 including, but not limited to, consulting or similar services
14 from any holder of or applicant for an interactive gaming
15 certificate, holder of or applicant for an interactive gaming
16 license or other authorization to conduct interactive gaming
17 or any holding, subsidiary or intermediary company with
18 respect thereto, or any business, association, enterprise or
19 other entity that is organized in whole or in part for the
20 purpose of promoting, advocating for or advancing the
21 interests of the interactive gaming industry generally or any
22 interactive gaming-related business or businesses in
23 connection with any cause, application or matter. The
24 financial interest and employment prohibitions under this
25 paragraph shall remain in effect for one year following
26 termination of the individual's status as an executive-level
27 public employee, public official or party officer.

28 (2) Notwithstanding paragraph (1), a member of the
29 immediate family of an executive-level public employee,
30 public official or party officer may hold employment with the
31 holder of or applicant for an interactive gaming certificate,
32 holder of or applicant for an interactive gaming license or
33 other authorization to conduct interactive gaming or any
34 holding, subsidiary or intermediary company with respect
35 thereto, if in the judgment of the State Ethics Commission or
36 the Supreme Court, as appropriate, employment will not
37 interfere with the responsibilities of the executive-level
38 public employee, public official or party officer and will
39 not create a conflict of interest or reasonable risk of the
40 public perception of a conflict of interest on the part of
41 the executive-level public employee, public official or party
42 officer.

43 * * *

44 Section 30. Sections 1513(a), 1514 heading, (a), (d), (e)
45 and (f), 1515, 1516 and 1517(b)(1), (c)(6) and (12) and (e)(1)
46 of Title 4 are amended to read:

47 § 1513. Political influence.

48 (a) Contribution restriction.--The following persons shall
49 be prohibited from contributing any money or in-kind
50 contribution to a candidate for nomination or election to any
51 public office in this Commonwealth, or to any political party

1 committee or other political committee in this Commonwealth or
2 to any group, committee or association organized in support of a
3 candidate, political party committee or other political
4 committee in this Commonwealth:

5 (1) An applicant for a slot machine license,
6 manufacturer license, supplier license, principal license,
7 key employee license, interactive gaming license or horse or
8 harness racing license.

9 (2) A slot machine licensee, licensed manufacturer,
10 licensed supplier, interactive gaming operator or licensed
11 racing entity.

12 (3) A licensed principal or licensed key employee of a
13 slot machine licensee, licensed manufacturer, licensed
14 supplier, interactive gaming operator or licensed racing
15 entity.

16 (4) An affiliate, intermediary, subsidiary or holding
17 company of a slot machine licensee, licensed manufacturer,
18 licensed supplier, interactive gaming operator or licensed
19 racing entity.

20 (5) A licensed principal or licensed key employee of an
21 affiliate, intermediary, subsidiary or holding company of a
22 slot machine licensee, licensed manufacturer, licensed
23 supplier, interactive gaming operator or licensed racing
24 entity.

25 (6) A person who holds a similar gaming license in
26 another jurisdiction and the affiliates, intermediaries,
27 subsidiaries, holding companies, principals or key employees
28 thereof.

29 * * *

30 § 1514. Regulation requiring exclusion [or], ejection or denial
31 of access of certain persons.

32 (a) General rule.--The board shall by regulation provide for
33 the establishment of a list of persons who are to be excluded or
34 ejected from any licensed facility or who may be denied access
35 to interactive gaming. The provisions shall define the standards
36 for exclusion and shall include standards relating to persons
37 who are career or professional offenders as defined by
38 regulations of the board or whose presence in a licensed
39 facility or whose access to interactive gaming would, in the
40 opinion of the board, be inimical to the interest of the
41 Commonwealth or of licensed gaming therein, or both.

42 * * *

43 (d) Sanctions.--The board may impose sanctions upon a
44 licensed gaming entity or interactive gaming operator in
45 accordance with this part if the licensed gaming entity
46 knowingly fails to exclude or eject from the premises of any
47 licensed facility or deny access to interactive gaming any
48 person placed by the board on the list of persons to be excluded
49 [or], ejected or denied access.

50 (e) List not all-inclusive.--Any list compiled by the board
51 of persons to be excluded [or], ejected or denied access shall

1 not be deemed an all-inclusive list, and a licensed gaming
2 entity shall have a duty to keep from the licensed facility and
3 from interactive gaming persons known to it to be within the
4 classifications declared in this section and the regulations
5 promulgated under this section whose presence in a licensed
6 facility or whose participation in interactive gaming would be
7 inimical to the interest of the Commonwealth or of licensed
8 gaming therein, or both, as defined in standards established by
9 the board.

10 (f) Notice.--Whenever the bureau seeks to place the name of
11 any person on a list pursuant to this section, the bureau shall
12 serve notice of this fact to such person by personal service or
13 certified mail at the last known address of the person. The
14 notice shall inform the person of the right to request a hearing
15 under subsection (g). The bureau may also provide notice by
16 electronic mail, if the electronic mail address of the person is
17 known to the bureau.

18 * * *

19 § 1515. Repeat offenders excludable from licensed gaming
20 facility.

21 A licensed gaming entity may exclude or eject from its
22 licensed facility or deny access to interactive gaming any
23 person who is known to it to have been convicted of a
24 misdemeanor or felony committed in or on the premises of any
25 licensed facility. Nothing in this section or in any other law
26 of this Commonwealth shall limit the right of a licensed gaming
27 entity to exercise its common law right to exclude or eject
28 permanently from its licensed facility or permanently deny
29 access to its interactive gaming any person who disrupts the
30 operations of its premises or its interactive gaming, threatens
31 the security of its premises or its occupants or is disorderly
32 or intoxicated[.] or who threatens the security of its licensed
33 facility or the area of a licensed facility where interactive
34 gaming operations are managed, administered or controlled.

35 § 1516. List of persons self excluded from gaming activities.

36 (a) General rule.--The board shall provide by regulation for
37 the establishment of a list of persons self excluded from gaming
38 activities, including interactive gaming, at all licensed
39 facilities. Any person may request placement on the list of
40 self-excluded persons by acknowledging in a manner to be
41 established by the board that the person is a problem gambler
42 and by agreeing that, during any period of voluntary exclusion,
43 the person may not collect any winnings or recover any losses
44 resulting from any gaming activity at licensed facilities, including interactive gaming.

46 (b) Regulations.--The regulations of the board shall
47 establish procedures for placements on and removals from the
48 list of self-excluded persons. The regulations shall establish
49 procedures for the transmittal to licensed gaming entities of
50 identifying information concerning self-excluded persons and
51 shall require licensed gaming entities to establish procedures

1 designed at a minimum to deny self-excluded persons access to
2 interactive gaming and to remove self-excluded persons from
3 targeted mailings or other forms of advertising or promotions
4 and deny self-excluded persons access to complimentaries, check
5 cashing privileges, club programs and other similar benefits.

6 (c) Liability.--A licensed gaming entity or employee thereof
7 shall not be liable to any self-excluded person or to any other
8 party in any judicial proceeding for any harm, monetary or
9 otherwise, which may arise as a result of:

10 (1) the failure of a licensed gaming entity to withhold
11 gaming privileges from or restore gaming privileges to a
12 self-excluded person; [or]

13 (1.1) the failure of an interactive gaming certificate
14 holder or interactive gaming operator to withhold interactive
15 gaming privileges from or restore interactive gaming
16 privileges to a self-excluded person; or

17 (2) otherwise permitting or not permitting a self-
18 excluded person to engage in gaming activity in the facility
19 or participate in interactive gaming while on the list of
20 self-excluded persons.

21 (d) Disclosure.--Notwithstanding any other law to the
22 contrary, the board's list of self-excluded persons shall not be
23 open to public inspection. Nothing in this section, however,
24 shall be construed to prohibit a licensed gaming entity from
25 disclosing the identity of persons self excluded pursuant to
26 this section to affiliated gaming entities in this Commonwealth
27 or other jurisdictions for the limited purpose of assisting in
28 the proper administration of responsible gaming programs
29 operated by affiliated licensed gaming entities.

30 § 1517. Investigations and enforcement.

31 * * *

32 (b) Powers and duties of department.--

33 (1) The department shall at all times have the power of
34 access to examine and audit equipment and records relating to
35 all aspects of the operation of slot machines [or], table
36 games or interactive games under this part.

37 * * *

38 (c) Powers and duties of the Pennsylvania State Police.--The
39 Pennsylvania State Police shall have the following powers and
40 duties:

41 * * *

42 (6) Enforce the criminal provisions of this part and all
43 other criminal laws of the Commonwealth[.], including, but
44 not limited to, within a licensed facility and parking lots
45 under control of a slot machine licensee adjacent to a
46 licensed facility.

47 * * *

48 (12) Conduct audits or verification of information of
49 slot machine [or], table game operations, including the
50 operation of slot machines used in a multistate wide-area
51 progressive slot machine system and in the operation of skill

1 or hybrid slot machines and interactive gaming operations at
2 such times, under such circumstances and to such extent as
3 the bureau determines. This paragraph includes reviews of
4 accounting, administrative and financial records and
5 management control systems, procedures and records utilized
6 by a slot machine licensee.

7 * * *

8 (e) Inspection, seizure and warrants.--

9 (1) The bureau, the department and the Pennsylvania
10 State Police shall have the authority without notice and
11 without warrant to do all of the following in the performance
12 of their duties:

13 (i) Inspect and examine all premises where slot
14 machine [or], table game and interactive gaming
15 operations are conducted, slot machines, table game
16 devices and associated equipment, interactive gaming
17 devices and associated equipment are manufactured, sold,
18 distributed or serviced or where records of these
19 activities are prepared or maintained.

20 (ii) Inspect all equipment and supplies in, about,
21 upon or around premises referred to in subparagraph (i).

22 (iii) Seize, summarily remove and impound equipment
23 and supplies from premises referred to in subparagraph
24 (i) for the purposes of examination and inspection.

25 (iv) Inspect, examine and audit all books, records
26 and documents pertaining to a slot machine licensee's
27 operation.

28 (v) Seize, impound or assume physical control of any
29 book, record, ledger, game, device, cash box and its
30 contents, count room or its equipment, interactive gaming
31 devices and associated equipment or slot machine [or],
32 table game or interactive gaming operations.

33 * * *

34 Section 31. Section 1518(a)(1), (2), (3), (4), (5), (7.1),
35 (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of
36 Title 4 are amended and subsections (a) and (b) are amended by
37 adding paragraphs to read:

38 § 1518. Prohibited acts; penalties.

39 (a) Criminal offenses.--

40 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
41 perjury), 4903 (relating to false swearing) or 4904 (relating
42 to unsworn falsification to authorities) shall apply to any
43 person providing information or making any statement, whether
44 written or oral, to the board, the commission, the bureau,
45 the department, the Pennsylvania State Police or the Office
46 of Attorney General, as required by this part.

47 (2) It shall be unlawful for a person to willfully:

48 (i) fail to report, pay or truthfully account for
49 and pay over any license fee, authorization fee, permit
50 fee, tax or assessment imposed under this part; or

51 (ii) attempt in any manner to evade or defeat any

1 license fee, authorization fee, permit fee, registration
2 fee, tax or assessment or any other fee imposed under
3 this part.

4 (3) It shall be unlawful for any licensed entity, gaming
5 employee, key employee or any other person to permit a slot
6 machine, table game or table game device, interactive game or
7 interactive gaming device or associated equipment to be
8 operated, transported, repaired or opened on the premises of
9 a licensed facility by a person other than a person licensed
10 or permitted by the board pursuant to this part.

11 (3.1) It shall be unlawful for any person who does not
12 possess a valid and then effective interactive gaming
13 certificate or interactive gaming license to accept any wager
14 associated with any authorized interactive game from any
15 individual without verifying the age, identity and physical
16 location of the player at the time of play or wager.

17 (4) It shall be unlawful for any licensed entity or
18 other person to manufacture, supply or place slot machines,
19 table games, table game devices or associated equipment,
20 authorized interactive game or interactive gaming devices or
21 associated equipment into play or display slot machines,
22 table games, table game devices or associated equipment on
23 the premises of a licensed facility without the authority of
24 the board.

25 (4.1) It shall be unlawful for any slot machine licensee
26 to offer interactive games into play or display such games on
27 its interactive gaming skin or Internet website without the
28 approval of the board.

29 (4.2) It shall be unlawful for any licensed entity or
30 other person to manufacture, supply or place interactive
31 gaming devices or associated equipment into operation at a
32 licensed facility without the approval of the board.

33 (5) Except as provided for in section 1326 (relating to
34 [license] renewals), it shall be unlawful for a licensed
35 entity or other person to manufacture, supply, operate, carry
36 on or expose for play any slot machine, table game, table
37 game device or associated equipment, interactive game or
38 interactive gaming device or associated equipment after the
39 person's license has expired and prior to the actual renewal
40 of the license.

41 * * *

42 (7.1) It shall be unlawful for an individual to do any
43 of the following:

44 (i) Use or possess counterfeit, marked, loaded or
45 tampered with table game devices or associated equipment,
46 chips or other cheating devices in the conduct of gaming
47 under this part, except that an authorized employee of a
48 licensee or an authorized employee of the board may
49 possess and use counterfeit chips or table game devices
50 or associated equipment that have been marked, loaded or
51 tampered with, or other cheating devices or any

1 unauthorized interactive gaming device or associated
2 equipment in performance of the duties of employment for
3 training, investigative or testing purposes only.

4 (ii) Knowingly, by a trick or sleight of hand
5 performance or by fraud or fraudulent scheme, or
6 manipulation, table game device or other device, or
7 interactive gaming device for himself or for another, win
8 or attempt to win any cash, property or prize at a
9 licensed facility or to reduce or attempt to reduce a
10 losing wager.

11 (7.2) It shall be unlawful for a person to knowingly
12 alter, tamper or manipulate interactive gaming devices or
13 associated equipment, including software, system programs,
14 hardware and any other device or associated equipment used in
15 interactive gaming operations, in order to alter the odds or
16 the payout of an interactive game or to disable the
17 interactive game from operating according to the rules of the
18 game as authorized by the board.

19 (7.3) It shall be unlawful for a person to knowingly
20 offer or allow to be offered any authorized interactive game
21 that has been altered, tampered with or manipulated in a way
22 that affects the odds or the payout of an authorized
23 interactive game or disables the interactive game from
24 operating according to the authorized rules of the game as
25 authorized by the board.

26 * * *

27 (11) It shall be unlawful for a licensed gaming entity
28 that is a licensed racing entity and that has lost the
29 license issued to it by [either] the State Horse Racing
30 Commission or the State Harness Racing Commission under the
31 Race Horse Industry Reform Act or that has had that license
32 suspended to operate slot machines [or], table games or
33 authorized interactive games at the racetrack for which its
34 slot machine license was issued unless the license issued to
35 it by either the State Horse Racing Commission or the State
36 Harness Racing Commission will be subsequently reissued or
37 reinstated within 30 days after the loss or suspension.

38 * * *

39 (13) It shall be unlawful for an individual under 21
40 years of age to enter and remain in any area of a licensed
41 facility where slot machines are operated or the play of
42 table games is conducted, except that an individual 18 years
43 of age or older employed by a slot machine licensee, a gaming
44 service provider, the board or any other regulatory or
45 emergency response agency may enter and remain in any such
46 area while engaged in the performance of the individual's
47 employment duties.

48 (13.1) It shall be unlawful for an individual under 21
49 years of age to wager, play or attempt to play a slot machine
50 or table game at a licensed facility or to wager, play or
51 attempt to play an interactive game.

1 (13.2) It shall be unlawful to allow a person under 21
2 years of age to open, maintain or use in any way an
3 interactive gaming account. Any interactive gaming
4 certificate holder, interactive gaming operator or employee
5 of an interactive gaming certificate holder or interactive
6 gaming operator or other such person who knowingly allows a
7 person under 21 years of age to open, maintain or use an
8 interactive gaming account shall be subject to the penalty
9 set forth in this section, except that the establishment of
10 all of the following facts by an interactive gaming
11 certificate holder, interactive gaming operator or employee
12 of an interactive gaming certificate holder, interactive
13 gaming operator or other such person shall constitute a
14 defense to any regulatory action by the board or the penalty
15 authorized under this section:

16 (i) the underage person falsely represented that the
17 person was at least 21 years of age in the application
18 for an interactive gaming account; and

19 (ii) the establishment of the interactive gaming
20 account was made in good faith reliance upon such
21 representation and in the reasonable belief that the
22 underage person was at least 21 years of age.

23 * * *

24 (15) It shall be unlawful for a licensed gaming entity
25 to require a wager to be greater than the stated minimum
26 wager or less than the stated maximum wager. However, a wager
27 made by a player and not rejected by a licensed gaming entity
28 prior to commencement of play shall be treated as a valid
29 wager. A wager accepted by a dealer or through an authorized
30 interactive game shall be paid or lost in its entirety in
31 accordance with the rules of the game, notwithstanding that
32 the wager exceeded the current table maximum wager or
33 authorized interactive game wager or was lower than the
34 current table minimum wager or minimum interactive game
35 wager.

36 * * *

37 (17) It shall be unlawful for an individual to claim,
38 collect or take, or attempt to claim, collect or take, money
39 or anything of value in or from a slot machine, gaming table
40 or other table game device, interactive game or interactive
41 gaming device with the intent to defraud, or to claim,
42 collect or take an amount greater than the amount won, or to
43 manipulate with the intent to cheat, any component of any
44 slot machine, table game or table game device, interactive
45 game or interactive gaming device in a manner contrary to the
46 designed and normal operational purpose.

47 (b) Criminal penalties and fines.--

48 (1) (i) A person that commits a first offense in
49 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
50 connection with providing information or making any
51 statement, whether written or oral, to the board, the

bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits an offense to be graded in accordance with the applicable section violated. A person that is convicted of a second or subsequent violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits a felony of the second degree.

(ii) A person that violates subsection (a)(2), (3) and (4) through (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3) and (4) through (12) or (17) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through (12) or (17), a person shall be sentenced to pay a fine of:

(A) not less than \$75,000 nor more than \$150,000 if the person is an individual;

(B) not less than \$300,000 nor more than \$600,000 if the person is a licensed gaming entity or an interactive gaming operator; or

(C) not less than \$150,000 nor more than \$300,000 if the person is a licensed manufacturer or supplier.

(ii) For a second or subsequent violation of subsection (a)(1), (2), (3) and (4) through (12) or (17), a person shall be sentenced to pay a fine of:

(A) not less than \$150,000 nor more than \$300,000 if the person is an individual;

(B) not less than \$600,000 nor more than \$1,200,000 if the person is a licensed gaming entity; or

(C) not less than \$300,000 nor more than \$600,000 if the person is a licensed manufacturer or supplier.

(2.1) A person that commits an offense in violation of subsection (a)(3.1) commits a felony and, upon conviction, shall be sentenced to pay a fine of not less than \$500,000 nor more than \$1,000,000. A person that is convicted of a second or subsequent violation of subsection (a)(3.1) commits a felony of the first degree and shall be sentenced to pay a fine of not less than \$1,000,000 nor more than \$2,500,000.

(3) An individual who commits an offense in violation of subsection (a)(13) [or], (13.1) or (13.2) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than \$200 nor more than \$1,000. An individual that is convicted of

1 a second or subsequent offense under subsection (a)(13) [or],
2 (13.1) or (13.2) shall be sentenced to pay a fine of not less
3 than \$500 nor more than \$1,500. In addition to the fine
4 imposed, an individual convicted of an offense under
5 subsection (a)(13) [or], (13.1) or (13.2) may be sentenced to
6 perform a period of community service not to exceed 40 hours.

7 * * *

8 Section 31.1. Title 4 is amended by adding a section to
9 read:

10 § 1521.1. Casino liquor license.

11 (a) Application.--Notwithstanding section 1521 (relating to
12 liquor licenses at licensed facilities) or any provision of law
13 or regulation to the contrary, a slot machine licensee holding a
14 restaurant liquor or eating place retail dispenser license under
15 the act of April 12, 1951 (P.L.90, No.21), known as the Liquor
16 Code, may apply to the Pennsylvania Liquor Control Board for a
17 casino liquor license. The Pennsylvania Liquor Control Board may
18 issue a casino liquor license to a slot machine licensee for use
19 at its licensed facility in accordance with this section.

20 (b) Fees.--Each application for a casino license under this
21 section shall be accompanied by a fee of \$1,000,000.

22 (c) Renewal.--

23 (1) The license must be renewed on an annual basis.

24 (2) For the first five years after the initial issuance
25 of the license, the license shall not be subject to an annual
26 renewal fee.

27 (3) Thereafter, the licensee shall be subject to an
28 annual renewal fee of \$50,000.

29 (4) All fees collected or received by the Pennsylvania
30 Liquor Control Board under this subsection shall be paid into
31 the State Treasury through the Department of Revenue for
32 deposit into the General Fund.

33 (d) Disposition of restaurant liquor or eating place retail
34 dispenser license.--

35 (1) An applicant under this section that currently holds
36 a restaurant liquor or eating place retail dispenser license
37 issued under the authority of the Liquor Code may continue to
38 utilize that license until such time as the casino liquor
39 license is issued by the Pennsylvania Liquor Control Board.
40 Upon the issuance of a license under this section, the
41 applicant must surrender the restaurant liquor or eating
42 place retail dispenser license to the Pennsylvania Liquor
43 Control Board.

44 (2) An applicant under this section that currently holds
45 a restaurant liquor or eating place retail dispenser license
46 purchased through private sale may continue to utilize that
47 license until such time as the casino liquor license is
48 issued by the Pennsylvania Liquor Control Board. Upon
49 issuance of a license under this section, the applicant may
50 sell the previously purchased restaurant liquor or eating
51 place retail dispenser license.

1 (e) Hours of operation.--Notwithstanding any other provision
2 of law to the contrary, a holder of a casino liquor license may
3 sell or serve liquor and malt or brewed beverages 24 hours a
4 day, seven days a week.

5 (f) Transfers.--

6 (1) Licenses issued under this section are
7 nontransferable.

8 (2) Nothing in this subsection shall be construed to
9 preclude a transfer of ownership of a casino liquor license
10 to another eligible person to be used at the same licensed
11 facility.

12 (g) Expiration.--Licenses under this section shall expire
13 under the following circumstances:

14 (1) revocation by an administrative law judge under
15 section 471 of the Liquor Code;

16 (2) nonrenewal by the Pennsylvania Liquor Control Board
17 under section 470 of the Liquor Code;

18 (3) nonrenewal of the license by the slot machine
19 licensee; or

20 (4) upon request by the slot machine licensee.

21 (h) New applicant.--The Pennsylvania Liquor Control Board
22 may issue a license under this section at any time to a new
23 applicant even if the previous license has:

24 (1) been revoked by an administrative law judge under
25 section 471 of the Liquor Code;

26 (2) not been renewed by the Pennsylvania Liquor Control
27 Board under section 470 of the Liquor Code;

28 (3) not been renewed by the slot machine licensee; or

29 (4) expired upon request by the slot machine licensee.

30 (i) Restrictions and privileges.--Licenses issued under this
31 section are subject to the following additional restrictions and
32 privileges:

33 (1) Sales may be made at any time the facility is open
34 to the public.

35 (2) Liquor or malt or brewed beverages may be
36 transported and consumed off the gaming floor so long as the
37 liquor or malt or brewed beverages remain within the premises
38 of the licensed facility.

39 (3) Sales of malt or brewed beverages for off-premises
40 consumption are prohibited.

41 (4) In addition to the provisions of section 493(24)(ii)
42 of the Liquor Code, the holder of a casino license may give
43 liquor and malt or brewed beverages free of charge to any
44 person attending an invitation-only event held anywhere on
45 the premises of the licensed facility.

46 (5) Licenses issued under this section shall not be
47 subject to:

48 (i) The proximity provisions of sections 402 and 404
49 of the Liquor Code.

50 (ii) The restrictions on discount pricing practices
51 specified in section 406(g) of the Liquor Code.

1 (iii) The quota restrictions of section 461 of the
2 Liquor Code.

3 (iv) The provisions of section 493(10) of the Liquor
4 Code, except as they relate to lewd, immoral or improper
5 entertainment.

6 (v) The prohibition against minors frequenting as
7 described in section 493(14) of the Liquor Code.

8 (vi) The cost and total display area limitations of
9 section 493(20)(i) of the Liquor Code.

10 (vii) The restrictions on events, tournaments or
11 contests specified in 40 Pa. Code § 5.32 (relating to
12 restrictions/exceptions).

13 (viii) The restrictions on the awarding of trophies,
14 prizes or premiums set forth in 40 Pa. Code § 5.32.

15 (6) The authorization to sell or serve liquor and malt
16 or brewed beverages by a holder of a casino liquor license
17 under subsection (e) shall not apply to the operation of slot
18 machines at a nonprimary location or at a qualified airport.

19 (j) Multiple licenses.--

20 (1) Subject to paragraph (2), more than one license
21 issued by the Pennsylvania Liquor Control Board may be in
22 effect at a licensed facility at any one time.

23 (2) No more than one license issued under this section
24 shall be in effect at any specific location within the
25 premises of a licensed facility at the same time.

26 Section 32. Sections 1901 and 1901.1 of Title 4 are amended
27 to read:

28 § 1901. Appropriations.

29 (a) Appropriation to board.--

30 (1) The sum of \$7,500,000 is hereby appropriated to the
31 Pennsylvania Gaming Control Board for the fiscal period July
32 1, 2004, to June 30, 2006, to implement and administer the
33 provisions of this part. The money appropriated in this
34 subsection shall be considered a loan from the General Fund
35 [and shall be repaid to the General Fund quarterly commencing
36 with the date slot machine licensees begin operating slot
37 machines under this part]. This appropriation shall be a two-
38 year appropriation and shall not lapse until June 30, 2006.

39 (2) The sum of \$2,100,000 is hereby appropriated from
40 the State Gaming Fund to the Pennsylvania Gaming Control
41 Board for salaries, wages and all necessary expenses for the
42 proper operation and administration of the Pennsylvania
43 Gaming Control Board for the expansion of gaming associated
44 with table games. This appropriation shall be a supplemental
45 appropriation for fiscal year 2009-2010 and shall be in
46 addition to the appropriation contained in the act of August
47 19, 2009 (P.L.777, No.9A), known as the Gaming Control
48 Appropriation Act of 2009.

49 (b) Appropriation to department.--The sum of \$21,100,000 is
50 hereby appropriated from the General Fund to the Department of
51 Revenue for the fiscal period July 1, 2004, to June 30, 2006, to

1 prepare for, implement and administer the provisions of this
2 part. The money appropriated under this subsection shall be
3 considered a loan from the General Fund [and shall be repaid to
4 the General Fund quarterly commencing with the date slot machine
5 licensees begin operating slot machines under this part]. This
6 appropriation shall be a two-year appropriation and shall not
7 lapse until June 30, 2006.

8 (c) Appropriation to Pennsylvania State Police.--The sum of
9 \$7,500,000 is hereby appropriated from the General Fund to the
10 Pennsylvania State Police for the fiscal period July 1, 2004, to
11 June 30, 2006, to prepare for, implement and administer the
12 provisions of this part. The money appropriated under this
13 subsection shall be considered a loan from the General Fund [and
14 shall be repaid to the General Fund quarterly commencing when
15 all slot machine licensees begin operating slot machines under
16 this part]. This appropriation shall be a two-year appropriation
17 and shall not lapse until June 30, 2006.

18 § 1901.1. Repayments to [State Gaming] General Fund.

19 [The board shall defer assessing slot machine licensees for
20 payments to the State Gaming Fund for any loans made to the
21 State Gaming Fund until such time as all slot machine licenses
22 have been issued and all licensed gaming entities have commenced
23 the operation of slot machines. The board shall adopt a
24 repayment schedule that assesses to each slot machine licensee
25 costs for the repayment of any such loans in an amount that is
26 proportional to each slot machine licensee's gross terminal
27 revenue.]

28 (a) Establishment of repayment schedule.--

29 (1) No later than September 30, 2017, the Pennsylvania
30 Gaming Control Board, in consultation with all licensed
31 gaming entities, shall establish a schedule governing the
32 repayment by licensed gaming entities of loans provided under
33 section 1901 (relating to appropriations).

34 (2) The repayment of loans provided under section 1901
35 by licensed gaming entities shall begin no later than January
36 1, 2018.

37 (3) The repayment schedule shall, at a minimum:

38 (i) Specify the dates upon which the repayments
39 shall be due. Payments may be required on a quarterly,
40 semiannual or annual basis.

41 (ii) Assess each slot machine licensee's costs for
42 repayment of loans under section 1901 in an amount that
43 is proportional to each slot machine licensee's gross
44 terminal revenue.

45 (iii) Result in the total amounts loaned under
46 section 1901 being repaid by June 30, 2019.

47 (b) Deposit.--Payments received under subsection (a) shall
48 be deposited into the General Fund.

49 Section 33. Title 4 is amended by adding a part to read:

50 PART III
51 VIDEO GAMING

Chapter

31. General Provisions

33. Administration

35. Application and Licensure

37. Operation

39. Enforcement

41. Revenues

43. Ethics

45. Miscellaneous Provisions

CHAPTER 31

GENERAL PROVISIONS

Sec.

3101. Scope of part.

3102. Definitions.

§ 3101. Scope of part.

This part relates to video gaming terminals.

§ 3102. Definitions.

The following words and phrases when used in this part shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Affiliate," "affiliate of" or "person affiliated with." A person who directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

"Applicant." A person who, on his own behalf or on behalf of another, applies for permission to engage in an act or activity that is regulated under the provisions of this part.

"Associated equipment." Equipment or a mechanical, electromechanical or electronic contrivance, component or machine used in connection with video gaming terminals or redemption terminals, including replacement parts, hardware and software.

"Background investigation." A security, criminal, credit and suitability investigation of a person as provided for in this part that includes the status of taxes owed to the United States, the Commonwealth and its political subdivisions. All costs associated with a background investigation, except for a background investigation conducted on an establishment license applicant, shall be paid by the applicant and shall be in addition to the application fee in section 4101 (relating to fees).

"Board." The Pennsylvania Gaming Control Board established under section 1201 (relating to Pennsylvania Gaming Control Board established).

"Bowling center establishment." A premises that is open to the public, has no less than 16 lanes for the game of bowling and has been in existence for at least five years prior to being eligible for receiving an establishment licensed under this part.

"Bureau." The Bureau of Investigations and Enforcement of the board.

1 "Cash." United States currency and coin.

2 "Cash equivalent." A ticket, token, chip, card or other
3 similar instrument or representation of value that the board
4 deems a cash equivalent in accordance with this part.

5 "Central control computer." A central site computer
6 controlled by the department and accessible by the board to
7 which all video gaming terminals communicate for the purpose of
8 auditing capacity, real-time information retrieval of the
9 details of any financial event that occurs in the operation of a
10 video gaming terminal or redemption terminal, including, but not
11 limited to, coin in, coin out, ticket in, ticket out, jackpots,
12 video gaming terminal and redemption terminal door openings and
13 power failure and remote video gaming terminal or redemption
14 terminal activation and disabling of video gaming terminals or
15 redemption terminals.

16 "Cheat."

17 (1) Any of the following:

18 (i) To defraud or steal from a player, terminal
19 operator licensee, establishment licensee or the
20 Commonwealth while operating or playing a video gaming
21 terminal, including causing, aiding, abetting or
22 conspiring with another person to do so.

23 (ii) To alter or causing, aiding, abetting or
24 conspiring with another person to alter the elements of
25 chance, method of selection or criteria that determine:

26 (A) The result of a video gaming terminal game.

27 (B) The amount or frequency of payment in a
28 video gaming terminal game.

29 (C) The value of a wagering instrument.

30 (D) The value of a wagering credit.

31 (iii) The term does not include altering a video
32 gaming terminal or associated equipment for maintenance
33 or repair with the approval of a terminal operator
34 licensee.

35 "Cheating or thieving device." A device:

36 (1) used or possessed with the intent to be used to
37 cheat during the operation or play of a video gaming
38 terminal; or

39 (2) used to alter a video gaming terminal without the
40 terminal operator licensee's approval.

41 "City of the First Class Enforcement Fund." The fund
42 established in section 4107 (relating to City of the First Class
43 Enforcement Fund).

44 "Coin-operated amusement game." A machine that requires the
45 insertion of a coin, currency or token to play or activate a
46 game the outcome of which is predominantly and primarily
47 determined by the skill of the player.

48 "Compensation." Anything of value, money or a financial
49 benefit conferred on or received by a person in return for
50 services rendered or to be rendered whether by the person or
51 another.

1 "Complimentary service." A lodging, service or item that is
2 provided to an individual at no cost or at a reduced cost that
3 is not generally available to the public under similar
4 circumstances. Group rates, including convention and government
5 rates, shall be deemed to be generally available to the public.

6 "Conduct of video gaming." The licensed placement, operation
7 and play of video gaming terminals under this part, as
8 authorized and approved by the board.

9 "Controlling interest." Any of the following:

10 (1) For a publicly traded domestic or foreign
11 corporation, the term means a person has a controlling
12 interest in a legal entity, applicant or licensee if a
13 person's sole voting rights under State law or corporate
14 articles or bylaws entitle the person to elect or appoint one
15 or more of the members of the board of directors or other
16 governing board or the person holds an ownership or
17 beneficial holding of 5% or more of the securities of the
18 publicly traded corporation, partnership, limited liability
19 company or other form of publicly traded legal entity, unless
20 this presumption of control or ability to elect is rebutted
21 by clear and convincing evidence.

22 (2) For a privately held domestic or foreign
23 corporation, partnership, limited liability company or other
24 form of privately held legal entity, the term means the
25 holding of any securities in the legal entity, unless this
26 presumption of control is rebutted by clear and convincing
27 evidence.

28 "Conviction." A finding of guilt or a plea of guilty or nolo
29 contendere, whether or not a judgment of sentence has been
30 imposed as determined by the law of the jurisdiction in which
31 the prosecution was held. The term does not include a conviction
32 that has been expunged or overturned or for which an individual
33 has been pardoned or had an order of Accelerated Rehabilitative
34 Disposition entered.

35 "Corporation." The term includes a publicly traded
36 corporation.

37 "Department." The Department of Revenue of the Commonwealth.

38 "Establishment." A liquor establishment or truck stop
39 establishment.

40 "Establishment license." A license issued by the board
41 authorizing an establishment to permit a terminal operator
42 licensee to place and operate video gaming terminals on the
43 establishment's premises pursuant to this part and the rules and
44 regulations promulgated under this part.

45 "Establishment licensee." An establishment that holds an
46 establishment license.

47 "Executive-level public employee." The term shall include
48 the following:

49 (1) A deputy secretary of the Commonwealth and the
50 Governor's Office executive staff.

51 (2) An employee of the executive branch whose duties

1 substantially involve licensing or enforcement under this
2 part, who has discretionary power that may affect or
3 influence the outcome of a Commonwealth agency's action or
4 decision or who is involved in the development of regulations
5 or policies relating to a licensed entity. The term includes
6 an employee with law enforcement authority.

7 (3) An employee of a county or municipality with
8 discretionary powers that may affect or influence the outcome
9 of the county's or municipality's action or decision related
10 to this part or who is involved in the development of law,
11 regulation or policy relating to matters regulated under this
12 part. The term includes an employee with law enforcement
13 authority.

14 (4) An employee of a department, agency, board,
15 commission, authority or other governmental body not included
16 in paragraph (1), (2) or (3) with discretionary power that
17 may affect or influence the outcome of the governmental
18 body's action or decision related to this part or who is
19 involved in the development of regulation or policy relating
20 to matters regulated under this part. The term includes an
21 employee with law enforcement authority.

22 "Financial backer." An investor, mortgagee, bondholder,
23 noteholder or other sources of equity or capital provided to an
24 applicant or licensed entity.

25 "Fire Company and Emergency Responder Grant Fund." The fund
26 established in section 4106 (relating to Fire Company and
27 Emergency Responder Grant Fund).

28 "Gambling game." A game that plays or simulates the play of
29 video poker, bingo, keno, reel games, blackjack or other similar
30 game authorized by the board.

31 "Gaming employee."

32 (1) Any of the following:

33 (i) An employee of a terminal operator licensee or
34 supplier licensee that is not a key employee but has
35 direct contact with establishment licensees or is
36 otherwise involved in the conduct of video gaming.

37 (ii) An employee of a supplier licensee whose duties
38 are directly involved with the repair or distribution of
39 video gaming terminals or associated equipment sold or
40 provided to a terminal operator licensee within this
41 Commonwealth as determined by the board.

42 (2) The term does not include nongaming personnel as
43 determined by the board or an employee of an establishment
44 licensee.

45 "Gaming school." An educational institution approved by the
46 Department of Education as an accredited college or university,
47 community college, Pennsylvania private licensed school or its
48 equivalent and whose curriculum guidelines are approved by the
49 Department of Labor and Industry to provide education and job
50 training related to employment opportunities associated with
51 video gaming terminals and associated equipment maintenance and

1 repair.

2 "Gaming service provider." A person that is not required to
3 be licensed as a terminal operator, manufacturer, supplier or
4 establishment licensee and provides goods or services to a
5 terminal operator licensee that directly relates to the
6 operation and security of a video gaming terminal or redemption
7 terminal. The term shall not include a person that supplies
8 goods or services that, at the discretion of the board, does not
9 impact the integrity of video gaming, video gaming terminals or
10 the connection of video gaming terminals to the central control
11 computer system, including:

12 (1) Seating to accompany video gaming terminals.

13 (2) Structural or cosmetic renovations, improvements or
14 other alterations to a video gaming area.

15 "Gross terminal revenue." The total of cash or cash
16 equivalents received by a video gaming terminal minus the total
17 of cash or cash equivalents paid out to players as a result of
18 playing a video gaming terminal. The term does not include
19 counterfeit cash or cash taken in a fraudulent act perpetrated
20 against a terminal operator licensee for which the terminal
21 operator licensee is not reimbursed.

22 "Holding company." A person, other than an individual,
23 which, directly or indirectly, owns or has the power or right to
24 control or to vote a significant part of the outstanding voting
25 securities of a corporation or other form of business
26 organization. A holding company indirectly has, holds or owns
27 any such power, right or security if it does so through an
28 interest in a subsidiary or successive subsidiaries.

29 "Incentive." Consideration, including a promotion or prize,
30 provided to a player or potential player as an enticement to
31 play a video gaming terminal. The term shall not include
32 consideration, promotions, prizes or complimentary play provided
33 to a player or potential player through a customer loyalty or
34 rewards card program approved by the board.

35 "Inducement."

36 (1) Any of the following:

37 (i) Consideration paid directly or indirectly, from
38 a manufacturer, supplier, terminal operator, procurement
39 agent, gaming employee, employee or another person on
40 behalf of an applicant or licensee, to an establishment,
41 establishment licensee, establishment licensee owner or
42 an employee of the establishment licensee, directly or
43 indirectly as an enticement to solicit or maintain the
44 establishment licensee or establishment licensee owner's
45 business.

46 (ii) Cash, incentive, marketing and advertising
47 cost, gift, food, beverage, loan, prepayment of gross
48 terminal revenue and other contribution or payment that
49 offsets an establishment licensee's operational costs, or
50 as otherwise determined by the board.

51 (2) The term shall not include costs paid by a terminal

1 operator applicant or licensee related to:

2 (i) Structural changes necessary to segregate the
3 video gaming area or maintain the security of video
4 gaming terminals and redemption terminals as required by
5 the board that do not exceed \$2,500, provided, however
6 that any changes in excess of \$2,500 may be shared
7 equally between the terminal applicant or licensee and
8 the establishment applicant or licensee.

9 (ii) Surveillance technology to monitor only the
10 video gaming area.

11 (iii) Making video gaming terminals operate at a
12 licensed establishment, including wiring and rewiring,
13 software updates, ongoing video gaming terminal
14 maintenance, redemption terminals, network connections,
15 site controllers and costs associated with communicating
16 with the central control computer system.

17 (iv) Installation of security and alarm system at an
18 establishment licensee's premises that are reasonably
19 necessary to protect video gaming terminals and
20 redemption terminals outside normal business hours,
21 provided that the cost does not exceed \$1,000.

22 (v) Any requirement established by the board
23 regarding minimum standards for a video gaming area.

24 (vi) Any cosmetic renovations or improvements within
25 a video gaming area that are reasonably necessary, as
26 determined by the board.

27 (vii) Fees established by the board to cover costs
28 associated with the mandatory employee training program
29 established under section 3706 (relating to compulsive
30 and problem gambling).

31 "Institutional investor." A retirement fund administered by
32 a public agency for the exclusive benefit of Federal, State or
33 local public employees, investment company registered under the
34 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1
35 et seq.), collective investment trust organized by banks under
36 Part Nine of the Rules of the Comptroller of the Currency,
37 closed-end investment trust, chartered or licensed life
38 insurance company or property and casualty insurance company,
39 banking and other chartered or licensed lending institution,
40 investment advisor registered under The Investment Advisers Act
41 of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and such other
42 person as the board may determine consistent with this part.

43 "Intermediary." A person, other than an individual, that:

44 (1) is a holding company with respect to a corporation
45 or other form of business organization, that holds or applies
46 for a license under this part; and

47 (2) is a subsidiary with respect to a holding company.

48 "Key employee." An individual employed by a manufacturer
49 licensee, supplier licensee, terminal operator licensee or
50 establishment licensee that is determined by the board to be a
51 director or department head or otherwise empowered to make

1 discretionary decisions that regulate the conduct of video
2 gaming.

3 "Law enforcement authority." The power to conduct
4 investigations of or to make arrests for criminal offenses.

5 "Licensed entity." A terminal operator licensee,
6 establishment licensee, manufacturer licensee or supplier
7 licensee.

8 "Licensed entity representative." A person, including an
9 attorney, agent or lobbyist, acting on behalf of or authorized
10 to represent the interest of an applicant, licensee or other
11 person authorized by the board to engage in an act or activity
12 that is regulated under this part regarding a matter before or
13 that may reasonably be expected to come before the board.

14 "Licensed facility." As defined in section 1103 (relating to
15 definitions).

16 "Licensed gaming entity." As defined in section 1103.

17 "Liquor establishment." A person that operates under a valid
18 liquor license. The term excludes:

19 (1) A person who operates under a liquor license and the
20 person's licensed premises is located within a licensed
21 facility.

22 (2) A person who operates under a liquor license and the
23 person's licensed premises has an interior connection to an
24 unlicensed business that is not a bowling center
25 establishment.

26 (3) A nonprimary location.

27 "Liquor license." Any of the following licenses issued by
28 the Pennsylvania Liquor Control Board under Article IV of the
29 act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code:

30 (1) Catering club.

31 (2) Club liquor.

32 (3) Club retail dispenser.

33 (4) Eating place retail dispenser.

34 (5) Hotel liquor.

35 (6) Hotel retail dispenser.

36 (7) Municipal golf course liquor.

37 (8) Municipal golf course retail dispenser.

38 (9) Privately-owned private golf course club liquor.

39 (10) Privately-owned private golf course catering club
40 liquor.

41 (11) Privately-owned public golf course retail
42 dispenser.

43 (12) Privately-owned public golf course restaurant
44 liquor.

45 (13) Restaurant liquor.

46 "Manufacturer." A person that manufactures, builds,
47 rebuilds, fabricates, assembles, produces, programs, designs or
48 otherwise makes modifications to a video gaming terminal,
49 redemption terminal or associated equipment for use or play in
50 this Commonwealth for gaming purposes and provides such products
51 to a supplier.

1 "Manufacturer license." A license issued by the board
2 authorizing a manufacturer to manufacture or produce video
3 gaming terminals, redemption terminals or associated equipment
4 for use in this Commonwealth for gaming purposes.

5 "Manufacturer licensee." A person that obtains a
6 manufacturer license.

7 "Municipality." A city, township, borough or incorporated
8 town.

9 "Non-key employee." An individual employed by a terminal
10 operator licensee who, unless otherwise designated by the board,
11 is not a key employee.

12 "Nonprimary location." As defined in 3 Pa.C.S. § 9301.

13 "Occupation permit." A permit authorizing an individual to
14 be employed or to work as a gaming employee.

15 "Party." The bureau or an applicant, licensee, registrant or
16 other person appearing of record in any proceeding before the
17 board.

18 "Permittee." A holder of a permit issued under this part.

19 "Person." A natural person, corporation, foundation,
20 organization, business trust, estate, limited liability company,
21 licensed corporation, trust, partnership, limited liability
22 partnership, association or other form of legal business entity.

23 "Player." An individual who wagers cash or a cash equivalent
24 in the play or operation of a video gaming terminal and the play
25 or operation of which may deliver or entitle the individual
26 playing or operating the video gaming terminal to receive cash
27 or a cash equivalent from a terminal operator licensee.

28 "Principal." An officer, director, person who directly holds
29 a beneficial interest in or ownership of the securities of an
30 applicant or licensee, person who has a controlling interest in
31 an applicant or licensee or has the ability to elect a majority
32 of the board of directors of a licensee or to otherwise control
33 a licensee, lender or other licensed financial institution of an
34 applicant or licensee, other than a bank or lending institution
35 which makes a loan or holds a mortgage or other lien acquired in
36 the ordinary course of business, underwriter of an applicant or
37 licensee or other person or employee of an applicant, terminal
38 operator licensee, manufacturer licensee or supplier licensee
39 deemed to be a principal by the board, including a procurement
40 agent.

41 "Procurement agent." A person that shares in the gross
42 terminal revenue or is otherwise compensated for the purpose of
43 soliciting or procuring a terminal placement agreement.

44 "Progressive payout." A video game terminal wager payout
45 that increases in a monetary amount based on the amounts wagered
46 in a progressive system.

47 "Progressive system." A computerized system linking video
48 game terminals at an establishment licensee and offering one or
49 more common progressive payouts based on the amounts wagered.

50 "Publicly traded corporation." A person, other than an
51 individual, that:

1 (1) has a class or series of securities registered under
2 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
3 § 78a et seq.);

4 (2) is a registered management company under the
5 Investment Company Act of 1940; or

6 (3) is subject to the reporting obligations imposed by
7 section 15(d) of the Securities Exchange Act of 1934 by
8 reason of having filed a registration statement that has
9 become effective under the Securities Act of 1933 (48 Stat.
10 74, 15 U.S.C. § 77a et seq.).

11 "Redemption terminal." The collective hardware, software,
12 communications technology and other ancillary equipment used to
13 facilitate the payment of cash or a cash equivalent to a player
14 as a result of playing a video gaming terminal.

15 "Security." As defined in the act of December 5, 1972
16 (P.L.1280, No.284), known as the Pennsylvania Securities Act of
17 1972.

18 "Slot machine." As defined in section 1103.

19 "State Treasurer." The State Treasurer of the Commonwealth.

20 "Supplier." A person that sells, leases, offers or otherwise
21 provides, distributes or services any video gaming terminal,
22 redemption terminal or associated equipment to a terminal
23 operator licensee for use or play in this Commonwealth.

24 "Supplier license." A license issued by the board
25 authorizing a supplier to provide products or services related
26 to video gaming terminals, redemption terminals or associated
27 equipment to terminal operator licensees for use in this
28 Commonwealth for video gaming.

29 "Supplier licensee." A person that holds a supplier license.

30 "Terminal operator." A person that owns, services or
31 maintains video gaming terminals for placement and operation in
32 an establishment licensee.

33 "Terminal operator license." A license issued by the board
34 authorizing a terminal operator to place and operate video
35 gaming terminals in an establishment licensee's premises
36 pursuant to this part and the rules and regulations promulgated
37 under this part.

38 "Terminal operator licensee." A person that holds a terminal
39 operator license.

40 "Terminal placement agreement." The formal written agreement
41 or contract between a terminal operator applicant or licensee
42 and an establishment applicant or licensee that establishes the
43 terms and conditions regarding the conduct of video gaming.

44 "Truck stop establishment." A premises that:

45 (1) Is equipped with diesel islands used for fueling
46 commercial motor vehicles.

47 (2) Has sold on average 50,000 gallons of diesel or
48 biodiesel fuel each month for the previous 12 months or is
49 projected to sell an average of 50,000 gallons of diesel or
50 biodiesel fuel each month for the next 12 months.

51 (3) Has parking spaces dedicated for commercial motor

1 vehicles.
2 (4) Has a convenience store.
3 (5) Is situated on a parcel of land of not less than
4 three acres that the truck stop establishment owns or leases.
5 "Video gaming area." The area of an establishment licensee's
6 premises where video gaming terminals are installed for
7 operation and play.
8 "Video gaming employees." The term includes key employees
9 and non-key employees.
10 "Video Gaming Fund." The fund established in section 4102
11 (relating to taxes and assessments).
12 "Video gaming terminal."
13 (1) A mechanical or electrical contrivance, terminal,
14 machine or other device approved by the board that, upon
15 insertion of cash or cash equivalents, is available to play
16 or operate one or more gambling games, the play of which
17 utilizes a random number generator and:
18 (i) May award a winning player either a free game or
19 credit that shall only be redeemable for cash or cash
20 equivalents at a redemption terminal.
21 (ii) May utilize video displays.
22 (iii) May use an electronic credit system for
23 receiving wagers and making payouts that are only
24 redeemable at a redemption terminal.
25 (2) Associated equipment necessary to conduct the
26 operation of the contrivance, terminal, machine or other
27 device.
28 (3) The term does not include a slot machine operated at
29 a licensed facility in accordance with Part II (relating to
30 gaming) or a coin-operated amusement game.

31 CHAPTER 33
32 ADMINISTRATION

33 Sec.

34 3301. Powers of board.
35 3302. Regulatory authority of board.
36 3303. Temporary regulations.
37 3304. Appeals.
38 3305. Records and confidentiality of information.
39 3306. Reporting.
40 3307. Diversity.
41 3308. Authority of department.
42 3309. Central control computer system.
43 3310. Department of Drug and Alcohol Programs.

44 § 3301. Powers of board.

45 (a) General powers.--

46 (1) The board shall have general and sole regulatory
47 authority over the conduct of video gaming terminal or
48 related activities as described in this part. The board shall
49 ensure the integrity of the acquisition and operation of
50 video gaming terminals, redemption terminals and associated
51 equipment and shall have sole regulatory authority over every

1 aspect of the conduct of video gaming.

2 (2) The board may employ individuals as necessary to
3 carry out the requirements of this part who shall serve at
4 the board's pleasure.

5 (b) Specific powers.--The board shall have the power and
6 duty:

7 (1) To require background investigations on applicants,
8 licensees, principals, key employees, procurement agents or
9 gaming employees under the jurisdiction of the board.

10 (2) At its discretion, to issue, approve, renew, revoke,
11 suspend, condition or deny issuance or renewal of terminal
12 operator licenses.

13 (3) At its discretion, to award, revoke, suspend,
14 condition or deny issuance or renewal of establishment
15 licenses.

16 (4) At its discretion, to issue, approve, renew, revoke,
17 suspend, condition or deny issuance or renewal of supplier
18 and manufacturer licenses.

19 (5) At its discretion, to issue, approve, renew, revoke,
20 suspend, condition or deny issuance or renewal of a license
21 or permit for various classes of employees as required under
22 this part.

23 (6) At its discretion, to issue, approve, renew, revoke,
24 suspend, condition or deny issuance or renewal of additional
25 licenses or permits that may be required by the board under
26 this part.

27 (7) At its discretion, to suspend, condition or deny the
28 issuance or renewal of a license or permit or levy a fine or
29 other sanction for a violation of this part.

30 (8) To require prospective and existing video gaming
31 employees, independent contractors, applicants, permittees
32 and licensees to submit to fingerprinting by the Pennsylvania
33 State Police or its authorized designee. The Pennsylvania
34 State Police or its authorized designee shall submit the
35 fingerprints to the Federal Bureau of Investigation for
36 purposes of verifying the identity of the individual and
37 obtaining records of criminal arrests and convictions.

38 (9) To require prospective and existing video gaming
39 employees, independent contractors, applicants, permittees
40 and licensees to submit photographs consistent with a
41 statement of policy developed by the board.

42 (10) In addition to the power of the board relating to
43 license and permit applicants, to determine at its discretion
44 the suitability of a person who furnishes or seeks to furnish
45 to a terminal operator licensee directly or indirectly goods,
46 services or property related to video gaming terminals,
47 redemption terminals or associated equipment.

48 (11) To approve an application for or issue or renew a
49 license, certificate, registration or permit if the board is
50 satisfied that the person has demonstrated by clear and
51 convincing evidence that the person is of good character,

1 honesty and integrity whose prior activities, criminal
2 record, if any, reputation, habits and associations do not
3 pose a threat to the public interest or the effective
4 regulation and control of video gaming terminal operations or
5 create or enhance the danger of unsuitable, unfair or illegal
6 practices, methods and activities in the conduct of video
7 gaming or the carrying on of the business and financial
8 arrangements incidental thereto.

9 (12) To publish on the board's publicly accessible
10 Internet website a complete list of persons or entities who
11 applied for or held a terminal operator license,
12 establishment license, manufacturer license or supplier
13 license at any time during the preceding calendar year and
14 affiliates, intermediaries, subsidiaries and holding
15 companies thereof and the status of the application or
16 license.

17 (13) To prepare and, through the Governor, submit
18 annually to the General Assembly an itemized budget
19 consistent with Article VI of the act of April 9, 1929
20 (P.L.177, No.175), known as The Administrative Code of 1929,
21 consisting of the amounts necessary to be appropriated by the
22 General Assembly out of the accounts established under
23 section 4104 (relating to regulatory assessments) required to
24 meet the obligations under this part accruing during the
25 fiscal period beginning July 1 of the following year.

26 (14) In the event that appropriations for the
27 administration of this part are not enacted by June 30 of any
28 year, funds appropriated for the administration of this part
29 which are unexpended, uncommitted and unencumbered at the end
30 of a fiscal year shall remain available for expenditure by
31 the board or other agency to which they were appropriated
32 until the enactment of an appropriation for the ensuing
33 fiscal year.

34 (15) To collect and post information on the board's
35 publicly accessible Internet website with sufficient detail
36 to inform the public of persons with a controlling interest
37 or ownership interest in an applicant for a terminal operator
38 license or terminal operator licensee or affiliate,
39 intermediary, subsidiary or holding company of an applicant
40 for a terminal operator license. The posting shall include:

41 (i) If the applicant for a terminal operator license
42 or terminal operator licensee or an affiliate,
43 intermediary, subsidiary or holding company of the
44 applicant for a terminal operator license or terminal
45 operator licensee is a publicly traded domestic or
46 foreign corporation, partnership, limited liability
47 company or other legal entity, the names of persons with
48 a controlling interest.

49 (ii) If the applicant for a terminal operator
50 license or terminal operator licensee or an affiliate,
51 intermediary, subsidiary or holding company of the

1 applicant for a terminal operator license or terminal
2 operator licensee is a privately held domestic or foreign
3 corporation, partnership, limited liability company or
4 other legal entity, the names of all persons with an
5 ownership interest equal to or greater than 1%.

6 (iii) The name of a person entitled to cast the vote
7 of a person named under subparagraph (i) or (ii).

8 (iv) The names of officers, directors and principals
9 of the applicant for a terminal operator license or
10 terminal operator licensee.

11 (16) Determine, designate and classify employees of a
12 terminal operator licensee as key employees and non-key
13 employees.

14 § 3302. Regulatory authority of board.

15 (a) General rule.--The board shall have the power and duty:

16 (1) To deny, deny the renewal, revoke, condition or
17 suspend a license provided for in this part if the board
18 finds in its sole discretion that a licensee under this part
19 or its officers, employees or agents have intentionally
20 furnished false or misleading information to the board or
21 failed to comply with the provisions of this part or the
22 rules and regulations of the board and that it would be in
23 the public interest to deny, deny the renewal, revoke,
24 condition or suspend the license.

25 (2) To restrict access to confidential information in
26 the possession of the board that has been obtained under this
27 part and ensure that the confidentiality of information is
28 maintained and protected.

29 (3) To prescribe and require periodic financial
30 reporting and internal control requirements for terminal
31 operator licensees.

32 (4) To require that each terminal operator licensee
33 provide to the board its annual financial statements, with
34 such additional detail as the board shall require, which
35 shall be submitted not later than 180 days after the end of
36 the licensee's fiscal year.

37 (5) To prescribe the procedures to be followed by
38 terminal operator licensees for a financial event that occurs
39 in the operation and play of video gaming terminals.

40 (6) To require that each establishment licensee
41 prohibits minors from operating or using video gaming
42 terminals or redemption terminals.

43 (7) To establish procedures for the inspection and
44 certification of compliance of video gaming terminals,
45 redemption terminals and associated equipment prior to being
46 placed into use by a terminal operator licensee.

47 (8) To require that no video gaming terminal may be set
48 to pay out less than the theoretical payout percentage, which
49 percentage shall be no less than 85%, as specifically
50 approved by the board. The board shall adopt regulations that
51 define the theoretical payout percentage of a video gaming

1 terminal game based on the total value of the jackpots
2 expected to be paid by a play on a video gaming terminal game
3 divided by the total value of video gaming terminals wagers
4 expected to be made on that play or video gaming terminal
5 game during the same portion of the game cycle. In so doing,
6 the board shall specify whether the calculation includes a
7 portion of or the entire cycle of a video gaming terminal
8 game.

9 (9) To require that an establishment license applicant
10 provide detailed site plans of its proposed video gaming area
11 for review and approval by the board for the purpose of
12 determining the adequacy of the proposed security and
13 surveillance measures. The applicant shall cooperate with the
14 board in making changes to the plans suggested by the board
15 and shall ensure that the plans as modified and approved are
16 implemented. The board may not require a floor-to-ceiling
17 wall to segregate the video gaming area, but may adopt rules
18 to establish segregation requirements.

19 (10) To promulgate rules and regulations governing the
20 advertisement of video gaming terminals, provided that the
21 board shall require all advertisements to display or
22 reference the toll-free problem gambling telephone number
23 maintained by the Department of Drug and Alcohol Programs
24 under section 3310(b) (relating to duties of Department of
25 Drug and Alcohol Programs).

26 (11) To enter into contracts with persons for the
27 purposes of carrying out the powers and duties of the board
28 under this part.

29 (12) To adopt regulations governing the postemployment
30 limitations and restrictions applicable to members and
31 employees of the board subject to section 4302 (relating to
32 additional board restrictions). In developing the
33 regulations, the board may consult with the State Ethics
34 Commission, governmental agencies and the disciplinary board
35 of the Supreme Court regarding postemployment limitations and
36 restrictions on members and employees of the board who are
37 members of the Pennsylvania Bar.

38 (13) To review and approve all cash handling policies
39 and procedures employed by terminal operator licensees.

40 (14) To promulgate rules and regulations governing the
41 placement of automated teller machines within video gaming
42 areas.

43 (15) To establish reasonable age-verification procedures
44 for establishment licensees and their employees to ensure
45 minors do not access a video gaming area or terminal,
46 provided that the board may not require video gaming
47 terminals to be equipped with identification card-reading
48 devices or require establishment licensees to purchase
49 identification card-reading devices.

50 (16) To promulgate rules and regulations governing
51 player loyalty or rewards card programs.

1 (17) To promulgate rules and regulations governing the
2 interconnection of video gaming terminals with a single
3 establishment for a progressive system.

4 (18) To promulgate rules and regulations necessary for
5 the administration and enforcement of this part.

6 (19) To limit the total number of video gaming terminals
7 in operation within this Commonwealth as follows:

8 (i) No more than 30,000 video gaming terminals by
9 December 31, 2018.

10 (ii) No more than 35,000 video gaming terminals by
11 December 31, 2019.

12 (iii) No more than 40,000 video gaming terminals by
13 December 31, 2020, and thereafter.

14 (b) Applicable law.--Except as provided in section 3303
15 (relating to temporary regulations), regulations shall be
16 adopted the act of July 31, 1968 (P.L.769, No.240), referred to
17 as the Commonwealth Documents Law, and the act of June 25, 1982
18 (P.L.633, No.181), known as the Regulatory Review Act.
19 § 3303. Temporary regulations.

20 (a) Promulgation.--In order to facilitate the prompt
21 implementation of this part, regulations promulgated by the
22 board shall be deemed temporary regulations which shall expire
23 no later than three years following the effective date of this
24 section. The board may promulgate temporary regulations not
25 subject to:

26 (1) Sections 201, 202, 203 and 205 of the act of July
27 31, 1968 (P.L.769, No.240), referred to as the Commonwealth
28 Documents Law.

29 (2) Section 204(b) of the act of October 15, 1980
30 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

31 (3) The act of June 25, 1982 (P.L.633, No.181), known as
32 the Regulatory Review Act.

33 (b) Expiration.-- Except for temporary regulations related
34 to security and surveillance, the authority provided to the
35 board to adopt temporary regulations in subsection (a) shall
36 expire July 1, 2020. Regulations adopted after that date shall
37 be promulgated as provided by law.

38 (c) Special consideration.--When promulgating temporary
39 regulations regarding the application, background investigation
40 and renewal process for an establishment license or regulations
41 regarding an establishment licensee's duties and
42 responsibilities regarding the conduct of video gaming under
43 this part, the board shall consider promulgating regulations
44 that minimize the regulatory burden on establishment licensees
45 and establishment license applicants to the extent that:

46 (1) All requirements, duties and responsibilities are
47 fulfilled under this part.

48 (2) The temporary regulations adequately protect the
49 public interest and integrity of video gaming.

50 § 3304. Appeals.

51 An applicant or licensee may appeal a final order,

determination or decision of the board involving the approval, issuance, denial, revocation, nonrenewal, suspension or conditioning, including any disciplinary actions, of a license, permit or authorization under this part in accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

§ 3305. Records and confidentiality of information.

(a) Records.--The board shall maintain files and records deemed necessary for the administration and enforcement of this part.

(b) Confidentiality of information.--

(1) The following information submitted by an applicant or licensee under Chapter 35 (relating to application and licensure) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

(i) Information relating to character, honesty and integrity, including family, habits, reputation, history of criminal activity, business activities, financial affairs and business, professional and personal associations submitted to or otherwise obtained by the board or the bureau.

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant or licensee or the immediate family thereof.

(iii) Information relating to proprietary information, trade secrets, patents or exclusive licenses, architectural and engineering plans and information relating to competitive marketing materials and strategies, including customer-identifying information or customer prospects for services subject to competition.

(iv) Security information, including risk prevention plans, detection and countermeasures, location of count rooms, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud prevention plans and countermeasures.

(v) Information with respect to which there is a reasonable possibility that public release or inspection of the information would constitute an unwarranted invasion into personal privacy of an individual as determined by the board.

(vi) Records of an applicant or licensee not required to be filed with the Securities and Exchange Commission by issuers that either have securities

1 registered under section 12 of the Securities Exchange
2 Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are
3 required to file reports under section 15(d) of the
4 Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
5 § 78o).

6 (vii) Records considered nonpublic matters or
7 information by the Securities and Exchange Commission as
8 provided by 17 CFR 200.80 (relating to commission records
9 and information).

10 (viii) Financial information provided to the board
11 by an applicant or licensee.

12 (2) No claim of confidentiality may be made regarding
13 criminal history record information that is available to the
14 public under 18 Pa.C.S. § 9121(b) (relating to general
15 regulations).

16 (3) No claim of confidentiality may be made regarding a
17 record in possession of the board that is otherwise publicly
18 available from a Commonwealth agency, local agency or another
19 jurisdiction.

20 (4) Except as provided in section 3904(h) (relating to
21 investigations and enforcement), the information made
22 confidential under this section shall be withheld from public
23 disclosure in whole or in part, except that confidential
24 information shall be released upon the order of a court of
25 competent jurisdiction or, with the approval of the Attorney
26 General, to a duly authorized law enforcement agency or shall
27 be released to the public, in whole or in part, to the extent
28 that the release is requested by an applicant or licensee and
29 does not otherwise contain confidential information about
30 another person.

31 (5) The board may seek a voluntary waiver of
32 confidentiality from an applicant or licensee but may not
33 require an applicant or licensee to waive the confidentiality
34 provided under this subsection as a condition for the
35 approval of an application, renewal of a license or other
36 action of the board.

37 (6) (i) No current or former member and no current or
38 former employee, agent or independent contractor of the
39 board, the department, the Pennsylvania State Police, the
40 Office of Attorney General or other executive branch
41 office who has obtained confidential information in the
42 performance of duties under this part shall intentionally
43 and publicly disclose the information to a person,
44 knowing that the information being disclosed is
45 confidential under this subsection, unless the person is
46 authorized by law to receive it.

47 (ii) A violation of this subsection shall constitute
48 a misdemeanor of the third degree.

49 (iii) In addition to any penalty under subparagraph
50 (ii), an employee, agent or independent contractor who
51 violates this subsection shall be administratively

1 disciplined by discharge, suspension, termination of
2 contract or other formal disciplinary action as
3 appropriate. If a current member violates this paragraph,
4 the other members shall refer the matter to the current
5 member's appointing authority.

6 (c) Notice.--Notice of the contents of information, except
7 to a duly authorized law enforcement agency pursuant to this
8 section, shall be given to an applicant or licensee in a manner
9 prescribed by the rules and regulations adopted by the board.

10 (d) Information held by other agencies.--Files, records,
11 reports and other information in the possession of the
12 department or the Pennsylvania Liquor Control Board pertaining
13 to a licensee shall be made available to the board as may be
14 necessary to the effective administration of this part.

15 § 3306. Reporting.

16 (a) Report by board.--Beginning October 1, 2018, and every
17 year thereafter, the annual report submitted to the Governor and
18 the General Assembly by the board under section 1211 (relating
19 to reports of board) shall include information on the conduct of
20 video gaming terminals for the previous calendar year:

21 (1) Total gross terminal revenue.

22 (2) Total number of terminal operator licensees and
23 establishment licensees.

24 (3) All taxes, fees, fines and other revenue collected
25 and, where appropriate, revenue disbursed. The department
26 shall collaborate with the board to carry out the
27 requirements of this paragraph.

28 (4) Other information related to the conduct of video
29 gaming terminals that the board deems appropriate.

30 (b) Participation.--The board may require terminal operator
31 licensees to provide information to the board to assist in the
32 preparation of the report under subsection (a).

33 (c) Report by department.--No later than June 1, 2018, and
34 each year thereafter until June 1, 2020, the department shall
35 provide an annual report to the Governor and the General
36 Assembly regarding the impact of legalized video gaming
37 terminals on the State Lottery Fund.

38 § 3307. Diversity.

39 (a) Intent.--It is the intent and goal of the General
40 Assembly that the board promote and ensure diversity in all
41 aspects of the gaming activities authorized under this part.

42 (b) Reports by applicants.--An applicant for a terminal
43 operator license shall submit a diversity plan to the board. At
44 a minimum, the diversity plan shall contain a summary of:

45 (1) All employee recruitment and retention efforts
46 undertaken to promote the participation of diverse groups in
47 employment with the applicant if issued a terminal operator
48 license.

49 (2) Other information deemed necessary by the board to
50 assess the diversity plan.

51 (c) Review.--The board shall conduct a review of a diversity

1 plan. When reviewing the adequacy of a diversity plan, the board
2 shall take into consideration the total number of video gaming
3 terminals the applicant proposes to operate within the
4 Commonwealth.

5 (d) Periodic review.--Upon an applicant receiving a terminal
6 operator license, the board, in its discretion, may periodically
7 review the terminal operator licensee's diversity plan and
8 recommend changes to the diversity plan.

9 (e) Terminal operator responsibility.--An applicant for a
10 terminal operator license or a terminal operator licensee shall
11 provide information as required by the board to enable the board
12 to complete the reviews required under subsections (c) and (d).
13 § 3308. Authority of department.

14 (a) General rule.--The department shall administer and
15 collect taxes imposed under this part and interest imposed under
16 section 806 of the act of April 9, 1929 (P.L.343, No.176), known
17 as The Fiscal Code, and promulgate and enforce rules and
18 regulations to carry out its prescribed duties in accordance
19 with this part, including the collection of taxes, penalties and
20 interest imposed by this part.

21 (b) Application of rules and regulations.--The department
22 may prescribe the extent, if any, to which any rules and
23 regulations shall be applied without retroactive effect. The
24 department shall prescribe the forms and the system of
25 accounting and recordkeeping to be employed and through its
26 representative shall at all times have power of access to and
27 examination and audit of any equipment and records relating to
28 all aspects of the operation of video gaming terminals and
29 redemption terminals under this part.

30 (c) Procedure.--For purposes of implementing this part, the
31 department may promulgate regulations in the same manner in
32 which the board is authorized as provided in section 3303
33 (relating to temporary regulations).

34 (d) Additional penalty.--A person who fails to timely remit
35 to the department or the State Treasurer amounts required under
36 this part shall be liable, in addition to liability imposed
37 elsewhere in this part, to a penalty of 5% per month up to a
38 maximum of 25% of the amounts ultimately found to be due, to be
39 recovered by the department.

40 (e) Liens and suits for taxes.--The provisions of this part
41 shall be subject to the provisions of sections 242 and 243 of
42 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
43 Code of 1971.

44 § 3309. Central control computer system.

45 (a) General rule.--To facilitate the auditing and security
46 programs critical to the integrity of video gaming terminals in
47 this Commonwealth, the department shall have overall control of
48 video gaming terminals that:

49 (1) Shall be linked, at an appropriate time to be
50 determined by the department, to a central control computer
51 under the control of the department and accessible by the

1 board to provide auditing program capacity and individual
2 terminal information as approved by the department.

3 (2) Shall include real-time information retrieval and
4 terminal activation and disabling programs.

5 (b) System requirements.--The central control computer
6 employed by the department shall provide:

7 (1) A fully operational Statewide video gaming terminal
8 control system that has the capability of supporting up to
9 the maximum number of video gaming terminals that is
10 permitted to be in operation under this part.

11 (2) The employment of a widely accepted gaming industry
12 protocol to facilitate a video gaming terminal manufacturers'
13 ability to communicate with the Statewide system.

14 (3) The delivery of a system that has the ability to
15 verify software, detect alterations in payout and detect
16 other methods of fraud in all aspects of the operation of
17 video gaming terminals.

18 (4) The delivery of a system that has the capability to
19 support progressive video gaming terminals as approved by the
20 board.

21 (5) The delivery of a system that does not alter the
22 statistical awards of video gaming terminal games as designed
23 by the manufacturer and approved by the board.

24 (6) The delivery of a system that provides redundancy so
25 that each component of the network is capable of operating
26 independently by the department if any component of the
27 network, including the central control computer, fails or
28 cannot be operated for any reason as determined by the
29 department, and to assure that all transactional data is
30 captured and secured. Costs associated with a computer system
31 required by the department to operate within a video gaming
32 area, whether independent or as part of the central control
33 computer, shall be paid by the terminal operator licensee.
34 The computer system shall be controlled by the department and
35 accessible to the board.

36 (7) The ability to meet all reporting and control
37 requirements as prescribed by the board and department.

38 (8) The delivery of a system that provides centralized
39 issuance of cash redemption tickets and facilitates the
40 acceptance of the tickets by video gaming terminals and
41 redemption terminals.

42 (9) Other capabilities as determined by the department
43 in consultation with the board.

44 (c) Personal information.--The central control computer may
45 not provide for the monitoring or reading of personal or
46 financial information concerning a patron of a terminal operator
47 licensee.

48 (d) Initial acquisition of central control computer.--

49 (1) Notwithstanding any other provision of law to the
50 contrary and in order to facilitate the prompt implementation
51 of this part, initial contracts entered into by the

1 department for a central control computer, including
2 necessary computer hardware, software, licenses or related
3 services shall not be subject to the provisions of 62 Pa.C.S.
4 (relating to procurement).

5 (2) Contracts made pursuant to the provisions of this
6 section may not exceed five years.

7 (e) Resolution of contract disputes.--The process specified
8 in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation
9 resolution of controversies) shall be the sole means of
10 resolution for controversies arising with respect to contracts
11 executed under this section.

12 (f) Existing central control computer system.--The
13 department, in its discretion, may alter or utilize the central
14 control computer system controlled by the department under
15 section 1323 (relating to central control computer system) to
16 fulfill the requirements of this section.

17 § 3310. Department of Drug and Alcohol Programs or successor
18 agency.

19 (a) Program update.--

20 (1) The Department of Drug and Alcohol Programs or
21 successor agency shall update the compulsive and problem
22 gambling program established in section 1509 (relating to
23 compulsive and problem gambling program) to address public
24 education, awareness and training regarding compulsive and
25 problem gambling and the treatment and prevention of
26 compulsive and problem gambling related to video gaming
27 terminals.

28 (2) The updated guidelines shall include strategies for
29 the prevention of compulsive and problem gambling related to
30 video gaming terminals.

31 (3) The Department of Drug and Alcohol Programs or
32 successor agency may consult with the board and terminal
33 operator licensee to develop the strategies.

34 (b) Duties of Department of Drug and Alcohol Programs or
35 successor agency.--From funds available in the Compulsive and
36 Problem Gambling Treatment Fund, the Department of Drug and
37 Alcohol Programs or successor agency shall with respect to video
38 gaming terminals:

39 (1) Maintain one compulsive gamblers assistance
40 organization's toll-free problem gambling telephone number,
41 which number shall be 1-800-GAMBLER, to provide crisis
42 counseling and referral services to individuals and families
43 experiencing difficulty as a result of problem or compulsive
44 gambling. If the Department of Drug and Alcohol Programs or
45 successor agency determines that it is unable to adopt the
46 number 1-800-GAMBLER, the Department of Drug and Alcohol
47 Programs or successor agency shall maintain another number.

48 (2) Maintain one compulsive gambler's assistance
49 organization's telephone number, which shall be accessible
50 via a free text message service, to provide crisis counseling
51 and referral services to individuals and families

1 experiencing difficulty as a result of problem or compulsive
2 gambling.

3 (3) Facilitate, through in-service training and other
4 means, the availability of effective assistance programs for
5 problem and compulsive gamblers and family members affected
6 by problem and compulsive gambling.

7 (4) At its discretion, conduct studies to identify
8 individuals in this Commonwealth who are or are at risk of
9 becoming problem or compulsive gamblers.

10 (5) Provide grants to and contract with single county
11 authorities and other organizations that provide services
12 specified in this section.

13 (6) Reimburse organizations for reasonable expenses
14 incurred assisting the Department of Drug and Alcohol
15 Programs with implementing this section.

16 (c) Additional duties.--Within 60 days following the
17 effective date of this section, the Department of Drug and
18 Alcohol Programs or successor agency and the board's Office of
19 Compulsive and Problem Gambling shall jointly collaborate with
20 other appropriate offices and agencies of State or local
21 government, including single county authorities and providers
22 and other persons, public or private, with expertise in
23 compulsive and problem gambling treatment with respect to video
24 gaming terminals:

25 (1) Implement a strategic plan for the prevention and
26 treatment of compulsive and problem gambling.

27 (2) Adopt compulsive and problem gambling treatment
28 standards to be integrated with the Department of Drug and
29 Alcohol Programs' or successor agency's uniform Statewide
30 guidelines that govern the provision of addiction treatment
31 services.

32 (3) Develop a method to coordinate compulsive and
33 problem gambling data collection and referral information to
34 crisis response hotlines, child welfare and domestic violence
35 programs and providers and other appropriate programs and
36 providers.

37 (4) Develop and disseminate educational materials to
38 provide public awareness related to the prevention,
39 recognition and treatment of compulsive and problem gambling.

40 (5) Develop demographic-specific compulsive and problem
41 gambling prevention, intervention and treatment programs.

42 (6) Prepare an itemized budget outlining how funds will
43 be allocated to fulfill the responsibilities under this
44 section.

45 (d) Report.--The Department of Drug and Alcohol Programs or
46 successor agency shall include in the report required under
47 section 1509 information involving video gaming terminals.

48 CHAPTER 35

49 APPLICATION AND LICENSURE

50 Sec.

51 3501. General prohibition.

1 3502. Terminal operator licenses.
2 3503. (Reserved).
3 3504. Principal licenses.
4 3505. Key employee licenses.
5 3506. Divestiture of disqualifying applicant.
6 3507. Supplier licenses.
7 3508. Manufacturer licenses.
8 3509. Gaming service provider.
9 3510. Occupation permit.
10 3511. Alternative terminal operator licensing standards.
11 3512. Alternative manufacturer licensing standards.
12 3513. Alternative supplier licensing standards.
13 3514. Establishment licenses.
14 3515. License or permit prohibition.
15 3516. Issuance and renewal.
16 3517. Change in ownership or control of terminal operator
17 licensee.
18 3518. Video gaming accounting controls and audits.
19 3519. Multiple licenses prohibited.
20 3520. Conditional licenses.
21 § 3501. General prohibition.

22 No person may offer or otherwise make available for play in
23 this Commonwealth a video gaming terminal unless the person is
24 licensed under this part and according to regulations
25 promulgated by the board under this part.

26 § 3502. Terminal operator licenses.

27 (a) General requirements.--An application for a terminal
28 operator license shall be on the form required by the board and
29 shall include, at a minimum, all of the following:

30 (1) The name, address and photograph of the applicant
31 and of all directors and owners and key employees and their
32 positions within the corporation or organization, as well as
33 additional financial information required by the board.

34 (2) A current tax lien certificate issued by the
35 department.

36 (3) The details of any gaming license applied for,
37 granted to or denied to the applicant by another jurisdiction
38 where the form of gaming is legal and the consent for the
39 board to acquire copies of the application submitted or
40 license issued in connection with the application.

41 (4) The details of any loan obtained from a financial
42 institution or not obtained from a financial institution.

43 (5) The consent to conduct a background investigation by
44 the board, the scope of which investigation shall be
45 determined by the board in its discretion consistent with the
46 provisions of this part, and a release signed by all persons
47 subject to the investigation of all information required to
48 complete the investigation.

49 (6) The details of the applicant's diversity plan to
50 assure that all persons are accorded equality of opportunity
51 in employment and contracting by the applicant, its

contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

(7) Any other information determined to be appropriate by the board.

(b) Character requirements.--An application for a terminal operator license shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence of the applicant's suitability, including good character, honesty and integrity. The application shall include, without limitation, information pertaining to family, habits, character, reputation, criminal history background, business activities, financial affairs and business, professional and personal associates, covering at least the 10-year period immediately preceding the filing date of the application.

(c) Civil judgments.--An applicant shall notify the board of any civil judgment obtained against the applicant pertaining to laws of the Federal Government, this Commonwealth or another state, jurisdiction, province or country.

(d) (Reserved).

(e) (Reserved).

(f) Additional eligibility requirements.--In order to be eligible for a terminal operator license under this part, the principals and key employees of the applicant must obtain a license to meet the character requirements of this section or other eligibility requirements established by the board.

(g) Classification system.--The board shall develop a classification system for other agents, employees or persons who directly or indirectly hold or are deemed to be holding debt or equity securities or other financial interest in the applicant and for other persons that the board considers appropriate for review under this section.

(h) Related entities.--

(1) Except as provided in paragraph (2), no person shall be eligible to receive a terminal operator license unless the principals and key employees of each intermediary or holding company of the person meet the requirements of subsection (f).

(2) The board may require that lenders and underwriters of intermediaries, subsidiaries or holding companies of a terminal operator license applicant meet the requirements of subsection (f) if the board determines that the suitability of a lender or underwriter is at issue and necessary to consider a pending application for a terminal operator license.

(i) Revocable privilege.--The issuance or renewal of a license or other authorization by the board under this section shall be a revocable privilege.

(j) Waiver for publicly traded corporations.--The board may waive the requirements of subsection (f) for a person directly or indirectly holding ownership of securities in a publicly

1 traded corporation if the board determines that the holder of
2 the securities does not have the ability to control the
3 corporation or elect one or more directors thereof.

4 (k) (Reserved).

5 (l) Ongoing duty.--A person applying for a license or other
6 authorization under this part shall continue to provide
7 information required by the board or the bureau and cooperate in
8 any inquiry or investigation.

9 (m) Criminal history record check.--The board may conduct a
10 criminal history record check on a person for whom a waiver is
11 granted under this section.

12 (n) Applicant financial information.--

13 (1) The board shall require an applicant for a terminal
14 operator license to produce the information, documentation
15 and assurances concerning financial background and resources
16 as the board deems necessary to establish by clear and
17 convincing evidence the financial stability, integrity and
18 responsibility of the applicant, its affiliate, intermediary,
19 subsidiary or holding company, including, but not limited to,
20 bank references, business and personal income and
21 disbursement schedules, tax returns and other reports filed
22 with governmental agencies and business and personal
23 accounting and check records and ledgers.

24 (2) An applicant shall in writing authorize the
25 examination of all bank accounts and records as may be deemed
26 necessary by the board.

27 (o) Financial backer information.--

28 (1) The board shall require an applicant for a terminal
29 operator license to produce the information, documentation
30 and assurances as may be necessary to establish by clear and
31 convincing evidence the integrity of all financial backers,
32 investors, mortgagees, bondholders and holders of indentures,
33 notes or other evidences of indebtedness, either in effect or
34 proposed.

35 (2) The board may waive the qualification requirements
36 for banking or lending institution and institutional
37 investors.

38 (3) A banking or lending institution or institutional
39 investor shall produce for the board upon request any
40 document or information that bears relation to the proposal
41 submitted by the applicant or applicants.

42 (4) The integrity of the financial sources shall be
43 judged upon the same standards as the applicant. Any such
44 person or entity shall produce for the board upon request any
45 document or information which bears any relation to the
46 application.

47 (5) The applicant shall produce whatever information,
48 documentation or assurances the board requires to establish
49 by clear and convincing evidence the adequacy of financial
50 resources.

51 (p) Applicant's business experience.--

1 (1) The board shall require an applicant for a terminal
2 operator license to produce the information, documentation
3 and assurances as the board may require to establish by clear
4 and convincing evidence that the applicant has sufficient
5 business ability and experience to create and maintain a
6 successful, efficient operation.

7 (2) An applicant shall produce the names of all proposed
8 key employees and a description of their respective or
9 proposed responsibilities as they become known.

10 (g) Additional information.--In addition to other
11 information required by this part, a person applying for a
12 terminal operator license shall provide the following
13 information:

14 (1) The organization, financial structure and nature of
15 all businesses operated by the person, including any
16 affiliate, intermediary, subsidiary or holding companies, the
17 names and personal employment and criminal histories of all
18 officers, directors and key employees of the corporation; the
19 names of all holding, intermediary, affiliate and subsidiary
20 companies of the corporation; and the organization, financial
21 structure and nature of all businesses operated by such
22 holding, intermediary and subsidiary companies as the board
23 may require, including names and personal employment and
24 criminal histories of such officers, directors and principal
25 employees of such corporations and companies as the board may
26 require.

27 (2) The extent of securities held in the corporation by
28 all officers, directors and underwriters and their
29 remuneration in the form of salary, wages, fees or otherwise.

30 (3) Copies of all management and service contracts.

31 (r) Review and approval.--Upon being satisfied that the
32 requirements of subsections (a), (b), (c), (d), (e), (f), (g),
33 (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q) have been
34 met, the board may approve the application and issue the
35 applicant a terminal operator license consistent with all of the
36 following:

37 (1) (i) The license shall be for a period of five
38 years.

39 (ii) Nothing in this paragraph shall be construed to
40 relieve a licensee of the affirmative duty to notify the
41 board of any changes relating to the status of its
42 license or to any information contained in the
43 application materials on file with the board.

44 (2) The license shall be nontransferable.

45 (3) Any other condition established by the board.

46 (s) Renewal.--

47 (1) At least six months prior to expiration of a
48 terminal operator license, the terminal operator licensee
49 seeking renewal of its license shall submit a renewal
50 application to the board.

51 (2) If the renewal application satisfies the

1 requirements of subsections (a), (b), (c), (d), (e), (f),
2 (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q), the
3 board may renew the licensee's terminal operator license.

4 (3) If the board receives a complete renewal application
5 but fails to act upon the renewal application prior to the
6 expiration of the terminal operator license, the terminal
7 operator license shall continue in effect until acted upon by
8 the board.

9 § 3503. (Reserved).

10 § 3504. Principal licenses.

11 (a) License required.--All principals shall obtain a
12 principal license from the board.

13 (b) Application.--A principal license application shall be
14 in a form prescribed by the board and shall include the
15 following:

16 (1) Verification of status as a principal from a
17 terminal operator licensee, manufacturer licensee or supplier
18 licensee.

19 (2) A description of responsibilities as a principal.

20 (3) All releases necessary to obtain information from
21 governmental agencies, employers and other organizations.

22 (4) Details relating to a similar license, permit or
23 other authorization obtained in another jurisdiction.

24 (5) Additional information required by the board.

25 (c) Issuance.--Following review of the application and the
26 background investigation, the board may issue a principal
27 license if the applicant has proven by clear and convincing
28 evidence that the applicant is a person of good character,
29 honesty and integrity and is eligible and suitable to be
30 licensed as a principal.

31 (d) Nontransferability.--A license issued under this section
32 shall be nontransferable.

33 (e) Principals.--An individual who receives a principal
34 license need not obtain a key employee license.

35 § 3505. Key employee licenses.

36 (a) License required.--All key employees shall obtain a key
37 employee license from the board.

38 (b) Application.--A key employee license application shall
39 be in a form prescribed by the board and shall include the
40 following:

41 (1) Verification of status as a key employee from a
42 terminal operator licensee, manufacturer licensee or supplier
43 licensee.

44 (2) A description of employment responsibilities.

45 (3) All releases necessary to obtain information from
46 governmental agencies, employers and other organizations.

47 (4) Details relating to a similar license or other
48 authorization obtained in another jurisdiction.

49 (5) Additional information required by the board.

50 (c) Issuance.--Following review of the application and the
51 background investigation, the board may issue a key employee

1 license if the applicant has proven by clear and convincing
2 evidence that the applicant is a person of good character,
3 honesty and integrity and is eligible and suitable to be
4 licensed as a key employee.

5 (d) Nontransferability.--A license issued under this section
6 shall be nontransferable.

7 § 3506. Divestiture of disqualifying applicant.

8 (a) Board power to require.--

9 (1) In the event that any establishment license
10 application, terminal operator license application, supplier
11 license application or manufacturer license application is
12 not approved by the board based on a finding that an
13 individual who is a principal or has an interest in the
14 person applying for the license does not meet the character
15 requirements of this part or any of the eligibility
16 requirements under this part or a person who purchases a
17 controlling interest in the applicant in violation of section
18 3517 (relating to change in ownership or control of terminal
19 operator licensee), the board may afford the individual the
20 opportunity to completely divest his interest in the person,
21 its affiliate, intermediary, subsidiary or holding company
22 seeking the license and, after such divestiture, reconsider
23 the person's or applicant's suitability for licensure in an
24 expedited proceeding and may, after such proceeding, issue
25 the person or applicant a terminal operator license.

26 (2) The board shall approve the terms and conditions of
27 any divestiture under this section.

28 (b) Limitation.--Under no circumstances shall any
29 divestiture be approved by the board if the compensation for the
30 divested interest exceeds the cost of the interest.

31 § 3507. Supplier licenses.

32 (a) Application.--

33 (1) A manufacturer that elects to contract with a
34 supplier under section 3508 (relating to manufacturer
35 licenses) shall ensure that the supplier is appropriately
36 licensed under this section.

37 (2) A person seeking to provide video gaming terminals,
38 redemption terminals or associated equipment to a terminal
39 operator licensee within this Commonwealth through a contract
40 with a licensed manufacturer must apply to the board for the
41 appropriate supplier license.

42 (b) Requirements.--An application for a supplier license
43 shall be on the form required by the board and shall include all
44 of the following:

45 (1) The name and business address of the applicant and
46 the applicant's affiliates, intermediaries, subsidiaries and
47 holding companies; the principals and key employees of each
48 business; and a list of employees and their positions within
49 each business, as well as financial information required by
50 the board.

51 (2) A statement that the applicant and each affiliate,

1 intermediary, subsidiary or holding company of the applicant
2 are not terminal operator licensees.

3 (3) Proof that the applicant has or will establish a
4 place of business in this Commonwealth. A supplier licensee
5 shall maintain its place of business in this Commonwealth to
6 remain eligible for licensure.

7 (4) The consent to a background investigation by the
8 bureau of the applicant, its principals and key employees or
9 other persons required by the board and a release to obtain
10 the information necessary for the completion of the
11 background investigation.

12 (5) The details of any supplier license issued by the
13 board to the applicant under section 1317 (relating to
14 supplier licenses), if applicable.

15 (6) The details of any equivalent license granted or
16 denied by other jurisdictions where gaming activities as
17 authorized by this part are permitted.

18 (7) The type of goods and services to be supplied and
19 whether those goods and services will be provided through
20 purchase, lease, contract or otherwise.

21 (8) Other information determined by the board to be
22 appropriate.

23 (c) Review and approval.--Upon being satisfied that the
24 requirements of subsection (b) have been met, the board may
25 approve the application and issue the applicant a supplier
26 license consistent with all of the following:

27 (1) (i) The license shall be for a period of five
28 years.

29 (ii) Nothing in this paragraph shall be construed to
30 relieve a licensee of the affirmative duty to notify the
31 board of a change relating to the status of its license
32 or to information contained in the application materials
33 on file with the board.

34 (2) The license shall be nontransferable.

35 (3) Other conditions established by the board.

36 (d) Renewal.--

37 (1) At least six months prior to expiration of a
38 supplier license, the supplier licensee seeking renewal of
39 its license shall submit a renewal application to the board.

40 (2) If the renewal application satisfies the
41 requirements of subsection (b), the board may renew the
42 licensee's supplier license.

43 (3) If the board receives a complete renewal application
44 but fails to act upon the renewal application prior to the
45 expiration of the supplier license, the supplier license
46 shall continue in effect until acted upon by the board.

47 § 3508. Manufacturer licenses.

48 (a) Application.--A person seeking to manufacture video
49 gaming terminals, redemption terminals and associated equipment
50 for use in this Commonwealth must apply to the board for a
51 manufacturer license.

1 (b) Requirements.--An application for a manufacturer license
2 shall be on the form required by the board and shall include all
3 of the following:

4 (1) The name and business address of the applicant and
5 the applicant's affiliates, intermediaries, subsidiaries and
6 holding companies; the principals and key employees of each
7 business; and a list of employees and their positions within
8 each business, as well as financial information required by
9 the board.

10 (2) A statement that the applicant and each affiliate,
11 intermediary, subsidiary or holding company of the applicant
12 are not terminal operator licensees.

13 (3) The consent to a background investigation by the
14 bureau of the applicant, its principals, its key employees,
15 its intermediaries, its subsidiaries or other persons
16 required by the board and a release to obtain the information
17 necessary for the completion of the background investigation.

18 (4) The details of any equivalent license granted or
19 denied by other jurisdictions where gaming activities as
20 authorized by this part are permitted.

21 (5) The details of any manufacturer license issued by
22 the board to the applicant under section 1317.1 (relating to
23 manufacturer licenses), if applicable.

24 (6) The type of video gaming terminals, redemption
25 terminals or associated equipment to be manufactured or
26 repaired.

27 (7) Other information determined by the board to be
28 appropriate.

29 (c) Review and approval.--Upon being satisfied that the
30 requirements of subsection (b) have been met, the board may
31 approve the application and grant the applicant a manufacturer
32 license consistent with all of the following:

33 (1) (i) The license shall be for a period of five
34 years.

35 (ii) Nothing in this paragraph shall be construed to
36 relieve the licensee of the affirmative duty to notify
37 the board of a change relating to the status of its
38 license or to other information contained in application
39 materials on file with the board.

40 (2) The license shall be nontransferable.

41 (3) Other conditions established by the board.

42 (d) Renewal.--

43 (1) At least six months prior to expiration of a
44 manufacturer license, the manufacturer licensee seeking
45 renewal of its license shall submit a renewal application
46 accompanied by the renewal fee to the board.

47 (2) If the renewal application satisfies the
48 requirements of subsection (b), the board may renew the
49 licensee's manufacturer license.

50 (3) If the board receives a complete renewal application
51 but fails to act upon the renewal application prior to the

1 expiration of the manufacturer license, the manufacturer
2 license shall continue in effect until acted upon by the
3 board.

4 (e) Authority.--The following shall apply to a licensed
5 manufacturer:

6 (1) A manufacturer or its designee, as licensed by the
7 board, may supply or repair a video gaming terminal,
8 redemption terminal or associated equipment manufactured by
9 the manufacturer, provided the manufacturer holds the
10 appropriate manufacturer license.

11 (2) A manufacturer of video gaming terminals or
12 redemption terminals may contract with a supplier under
13 section 3507 (relating to supplier licenses) to provide video
14 gaming terminals, redemption terminals or associated
15 equipment to a terminal operator licensee within this
16 Commonwealth, provided the supplier is licensed to supply
17 video gaming terminals, redemption terminals or associated
18 equipment.

19 (f) Prohibitions.--

20 (1) No person may manufacture video gaming terminals,
21 redemption terminals or associated equipment for use within
22 this Commonwealth by a terminal operator licensee unless the
23 person has been issued the appropriate manufacturer license
24 under this section.

25 (2) No person issued a license under this section may
26 apply for or be issued a terminal operator license under
27 section 3502 (relating to terminal operator licenses) or
28 establishment license under section 3514 (relating to
29 establishment licenses).

30 § 3509. Gaming service provider.

31 (a) Development of classification system.--The board shall
32 develop a classification system governing the certification,
33 registration and regulation of gaming service providers and
34 individuals and entities associated with them. The
35 classification system shall be based upon the following:

36 (1) Whether the employees of the gaming service provider
37 will have access to the video gaming area of an establishment
38 or the video gaming terminals or redemption terminals prior
39 to or after installation.

40 (2) Whether the goods or services provided or to be
41 provided by the gaming service provider would impact the
42 integrity of video gaming terminals, redemption terminals or
43 the conduct of video gaming.

44 (b) Authority to exempt.--The board may exempt a person or
45 type of business from the requirements of this section if the
46 board determines:

47 (1) the person or type of business is regulated by an
48 agency of the Federal Government, an agency of the
49 Commonwealth or the Pennsylvania Supreme Court; or

50 (2) the regulation of the person or type of business is
51 determined not to be necessary in order to protect the public

1 interest or the integrity of gaming.
2 (c) Duties of gaming service providers.--A gaming service
3 provider shall have a continuing duty to:
4 (1) Provide all information, documentation and
5 assurances as the board may require.
6 (2) Cooperate with the board in investigations, hearings
7 and enforcement and disciplinary actions.
8 (3) Comply with all conditions, restrictions,
9 requirements, orders and rulings of the board in accordance
10 with this part.
11 (4) Report a change in circumstances that may render the
12 gaming service provider ineligible, unqualified or unsuitable
13 for continued registration or certification.
14 (d) Requirement for permit.--The board may require employees
15 of a gaming service provider to obtain a permit or other
16 authorization if, after an analysis of duties, responsibilities
17 and functions, the board determines that a permit or other
18 authorization is necessary to protect the integrity of gaming.
19 (e) Interim authorization.--The board or a designated
20 employee of the board may permit a gaming service provider
21 applicant to engage in business with an applicant for a terminal
22 operator license or a terminal operator licensee prior to
23 approval of the gaming service provider application if the
24 following criteria have been satisfied:
25 (1) A completed application has been filed with the
26 board by the gaming service provider.
27 (2) The terminal operator license applicant or terminal
28 operator licensee contracting or doing business with the
29 gaming service provider certifies that it has performed due
30 diligence on the gaming service provider and believes that
31 the applicant meets the qualification to be a gaming service
32 provider pursuant to this section.
33 (3) The gaming service provider applicant agrees in
34 writing that the grant of interim authorization to conduct
35 business prior to board approval of the application does not
36 create a right to continue to engage in business if the board
37 determines that the applicant is not suitable or continued
38 authorization is not in the public interest.
39 (f) Construction.--Nothing in this section shall be
40 construed to prohibit the board from rescinding a grant of
41 interim authorization if, at any time, the suitability of the
42 person subject to interim authorization is at issue or if the
43 person fails to cooperate with the board, the bureau or an agent
44 of the board or bureau.
45 (g) Gaming service provider lists.--
46 (1) The board shall:
47 (i) Develop and maintain a list of approved gaming
48 service providers who are authorized to provide goods or
49 services whether under a grant of interim or continued
50 authorization.
51 (ii) Develop and maintain a list of prohibited

1 gaming service providers.

2 (2) An applicant for a terminal operator license or a
3 terminal operator licensee may not enter into an agreement or
4 engage in business with a gaming service provider listed on
5 the prohibited gaming service provider list.

6 (h) Emergency authorization.--

7 (1) A terminal operator licensee may utilize a gaming
8 service provider that has not been approved by the board when
9 a threat to public health, welfare or safety exists or
10 circumstances outside the control of the terminal operator
11 licensee require immediate action to mitigate damage or loss
12 to the licensee's video gaming terminals.

13 (2) The board shall promulgate regulations to govern the
14 use of gaming service providers under emergency
15 circumstances. The regulations shall include a requirement
16 that the terminal operator licensee contact the board
17 immediately upon utilizing a gaming service provider that has
18 not been approved by the board.

19 (i) Criminal history record information.--If the
20 classification system developed by the board in accordance with
21 subsection (a) requires a gaming service provider or an
22 individual or entity associated with the gaming service provider
23 to submit to or provide the bureau with criminal history record
24 information under 18 Pa.C.S. Ch. 91 (relating to criminal
25 history record information), the bureau shall notify a terminal
26 operator licensee that submitted a certification under
27 subsection (e)(2) whether the applicant has been convicted of a
28 felony or misdemeanor gambling offense.

29 § 3510. Occupation permit.

30 (a) Application.--

31 (1) A person who desires to be a gaming employee and has
32 a bona fide offer of employment from a terminal operator
33 licensee shall apply to the board for an occupation permit.

34 (2) A person may not be employed as a gaming employee
35 unless and until that person holds an appropriate occupation
36 permit issued under this section.

37 (3) The board may promulgate regulations to reclassify a
38 category of nongaming employees or gaming employees upon a
39 finding that the reclassification is in the public interest
40 and consistent with the objectives of this part.

41 (b) Requirements.--The application for an occupation permit
42 shall include, at a minimum:

43 (1) The name and home address of the person.

44 (2) The previous employment history of the person.

45 (3) The criminal history record of the person, as well
46 as the person's consent for the Pennsylvania State Police to
47 conduct a background investigation.

48 (4) A photograph of the person.

49 (5) Evidence of the offer of employment and the nature
50 and scope of the proposed duties of the person, if known.

51 (6) The details of an occupation permit or similar

1 license granted or denied to the applicant in other
2 jurisdictions.

3 (7) Other information determined by the board to be
4 appropriate.

5 (c) Prohibition.--No terminal operator licensee may employ
6 or permit a person under 18 years of age to render service in a
7 video gaming area.

8 § 3511. Alternative terminal operator licensing standards.

9 (a) Determination.--

10 (1) The board may determine whether the licensing
11 standards of another jurisdiction within the United States or
12 Canada in which an applicant, its affiliate, intermediary,
13 subsidiary or holding company for a terminal operator license
14 is similarly licensed are comprehensive and thorough and
15 provide similar adequate safeguards as those required by this
16 part.

17 (2) If the board makes that determination, it may issue
18 a terminal operator license to an applicant who holds a
19 terminal operator license in the other jurisdiction after
20 conducting an evaluation of the information relating to the
21 applicant from the other jurisdictions, as updated by the
22 board, and evaluating other information related to the
23 applicant received from that jurisdiction and other
24 jurisdictions where the applicant may be licensed, the board
25 may incorporate such information in whole or in part into the
26 board's evaluation of the applicant.

27 (b) Abbreviated process.--

28 (1) In the event an applicant for a terminal operator
29 license is licensed in another jurisdiction, the board may
30 determine to use an alternate process requiring only that
31 information determined by the board to be necessary to
32 consider the issuance of a license, including financial
33 viability of the licensee, to such an applicant.

34 (2) Nothing in this section shall be construed to waive
35 fees associated with obtaining a license through the normal
36 application process.

37 (c) Current license holders.--In the event an applicant for
38 a terminal operator license under this part holds a slot machine
39 license under Part II (relating to gaming), the board may
40 determine to use an abbreviated process requiring only that
41 information determined by the board to be necessary to consider
42 the issuance of a license, including financial viability of the
43 applicant.

44 § 3512. Alternative manufacturer licensing standards.

45 (a) Determination.--

46 (1) The board may determine whether the licensing
47 standards of another jurisdiction within the United States in
48 which an applicant for a manufacturer license is similarly
49 licensed are comprehensive and thorough and provide similar
50 adequate safeguards as those required by this part.

51 (2) If the board makes that determination, it may issue

1 a manufacturer license to an applicant who holds a similar
2 manufacturer license in the other jurisdiction after
3 conducting an evaluation of the information relating to the
4 applicant from the other jurisdictions, as updated by the
5 board, and evaluating other information related to the
6 applicant received from that jurisdiction and other
7 jurisdictions where the applicant may be licensed, the board
8 may incorporate such information in whole or in part into the
9 board's evaluation of the applicant.

10 (b) Abbreviated process.--

11 (1) In the event an applicant for a manufacturer license
12 is licensed in another jurisdiction, the board may determine
13 to use an abbreviated process requiring only that information
14 determined by the board to be necessary to consider the
15 issuance of a license, including financial viability of the
16 applicant.

17 (2) Nothing in this section shall be construed to waive
18 fees associated with obtaining a license through the normal
19 application process.

20 (c) Current license holders.--In the event an applicant for
21 a manufacturer license under this part holds a manufacturer
22 license under section 1317.1 (relating to manufacturer
23 licenses), the board may determine to use an abbreviated process
24 requiring only that information determined by the board to be
25 necessary to consider the issuance of a license, including
26 financial viability of the applicant.

27 § 3513. Alternative supplier licensing standards.

28 (a) Determination.--

29 (1) The board may determine whether the licensing
30 standards of another jurisdiction within the United States in
31 which an applicant for a supplier's license is similarly
32 licensed are comprehensive and thorough and provide similar
33 adequate safeguards as required by this part.

34 (2) If the board makes that determination, it may issue
35 a supplier license to an applicant who holds a similar
36 supplier license in another jurisdiction after conducting an
37 evaluation of the information relating to the applicant from
38 the other jurisdictions, as updated by the board, and
39 evaluating other information related to the applicant
40 received from that jurisdiction and other jurisdictions where
41 the applicant may be licensed. The board may incorporate the
42 information in whole or in part into its evaluation of the
43 applicant.

44 (b) Abbreviated process.--

45 (1) In the event an applicant for a supplier license is
46 licensed in another jurisdiction, the board may determine to
47 use an abbreviated process requiring only that information
48 determined by the board to be necessary to consider the
49 issuance of a license, including financial viability of the
50 applicant.

51 (2) Nothing in this section shall be construed to waive

1 any fees associated with obtaining a license through the
2 normal application process.

3 (c) Current license holders.--In the event an applicant for
4 a supplier license under this part holds a supplier license
5 under section 1317 (relating to supplier licenses), the board
6 may determine to use an abbreviated process requiring only that
7 information determined by the board to be necessary to consider
8 the issuance of a license, including financial viability of the
9 applicant.

10 § 3514. Establishment licenses.

11 (a) General requirements.--An establishment that submits an
12 application for an establishment license shall include at a
13 minimum:

14 (1) The name, address and photograph of the applicant
15 and additional financial information required by the board.

16 (2) A description of the proposed surveillance and
17 security measures to ensure the security of the proposed
18 video gaming area.

19 (3) A current tax lien certificate issued by the
20 department.

21 (4) The criminal history record of the applicant,
22 principal and key employees and a consent for the bureau to
23 conduct a background investigation on the applicant,
24 principals and key employees.

25 (5) If the applicant is a liquor establishment,
26 documentation showing that the establishment's liquor license
27 is valid and is in good standing with the Pennsylvania Liquor
28 Control Board.

29 (6) If the applicant is a liquor establishment,
30 disclosure of conditional license agreements entered into
31 under the act of April 12, 1951 (P.L.90, No.21), known as the
32 Liquor Code.

33 (7) Other information determined to be appropriate by
34 the board.

35 (b) Nontransferability.--A license issued under this section
36 shall be nontransferable.

37 (c) Ongoing duty.--An establishment applying for a license
38 under this section shall continue to provide information
39 required by the board or the bureau and cooperate in any inquiry
40 or investigation.

41 (d) Review and approval.--Upon being satisfied that the
42 requirements of subsection (a) have been met, the board may
43 approve the application and issue the applicant an establishment
44 license consistent with all of the following:

45 (1) (i) The license shall be for a period of five
46 years.

47 (ii) Nothing in this paragraph shall be construed to
48 relieve a licensee of the affirmative duty to notify the
49 board of a change relating to the status of its license
50 or to information contained in application materials on
51 file with the board.

1 (2) The license shall be nontransferable.
2 (3) Other conditions established by the board.
3 (e) Inspection required.--
4 (1) If the board receives an application under
5 subsection (a) from an applicant that is a liquor
6 establishment whose licensed premises is less than 1,000
7 square feet, the board shall request the Bureau of Liquor
8 Control Enforcement of the Pennsylvania State Police to
9 inspect the liquor establishment's licensed premises to
10 ensure compliance with the Liquor Code. The Bureau of Liquor
11 Control Enforcement of the Pennsylvania State Police shall
12 inspect the liquor establishment's licensed premises upon
13 receiving the request for the board.
14 (2) The Bureau of Liquor Control Enforcement of the
15 Pennsylvania State Police shall transmit the findings of the
16 inspection required in paragraph (1) to the Pennsylvania
17 Liquor Control Board and the Pennsylvania Liquor Control
18 Board shall provide to the board a report containing the
19 following information:
20 (i) Violations of the Liquor Code found as a result
21 of the inspection.
22 (ii) Whether the violations are of a continuing
23 nature.
24 (iii) Severity of the violations and potential
25 sanctions against the liquor establishment.
26 (iv) Whether, according to the discretion of the
27 Pennsylvania Liquor Control Board, the liquor
28 establishment is suitable to receive an establishment
29 license from the board.
30 (v) Other information determined by the Pennsylvania
31 Liquor Control Board to be appropriate regarding the
32 suitability of the liquor establishment to participate in
33 video gaming.
34 (3) The board shall require a fee from the liquor
35 establishment to reimburse the Bureau of Liquor Control
36 Enforcement of the Pennsylvania State Police and the
37 Pennsylvania Liquor Control Board for any costs incurred as a
38 result of fulfilling the requirements of paragraphs (1) and
39 (2). The fee shall not be subject to fee limitations
40 contained in section 4101 (relating to fees).
41 (f) Renewal.--
42 (1) At least three months prior to expiration of an
43 establishment license, the establishment licensee seeking
44 renewal of its license shall submit a renewal application
45 accompanied by the renewal fee to the board.
46 (2) If the renewal application satisfies the
47 requirements of subsection (b), the board may renew the
48 licensee's establishment license.
49 (3) If the board receives a complete renewal application
50 but fails to act upon the renewal application prior to the
51 expiration of the manufacturer license, the establishment

1 license shall continue in effect until acted upon by the
2 board.

3 § 3515. License or permit prohibition.

4 The following apply:

5 (1) The board shall be prohibited from granting a
6 license under this part to any applicant who has been
7 convicted of a felony offense in any jurisdiction.

8 (2) In addition to the prohibition under paragraph (1),
9 the board shall be prohibited from granting the following:

10 (i) A principal license or key employee license to
11 an individual who has been convicted in a jurisdiction of
12 a misdemeanor gambling offense, unless 15 years have
13 elapsed from the date of conviction for the offense.

14 (ii) A gaming employee permit or a license other
15 than a principal license or key employee license to an
16 individual who has been convicted in a jurisdiction of a
17 misdemeanor gambling offense, unless 15 years have
18 elapsed from the date of conviction for the offense.

19 (iii) An establishment license to an applicant who
20 has been convicted in a jurisdiction of a misdemeanor
21 gambling offense, unless three years have elapsed from
22 the date of conviction for the offense.

23 (iv) An establishment license to an applicant that
24 is a liquor establishment whose liquor license is not in
25 good standing with the Pennsylvania Liquor Control Board.

26 (v) An establishment license to an applicant that is
27 a liquor establishment that is declared a nuisance under
28 section 611 of the act of April 12, 1951 (P.L.90, No.21),
29 known as the Liquor Code, or has been declared a nuisance
30 within the past three years.

31 (vi) An establishment license to an applicant that
32 is a liquor establishment with a conditional license
33 agreement entered into under the Liquor Code unless the
34 agreement has been amended to allow for video gaming.

35 (vii) An establishment license to an applicant that
36 is a liquor establishment whose liquor license has been
37 suspended, unless three years have elapsed from the date
38 of suspension.

39 (3) Following the expiration of any prohibition period
40 applicable to an applicant under paragraph (2), in
41 determining whether to issue a license or permit, the board
42 shall consider the following factors:

43 (i) The nature and duties of the applicant's
44 position with the licensed entity.

45 (ii) The nature and seriousness of the offense or
46 conduct.

47 (iii) The circumstances under which the offense or
48 conduct occurred.

49 (iv) The age of the applicant when the offense or
50 conduct was committed.

51 (v) Whether the offense or conduct was an isolated

1 or a repeated incident.

2 (vi) Evidence of rehabilitation, including good
3 conduct in the community, counseling or psychiatric
4 treatment received and the recommendation of persons who
5 have substantial contact with the applicant.

6 (4) For purposes of this section, a felony offense is
7 any of the following:

8 (i) An offense punishable under the laws of this
9 Commonwealth by imprisonment for more than five years.

10 (ii) An offense which, under the laws of another
11 jurisdiction, is:

12 (A) classified as a felony; or

13 (B) punishable by imprisonment for more than
14 five years.

15 (iii) An offense under the laws of another
16 jurisdiction which, if committed in this Commonwealth,
17 would be subject to imprisonment for more than five
18 years.

19 § 3516. Issuance and renewal.

20 (a) Issuance.--

21 (1) In addition to any other criteria provided under
22 this part, any terminal operator, establishment, supplier,
23 manufacturer, gaming employee or other person that the board
24 approves as qualified to receive a license or a permit under
25 this part shall be issued a license or permit upon the
26 payment of a fee required in section 4101 (relating to fees)
27 and upon the fulfillment of conditions required by the board
28 or provided for in this part.

29 (2) Nothing contained in this part is intended or shall
30 be construed to create an entitlement to a license or permit
31 by a person.

32 (b) Renewal.--

33 (1) All permits and licenses issued under this part
34 unless otherwise provided shall be subject to renewal every
35 five years.

36 (2) The application for renewal, unless otherwise
37 provided, shall be submitted at least 180 days prior to the
38 expiration of the permit or license and shall include an
39 update of the information contained in the initial and any
40 prior renewal applications and the payment of any renewal fee
41 required by section 4101.

42 (3) Nothing in this subsection shall be construed to
43 relieve a licensee of the affirmative duty to notify the
44 board of a change relating to the status of its license or to
45 other information contained in the application materials on
46 file with the board.

47 (c) Revocation or failure to renew.--

48 (1) In addition to other sanctions the board may impose
49 under this part, the board may at its discretion suspend,
50 revoke or deny renewal of a permit or license issued under
51 this part if it receives information from any source that the

1 applicant or any of its officers, directors, owners or key
2 employees is in violation of any provision of this part, that
3 the applicant has furnished the board with false or
4 misleading information or that the information contained in
5 the applicant's initial application or renewal application is
6 no longer true and correct such that the applicant is no
7 longer eligible.

8 (2) In the event of a revocation or failure to renew,
9 the applicant's authorization to conduct the previously
10 approved activity shall immediately cease upon receipt of a
11 final adjudication under 2 Pa.C.S. Chs. 5 Subch. A (relating
12 to practice and procedure of Commonwealth agencies) and 7
13 Subch. A (relating to judicial review of Commonwealth agency
14 action), and all fees paid in connection with the application
15 shall be deemed to be forfeited.

16 (3) In the event of a suspension, the applicant's
17 authorization to conduct the previously approved activity
18 shall immediately cease until the board has notified the
19 applicant that the suspension is no longer in effect.

20 (d) Nontransferability of licenses.--

21 (1) A license issued by the board is a grant of the
22 privilege to conduct a business in this Commonwealth.

23 (2) Except as permitted by section 3517 (relating to
24 change in ownership or control of terminal operator
25 licensee), no license granted or renewed pursuant to this
26 part may be sold, transferred or assigned to another person.

27 (3) No licensee may pledge or otherwise grant a security
28 interest in or lien on the license.

29 (4) The board has the sole discretion to issue, renew,
30 condition or deny the issuance of a terminal operator license
31 based upon the requirements of this part.

32 (5) Nothing contained in this part is intended or shall
33 be construed to create in any person an entitlement to a
34 license.

35 § 3517. Change in ownership or control of terminal operator
36 licensee.

37 (a) Notification and approval.--

38 (1) A terminal operator licensee shall promptly notify
39 the board of a proposed or contemplated change of ownership
40 of the terminal operator licensee by a person or group of
41 persons acting in concert which involves any of the
42 following:

43 (i) More than 5% of a terminal operator licensee's
44 securities or other ownership interests.

45 (ii) More than 5% of the securities or other
46 ownership interests of a corporation or other form of
47 business entity that owns directly or indirectly at least
48 20% of the voting or other securities or other ownership
49 interests of the licensee.

50 (iii) The sale of all or substantially all of a
51 licensee's assets.

1 (iv) Other transaction or occurrence deemed by the
2 board to be relevant to license qualifications.

3 (2) (i) Notwithstanding the provisions of paragraph
4 (1), no terminal operator licensee may be required to
5 notify the board of an acquisition by an institutional
6 investor under paragraph (1)(i) or (ii) if the
7 institutional investor holds less than 10% of the
8 securities or other ownership interests referred to in
9 paragraph (1)(i) or (ii), the securities or interests are
10 publicly traded securities and its holdings of the
11 securities were purchased for investment purposes only
12 and the institutional investor files with the board a
13 certified statement to the effect that it has no
14 intention of influencing or affecting, directly or
15 indirectly, the affairs of the licensee, provided,
16 however, that it shall be permitted to vote on matters
17 put to the vote of the outstanding security holders.

18 (ii) Notice to the board and board approval shall be
19 required prior to completion of any proposed or
20 contemplated change of ownership of a terminal operator
21 licensee that meets the criteria of this section.

22 (b) Qualification of purchaser of terminal operator
23 licensee; change of control.--

24 (1) The purchaser of all or substantially all of the
25 assets of a terminal operator licensee shall, if not already
26 a terminal operator licensee, independently qualify for a
27 license in accordance with this part and shall pay the
28 license fee as required by section 4101 (relating to fees).

29 (2) A change in control of a terminal operator licensee
30 shall require that the terminal operator licensee
31 independently qualify for a license in accordance with this
32 part, and the terminal operator licensee shall pay a new
33 license fee as required by section 4101, except as otherwise
34 required by the board pursuant to this section.

35 (3) The new license fee shall be paid upon the
36 assignment and actual change of control or ownership of the
37 terminal operator license.

38 (c) Change in control defined.--For purposes of this
39 section, a change in control of a terminal operator licensee
40 shall mean the acquisition by a person or group of persons
41 acting in concert of more than 20% of a terminal operator
42 licensee's securities or other ownership interests, with the
43 exception of any ownership interest of the person that existed
44 at the time of initial licensing and payment of the initial slot
45 machine license fee, or more than 20% of the securities or other
46 ownership interests of a corporation or other form of business
47 entity that owns directly or indirectly at least 20% of the
48 voting or other securities or other ownership interests of the
49 licensee.

50 (d) Fee reduction.--The board may in its discretion
51 eliminate the need for qualification or proportionately reduce,

1 but not eliminate, the new license fee otherwise required
2 pursuant to this section in connection with a change of control
3 of a licensee, depending upon the type of transaction, the
4 relevant ownership interests and changes to the interests
5 resulting from the transaction and other considerations deemed
6 relevant by the board.

7 (e) License revocation.--Failure to comply with this section
8 may cause the license issued under this part to be revoked or
9 suspended by the board unless the purchase of the assets or the
10 change in control that meets the criteria of this section has
11 been independently qualified in advance by the board and any
12 required license fee has been paid.

13 § 3518. Video gaming accounting controls and audits.

14 (a) Approval.--Except as otherwise provided by this part, a
15 terminal operator license applicant shall, in addition to
16 obtaining a terminal operator license, obtain approval from the
17 board in consultation with the department of its internal
18 control systems and audit protocols prior to the installation
19 and operation of video gaming terminals at licensed
20 establishments.

21 (b) Minimum requirements.--At a minimum, the applicant's
22 proposed internal controls and audit protocols shall:

23 (1) Safeguard its assets and revenues, including, but
24 not limited to, the recording of cash and evidences of
25 indebtedness related to the video gaming terminals.

26 (2) Provide for reliable records, accounts and reports
27 of a financial event that occurs in the operation of a video
28 gaming terminal, including reports to the board related to
29 the video gaming terminals.

30 (3) Ensure that each video gaming terminal directly
31 provides or communicates all required activities and
32 financial details to the central control computer system as
33 set by the board.

34 (4) Provide for accurate and reliable financial records.

35 (5) Ensure a financial event that occurs in the
36 operation of a video gaming terminal is performed only in
37 accordance with the management's general or specific
38 authorization, as approved by the board.

39 (6) Ensure that a financial event that occurs in the
40 operation of a video gaming terminal is recorded adequately
41 to permit proper and timely reporting of gross revenue and
42 the calculation thereof and of fees and taxes and to maintain
43 accountability for assets.

44 (7) Ensure that access to assets is permitted only in
45 accordance with management's specific authorization, as
46 approved by the board.

47 (8) Ensure that recorded accountability for assets is
48 compared with actual assets at intervals as required by the
49 board and appropriate action is taken with respect to
50 discrepancies.

51 (9) Ensure that all functions, duties and

responsibilities are appropriately segregated and performed in accordance with sound financial practices by competent, qualified personnel.

(10) Any other requirement of the board.

(c) Internal control.--A terminal operator license applicant shall submit to the board and department, in such manner as the board requires, a description of its administrative and accounting procedures in detail, including its written system of internal control. The written system of internal control shall include:

(1) Records of direct and indirect ownership in the proposed terminal operator licensee, its affiliate, intermediary, subsidiary or holding company.

(2) An organizational chart depicting appropriate segregation of functions and responsibilities.

(3) A description of the duties and responsibilities of each position shown on the organizational chart.

(4) A detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this section.

(5) Record retention policy.

(6) Procedure to ensure that assets are safeguarded, including mandatory count procedures.

(7) A statement signed by the chief financial officer of the terminal operator license applicant or other competent person and the chief executive officer of the terminal operator license applicant or other competent person attesting that the officer believes, in good faith, that the system satisfies the requirements of this section.

(8) Other items that the board may require in its discretion.

§ 3519. Multiple licenses prohibited.

(a) Manufacturer restriction.--A manufacturer may not be licensed as a terminal operator or own, manage or control an establishment licensee, but may also be licensed as a supplier.

(b) Supplier restriction.--A supplier may not be licensed as a terminal operator or own, manage or control an establishment licensee or terminal operator licensee.

(c) Terminal operator restriction.--A terminal operator may not be licensed as a manufacturer or supplier or own, manage or control an establishment licensee or own, manage or control premises used by an establishment licensee.

(d) Establishment restriction.--An establishment licensee may not be licensed as a manufacturer, supplier, terminal operator or procurement agent.

§ 3520. Conditional licenses.

(a) Conditional establishment licenses.--

(1) Within 90 days after the effective date of this section, the board shall make applications for establishment licenses available to applicants.

(2) The board shall issue a conditional license to an

1 applicant for an establishment license if the applicant
2 satisfies, as determined by the board, all of the following
3 criteria:

4 (i) The applicant has never been convicted of a
5 felony in any jurisdiction.

6 (ii) The applicant is current on all State taxes.

7 (iii) The applicant has submitted a completed
8 application for an establishment license in accordance
9 with this part, which may be submitted concurrently with
10 the applicant's request for a conditional license.

11 (iv) For liquor establishment applicants, the
12 applicant held a valid liquor license on the date of
13 application and such license is in good standing.

14 (v) The applicant has never been convicted of a
15 gambling law violation in any jurisdiction.

16 (vi) For an applicant that is a liquor establishment
17 whose licensed premises is less than 1,000 square feet,
18 the report required under section 3514(d.1) (relating to
19 establishment licenses) has been received and reviewed by
20 the board.

21 (3) (i) The board shall issue a conditional license to
22 an applicant for an establishment license, within 60 days
23 after the completed application has been received by the
24 board, provided that the board determines that the
25 criteria contained in paragraph (2) has been satisfied.

26 (ii) If the board determines that the criteria
27 contained in paragraph (2) has not been satisfied, the
28 board shall give a written explanation to the applicant
29 as to why it has determined the criteria has not been
30 satisfied.

31 (4) A conditional license shall be valid until:

32 (i) the board either approves or denies the
33 applicant's application for licensure;

34 (ii) the conditional license is terminated for a
35 violation of this part; or

36 (iii) one calendar year has passed since the
37 conditional license was issued.

38 (5) The board may extend the duration of the conditional
39 license for one calendar year.

40 (6) An applicant shall attest by way of affidavit under
41 penalty of perjury that the applicant is not otherwise
42 prohibited from licensure according to the requirements of
43 this section or any other provision of this part.

44 (7) A request for conditional licensure under this
45 subsection shall include payment of a \$100 fee, which fee
46 shall be in addition to the applicable fee required under
47 section 4101 (relating to fees).

48 (b) Conditional terminal operator licenses.--

49 (1) Within 90 days after the effective date of this
50 section, the board shall make applications for terminal
51 operator licenses available to applicants.

1 (2) The board shall issue a conditional license to an
2 applicant for a terminal operator license if the applicant
3 satisfies, as determined by the board, all of the following
4 criteria:

5 (i) The applicant has never been convicted of a
6 felony in any jurisdiction.

7 (ii) The applicant is current on all State taxes.

8 (iii) The applicant has submitted a completed
9 application for a terminal operator license which may be
10 submitted concurrently with the applicant's request for a
11 conditional license.

12 (iv) The applicant has never had its terminal
13 operator license or similar gaming license denied or
14 revoked in another jurisdiction.

15 (v) The applicant has never been convicted of a
16 gambling law violation in any jurisdiction.

17 (3) (i) The board shall issue a conditional license to
18 an applicant for a terminal operator license, within 60
19 days after the completed application has been received by
20 the board, provided that the board determines that the
21 criteria contained in paragraph (3) has been satisfied.

22 (ii) If the board determines that the criteria
23 contained in paragraph (3) has not been satisfied, the
24 board shall give a written explanation to the applicant
25 as to why it has determined the criteria has not been
26 satisfied.

27 (4) A conditional license shall be valid until:

28 (i) the board either approves or denies the
29 applicant's application for licensure;

30 (ii) the conditional license is terminated for a
31 violation of this chapter; or

32 (iii) one calendar year has passed since the
33 conditional license was issued.

34 (5) The board may extend the duration of the conditional
35 license for one calendar year.

36 (6) An applicant shall attest by way of affidavit under
37 penalty of perjury that the applicant is not otherwise
38 prohibited from licensure according to the requirements of
39 this subsection or any other provision of this part.

40 (7) A request for conditional licensure under this
41 subsection shall include payment of a \$100 fee, which fee
42 shall be in addition to the applicable fee required under
43 section 4101.

44 (c) Conditional manufacturer and supplier licenses.--

45 (1) Within 90 days after the effective date of this
46 section, the board shall make applications available for
47 manufacturer and supplier license.

48 (2) The board shall issue a conditional license to an
49 applicant for a manufacturer or supplier license if the
50 applicant satisfies, as determined by the board, all of the
51 following criteria:

1 (i) The applicant has never been convicted of a
2 felony.

3 (ii) The applicant is current on all State taxes.

4 (iii) The applicant has submitted a completed
5 application a manufacturer or supplier license, which may
6 be submitted concurrently with the applicant's request
7 for a conditional license.

8 (iv) The applicant has never had its manufacturer,
9 supplier or similar gaming license denied or revoked in
10 another jurisdiction.

11 (v) The applicant has never been convicted of a
12 gambling law violation in any jurisdiction.

13 (3) (i) The board shall issue a conditional license to
14 an applicant for a manufacturer or supplier license
15 within 60 days after the completed application has been
16 received by the board, provided that the board determines
17 that the criteria contained in paragraph (2) has been
18 satisfied.

19 (ii) If the board determines that the criteria
20 contained in paragraph (2) has not been satisfied, the
21 board shall give a written explanation to the applicant
22 as to why it has determined the criteria has not been
23 satisfied.

24 (4) A conditional license shall be valid until:

25 (i) the board either approves or denies the
26 applicant's application for licensure;

27 (ii) the conditional license is terminated for a
28 violation of this part; or

29 (iii) one calendar year has passed since the
30 conditional license was issued.

31 (5) The board may extend the duration of the conditional
32 license for one calendar year.

33 (6) An applicant shall attest by way of affidavit under
34 penalty of perjury that the applicant is not otherwise
35 prohibited from licensure according to the requirements of
36 this subsection or any other provision of this part.

37 (7) A request for a conditional license under this
38 subsection shall include payment of a \$1,000 fee, which fee
39 shall be in addition to the applicable fee required under
40 section 4101.

41 (d) Other conditional licenses.--

42 (1) Within 90 days after the effective date of this
43 section, the board shall make applications available for any
44 other license required under this part.

45 (2) The board shall issue a conditional license to an
46 applicant if the applicant satisfies, as determined by the
47 board, all of the following criteria:

48 (i) The applicant has never been convicted of a
49 felony in any jurisdiction.

50 (ii) The applicant is current on all State taxes.

51 (iii) The applicant has submitted a completed

1 application for licensure, which may be submitted
2 concurrently with the applicant's request for a
3 conditional license.

4 (iv) The applicant has never been convicted of a
5 gambling law violation in any jurisdiction.

6 (3) (i) The board shall issue a conditional license to
7 an applicant within 60 days after the completed
8 application has been received by the board, provided that
9 the board determines that the criteria contained in
10 paragraph (2) has been satisfied.

11 (ii) If the board determines that the criteria
12 contained in paragraph (2) has not been satisfied, the
13 board shall give a written explanation to the applicant
14 as to why it has determined the criteria has not been
15 satisfied.

16 (4) A conditional license shall be valid until:

17 (i) the board either approves or denies the
18 applicant's application for licensure;

19 (ii) the conditional license is terminated for a
20 violation of this part; or

21 (iii) one calendar year has passed since the
22 conditional license was issued.

23 (5) The board may extend the duration of the conditional
24 license for one calendar year.

25 (6) An applicant shall attest by way of affidavit under
26 penalty of perjury that the applicant is not otherwise
27 prohibited from licensure according to the requirements of
28 this subsection or any other provision of this part.

29 (7) A request for conditional licensure under this
30 subsection shall include payment of a \$100 fee, which fee
31 shall be in addition to the applicable fee required under
32 section 4101.

33 (e) Prioritization prohibited.--

34 (1) The board may not utilize the alternative licensing
35 standards for a terminal operator license, manufacturer
36 license or a supplier license under sections 3511 (relating
37 to alternative terminal operator licensing standards), 3512
38 (relating to alternative manufacturer licensing standards)
39 and 3513 (relating to alternative supplier licensing
40 standards) to prioritize the issuance of a terminal operator,
41 manufacturer or supplier license under this chapter.

42 (2) The board shall ensure that applications made to the
43 board according to the alternative standards under sections
44 3511, 3512 and 3513 are not approved or denied in a time
45 period that is less than the time period in which an
46 application for a conditional license is approved or denied
47 under this section.

48 (f) Incomplete applications.--If the board receives an
49 application that is incomplete, the board shall, within seven
50 days of receiving the incomplete application, notify the
51 applicant of additional information required by the board.

1 CHAPTER 37

2 OPERATION

3 3701. Testing and certification of terminals.

4 3702. Video gaming limitations.

5 3703. Hours of operation.

6 3704. Terminal placement agreements.

7 3705. Duties of licensees.

8 3706. Compulsive and problem gambling.

9 \$ 3701. Testing and certification of terminals.

10 (a) General rule.--No video gaming terminal or redemption
11 terminal or associated equipment may be made available for use
12 in this Commonwealth prior to being tested and certified by the
13 board in accordance with this section.

14 (b) Video gaming terminal specifications.--Video gaming
15 terminals shall be tested and certified to meet the following
16 specifications:

17 (1) The video gaming terminal shall have the ability to
18 be linked to the central control computer.

19 (2) The video gaming terminal shall be marked with an
20 irremovable identification plate that is placed in a
21 conspicuous location on the exterior of the video gaming
22 terminal. The identification plate shall contain the name of
23 the manufacturer and the serial and model numbers of the
24 video gaming terminal.

25 (3) The video gaming terminal shall prominently display
26 the rules of play either on the video gaming terminal face or
27 screen.

28 (4) The video gaming terminal may not have the ability
29 to dispense cash, tokens or anything of value, except
30 redemption tickets which shall only be exchangeable for cash
31 at a redemption terminal or reinserted into another video
32 gaming terminal located in the same video gaming area as the
33 video gaming terminal.

34 (5) The cost of a credit shall only be 1¢, 5¢, 10¢ or
35 25¢.

36 (6) The maximum wager per individual game shall not
37 exceed \$5.

38 (7) The maximum prize per individual game shall not
39 exceed \$1,000.

40 (8) The video gaming terminal shall be designed and
41 manufactured with total accountability to include gross
42 proceeds, net profits, winning percentages and other
43 information the board requires.

44 (9) The video gaming terminal shall pay out a minimum of
45 85% of the amount wagered.

46 (10) Other specifications the board requires.

47 (c) Redemption terminal specifications.--Redemption
48 terminals shall be tested and certified to meet the following
49 specifications:

50 (1) The redemption terminal shall be marked with an
51 irremovable identification plate that is placed in a

1 conspicuous location on the exterior of the redemption
2 terminal. The identification plate shall contain the name of
3 the manufacturer and the serial and model numbers of the
4 redemption terminal.

5 (2) The redemption terminal shall only accept redemption
6 tickets from video gaming terminals located in the same video
7 gaming area.

8 (3) The redemption terminal shall be designed and
9 manufactured with total accountability to record information
10 the board requires.

11 (4) Other specifications the board requires.

12 (d) Use of other state standards.--

13 (1) The board may determine, in its discretion, whether
14 the video gaming terminal or redemption terminal testing and
15 certification standards of another jurisdiction within the
16 United States in which a manufacturer licensee is licensed
17 are comprehensive and thorough and provide similar adequate
18 safeguards as those required by this part.

19 (2) If the board makes that determination, the board may
20 permit a manufacturer licensee through a licensed supplier to
21 deploy those video gaming terminals or redemption terminals
22 which have met the video gaming terminal or redemption
23 terminal testing and certification standards in such other
24 jurisdictions without undergoing the full testing and
25 certification process by the board's testing facility.

26 (3) In the event video gaming terminals or redemption
27 terminals of a manufacturer licensee are licensed in the
28 other jurisdiction, the board may determine to use an
29 abbreviated process requiring only that information
30 determined by the board to be necessary to consider the
31 issuance of a video gaming terminal or redemption terminal
32 certification to such an applicant.

33 (e) Private testing.--The board may, in its discretion, rely
34 upon the certification of a video gaming terminal or redemption
35 terminal that has met the testing and certification standards of
36 one or more board-approved independent private testing and
37 certification facilities.

38 (f) Testing and certification fee.--

39 (1) A fee for the testing and certification of a video
40 gaming terminal or redemption terminal shall be paid by the
41 manufacturer licensee submitting the terminal, which fee
42 shall be an amount established by the board according to a
43 schedule adopted by the board.

44 (2) Fees established by the board shall be exempt from
45 any fee limitation contained in section 4101 (relating to
46 fees).

47 (g) Central control computer compatibility.--The board shall
48 ensure that all video gaming terminals certified and approved
49 for use in this Commonwealth are compatible and comply with the
50 central control computer and protocol specifications approved by
51 the department.

1 § 3702. Video gaming limitations.

2 (a) Establishment licensee limitations.--An establishment
3 licensee may offer video gaming terminals for play within its
4 premises, subject to the following:

5 (1) No more than the following number of video gaming
6 terminals may be placed on the premises of the establishment
7 licensee:

8 (i) For an establishment licensee that is a truck
9 stop establishment, no more than 10 video gaming
10 terminals.

11 (ii) For an establishment licensee that is not a
12 truck stop establishment or nonprimary location, no more
13 than five video gaming terminals.

14 (2) Redemption tickets shall only be exchanged for cash
15 through a redemption terminal or reinserted into another
16 video gaming terminal in the same video gaming area or as
17 otherwise authorized by the board in the event of a failure
18 or malfunction in a redemption terminal, and at least one
19 redemption terminal shall be located in the video gaming
20 area.

21 (3) Video gaming terminals located on the premises of
22 the establishment licensee shall be placed and operated by a
23 terminal operator licensee pursuant to a terminal placement
24 agreement.

25 (4) No video gaming area may be located in an area that
26 is not properly segregated from minors.

27 (5) The entrance to the video gaming area shall be
28 secure and easily seen and observed by at least one employee.

29 (6) The video gaming area shall at all times be
30 monitored by an employee of the establishment licensee either
31 directly or through live monitoring of video surveillance.
32 The employee must be at least 18 years of age and have
33 completed the mandatory training program required in section
34 3706 (relating to compulsive and problem gambling).

35 (7) No establishment licensee may provide an incentive.

36 (8) No minor shall be permitted to play a video gaming
37 terminal or enter the video gaming area.

38 (9) No visibly intoxicated person shall be permitted to
39 play a video gaming terminal.

40 (10) No establishment licensee may extend credit or
41 accept a credit card or debit card for play of a video gaming
42 terminal.

43 (11) No establishment licensee may make structural
44 alterations or significant renovations to a video gaming area
45 unless the establishment licensee has notified the terminal
46 operator licensee and obtained prior approval from the board.

47 (12) No establishment licensee may move a video gaming
48 terminal or redemption terminal after installation by a
49 terminal operator licensee.

50 (b) Terminal operator licensee limitations.--A terminal
51 operator licensee may place and operate video gaming terminals

1 on the premises of an establishment licensee, subject to the
2 following:

3 (1) No more than the following number of video gaming
4 terminals may be placed on the premises of the establishment
5 licensee:

6 (i) For an establishment licensee that is a truck
7 stop establishment, no more than 10 video gaming
8 terminals.

9 (ii) For an establishment licensee that is not a
10 truck stop establishment or nonprimary location, no more
11 than five video gaming terminals.

12 (2) Redemption tickets shall only be exchanged for cash
13 through a redemption terminal located within the same video
14 gaming area or reinserted into another video gaming terminal
15 located in the same video gaming area as the video gaming
16 terminal.

17 (3) Video gaming terminals located on the premises of
18 the establishment licensee shall be placed and operated
19 pursuant to a terminal placement agreement.

20 (4) No terminal operator licensee may provide an
21 incentive.

22 (5) No terminal operator licensee may place and operate
23 video gaming terminals within a licensed facility.

24 (6) No terminal operator licensee may extend credit or
25 accept a credit card or debit card for play of a video gaming
26 terminal.

27 (7) No terminal operator licensee may give or offer to
28 give, directly or indirectly, any type of inducement to an
29 establishment to secure or maintain a terminal placement
30 agreement.

31 (8) No terminal operator licensee may give an
32 establishment licensee a percentage of gross terminal revenue
33 other than 26% of the gross terminal revenue of the video
34 gaming terminals operating in the establishment licensee's
35 premises.

36 (9) A terminal operator licensee shall only operate,
37 install or otherwise make available for public use a video
38 gaming terminal or redemption terminal that has been obtained
39 from a supplier licensee.

40 (10) No terminal operator licensee may make structural
41 alterations or significant renovations to a video gaming area
42 unless the terminal operator licensee has notified the
43 establishment licensee and obtained prior approval from the
44 board.

45 (11) No terminal operator licensee may move a video
46 gaming terminal or redemption terminal after installation
47 unless prior approval is obtained from the board.

48 § 3703. Hours of operation.

49 (a) Liquor establishments.--An establishment licensee that
50 is also a liquor establishment may only permit the play of video
51 gaming terminals during the hours in which the liquor

1 establishment is authorized by the Pennsylvania Liquor Control
2 Board to sell alcoholic beverages.

3 (b) Other establishments.--An establishment licensee that is
4 also a truck stop establishment may permit play of video gaming
5 terminals during normal business hours.
6 \$ 3704. Terminal placement agreements.

7 (a) General rule.--Except as provided for in subsection (j),
8 no terminal operator licensee may place and operate video gaming
9 terminals on the premises of an establishment licensee unless
10 pursuant to a terminal placement agreement approved by the
11 board. Approval shall be presented upon connection of one or
12 more video gaming terminals at the establishment licensee to the
13 central control computer.

14 (b) Form of agreement.--The board shall establish through
15 regulation minimum standards for terminal placement agreements.

16 (c) Length of agreement.--Terminal placement agreements
17 shall be valid for a minimum 60-month term but shall not exceed
18 a 120-month term.

19 (d) Provisions required.--A terminal placement agreement
20 shall include a provision that:

21 (1) Renders the agreement invalid if either the terminal
22 operator license or terminal operator application or the
23 establishment license or establishment licensee application
24 is denied, revoked, not renewed, withdrawn or surrendered.

25 (2) Provides the establishment licensee no more or less
26 than 26% of gross terminal revenue from each video gaming
27 terminal located on the premises of the establishment
28 licensee.

29 (3) Identifies who solicited the terminal placement
30 agreement on behalf of a terminal operator licensee or
31 applicant.

32 (e) Procurement agent.--No person may be compensated for the
33 solicitation or procurement of a terminal placement agreement on
34 behalf of a terminal operator licensee or applicant.

35 (f) Parties to agreement.--Only an establishment licensee or
36 applicant may sign or agree to sign a terminal placement
37 agreement with an applicant for a terminal operator license or a
38 terminal operator licensee.

39 (g) Void agreements.--An agreement entered into by an
40 establishment prior to the effective date of this section with a
41 person or entity for the placement, operation, service or
42 maintenance of video gaming terminals, including an agreement
43 granting a person or entity the right to enter into an agreement
44 or match any offer made after the effective date of this section
45 shall be void and may not be approved by the board.

46 (h) Transferability of agreements.--No terminal placement
47 agreement may be transferred or assigned unless the individual
48 or entity making the assignment is either a terminal operator
49 applicant or licensee and the individual or entity receiving the
50 assignment of the terminal placement agreement is either a
51 terminal operator applicant or licensee under this chapter.

1 § 3705. Duties of licensees.

2 A person issued a license under this part shall:

3 (1) Provide assistance or information required by the
4 board, the bureau or the Pennsylvania State Police and to
5 cooperate in inquiries, investigations and hearings.

6 (2) Consent to inspections, searches and seizures.

7 (3) Inform the board of actions that the person believes
8 would constitute a violation of this part.

9 (4) Inform the board of arrests for violations of
10 offenses enumerated under 18 Pa.C.S. (relating to crimes and
11 offenses).

12 § 3706. Compulsive and problem gambling.

13 (a) Required posting.--

14 (1) An establishment licensee shall conspicuously post
15 signs similar to the following statement:

16 If you or someone you know has a gambling problem,
17 help is available. Call (Toll-free telephone number)
18 or Text (Toll-free telephone number).

19 (2) At least one sign shall be posted within the video
20 gaming area and at least one sign shall be posted within five
21 feet of each automated teller machine located within the
22 establishment licensee's premises, if applicable.

23 (b) Toll-free telephone number.--The toll-free telephone
24 number required to be posted in subsection (a) shall be the same
25 number maintained by the Department of Drug and Alcohol Programs
26 or successor agency under section 3310 (relating to Department
27 of Drug and Alcohol Programs).

28 (c) Problem gambling information.--

29 (1) An establishment licensee shall have available in
30 its establishment access to materials regarding compulsive
31 and problem gambling assistance.

32 (2) The available materials required by paragraph (1)
33 shall be a uniform, Statewide handout developed by the board
34 in consultation with the Department of Drug and Alcohol
35 Programs or successor agency.

36 (3) The available materials required by paragraph (1)
37 shall be displayed conspicuously at least within the video
38 gaming area.

39 (d) Mandatory training.--

40 (1) The board's Office of Compulsive and Problem
41 Gambling, in consultation with the Department of Drug and
42 Alcohol Programs or successor agency, shall develop a
43 mandatory training program for employees and management of an
44 establishment licensee who oversee the licensee's video
45 gaming area. The training program shall address responsible
46 gaming and other compulsive and problem gambling issues
47 related to video gaming terminals.

48 (2) The board shall establish a fee to cover the cost of
49 the mandatory training program.

50 (3) At least one employee of the establishment licensee
51 who has successfully completed the training program shall be

1 located on the premises and supervising the video gaming area
2 during all times video gaming terminals are available for
3 play.

4 (e) Penalty.--An establishment licensee that fails to
5 fulfill the requirements of subsection (a), (b), (c) or (d)
6 shall be assessed by the board an administrative penalty and may
7 have its establishment license suspended. When determining the
8 penalty and number of suspension days, the board shall consider
9 the length of time in which the materials were not available or
10 a trained employee was not located on the premises as required
11 by subsection (d)(3).

12 CHAPTER 39
13 ENFORCEMENT

14 Sec.

15 3901. Exclusion or ejection of certain persons.

16 3902. Repeat offenders.

17 3903. Self-exclusion.

18 3904. Investigations and enforcement.

19 3905. Prohibited acts and penalties.

20 3906. Report of suspicious transactions.

21 3907. Additional authority.

22 3908. Detention.

23 § 3901. Exclusion or ejection of certain persons.

24 (a) General rule.--The board shall by regulation provide for
25 the establishment of a list of persons who are to be excluded or
26 ejected from the video gaming area of an establishment licensee.
27 The provisions shall define the standards for exclusion and
28 shall include standards relating to persons who are career or
29 professional offenders as defined by regulations of the board or
30 whose presence in a video gaming area would, in the opinion of
31 the board, be inimical to the interest of the Commonwealth or of
32 licensed video gaming in this Commonwealth, or both.

33 (b) Categories to be defined.--The board shall promulgate
34 definitions establishing categories of persons who shall be
35 excluded or ejected pursuant to this section, including cheats
36 and persons whose privileges for licensure, certification,
37 permit or registration have been revoked.

38 (c) Discrimination prohibited.--Race, color, creed, national
39 origin or ancestry or sex shall not be a reason for placing the
40 name of a person upon a list under this section.

41 (d) Prevention of access.--The board shall, in consultation
42 with terminal operator licensees and establishment licensees,
43 develop policies and procedures to reasonably prevent persons on
44 the list required by this section from entering a video gaming
45 area.

46 (e) Sanctions.--The board may impose sanctions upon an
47 establishment licensee in accordance with this part if the
48 establishment licensee knowingly fails to implement the policies
49 and procedures established by the board under paragraph (d).

50 (f) List not all-inclusive.--A list compiled by the board
51 under this section shall not be deemed an all-inclusive list,

1 and an establishment licensee shall keep from the video gaming
2 area persons known to the establishment licensee to be within
3 the classifications declared in this section and the regulations
4 promulgated under this section whose presence in a video gaming
5 area would be inimical to the interest of the Commonwealth or of
6 licensed video gaming in this Commonwealth, or both, as defined
7 in standards established by the board.

8 (g) Notice.--If the bureau decides to place the name of a
9 person on a list pursuant to this section, the bureau shall
10 serve notice of the decision to the person by personal service
11 or certified mail at the last known address of the person. The
12 notice shall inform the person of the right to request a hearing
13 under subsection (h).

14 (h) Hearing.--

15 (1) Within 30 days after receipt of notice in accordance
16 with subsection (g), the person named for exclusion or
17 ejection may demand a hearing before the board, at which
18 hearing the bureau must demonstrate that the person named for
19 exclusion or ejection satisfies the criteria for exclusion or
20 ejection established by this section and the board's
21 regulations.

22 (2) Failure of the person to demand a hearing within 30
23 days after service shall be deemed an admission of all
24 matters and facts alleged in the bureau's notice and shall
25 preclude the person from having an administrative hearing,
26 but shall in no way affect the right to judicial review as
27 provided in this section.

28 (i) Review.--

29 (1) If, upon completion of a hearing on the notice of
30 exclusion or ejection, the board determines that placement of
31 the name of the person on the exclusion or ejection list is
32 appropriate, the board shall make and enter an order to that
33 effect.

34 (2) The order shall be subject to review by the
35 Commonwealth Court in accordance with the rules of court.
36 § 3902. Repeat offenders.

37 (a) Discretion to exclude or eject.--An establishment
38 licensee may exclude or eject from the establishment licensee's
39 video gaming area or premises a person who is known to it to
40 have been convicted of a misdemeanor or felony committed in or
41 on the premises of a licensed establishment.

42 (b) Construction.--Nothing in this section or in any other
43 law of this Commonwealth shall be construed to limit the right
44 of an establishment licensee to exercise its common law right to
45 exclude or eject permanently from its video gaming area or
46 premises a person who:

47 (1) disrupts the operations of its premises;

48 (2) threatens the security of its premises or its
49 occupants; or

50 (3) is disorderly or intoxicated.

51 § 3903. Self-exclusion.

1 (a) Establishment of list.--
2 (1) The board shall provide by regulation for the
3 establishment of a list of persons self-excluded from video
4 gaming activities within specific establishment licensees or
5 establishment licensees in geographic areas of the
6 Commonwealth.
7 (2) A person may request placement on the list of self-
8 excluded persons by:
9 (i) acknowledging in a manner to be established by
10 the board that the person is a problem gambler;
11 (ii) agreeing that, during any period of voluntary
12 exclusion, the person may not collect any winnings or
13 recover any losses resulting from any video gaming
14 activity within establishment licensees and that person
15 may be subject to arrest for trespass; and
16 (iii) agreeing to another condition established by
17 the board.
18 (b) Regulations.--The regulations of the board shall
19 establish:
20 (1) Procedures for placement on and removal from the
21 list of a self-excluded person.
22 (2) Procedures for the transmittal to establishment
23 licensees of identifying information concerning a self-
24 excluded person and shall require establishment licensees to
25 establish reasonable procedures designed at a minimum to
26 prevent entry of a self-excluded person into the video gaming
27 area of an establishment licensee, provided that the board
28 may not require video gaming terminals to be equipped with
29 identification card-reading devices or require establishment
30 licensees to purchase identification card-reading devices.
31 (3) Procedures for the transmittal to terminal operator
32 licensees of identifying information concerning a self-
33 excluded person and shall require terminal operator licensees
34 to establish procedures to remove self-excluded persons from
35 customer loyalty or reward card programs and targeted
36 mailings or other forms of advertising or promotions;
37 provided that the board may not require video gaming
38 terminals to be equipped with identification card-reading
39 devices or require establishment licensees to purchase
40 identification card-reading devices.
41 (c) Liability.--An establishment licensee or employee
42 thereof shall not be liable to a self-excluded person or to
43 another party in a judicial proceeding for harm, monetary or
44 otherwise, which may arise as a result of:
45 (1) the failure of the establishment licensee to
46 withhold video gaming privileges from or restore video gaming
47 privileges to the self-excluded person; or
48 (2) otherwise permitting or not permitting the self-
49 excluded person to engage in video gaming activity within the
50 establishment licensee's premises while on the list of self-
51 excluded persons.

1 (d) Nondisclosure.--Notwithstanding any other law to the
2 contrary, the board's list of self-excluded persons shall not be
3 open to public inspection.

4 § 3904. Investigations and enforcement.

5 (a) Powers and duties of bureau.--The bureau shall have the
6 following powers and duties:

7 (1) Enforce the provisions of this part.

8 (2) Investigate and review applicants and applications
9 for a license or registration. The bureau shall be prohibited
10 from disclosing any portion of a background investigation
11 report to a member of the board prior to the submission of
12 the bureau's final background investigation report relating
13 to the applicant's suitability for licensure to the board.
14 The Office of Enforcement Counsel, on behalf of the bureau,
15 shall prepare the final background investigation report for
16 inclusion in a final report relating to the applicant's
17 suitability for licensure.

18 (3) Investigate licensees, registrants and other persons
19 regulated by the board under this part for noncriminal
20 violations of this part, including potential violations
21 referred to the bureau by the board or other person.

22 (4) Monitor video gaming operations to ensure compliance
23 with this part.

24 (5) Inspect and examine licensed entities. Inspections
25 may include the review and reproduction of documents or
26 records.

27 (6) Conduct reviews of a licensed entity as necessary to
28 ensure compliance with this part. A review may include the
29 review of accounting, administrative and financial records,
30 management control systems, procedures and other records
31 utilized by a licensed entity.

32 (7) Refer possible criminal violations to the
33 Pennsylvania State Police. The bureau shall not have the
34 power of arrest.

35 (8) Cooperate in the investigation and prosecution of
36 criminal violations related to this part.

37 (9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91
38 (relating to criminal history record information).

39 (b) Office of Enforcement Counsel.--The board's Office of
40 Enforcement Counsel shall act as the prosecutor in all
41 noncriminal enforcement actions initiated by the bureau under
42 this part and shall have the following powers and duties:

43 (1) Advise the bureau on all matters, including the
44 granting of licenses or registrations, the conduct of
45 background investigations, audits and inspections and the
46 investigation of potential violations of this part.

47 (2) File on behalf of the bureau recommendations and
48 objections relating to the issuance of licenses and
49 registrations.

50 (3) Initiate, in its sole discretion, proceedings for
51 noncriminal violations of this part by filing a complaint or

1 other pleading with the board.

2 (c) Powers and duties of department.--

3 (1) The department shall at all times have the power of
4 access to examine and audit equipment and records relating to
5 all aspects of the operation of video gaming terminals and
6 redemption terminals under this part.

7 (2) Notwithstanding the provisions of section 353(f) of
8 the act of March 4, 1971 (P.L.6, No.2), known as the Tax
9 Reform Code of 1971, the department shall supply the board,
10 the bureau, the Pennsylvania State Police and the Office of
11 Attorney General with information concerning the status of
12 delinquent taxes owned by applicants or licensees.

13 (d) Powers and duties of the Pennsylvania State Police.--The
14 Pennsylvania State Police shall have the following powers and
15 duties:

16 (1) Promptly conduct background investigations on
17 persons as directed by the board under this part. The
18 Pennsylvania State Police may contract with other law
19 enforcement annuitants to assist in the conduct of
20 investigations under this paragraph.

21 (2) Initiate proceedings for criminal violations of this
22 part.

23 (3) Provide the board with all information necessary for
24 all actions under this part for all proceedings involving
25 criminal enforcement of this part.

26 (4) Inspect, when appropriate, a licensee's person and
27 personal effects present within an establishment licensee's
28 premises under this part while that licensee is present.

29 (5) Enforce the criminal provisions of this part and all
30 other criminal laws of this Commonwealth.

31 (6) Fingerprint applicants.

32 (7) Exchange fingerprint data with and receive national
33 criminal history record information from the Federal Bureau
34 of Investigation for use in background investigations
35 performed by the bureau under this part.

36 (8) Receive and take appropriate action on any referral
37 from the bureau relating to criminal conduct.

38 (9) Conduct administrative inspections on the premises
39 of an establishment licensee at such times, under such
40 circumstances and to such extent as the bureau determines to
41 ensure compliance with this part and the regulations of the
42 board and, in the course of inspections, review and make
43 copies of all documents and records required by the
44 inspection through onsite observation and other reasonable
45 means to assure compliance with this part and regulations
46 promulgated under this part.

47 (10) Conduct audits or verification of information of
48 video gaming terminal operations at such times, under such
49 circumstances and to such extent as the bureau determines.
50 This paragraph includes the review of accounting,
51 administrative and financial records and management control

1 systems, procedures and records utilized by a terminal
2 operator licensee.

3 (11) Assign members of the Pennsylvania State Police to
4 duties of enforcement under this part. Those members shall
5 not be counted toward the complement as provided in section
6 205 of the act of April 9, 1929 (P.L.177, No.175), known as
7 The Administrative Code of 1929.

8 (12) Report to the General Assembly. By March 1 of each
9 year, the Commissioner of the Pennsylvania State Police shall
10 submit a report to the Appropriations Committee of the
11 Senate, the Community, Economic and Recreational Development
12 Committee of the Senate, the Appropriations Committee of the
13 House of Representatives and the Gaming Oversight Committee
14 of the House of Representatives. The report shall summarize
15 all law enforcement activities at each establishment licensee
16 during the previous calendar year and shall include all of
17 the following:

18 (i) The number of arrests made and citations issued
19 at each establishment licensee and the name of the law
20 enforcement agency making the arrests or issuing the
21 citations.

22 (ii) A list of specific offenses charged for each
23 arrest made or citation issued.

24 (iii) The number of criminal prosecutions resulting
25 from arrests made or citations issued.

26 (iv) The number of convictions resulting from
27 prosecutions reported under subparagraph (iii).

28 (13) Report violations of this part to the bureau that
29 are found during the normal course of duties required under
30 any law of this Commonwealth.

31 (14) Require the Bureau of Liquor Control Enforcement to
32 report violations of this part to the bureau that are found
33 during the normal course of duties required under any law of
34 this Commonwealth.

35 (e) Powers and duties of Attorney General.--The Gaming Unit
36 within the Office of Attorney General shall investigate and
37 institute criminal proceedings as authorized under subsection
38 (f).

39 (f) Criminal action.--

40 (1) The district attorneys of the several counties shall
41 have authority to investigate and to institute criminal
42 proceedings for a violation of this part.

43 (2) In addition to the authority conferred upon the
44 Attorney General under the act of October 15, 1980 (P.L.950,
45 No.164), known as the Commonwealth Attorneys Act, the
46 Attorney General shall have the authority to investigate and,
47 following consultation with the appropriate district
48 attorney, to institute criminal proceedings for a violation
49 of this part.

50 (3) A person charged with a violation of this part by
51 the Attorney General shall not have standing to challenge the

1 authority of the Attorney General to investigate or prosecute
2 the case, and, if any such challenge is made, the challenge
3 shall be dismissed and no relief shall be available in the
4 courts of this Commonwealth to the person making the
5 challenge.

6 (g) Regulatory action.--Nothing contained in subsection (e)
7 shall be construed to limit the existing regulatory or
8 investigative authority of an agency or the Commonwealth whose
9 functions relate to persons or matters within the scope of this
10 part.

11 (h) Inspection, seizure and warrants.--

12 (1) The board, the bureau, the department and the
13 Pennsylvania State Police shall have the authority without
14 notice and without warrant to do all of the following in the
15 performance of their duties under this part:

16 (i) Inspect and examine all premises where video
17 gaming operations are conducted; where video gaming
18 terminals, redemption terminals and associated equipment
19 are manufactured, sold, distributed or serviced; or where
20 records of these activities are prepared or maintained.

21 (ii) Inspect all equipment and supplies in, about,
22 upon or around premises referred to in subparagraph (i).

23 (iii) Seize, summarily remove and impound equipment
24 and supplies from premises referred to in subparagraph
25 (i) for the purposes of examination and inspection.

26 (iv) Inspect, examine and audit all books, records
27 and documents pertaining to a terminal operator
28 licensee's video gaming operation.

29 (v) Seize, impound or assume physical control of any
30 book, record, ledger or device related to video gaming
31 operations or the video gaming terminals or redemption
32 terminals.

33 (2) The provisions of paragraph (1) shall not be
34 construed to limit warrantless inspections except in
35 accordance with constitutional requirements.

36 (3) To further effectuate the purposes of this part, the
37 bureau and the Pennsylvania State Police may obtain
38 administrative warrants for the inspection and seizure of
39 property possessed, controlled, bailed or otherwise held by
40 an applicant, licensee, intermediary, subsidiary, affiliate
41 or holding company.

42 (i) Information sharing and enforcement referral.--With
43 respect to the administration, supervision and enforcement of
44 this part, the bureau, the department, the Pennsylvania State
45 Police or the Office of Attorney General may obtain or provide
46 pertinent information regarding applicants or licensees from or
47 to law enforcement entities or gaming authorities of the
48 Commonwealth and other domestic, foreign or federally approved
49 jurisdictions, including the Federal Bureau of Investigation,
50 and may transmit the information to each other electronically.

51 (j) Pennsylvania Liquor Control Board.--Nothing in this part

1 shall be construed as conferring on the Pennsylvania Liquor
2 Control Board the authority to assess penalties under the act of
3 April 12, 1951 (P.L.90, No.21), known as the Liquor Code,
4 against a liquor establishment that holds an establishment
5 license for violations of this part that are not a criminal
6 offense.

7 (k) Information sharing and enforcement referral.--With
8 respect to the administration, supervision and enforcement of
9 this part, the bureau, the department, the Pennsylvania State
10 Police or the Office of Attorney General may obtain or provide
11 pertinent information regarding applicants or licensees from or
12 to law enforcement entities or gaming authorities of the
13 Commonwealth and other domestic, foreign or federally approved
14 jurisdictions, including the Federal Bureau of Investigation,
15 and may transmit such information to each other electronically.
16 § 3905. Prohibited acts and penalties.

17 (a) Criminal offenses.--

18 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
19 perjury), 4903 (relating to false swearing) or 4904 (relating
20 to unsworn falsification to authorities) shall apply to a
21 person providing information or making a statement, whether
22 written or oral, to the board, the bureau, the department,
23 the Pennsylvania State Police or the Office of Attorney
24 General, as required by this part.

25 (2) It shall be unlawful for a person to willfully:

26 (i) fail to report, pay or truthfully account for
27 and pay over a license fee, authorization fee, tax or
28 assessment imposed under this part; or

29 (ii) attempt in any manner to evade or defeat a
30 license fee, authorization fee, tax or assessment imposed
31 under this part.

32 (3) It shall be unlawful for a licensed entity, gaming
33 employee, key employee or any other person to permit a video
34 gaming terminal to be operated, transported, repaired or
35 opened on the premises of an establishment licensee by a
36 person other than a person licensed or permitted by the board
37 pursuant to this part.

38 (4) It shall be unlawful for a licensed entity or other
39 person to manufacture, supply or place video gaming
40 terminals, redemption terminals or associated equipment into
41 play or display video gaming terminals, redemption terminals
42 or associated equipment on the premises of an establishment
43 licensee without the authority of the board.

44 (5) It shall be unlawful for a licensed entity or other
45 person to manufacture, supply, operate, carry on or expose
46 for play a video gaming terminal or associated equipment
47 after the person's license has expired or failed to be
48 renewed in accordance with this part.

49 (6) It shall be unlawful for an individual while on the
50 premises of an establishment licensee to knowingly use
51 currency other than lawful coin or legal tender of the United

1 States or a coin not of the same denomination as the coin
2 intended to be used in the video gaming terminal or use a
3 counterfeit or altered redemption tickets with the intent to
4 cheat or defraud a terminal operator licensee or the
5 Commonwealth or damage the video gaming terminal or
6 redemption terminal.

7 (7) (i) Except as set forth in subparagraph (ii), it
8 shall be unlawful for an individual to use or possess a
9 cheating or thieving device, counterfeit or altered
10 billet, ticket, token or similar object accepted by a
11 video gaming terminal or counterfeit or altered
12 redemption ticket on the premises of an establishment
13 licensee.

14 (ii) An authorized employee of a licensee or an
15 employee of the board may possess and use a cheating or
16 thieving device, counterfeit or altered billet, ticket,
17 token or similar object accepted by a video gaming
18 terminal or counterfeit or altered redemption ticket in
19 performance of the duties of employment.

20 (8) (i) Except as set forth in subparagraph (ii), it
21 shall be unlawful for an individual to knowingly possess
22 or use while on the premises of an establishment licensee
23 a key or device designed for the purpose of and suitable
24 for opening or entering a video gaming terminal or
25 redemption terminal that is located on the premises of
26 the establishment licensee.

27 (ii) An authorized employee of a licensee or a
28 member of the board may possess and use a device referred
29 to in subparagraph (i) in the performance of the duties
30 of employment.

31 (9) It shall be unlawful for a person or licensed entity
32 to possess a device, equipment or material which the person
33 or licensed entity knows has been manufactured, distributed,
34 sold, tampered with or serviced in violation of this part
35 with the intent to use the device, equipment or material as
36 though it had been manufactured, distributed, sold, tampered
37 with or serviced pursuant to this part.

38 (10) It shall be unlawful for a person to sell, offer
39 for sale, represent or pass off as lawful any device,
40 equipment or material that the person or licensed entity
41 knows has been manufactured, distributed, sold, tampered with
42 or serviced in violation of this part.

43 (11) It shall be unlawful for an individual to work or
44 be employed in a position the duties of which would require
45 licensing under this part without first obtaining the
46 requisite license issued under this part.

47 (12) It shall be unlawful for a licensed entity to
48 employ or continue to employ an individual in a position the
49 duties of which require a license under this part if the
50 individual:

51 (i) Is not licensed under this part.

1 (ii) Is prohibited from accepting employment from a
2 licensee.

3 (13) It shall be unlawful for a minor to enter and
4 remain in any video gaming area, except that an individual at
5 least 18 years of age employed by a terminal operator
6 licensee, a gaming service provider, an establishment
7 licensee, the board or another regulatory or emergency
8 response agency may enter and remain in the area while
9 engaged in the performance of the individual's employment
10 duties.

11 (14) It shall be unlawful for a minor to wager, play or
12 attempt to play a video gaming terminal or submit a
13 redemption ticket into a redemption terminal.

14 (15) It shall be unlawful for a terminal operator
15 licensee to require a video gaming terminal wager to be
16 greater than the stated minimum wager or greater than the
17 stated maximum wager.

18 (16) An individual who engages in conduct prohibited by
19 18 Pa.C.S. § 6308 (relating to purchase, consumption,
20 possession or transportation of liquor or malt or brewed
21 beverages) on the premises of an establishment licensee
22 commits a nongambling offense.

23 (17) It shall be unlawful for an individual to claim,
24 collect or take, or attempt to claim, collect or take, money
25 or anything of value in or from a video gaming terminal or
26 redemption terminal with the intent to defraud, or to claim,
27 collect or take an amount greater than the amount won, or to
28 manipulate with the intent to cheat, a component of a video
29 gaming terminal or redemption terminal in a manner contrary
30 to the designed and normal operational purpose.

31 (b) Criminal penalties and fines.--

32 (1) (i) A person that commits a first offense in
33 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
34 connection with providing information or making any
35 statement, whether written or oral, to the board, the
36 bureau, the department, the Pennsylvania State Police,
37 the Office of Attorney General or a district attorney as
38 required by this part commits an offense to be graded in
39 accordance with the applicable section violated. A person
40 that is convicted of a second or subsequent violation of
41 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
42 providing information or making any statement, whether
43 written or oral, to the board, the bureau, the
44 department, the Pennsylvania State Police, the Office of
45 Attorney General or a district attorney as required by
46 this part commits a felony of the second degree.

47 (ii) A person that violates subsection (a) (2), (3),
48 (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17)
49 commits a misdemeanor of the first degree. A person that
50 is convicted of a second or subsequent violation of
51 subsection (a) (2), (3), (4), (5), (6), (7), (8), (9),

1 (10), (11), (12) or (17) commits a felony of the second
2 degree.

3 (2) (i) For a first violation of subsection (a)(1),
4 (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)
5 or (17), a person shall be sentenced to pay a fine of:

6 (A) not less than \$75,000 nor more than \$150,000
7 if the person is an individual or establishment
8 licensee;

9 (B) not less than \$300,000 nor more than
10 \$600,000 if the person is a terminal operator
11 licensee; or

12 (C) not less than \$150,000 nor more than
13 \$300,000 if the person is a licensed manufacturer or
14 supplier.

15 (ii) For a second or subsequent violation of
16 subsection (a)(1), (2), (3), (4), (5), (6), (7), (8),
17 (9), (10), (11), (12) or (17), a person shall be
18 sentenced to pay a fine of:

19 (A) not less than \$150,000 nor more than
20 \$300,000 if the person is an individual or
21 establishment licensee;

22 (B) not less than \$600,000 nor more than
23 \$1,200,000 if the person is a terminal operator
24 licensee; or

25 (C) not less than \$300,000 nor more than
26 \$600,000 if the person is a licensed manufacturer or
27 supplier.

28 (3) An individual who commits an offense in violation of
29 subsection (a)(13) or (14) commits a nongambling summary
30 offense and upon conviction of a first offense shall be
31 sentenced to pay a fine of not less than \$200 nor more than
32 \$1,000. An individual who is convicted of a second or
33 subsequent offense under subsection (a)(13) or (14) shall be
34 sentenced to pay a fine of not less than \$500 nor more than
35 \$1,500. In addition to the fine imposed, an individual
36 convicted of an offense under subsection (a)(13) or (14) may
37 be sentenced to perform a period of community service not to
38 exceed 40 hours.

39 (4) An individual who commits an offense in violation of
40 subsection (a)(16) commits a nongambling offense to be graded
41 in accordance with 18 Pa.C.S. § 6308 and shall be subject to
42 the same penalties imposed pursuant to 18 Pa.C.S. §§ 6308 and
43 6310.4 (relating to restriction of operating privileges)
44 except that the fine imposed for a violation of subsection
45 (a)(16) shall be not less than \$350 nor more than \$1,000.

46 (c) Board-imposed administrative sanctions.--

47 (1) In addition to any other penalty authorized by law,
48 the board may impose without limitation the following
49 sanctions:

50 (i) Revoke the license of a person convicted of a
51 criminal offense under this part or regulations

1 promulgated under this part or committing any other
2 offense or violation of this part or applicable law that
3 would otherwise disqualify the person from holding the
4 license.

5 (ii) Revoke the license of a person determined to
6 have violated a provision of this part or regulations
7 promulgated under this part that would otherwise
8 disqualify the person from holding the license.

9 (iii) Revoke the license of a person for willfully
10 and knowingly violating or attempting to violate an order
11 of the board directed to the person.

12 (iv) Subject to subsection (g), assess
13 administrative penalties as necessary to punish
14 violations of this part.

15 (v) Order restitution of money or property
16 unlawfully obtained or retained by a licensee.

17 (vi) Enter cease and desist orders which specify the
18 conduct which is to be discontinued, altered or
19 implemented by a licensee.

20 (vii) Issue letters of reprimand or censure, which
21 letters shall be made a permanent part of the file of the
22 licensee so sanctioned.

23 (2) (i) If the board refuses to issue or renew a
24 license, suspends or revokes a license, assesses civil
25 penalties, orders restitution, enters a cease and desist
26 order or issues a letter of reprimand or censure, the
27 board shall provide the applicant or licensee with
28 written notification of its decision, including a
29 statement of the reasons for its decision, by certified
30 mail within five business days of the decision of the
31 board.

32 (ii) The applicant or licensee shall have the right
33 to appeal the decision in accordance with 2 Pa.C.S. Chs.
34 5 Subch. A (relating to practice and procedure of
35 Commonwealth agencies) and 7 Subch. A (relating to
36 judicial review of Commonwealth agency action).

37 (d) Aiding and abetting.--A person who aids, abets,
38 counsels, commands, induces, procures or causes another person
39 to violate this part shall be subject to all sanctions and
40 penalties, both civil and criminal, provided under this part.

41 (e) Continuing offenses.--A violation of this part that is
42 determined to be an offense of a continuing nature shall be
43 deemed to be a separate offense on each event or day during
44 which the violation occurs.

45 (f) Property subject to seizure, confiscation, destruction
46 or forfeiture.--Any equipment, device or apparatus, money,
47 material, gaming proceeds or substituted proceeds or real or
48 personal property used, obtained or received or an attempt to
49 use, obtain or receive the device, apparatus, money, material,
50 proceeds or real or personal property in violation of this part
51 shall be subject to seizure, confiscation, destruction or

1 forfeiture.

2 (g) Penalty limitation.--

3 (1) Administrative penalties assessed by the board on an
4 establishment licensee shall not exceed \$5,000 for each
5 noncriminal violation of this part.

6 (2) When imposing an administrative penalty on an
7 establishment licensee for a noncriminal violation of this
8 part, the board shall take into consideration the
9 establishment licensee's annual taxable income and whether
10 the penalty amount would cause the establishment licensee to
11 cease non-video gaming operations.

12 (h) Deposit of fines.--Fines imposed and collected by the
13 board under subsection (c) shall be deposited into the General
14 Fund.

15 § 3906. Report of suspicious transactions.

16 (a) Duty.--An establishment licensee or terminal operator
17 licensee or a person acting on behalf of an establishment
18 licensee or terminal operator licensee shall, on a form and in a
19 manner as required by the bureau, notify the bureau of a
20 suspicious transaction.

21 (b) Failure to report.--

22 (1) A person that is required to file a report of a
23 suspicious transaction under this section and knowingly fails
24 to file the report or that knowingly causes another person
25 having that responsibility to fail to file the report commits
26 a misdemeanor of the third degree.

27 (2) A person required to file a report of a suspicious
28 transaction under this section and fails to file the report
29 or a person that causes another person required under this
30 section to file the report to fail to file the report shall
31 be strictly liable for the person's actions and may be
32 subject to sanction under section 3905(c) (relating to
33 prohibited acts and penalties).

34 (c) Bureau.--The bureau shall maintain a record of all
35 reports made under this section for a period of five years. The
36 bureau shall make the reports available to any Federal or State
37 law enforcement agency upon written request and without
38 necessity of subpoena.

39 (d) Notice prohibited.--

40 (1) A person that is required to file a report of a
41 suspicious transaction under this section may not notify an
42 individual suspected of committing the suspicious transaction
43 that the transaction has been reported.

44 (2) A person that violates this subsection commits a
45 misdemeanor of the third degree and may be subject to
46 sanction under section 3905(c).

47 (e) Immunity.--A person that is required to file a report of
48 a suspicious transaction under this section and in good faith
49 makes the report shall not be liable in any civil action brought
50 by a person for making the report, regardless of whether the
51 transaction is later determined to be a suspicious transaction.

1 (f) Sanctions.--

2 (1) In considering appropriate administrative sanctions
3 against a person for violating this section, the board shall
4 consider all of the following:

5 (i) The risk to the public and to the integrity of
6 gaming operations created by the conduct of the person.

7 (ii) The seriousness of the conduct of the person
8 and whether the conduct was purposeful and with knowledge
9 that it was in contravention of the provisions of this
10 part or regulations promulgated under this part.

11 (iii) Justification or excuse for the conduct by the
12 person.

13 (iv) The prior history of the particular licensee or
14 person involved with respect to video gaming terminal
15 activity.

16 (v) The corrective action taken by the establishment
17 licensee or terminal operator licensee to prevent future
18 misconduct of a like nature from occurring.

19 (vi) In the case of a monetary penalty, the amount
20 of the penalty in relation to the severity of the
21 misconduct and the financial means of the licensee or
22 person. The board may impose any schedule or terms of
23 payment of such penalty as it may deem appropriate.

24 (2) It shall be no defense to disciplinary action before
25 the board that a person inadvertently, unintentionally or
26 unknowingly violated this section. The factors enumerated
27 under paragraph (1) shall only apply to the degree of the
28 penalty to be imposed by the board and not to a finding of a
29 violation itself.

30 (g) Regulations.--The board shall promulgate regulations to
31 effectuate the purposes of this section.

32 § 3907. Additional authority.

33 (a) Petition for access to agency information.--

34 (1) The director of the Office of Enforcement Counsel
35 within the bureau may petition a court of record having
36 jurisdiction over information in the possession of an agency
37 in this Commonwealth or, if there is no such court, then the
38 Commonwealth Court for authorization to review or obtain
39 information in the possession of an agency in this
40 Commonwealth by averring specific facts demonstrating that:

41 (i) The agency has in its possession information
42 material to a pending investigation or inquiry being
43 conducted by the bureau pursuant to this part.

44 (ii) Disclosure or release of the information is in
45 the best interest of the Commonwealth.

46 (2) The petition shall request that the court enter a
47 rule upon the agency to show cause why the agency should not
48 be directed to disclose to the bureau, or identified agents
49 thereof, information in the agency's possession about any
50 pending matter under the jurisdiction of the bureau pursuant
51 to this part.

1 (3) If the respondent is a local agency, a copy of a
2 rule issued pursuant to this section shall be provided to the
3 district attorney of the county in which the local agency is
4 located and the Office of Attorney General.

5 (4) Upon request of a local agency, the district
6 attorney or the Attorney General may elect to enter an
7 appearance to represent the local agency in the proceedings.

8 (b) Procedure.--

9 (1) The filing of a petition pursuant to this section
10 and related proceedings shall be in accordance with court
11 rule, including issuance as of course.

12 (2) A party to the proceeding may not disclose the
13 filing of a petition or answer or the receipt, content or
14 disposition of a rule or order issued pursuant to this
15 section, without leave of court.

16 (3) A party to the proceedings may request that the
17 record be sealed and proceedings be closed. The court shall
18 grant the request if it is in the best interest of a person
19 or the Commonwealth to do so.

20 (c) Court determination.--

21 (1) Following review of the record, the court shall
22 grant the relief sought by the director of the Office of
23 Enforcement Counsel if the court determines that:

24 (i) The agency has in its possession information
25 material to the investigation or inquiry.

26 (ii) Disclosure or release of the information is in
27 the best interest of the Commonwealth.

28 (iii) The disclosure or release of the information
29 is not otherwise prohibited by statute or regulation.

30 (iv) The disclosure or release of the information
31 would not inhibit an agency in the performance of the
32 agency's duties.

33 (2) If the court so determines, the court shall enter an
34 order authorizing and directing the information be made
35 available for review in camera.

36 (d) Release of materials or information.--

37 (1) If, after an in-camera review by the court, the
38 director of the Office of Enforcement Counsel seeks to obtain
39 copies of materials in the agency's possession, the court
40 may, if not otherwise prohibited by statute or regulation,
41 enter an order that the requested materials be provided.

42 (2) An order authorizing the release of materials or
43 other information shall contain direction regarding the
44 safekeeping and use of the materials or other information
45 sufficient to satisfy the court that the materials or
46 information will be sufficiently safeguarded.

47 (3) In making the determination under paragraph (2) the
48 court shall consider input of the agency in possession of the
49 information and input from any agency with which the
50 information originated concerning a pending investigation or
51 ongoing matter and the safety of person and property.

1 (e) Modification of order.--

2 (1) If subsequent investigation or inquiry by the bureau
3 warrants modification of an order entered pursuant to this
4 section, the director of the Office of Enforcement Counsel
5 may petition to request modification of the order.

6 (2) Upon the request, the court may modify the order at
7 any time and in any manner it deems necessary and
8 appropriate.

9 (3) The agency named in the original petition shall be
10 given notice and an opportunity to be heard.

11 (f) Use of information or materials.--A person who, by any
12 means authorized by this section, has obtained knowledge of
13 information or materials solely pursuant to this section may use
14 the information or materials in a manner consistent with any
15 direction imposed by the court and appropriate to the proper
16 performance of the person's duties under this part.

17 (g) Violation.--In addition to the remedies and penalties
18 provided in this part, a violation of the provisions of this
19 section may be punished as contempt of court.

20 (h) Definition.--As used in this section, the term "agency"
21 shall mean a "Commonwealth agency" or a "local agency" as those
22 terms are defined in section 102 of the act of February 14, 2008
23 (P.L.6, No.3), known as the Right-to-Know Law.
24 § 3908. Detention.

25 (a) General rule.--A peace officer who has probable cause to
26 believe that criminal violation of this part has occurred or is
27 occurring on or about an establishment licensee's premises and
28 who has probable cause to believe that a specific individual has
29 committed or is committing the criminal violation may detain the
30 individual in a reasonable manner for a reasonable time on the
31 premises of the establishment licensee to require the suspect to
32 identify himself, to verify such identification or to inform a
33 peace officer.

34 (b) Immunity.--A peace officer shall not be subject to civil
35 or criminal liability for detention of an individual in
36 accordance with subsection (a).

37 CHAPTER 41

38 REVENUES

39 Sec.

40 4101. Fees.

41 4102. Taxes and assessments.

42 4103. Distribution of local share.

43 4104. Regulatory assessments.

44 4105. Transfers from Video Gaming Fund.

45 4106. Fire Company and Emergency Responder Grant Fund.

46 4107. City of the First Class Enforcement Fund.

47 4108. Lottery Stabilization Fund.

48 4109. Gun Violence Task Force Fund.

49 § 4101. Fees.

50 (a) Application fees.--The following nonrefundable
51 application fees shall accompany an application for the

1 following licenses or permits applied for under Chapter 35
2 (relating to application and licensure):

3 (1) For a manufacturer or supplier license, \$50,000.

4 (2) For a terminal operator license, \$25,000.

5 (3) For an establishment license, \$100.

6 (4) For a key employee or principal license, \$500.

7 (5) For any other authorization or permit authorized by
8 this part, an amount established by the board, through
9 regulation, which may not exceed \$100.

10 (b) Initial license and renewal fees.--The following
11 nonrefundable fees shall be required upon issuance of an initial
12 license and shall accompany an application for renewal for the
13 following licenses or permits under Chapter 35:

14 (1) For a manufacturer or supplier license, \$10,000.

15 (2) For a terminal operator license, \$5,000.

16 (3) For an establishment license, an amount equal to
17 \$250 per each video gaming terminal in operation at the
18 premises of the establishment licensee.

19 (4) For a key employee, procurement agent license or
20 principal license, \$500.

21 (5) For any other authorization or license authorized by
22 this part, an amount established by the board, through
23 regulation, which may not exceed \$100.

24 (c) Terminal increase fee.--An establishment licensee that
25 increases the total number of video gaming terminals within the
26 establishment after submission of the renewal fee required in
27 subsection (b) shall provide the board with a \$250 renewal fee
28 for each additional video gaming terminal added to the
29 establishment within 60 days of installation of each additional
30 video gaming terminal.

31 (d) Deposit of fees.--Fees collected under this section
32 shall be deposited into the General Fund.

33 § 4102. Taxes and assessments.

34 (a) Fund established.--The Video Gaming Fund is established
35 in the State Treasury. Money in the fund is hereby appropriated
36 to the department on a continuing basis for the purposes under
37 subsection (c).

38 (b) Video gaming terminal tax and assessments.--

39 (1) The department shall determine and each terminal
40 operator licensee shall pay on a bimonthly basis:

41 (i) A tax of 37.5% of its gross terminal revenue
42 from all video gaming terminals operated by the terminal
43 operator licensee within this Commonwealth.

44 (ii) A 4% local share assessment from its gross
45 terminal revenue.

46 (iii) A regulatory assessment established in section
47 4104 (relating to regulatory assessments) from the
48 terminal operator licensee's weekly gross terminal
49 revenue.

50 (2) All money owed under this section shall be held in
51 trust by the terminal operator licensee until the money is

1 paid or transferred to the Video Gaming Fund.

2 (3) Unless otherwise agreed to by the board, a terminal
3 operator licensee shall establish a separate bank account to
4 maintain gross terminal revenue until such time as the money
5 is paid or transferred under this section.

6 (c) Transfers and distributions.--The department shall:

7 (1) Transfer the tax imposed under subsection (b) to the
8 Video Gaming Fund.

9 (2) From the local share assessment established under
10 subsection (b), make distributions among the municipalities
11 that host establishment licensees in accordance with section
12 4103 (relating to distribution of local share).

13 (3) Transfer the regulatory assessment imposed under
14 subsection (b) in accordance with section 4104.

15 § 4103. Distribution of local share.

16 (a) Distribution.--

17 (1) Subject to the limitation under subsection (c), the
18 department shall distribute, in a manner and according to a
19 schedule adopted by the department, to each municipality 2%
20 of the gross terminal revenue of each video gaming terminal
21 operating within the municipality.

22 (2) The department shall on a quarterly basis deposit 2%
23 of the gross terminal revenue of each video gaming terminal
24 operating within the county into a restricted receipts
25 account to be established in the Commonwealth Financing
26 Authority to be used exclusively for grants for projects in
27 the public interest within the host county.

28 (b) Duty of terminal operator.--A terminal operator licensee
29 shall continuously provide the department with records,
30 documents or other information necessary to effectuate the
31 requirements of subsection (a).

32 (c) Limitation.--The department may not distribute a local
33 share amount to a municipality in excess of 50% of the
34 municipality's total budget for fiscal year 2017, adjusted for
35 inflation in subsequent fiscal years by an amount not to exceed
36 an annual cost-of-living adjustment calculated by applying an
37 upward percentage change in the Consumer Price Index immediately
38 prior to the date the adjustment is due to take effect.

39 (d) Transfers to fund.--Local share amounts not distributed
40 by the department to a municipality due to the limitation
41 established under subsection (c) shall be distributed to the
42 host county in accordance with subsection (a)(2).

43 (e) Use of assessments.--

44 (1) A municipality that receives assessments from the
45 department under subsection (a) may use the funds for the
46 following purposes:

47 (i) Economic development.

48 (ii) Combating blight and the funding of land bank
49 jurisdictions.

50 (iii) Local law enforcement funding.

51 (iv) Grants to volunteer ambulance services and fire

1 companies.

2 (2) A county may use the funds as local matching funds
3 for other grants or loans from the Commonwealth.

4 (f) Reporting.--

5 (1) In cooperation with the department and the
6 Commonwealth Financing Authority, the Department of Community
7 and Economic Development shall submit an annual report on all
8 distributions of local share assessments to municipalities
9 and counties under this section to the chairperson and
10 minority chairperson of the Appropriations Committee of the
11 Senate, the chairperson and minority chairperson of the
12 Community, Economic and Recreational Development Committee of
13 the Senate, the chairperson and minority chairperson of the
14 Appropriations Committee of the House of Representatives and
15 the chairperson and minority chairperson of the Gaming
16 Oversight Committee of the House of Representatives. The
17 report shall be submitted by August 31, 2018, and by August
18 31 of each year thereafter.

19 (2) A municipality or county that receives distributions
20 of local share assessments under this section shall submit
21 information to the Department of Community and Economic
22 Development on a form prepared by the Department of Community
23 and Economic Development that states the amount and use of
24 the funds received in the prior fiscal year. The form shall
25 specify whether the funds received were deposited in the
26 municipality's or county's General Fund or committed to a
27 specific project or use.

28 (g) Definitions.--As used in this section, the following
29 words and phrases shall have the meanings given to them in this
30 subsection unless the context clearly indicates otherwise:

31 "Consumer Price Index." The Consumer Price Index for All
32 Urban Consumers for the Pennsylvania, New Jersey, Delaware and
33 Maryland area for the most recent 12-month period for which
34 figures have been officially reported by the United States
35 Department of Labor, Bureau of Labor Statistics.

36 "Municipality." The term does not include a county.
37 § 4104. Regulatory assessments.

38 (a) Accounts established.--The State Treasurer shall
39 establish within the State Treasury an account for each terminal
40 operator for the deposit of a regulatory assessment amount
41 required under subsection (b) to recover costs or expenses
42 incurred by the board, the department, the Pennsylvania State
43 Police and the Office of Attorney General in carrying out their
44 powers and duties under this part based upon a budget submitted
45 by the department under subsection (c).

46 (b) Bi-monthly deposits.--

47 (1) The department shall determine the appropriate
48 assessment amount for each terminal operator licensee, which
49 shall be a percentage assessed on the terminal operator
50 licensee's bi-monthly gross terminal revenue.

51 (2) The percentage assessed shall not exceed an amount

1 equal to the lesser of:

2 (i) the costs or expenses incurred by the board, the
3 department, the Pennsylvania State Police or the Office
4 of Attorney General in carrying out their powers and
5 duties under this part based upon a budget submitted by
6 the department under subsection (c); or

7 (ii) one and one-half percent of the terminal
8 operator licensee's weekly gross terminal revenue.

9 (c) Itemized budget reporting.--

10 (1) The department shall prepare and annually submit to
11 the chairperson and minority chairperson of the
12 Appropriations Committee of the Senate and the chairperson
13 and minority chairperson of the Appropriations Committee of
14 the House of Representatives an itemized budget consisting of
15 amounts to be appropriated out of the accounts established
16 under this section necessary to administer this part.

17 (2) As soon as practicable after submitting copies of
18 the itemized budget, the department shall submit to the
19 chairperson and minority chairperson of the Appropriations
20 Committee of the Senate and the chairperson and minority
21 chairperson of the Appropriations Committee of the House of
22 Representatives analyses of and recommendations regarding the
23 itemized budget.

24 (3) The itemized budget required under paragraph (1)
25 shall be submitted in conjunction with the budget required to
26 be submitted under section 1202(b)(28) (relating to general
27 and specific powers).

28 (d) Appropriation.--

29 (1) Costs and expenses may be paid from the accounts
30 established under subsection (a) only upon appropriation by
31 the General Assembly.

32 (2) If the total costs or expenses incurred by the
33 board, the department, the Pennsylvania State Police or the
34 Office of Attorney General exceed the amounts available in
35 the accounts established under subsection (a), the General
36 Assembly may appropriate additional amounts to the board, the
37 department, the Pennsylvania State Police or the Office of
38 Attorney General from the Video Gaming Fund.

39 \$ 4105. Transfers from Video Gaming Fund.

40 (a) Transfer for compulsive and problem gambling
41 treatment.--On June 30, 2018, and on the last day of each fiscal
42 year thereafter, the State Treasurer shall transfer from the
43 Video Gaming Fund the sum of \$2,500,000 or an amount equal to
44 0.002 multiplied by the total gross terminal revenue of all
45 terminal operator licensees, whichever is greater, to the
46 Compulsive and Problem Gambling Treatment Fund established in
47 section 1509 (relating to compulsive and problem gambling
48 program).

49 (b) Transfer to Fire Company and Emergency Responder Grant
50 Fund.--On June 30, 2018, and on the last day of each fiscal year
51 thereafter, the State Treasurer shall transfer from the Video

1 Gaming Fund the sum of \$2,500,000 to the Fire Company and
2 Emergency Responder Grant Fund established in section 4106
3 (relating to Fire Company and Emergency Responder Grant Fund).

4 (c) Transfer for drug and alcohol treatment.--On June 30,
5 2018, and on the last day of each fiscal year thereafter, the
6 State Treasurer shall transfer from the Video Gaming Fund the
7 sum of \$2,500,000 to the Department of Drug and Alcohol Programs
8 to be used to provide drug and alcohol addiction treatment
9 services, including treatment for drug and alcohol addiction
10 related to compulsive and problem gambling, as set forth in
11 section 1509.1 (relating to drug and alcohol treatment).

12 (d) Transfer to City of the First Class Enforcement Fund.--
13 On June 30, 2018, and on the last day of each fiscal year
14 thereafter, the State Treasurer shall transfer from the Video
15 Gaming Fund the sum of \$3,000,000 to the City of the First Class
16 Enforcement Fund established in section 4107 (relating to City
17 of the First Class Enforcement Fund).

18 (e) Transfer to the State Lottery Fund.--On June 30, 2018,
19 the State Treasurer shall transfer from the Video Gaming Fund
20 the sum of \$38,000,000 to the State Lottery Fund. On June 30,
21 2019, and on the last day of each fiscal year thereafter, an
22 amount, to be determined through an appropriation by the General
23 Assembly, to make the amount of money in the State Lottery Fund
24 equal to amounts in the State Lottery Fund for the previous
25 fiscal year.

26 (f) Transfer to the Lottery Stabilization Fund.--On June 30,
27 2019, and on the last day of each fiscal year thereafter, the
28 State Treasurer shall transfer from the Video Gaming Fund 3.5%
29 of the gross terminal revenue of all video gaming terminals
30 operating within this Commonwealth for the current fiscal year
31 to the Lottery Stabilization Fund established in section 4108
32 (relating to Lottery Stabilization Fund).

33 (g) Transfer to Gun Violence Task Force Fund.--On June 30,
34 2018, and on the last day of each fiscal year thereafter, the
35 State Treasurer shall transfer from the Video Gaming Fun the sum
36 of \$2,000,000 to the Gun Violence Task Force Fund established in
37 section 4109 (relating to Gun Violence Task Force Fund).

38 (h) General Fund transfer.--On June 30, 2018, and on the
39 last day of each fiscal year thereafter, the State Treasurer
40 shall transfer the remaining balance in the Video Gaming Fund
41 that is not transferred under subsections (a), (b), (c), (d),
42 (e), (f) and (g) to the General Fund.

43 § 4106. Fire Company and Emergency Responder Grant Fund.

44 (a) Establishment.--The Fire Company and Emergency Responder
45 Grant Fund is established in the State Treasury. The fund shall
46 receive money from the Video Gaming Fund in accordance with
47 section 4105 (relating to transfers from Video Gaming Fund).

48 (b) Use of fund.--Half of the money in the fund shall be
49 used to fund programs that provide grants to volunteer ambulance
50 services and the remaining money in the fund shall be used to
51 fund programs that provide grants to fire companies and other

emergency responders as specified through separate act of the General Assembly.

§ 4107. City of the First Class Enforcement Fund.

(a) Establishment.--The City of the First Class Enforcement Fund is established in the State Treasury. The fund shall receive money from the Video Gaming Fund in accordance with section 4105 (relating to transfers from Video Gaming Fund).

(b) Use of money.--Money in the fund shall be used solely for the assignment and related costs of additional agents to Liquor Code enforcement and the reporting to the bureau of violations of this part within a city of the first class.

§ 4108. Lottery Stabilization Fund.

(a) Establishment.--The Lottery Stabilization Fund is established in the State Treasury. The fund shall receive money from the Video Gaming Fund in accordance with section 4105 (relating to transfers from Video Gaming Fund).

(b) Use of money.--Money in the fund shall be used to transfer funds to the State Lottery Fund in order to ensure the stability and maintenance of adequate funding to the State Lottery Fund as specified through a separate act of the General Assembly.

§ 4109. Gun Violence Task Force Fund.

(a) Establishment.--The Gun Violence Task Force Fund is established in the State Treasury. The fund shall receive money from the Video Gaming Fund in accordance with section 4105 (relating to transfers from Video Gaming Fund).

(b) Use of money.--Money in the fund shall be used by a task force on gun violence as specified through a separate act of the General Assembly.

CHAPTER 43

ETHICS

Sec.

4301. Board code of conduct.

4302. Additional board restrictions.

4303. Financial and employment interests.

4304. Additional restrictions.

4305. Political influence.

§ 4301. Board code of conduct.

(a) Update required.--The board shall update the comprehensive code of conduct established under section 1202.1 (relating to code of conduct) prior to the consideration of a license, permit or other authorization under this part in order to avoid a perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the board as related to video gaming. At a minimum, the updated code of conduct adopted under this section shall include registration of licensed entity representatives under subsection (b) and the restrictions under subsection (c) as they relate to video gaming.

(b) Registration.--

(1) A licensed entity representative shall register with

1 the board in a manner prescribed by the board. The
2 registration shall include the name, employer or firm,
3 business address and business telephone number of both the
4 licensed entity representative and any licensed entity,
5 applicant for licensure or other person being represented.

6 (2) A licensed entity representative shall update the
7 registration information on an ongoing basis and failure to
8 do so shall be punishable by the board.

9 (3) The board shall maintain a registration list that
10 contains the information required under paragraph (1). The
11 list shall be available on the board's publicly accessible
12 Internet website.

13 (c) Restrictions.--In addition to the other prohibitions
14 contained in this part, a member of the board shall:

15 (1) Not accept a discount, gift, gratuity, compensation,
16 travel, lodging or other thing of value, directly or
17 indirectly, from an applicant, licensed entity, affiliate,
18 subsidiary or intermediary of an applicant or a licensed
19 entity, registrant or licensed entity representative.

20 (2) Disclose and recuse himself from a hearing or other
21 proceeding in which the member's objectivity, impartiality,
22 integrity or independence of judgment may be reasonably
23 questioned due to the member's relationship or association
24 with a party connected to a hearing or proceeding or a person
25 appearing before the board.

26 (3) Refrain from financial or business dealing that
27 would tend to reflect adversely on the member's objectivity,
28 impartiality or independence of judgment.

29 (4) (i) Not solicit funds for a charitable,
30 educational, religious, health, fraternal, civic or other
31 nonprofit entity from an applicant, licensed entity,
32 party, registrant or licensed entity representative or
33 from an affiliate, subsidiary, intermediary or holding
34 company of an applicant, licensed entity, party or
35 licensed entity representative.

36 (ii) Subject to the provisions of section 1201(h)
37 (4.1) (relating to Pennsylvania Gaming Control Board
38 established), a member may serve as an officer, employee
39 or member of the governing body of a nonprofit entity and
40 may attend, make personal contributions to and plan or
41 preside over the entity's fundraising events.

42 (iii) A member may permit their name to appear on
43 the letterhead used for fundraising events if the
44 letterhead contains only the member's name and position
45 with the nonprofit entity.

46 (5) (i) Not meet or engage in discussions with an
47 applicant, licensed entity, registrant, licensed entity
48 representative, person who provides goods, property or
49 services to a terminal operator licensee or another
50 person or entity under the jurisdiction of the board
51 unless the meeting or discussion occurs on the business

1 premises of the board and is recorded in a log.

2 (ii) The log shall be posted on the board's publicly
3 accessible Internet website.

4 (iii) The log must include the date and time of the
5 meeting or discussion, the names of the participants and
6 the subject discussed.

7 (iv) The provisions of this paragraph shall not
8 apply to a meeting that considers matters requiring the
9 physical inspection of the equipment or premises of an
10 applicant or a licensed entity, if the meeting is entered
11 in the log.

12 (6) Avoid impropriety and the appearance of impropriety
13 at all times and observe standards and conduct that promote
14 public confidence in the oversight of video gaming.

15 (7) Comply with other laws, rules or regulations
16 relating to the conduct of a member.

17 § 4302. Additional board restrictions.

18 (a) Board restrictions.--The following shall apply to a
19 board member or employee of the board whose duties substantially
20 involve licensing, enforcement, development of law, promulgation
21 of regulations or development of policy relating to gaming under
22 this part or who has other discretionary authority which may
23 affect or influence the outcome of an action, proceeding or
24 decision under this part:

25 (1) The individual may not, for a period of two years
26 following termination of employment, accept employment with
27 or be retained by an applicant or a licensed entity or by an
28 affiliate, intermediary, subsidiary or holding company of an
29 applicant or a licensed entity.

30 (2) The individual may not, for a period of two years
31 following termination of employment, appear before the board
32 in a hearing or proceeding or participate in activity on
33 behalf of an applicant, licensee or licensed entity or on
34 behalf of an affiliate, intermediary, subsidiary or holding
35 company of an applicant, licensee or licensed entity.

36 (3) (i) An applicant or a licensed entity or an
37 affiliate, intermediary, subsidiary or holding company of
38 an applicant or a licensed entity may not, until the
39 expiration of two years following termination of
40 employment, employ or retain the individual.

41 (ii) Violation of this subparagraph shall result in
42 termination of the individual's employment and subject
43 the violator to section 3905(c) (relating to prohibited
44 acts and penalties).

45 (4) (i) A prospective employee who, upon employment,
46 would be subject to this subsection must, as a condition
47 of employment, sign an affidavit that the prospective
48 employee will not violate paragraph (1) or (2).

49 (ii) If the prospective employee fails to sign the
50 affidavit, the board shall rescind an offer of employment
51 and may not employ the individual.

1 (b) Contractor restrictions.--The following shall apply to
2 an independent contractor of the board and to an employee of an
3 independent contractor whose duties substantially involve
4 consultation relating to licensing, enforcement, development of
5 law, promulgation of regulations or development of policy
6 relating to video gaming under this part:

7 (1) The person may not, for a period of one year
8 following termination of the contract with the board, be
9 retained by an applicant or a licensed entity or by an
10 affiliate, intermediary, subsidiary or holding company of an
11 applicant or a licensed entity.

12 (2) The person may not, for a period of two years
13 following termination of the contract with the board, appear
14 before the board in a hearing or proceeding or participate in
15 activity on behalf of an applicant, licensee or licensed
16 entity or on behalf of an affiliate, intermediary, subsidiary
17 or holding company of an applicant, licensee or licensed
18 entity.

19 (3) (i) An applicant or a licensed entity or an
20 affiliate, intermediary, subsidiary or holding company of
21 an applicant or a licensee may not, until the expiration
22 of one year following termination of the contract with
23 the board, employ or retain the person.

24 (ii) A knowing violation of this subparagraph shall
25 result in termination of the person's employment and
26 subject the violator to section 3905(c).

27 (4) (i) Each contract between the board and an
28 independent contractor that involves the duties specified
29 in this subsection shall contain a provision requiring
30 the independent contractor to sign an affidavit that the
31 independent contractor will not violate paragraph (1) or
32 (2).

33 (ii) If the independent contractor fails to sign the
34 affidavit, the board may not enter into the contract or
35 must terminate the contract.

36 (5) (i) An independent contractor shall require a
37 prospective employee whose employment would involve the
38 duties specified in this subsection to sign an affidavit
39 that the prospective employee will not violate paragraph
40 (1) or (2).

41 (ii) If the prospective employee fails to sign the
42 affidavit, the independent contractor shall rescind an
43 offer of employment and may not employ the individual.

44 (c) Construction.--Nothing under subsection (a) or (b) shall
45 be construed to prevent a current or former employee of the
46 board, a current or former independent contractor or a current
47 or former employee of an independent contractor from appearing
48 before the board in a hearing or proceeding as a witness or
49 testifying as to any fact or information.

50 (d) Ethics commission.--

51 (1) The State Ethics Commission shall issue a written

1 determination of whether a person is subject to subsection
2 (a) or (b) upon the written request of the person or the
3 person's employer or potential employer. A person that relies
4 in good faith on a determination issued under this paragraph
5 shall not be subject to a penalty for an action taken,
6 provided that all material facts specified in the request for
7 the determination are correct.

8 (2) (i) The State Ethics Commission shall publish a
9 list of all employment positions within the board and
10 employment positions within independent contractors whose
11 duties would subject the individuals in those positions
12 to the provisions of subsections (a) and (b).

13 (ii) The board and each independent contractor shall
14 assist the State Ethics Commission in the development of
15 the list, which shall be published by the State Ethics
16 Commission in the Pennsylvania Bulletin biennially and
17 posted by the board on the board's publicly accessible
18 Internet website.

19 (iii) Upon request, employees of the board and each
20 independent contractor shall provide the State Ethics
21 Commission with adequate information to accurately
22 develop and maintain the list.

23 (iv) The State Ethics Commission may impose a civil
24 penalty under 65 Pa.C.S. § 1109(f) (relating to
25 penalties) upon an individual who fails to cooperate with
26 the State Ethics Commission under this paragraph.

27 (v) An individual who relies in good faith on the
28 list published by the State Ethics Commission shall not
29 be subject to a penalty for a violation of subsection (a)
30 or (b).

31 § 4303. Financial and employment interests.

32 (a) Financial interests.--Except as may be provided for the
33 judiciary by rule or order of the Pennsylvania Supreme Court, an
34 executive-level public employee, public official or party
35 officer, or an immediate family member thereof, shall not
36 intentionally or knowingly hold a financial interest in an
37 applicant or a licensee, or in a holding company, affiliate,
38 intermediary or subsidiary thereof, while the individual is an
39 executive-level public employee, public official or party
40 officer and for one year following termination of the
41 individual's status as an executive-level public employee,
42 public official or party officer.

43 (b) Employment.--Except as may be provided by rule or order
44 of the Pennsylvania Supreme Court and except as provided in
45 section 1202.1 (relating to code of conduct) or 4304 (relating
46 to additional restrictions), no executive-level public employee,
47 public official or party officer, or an immediate family member
48 thereof, shall be employed by an applicant or licensee, or by a
49 holding company, affiliate, intermediary or subsidiary thereof,
50 while the individual is an executive-level public employee,
51 public official or party officer and for one year following

1 termination of the individual's status as an executive-level
2 public employee, public official or party officer.

3 (c) Complimentary services.--

4 (1) No executive-level public employee, public official
5 or party officer, or an immediate family member thereof,
6 shall solicit or accept a complimentary service from an
7 applicant or licensee, or from an affiliate, intermediary,
8 subsidiary or holding company thereof, which the executive-
9 level public employee, public official or party officer, or
10 an immediate family member thereof, knows or has reason to
11 know is other than a service or discount which is offered to
12 members of the general public in like circumstances.

13 (2) No applicant or licensee, or an affiliate,
14 intermediary, subsidiary or holding company thereof, shall
15 offer or deliver to an executive-level public employee,
16 public official or party officer, or an immediate family
17 member thereof, a complimentary service from the applicant or
18 licensee, or an affiliate, intermediary, subsidiary or
19 holding company thereof, that the applicant or licensee, or
20 an affiliate, intermediary, subsidiary or holding company
21 thereof, knows or has reason to know is other than a service
22 or discount that is offered to members of the general public
23 in like circumstances.

24 (d) Grading.--An individual who violates this section
25 commits a misdemeanor of the third degree and shall, upon
26 conviction, be sentenced to pay a fine of not more than \$1,000
27 or to imprisonment for not more than one year, or both.

28 (e) Divestiture.--

29 (1) An executive-level public employee, public official
30 or party officer, or an immediate family member thereof, who
31 holds a financial interest prohibited by this section shall
32 divest the financial interest within three months of the
33 effective date of this section, as applicable.

34 (2) An executive-level public employee, public official,
35 party officer or immediate family member shall have 30 days
36 from the date the individual knew or had reason to know of
37 the violation or 30 days from the publication in the
38 Pennsylvania Bulletin under section 3301(b)(12) (relating to
39 powers of board) of the application or licensure of the
40 executive-level public employee, public official, party
41 officer or immediate family member, whichever occurs earlier,
42 to divest the financial interest.

43 (3) The State Ethics Commission may, for good cause,
44 extend the time period under this subsection.

45 (f) State Ethics Commission.--The State Ethics Commission
46 shall do all of the following:

47 (1) (i) Issue a written determination of whether a
48 person is subject to subsection (a), (b) or (c) upon the
49 written request of the person or another person that may
50 have liability for an action taken with respect to the
51 person.

1 (ii) A person that relies in good faith on a
2 determination made under this paragraph shall not be
3 subject to penalty for an action taken, provided that all
4 material facts specified in the request for the
5 determination are correct.

6 (2) (i) Publish a list of all State, county, municipal
7 and other government positions that meet the definitions
8 of "public official" as defined under subsection (g) or
9 "executive-level public employee" as defined under
10 section 3102 (relating to definitions).

11 (ii) The Office of Administration shall assist the
12 State Ethics Commission in the development of the list,
13 which list shall be published by the State Ethics
14 Commission in the Pennsylvania Bulletin biennially and
15 posted by the board on the board's publicly accessible
16 Internet website.

17 (iii) Upon request, a public official shall provide
18 the State Ethics Commission with adequate information to
19 accurately develop and maintain the list.

20 (iv) The State Ethics Commission may impose a civil
21 penalty under 65 Pa.C.S. § 1109(f) (relating to
22 penalties) upon an individual, including a public
23 official or executive-level public employee, who fails to
24 cooperate with the State Ethics Commission under this
25 subsection.

26 (v) A person that relies in good faith on the list
27 published by the State Ethics Commission shall not be
28 subject to penalty for a violation of this section.

29 (g) Definitions.--As used in this section, the following
30 words and phrases shall have the meanings given to them in this
31 subsection unless the context clearly indicates otherwise:

32 "Applicant." A person applying for a manufacturer license,
33 supplier license or terminal operator license under this part.

34 "Financial interest." Owning or holding, or being deemed to
35 hold, debt or equity securities or other ownership interest or
36 profits interest. A financial interest shall not include a debt
37 or equity security, or other ownership interest or profits
38 interest, which is held or deemed to be held in any of the
39 following:

40 (1) A blind trust over which the executive-level public
41 employee, public official, party officer or immediate family
42 member thereof may not exercise any managerial control or
43 receive income during the tenure of office and the period
44 under subsection (a). The provisions of this paragraph shall
45 apply only to blind trusts established prior to the effective
46 date of this section.

47 (2) Securities that are held in a pension plan, profit-
48 sharing plan, individual retirement account, tax-sheltered
49 annuity, a plan established pursuant to section 457 of the
50 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
51 1 et seq.) or a successor provision deferred compensation

1 plan whether qualified or not qualified under the Internal
2 Revenue Code of 1986 or any successor provision or other
3 retirement plan that:

4 (i) is not self-directed by the individual; and

5 (ii) is advised by an independent investment adviser
6 who has sole authority to make investment decisions with
7 respect to contributions made by the individual to these
8 plans.

9 (3) A tuition account plan organized and operated under
10 section 529 of the Internal Revenue Code of 1986 that is not
11 self-directed by the individual.

12 (4) A mutual fund where the interest owned by the mutual
13 fund in a licensed entity does not constitute a controlling
14 interest as defined in this part.

15 "Immediate family." A spouse, minor child or unemancipated
16 child.

17 "Licensee." A manufacturer licensee, supplier licensee or a
18 terminal operator licensee.

19 "Party officer." A member of a national committee; a
20 chairperson, vice chairperson, secretary, treasurer or counsel
21 of a State committee or member of the executive committee of a
22 State committee; a county chairperson, vice chairperson,
23 counsel, secretary or treasurer of a county committee in which a
24 licensed facility is located; or a city chairperson, vice
25 chairperson, counsel, secretary or treasurer of a city committee
26 of a city in which a licensed facility is located.

27 "Public official." The term shall include the following:

28 (1) The Governor, Lieutenant Governor, a member of the
29 Governor's cabinet, State Treasurer, Auditor General and
30 Attorney General of the Commonwealth.

31 (2) A member of the Senate or House of Representatives
32 of the Commonwealth.

33 (3) An individual elected or appointed to an office of a
34 county or municipality that directly receives a distribution
35 of revenue under this part.

36 (4) An individual elected or appointed to a department,
37 agency, board, commission, authority or other governmental
38 body not included in paragraph (1), (2) or (3) that directly
39 receives a distribution of revenue under this part.

40 (5) An individual elected or appointed to a department,
41 agency, board, commission, authority, county, municipality or
42 other governmental body not included in paragraph (1), (2) or
43 (3) with discretionary power that may influence or affect the
44 outcome of an action or decision and who is involved in the
45 development of regulation or policy relating to a licensed
46 entity or is involved in other matters under this part.

47 § 4304. Additional restrictions.

48 (a) Restrictions.--

49 (1) No individual trooper or employee of the
50 Pennsylvania State Police or employee of the Office of
51 Attorney General or the department whose duties substantially

1 involve licensing or enforcement, the development of laws or
2 the development or adoption of regulations or policy related
3 to gaming under this part or who has other discretionary
4 authority that may affect or influence the outcome of an
5 action, proceeding or decision under this part may do any of
6 the following:

7 (i) Accept employment with or be retained by an
8 applicant or licensed entity, or an affiliate,
9 intermediary, subsidiary or holding company of an
10 applicant or licensed entity, for a period of two years
11 after the termination of employment.

12 (ii) (A) Appear before the board in a hearing or
13 proceeding or participate in other activity on behalf
14 of an applicant, licensee or licensed entity, or an
15 affiliate, intermediary, subsidiary or holding
16 company of an applicant, licensee or licensed entity,
17 for a period of two years after termination of
18 employment.

19 (B) Nothing in this paragraph shall be construed
20 to prevent a current or former trooper or employee of
21 the Pennsylvania State Police, the Office of Attorney
22 General or the department from appearing before the
23 board in a proceeding or hearing as a witness or
24 testifying as to a fact or information.

25 (2) As a condition of employment, a potential employee
26 who would be subject to this subsection shall sign an
27 affidavit that the individual will not accept employment with
28 or be retained by an applicant or licensed entity, or an
29 affiliate, intermediary, subsidiary or holding company of an
30 applicant or licensed entity, for a period of two years after
31 the termination of employment.

32 (b) Employment or retention.--

33 (1) No applicant or licensed entity or an affiliate,
34 intermediary, subsidiary or holding company of an applicant
35 or licensed entity may employ or retain an individual subject
36 to subsection (a) until the expiration of the period required
37 in subsection (a)(1)(i).

38 (2) An applicant or licensed entity, or an affiliate,
39 intermediary, subsidiary or holding company of an applicant
40 or licensed entity, that knowingly employs or retains an
41 individual in violation of this subsection shall terminate
42 the employment of the individual and be subject to penalty
43 under section 1518(c) (relating to prohibited acts;
44 penalties).

45 (c) Violation.--If an individual subject to subsection (a)
46 refuses or otherwise fails to sign an affidavit, the
47 individual's potential employer shall rescind the offer of
48 employment.

49 (d) Code of conduct.--

50 (1) The Pennsylvania State Police, Office of Attorney
51 General and department each shall adopt a comprehensive code

1 of conduct that supplements all other requirements under this
2 part and 65 Pa.C.S. Pt. II (relating to accountability), as
3 applicable, and shall provide guidelines applicable to
4 troopers, employees, independent contractors of the agency
5 whose duties substantially involve licensing or enforcement,
6 the development of laws or the development or adoption of
7 regulations or policy related to video gaming under this part
8 or who have other discretionary authority that may affect the
9 outcome of an action, proceeding or decision under this part,
10 and the immediate families of these individuals to enable
11 them to avoid a perceived or actual conflict of interest and
12 to promote public confidence in the integrity and
13 impartiality of video gaming enforcement and regulation.

14 (2) At a minimum, the code of conduct adopted under this
15 section shall apply the types of restrictions applicable to
16 members under section 1202.1(c) (relating to code of
17 conduct), except that the restrictions under section
18 1202.1(c) (5) shall not apply to an elected Attorney General.

19 (e) State Ethics Commission.--The State Ethics Commission
20 shall do all of the following:

21 (1) (i) Issue a written determination of whether an
22 individual is subject to subsection (a) upon the written
23 request of the individual or the individual's employer or
24 potential employer.

25 (ii) A person that relies in good faith on a
26 determination made under this paragraph shall not be
27 subject to penalty for an action taken, provided that all
28 material facts specified in the request for the
29 determination are correct.

30 (2) (i) Publish a list of all positions within the
31 Pennsylvania State Police, the Office of Attorney General
32 and the department the duties of which would subject the
33 individuals in those positions to the provisions of
34 subsection (a).

35 (ii) Each agency subject to this subsection shall
36 assist the State Ethics Commission in the development of
37 the list, which list shall be published by the State
38 Ethics Commission in the Pennsylvania Bulletin
39 biennially, shall be posted by the board on the board's
40 publicly accessible Internet website and shall be posted
41 by each agency on the agency's publicly accessible
42 Internet website.

43 (iii) Upon request by the State Ethics Commission,
44 members and employees of each agency subject to this
45 subsection shall provide the State Ethics Commission with
46 adequate information to accurately develop and maintain
47 the list.

48 (iv) The State Ethics Commission may impose a civil
49 penalty under 65 Pa.C.S. § 1109(f) (relating to
50 penalties) upon an individual who fails to cooperate with
51 the State Ethics Commission under this subsection.

1 (v) A person who relies in good faith on the list
2 published by the State Ethics Commission shall not be
3 subject to penalty for a violation of subsection (a).
4 § 4305. Political influence.

5 (a) Contribution restriction.--The following persons shall
6 be prohibited from contributing money or an in-kind contribution
7 to a candidate for nomination or election to a public office in
8 this Commonwealth, to a political party committee or other
9 political committee in this Commonwealth or to a group,
10 committee or association organized in support of a candidate,
11 political party committee or other political committee in this
12 Commonwealth:

13 (1) An applicant for a terminal operator license,
14 manufacturer license, supplier license, principal license or
15 a key employee license.

16 (2) A terminal operator licensee, manufacturer licensee
17 or supplier licensee.

18 (3) A licensed principal or licensed key employee of a
19 terminal operator licensee, manufacturer licensee or supplier
20 licensee.

21 (4) An affiliate, intermediary, subsidiary or holding
22 company of a terminal operator licensee, manufacturer
23 licensee or supplier licensee.

24 (5) A licensed principal or licensed key employee of an
25 affiliate, intermediary, subsidiary or holding company of a
26 terminal operator licensee, manufacturer licensee or supplier
27 licensee.

28 (6) A person who holds a similar video gaming license in
29 another jurisdiction and the affiliates, intermediaries,
30 subsidiaries, holding companies, principals or key employees
31 thereof.

32 (b) Contributions to certain associations and organizations
33 barred.--No individual prohibited from making political
34 contributions under subsection (a) may make a political
35 contribution of money or an in-kind contribution to an
36 association or organization, including a nonprofit organization,
37 that has been solicited by, or knowing that the contribution or
38 a portion thereof will be contributed to, the elected official,
39 executive-level public employee or candidate for nomination or
40 election to a public office in this Commonwealth.

41 (c) Internet website.--

42 (1) The board shall establish a publicly accessible
43 Internet website that includes a list of all applicants for
44 and holders of a terminal operator license, manufacturer
45 license or supplier license and the affiliates,
46 intermediaries, holding companies, principals and key
47 employees thereof, all persons holding a similar video gaming
48 license in another jurisdiction, and the affiliates,
49 intermediaries, holding companies, principals and key
50 employees thereof, and other entity in which the applicant or
51 licensee has a debt or an equity security or other ownership

1 or profits interest. An applicant or licensee shall notify
2 the board within seven days of the discovery of a change in
3 or addition to the information.

4 (2) No individual who acts in good faith and in reliance
5 on the information on the board's publicly accessible
6 Internet website shall be subject to penalty or liability
7 imposed for a violation of this section.

8 (3) The board shall request the information required
9 under paragraph (1) from a person licensed in another
10 jurisdiction who does not hold a license in this Commonwealth
11 and from regulatory agencies in the other jurisdiction. If a
12 person who is a licensee in another jurisdiction refuses to
13 provide the information required under paragraph (1), the
14 person and its officers, directors or persons with a
15 controlling interest shall be ineligible to receive a license
16 under this part.

17 (d) Annual certification.--The chief executive officer, or
18 other appropriate individual, of each applicant for a terminal
19 operator license, manufacturer license or supplier license, or
20 manufacturer licensee, supplier licensee or terminal operator
21 licensee, shall annually certify under oath to the board and the
22 Department of State that the applicant or supplier licensee,
23 manufacturer licensee or terminal operator licensee has
24 developed and implemented internal safeguards and policies
25 intended to prevent a violation of this provision and that the
26 applicant or supplier licensee, manufacturer licensee or
27 terminal operator licensee has conducted a good faith
28 investigation that has not revealed a violation of this
29 subsection during the past year.

30 (e) Penalties.--

31 (1) A violation of this section by a terminal operator
32 licensee or a person that holds a controlling interest in the
33 license, or a subsidiary company thereof, or an officer,
34 director or management-level employee of the licensee shall
35 be punishable as follows:

36 (i) A first violation of this section shall be
37 punishable by a fine equal to an amount not less than the
38 average single-day gross terminal revenue of the terminal
39 operator licensee.

40 (ii) A second violation of this section, within five
41 years of the first violation, shall be punishable by at
42 least a one-day suspension of the license held by the
43 terminal operator licensee and a fine equal to an amount
44 not less than two times the average single-day gross
45 terminal revenue of the terminal operator licensee.

46 (iii) A third violation of this section within five
47 years of the second violation shall be punishable by the
48 immediate revocation of the license held by the terminal
49 operator licensee.

50 (2) A violation of this section by a manufacturer or
51 supplier licensed under this part or by a person that holds a

1 controlling interest in such manufacturer or supplier, or a
2 subsidiary company thereof, or an officer, a director or
3 management-level employee of such a licensee shall be
4 punishable as follows:

5 (i) A first violation of this section shall be
6 punishable by a fine equal to an amount not less than a
7 single-day average of the gross profit from sales made by
8 the manufacturer or supplier in this Commonwealth during
9 the preceding 12-month period or portion thereof in the
10 event the manufacturer or supplier has not operated in
11 this Commonwealth for 12 months.

12 (ii) A second or subsequent violation of this
13 section within five years of a prior violation shall be
14 punishable by a one-month suspension of the license held
15 by the manufacturer or supplier and a fine equal to an
16 amount not less than two times a single-day average of
17 the gross profit from sales made by the manufacturer or
18 supplier in this Commonwealth during the preceding 12-
19 month period or portion thereof in the event the
20 manufacturer or supplier has not operated in this
21 Commonwealth for 12 months.

22 (3) In no event shall the fine imposed under this
23 section be an amount less than \$100,000 for each violation.
24 In addition to a fine or sanction that may be imposed by the
25 board under this subsection, an individual who makes a
26 contribution in violation of this section commits a
27 misdemeanor of the third degree.

28 (d) Definitions.--As used in this section, the following
29 words and phrases shall have the meanings given to them in this
30 subsection:

31 "Contribution." A payment, gift, subscription, assessment,
32 contract, payment for services, dues, loan, forbearance, advance
33 or deposit of money or a valuable thing made to a candidate or
34 political committee for the purpose of influencing an election
35 in this Commonwealth or for paying debts incurred by or for a
36 candidate or committee before or after an election. The term
37 includes:

38 (1) The purchase of tickets for events, including
39 dinners, luncheons, rallies and other fundraising events.

40 (2) The granting of discounts or rebates not available
41 to the general public.

42 (3) The granting of discounts or rebates by television
43 and radio stations and newspapers not extended on an equal
44 basis to all candidates for the same office.

45 (4) A payment provided for the benefit of a candidate,
46 including payment for the services of a person serving as an
47 agent of a candidate or committee by a person other than the
48 candidate or committee or person whose expenditures the
49 candidate or committee must report.

50 (5) The receipt or use of anything of value by a
51 political committee from another political committee and a

1 return on investments by a political committee.
2 "Political committee." A committee, club, association or
3 other group of persons that receives contributions or makes
4 expenditures.

5 CHAPTER 45
6 MISCELLANEOUS PROVISIONS

7 Sec.

8 4501. Gaming schools.

9 4502. Declaration of exemption from Federal laws prohibiting
10 video gaming terminals.

11 4503. Preemption of local taxes and license fees.

12 4504. Exclusive jurisdiction of Supreme Court.

13 4505. Funding.

14 4506. Commonwealth Financing Authority.

15 § 4501. Gaming schools.

16 (a) Curriculum.--The Department of Labor and Industry, in
17 consultation with the Department of Education and the board,
18 shall, within 60 days following the effective date of this
19 section, develop curriculum guidelines, including minimum
20 proficiency requirements established by the board, for gaming
21 school instruction related to video gaming terminals. The
22 guidelines shall, at a minimum, establish courses of instruction
23 that will provide individuals with adequate job training
24 necessary to obtain employment as video gaming employees.

25 (b) Gaming equipment.--All gaming equipment utilized by a
26 gaming school, including video gaming and associated equipment
27 and all representations of value, shall be used for training,
28 instructional and practice purposes only. The use of the gaming
29 equipment for actual gaming by a person is prohibited.

30 (c) Possession, removal and transport of equipment.--No
31 gaming school shall possess, remove or transport, or cause to be
32 removed or transported, a video gaming terminal or associated
33 equipment except in accordance with this part.

34 (d) Serial numbers.--Each video gaming terminal and
35 associated equipment on the premises of a gaming school shall
36 have permanently affixed on it a serial number that, together
37 with the location of the video gaming terminal, is filed with
38 the board.

39 (e) Security.--Each gaming school shall provide adequate
40 security for video gaming terminals and associated equipment on
41 the gaming school premises.

42 (f) Notice to board and bureau.--No gaming school shall sell
43 or transfer a video gaming terminal or associated equipment
44 except upon prior written notice to the board and the bureau.

45 § 4502. Declaration of exemption from Federal laws prohibiting
46 video gaming terminals.

47 (a) Declaration.--Under the Gambling Devices Transportation
48 Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth
49 declares that it is exempt from section 2 of that act.

50 (b) Legal shipments.--All shipments of gambling devices, as
51 defined in section 1 of the Gambling Devices Transportation Act,

1 into this Commonwealth, the registering, recording and labeling
2 of which has been effected by the manufacturer and supplier of
3 those devices in accordance with sections 3 and 4 of the
4 Gambling Devices Transportation Act, shall be deemed legal
5 shipments of gambling devices into this Commonwealth.
6 § 4503. Preemption of local taxes and license fees.

7 (a) Statutes.--Video gaming terminals shall be exempt from
8 taxes levied under the following:

9 (1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45),
10 referred to as the Sterling Act.

11 (2) The act of December 31, 1965 (P.L.1257, No.511),
12 known as The Local Tax Enabling Act.

13 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule
14 and optional plan government).

15 (4) Any statute that confers taxing authority to a
16 political subdivision.

17 (b) Licensing fees.--Video gaming terminals are exempt from
18 local licensing fees.

19 § 4504. Exclusive jurisdiction of Supreme Court.

20 The Pennsylvania Supreme Court shall have exclusive
21 jurisdiction to hear a challenge to or to render a declaratory
22 judgment concerning the constitutionality of this part. The
23 Pennsylvania Supreme Court may take such action as it deems
24 appropriate, consistent with the Pennsylvania Supreme Court
25 retaining jurisdiction over the matter, to find facts or to
26 expedite a final judgment in connection with a challenge or
27 request for declaratory relief.

28 § 4505. Funding.

29 (a) Appropriation.--The General Assembly appropriates the
30 following:

31 (1) The sum of \$5,000,000 is hereby appropriated to the
32 board for the fiscal period July 1, 2017, to June 30, 2018,
33 to implement and administer the provisions of this part.

34 (2) The sum of \$3,000,000 is hereby appropriated from
35 the General Fund to the department for the fiscal period July
36 1, 2017, to June 30, 2018, to prepare for, implement and
37 administer the provisions of this part.

38 (3) The sum of \$2,000,000 is hereby appropriated from
39 the General Fund to the Pennsylvania State Police for the
40 fiscal period July 1, 2017, to June 30, 2018, to prepare for,
41 implement and administer the provisions of this part.

42 (b) Repayment required.--The money appropriated under this
43 section shall be repaid to the General Fund by terminal operator
44 licensees according to subsection (c).

45 (c) Repayment schedule.--Beginning two years from the date
46 the board authorizes the first video gaming terminal to be
47 connected to the central control computer system and is made
48 available for public use, the department shall collect an
49 assessment of .05% of gross terminal revenue on a bi-monthly
50 basis from each terminal operator licensee for deposit into the
51 General Fund. The department shall continue to collect the

1 assessment until the amounts under subsection (a) are repaid to
2 the General Fund.

3 (d) Unused amounts.--On July 1, 2018, any portion of amounts
4 appropriated under this section that are unexpended,
5 unencumbered or uncommitted as of June 30 of the prior fiscal
6 year shall automatically be transferred to the General Fund.
7 § 4506. Commonwealth Financing Authority.

8 The Commonwealth Financing Authority shall establish
9 accounts, administer and distribute the funds deposited into the
10 accounts and perform all other duties required of it under this
11 part.

12 Section 34. Section 5513 of Title 18 is amended to read:
13 § 5513. Gambling devices, gambling, etc.

14 (a) Offense defined.--[A] Except as otherwise provided for
15 in subsections (a.1) and (a.2), a person is guilty of a
16 misdemeanor of the first degree if he:

17 (1) intentionally or knowingly makes, assembles, sets
18 up, maintains, sells, lends, leases, gives away, or offers
19 for sale, loan, lease or gift, any punch board, drawing
20 card[, slot machine] or any device to be used for gambling
21 purposes, except playing cards;

22 (2) allows persons to collect and assemble for the
23 purpose of unlawful gambling at any place under his control;

24 (3) solicits or invites any person to visit any unlawful
25 gambling place for the purpose of gambling; or

26 (4) being the owner, tenant, lessee or occupant of any
27 premises, knowingly permits or suffers the same, or any part
28 thereof, to be used for the purpose of unlawful gambling.

29 (a.1) Electronic video monitor.--A person commits a
30 [misdemeanor of the first] felony of the third degree if he
31 owns, operates, maintains, places into operation or has a
32 financial interest in an electronic video monitor or business
33 that owns, operates, maintains or places into operation or has a
34 financial interest in an electronic video monitor:

35 (1) which is offered or made available to persons to
36 play or participate in a simulated gambling program for
37 direct or indirect consideration, including consideration
38 associated with a related product, service or activity; and

39 (2) for which the person playing the simulated gambling
40 program may become eligible for a cash or cash-equivalent
41 prize, whether or not the eligibility for or value of the
42 cash or cash-equivalent prize is determined by or has any
43 relationship to the outcome of or play of the simulated
44 gambling program.

45 (a.2) Gaming machine.--A person commits a felony of the
46 third degree if he owns, operates, maintains, places into
47 operation or has a financial interest in a gaming machine or
48 business that owns, operates, maintains or places into
49 operation or has a financial interest in a gaming machine.

50 (b) Confiscation of gambling devices.--Any gambling device
51 or gaming machine possessed or used in violation of the

1 provisions of [subsection (a)] subsections (a), (a.1) and (a.2)
2 of this section shall be seized and forfeited to the
3 Commonwealth. All provisions of law relating to the seizure,
4 summary and judicial forfeiture, and condemnation of
5 intoxicating liquor shall apply to seizures and forfeitures
6 under the provisions of this section.

7 (c) Antique slot machines.--

8 (1) [A slot machine shall be established as an] An
9 antique slot machine shall not be considered a gaming machine
10 or an illegal gambling device if the defendant shows by a
11 preponderance of the evidence that it was manufactured at
12 least 25 years before the current year and that it was not
13 used or attempted to be used for any unlawful purposes.
14 Notwithstanding subsection (b), no antique slot machine
15 seized from any defendant shall be destroyed or otherwise
16 altered until the defendant is given an opportunity to
17 establish that the slot machine is an antique slot machine.
18 After a final court determination that the slot machine is an
19 antique slot machine, the slot machine shall be returned
20 pursuant to the provisions of law providing for the return of
21 property; otherwise, the slot machine shall be destroyed.

22 (2) It is the purpose of this subsection to protect the
23 collection and restoration of antique slot machines not
24 presently utilized for gambling purposes.

25 (d) Shipbuilding business.--Notwithstanding any other
26 provisions of this section, a person may construct, deliver,
27 convert or repair a vessel that is equipped with gambling
28 devices if all of the following conditions are satisfied:

29 (1) The work performed on the vessel is ordered by a
30 customer who uses or possesses the vessel outside of this
31 Commonwealth in a locality where the use or possession of the
32 gambling devices on the vessel is lawful.

33 (2) The work performed on the vessel that is equipped
34 with gambling devices is performed at a shipbuilding or
35 repair yard located within a port facility under the
36 jurisdiction of any port authority organized under the act of
37 December 6, 1972 (P.L.1392, No.298), known as the Third Class
38 City Port Authority Act.

39 (3) The person provides the Office of Attorney General,
40 prior to the importation of the gambling devices into this
41 Commonwealth, records that account for the gambling devices,
42 including the identification number affixed to each gambling
43 device by the manufacturer, and that identify the location
44 where the gambling devices will be stored prior to the
45 installation of the gambling devices on the vessel.

46 (4) The person stores the gambling devices at a secured
47 location and permits any person authorized to enforce the
48 gambling laws to inspect the location where the gambling
49 devices are stored and records relating to the storage of the
50 gambling devices.

51 (5) If the person removes used gambling devices from a

1 vessel, the person shall provide the Office of Attorney
2 General of Pennsylvania with an inventory of the used
3 gambling devices prior to their removal from the vessel. The
4 inventory shall include the identification number affixed to
5 each gambling device by the manufacturer.

6 (6) The person submits documentation to the Office of
7 Attorney General of Pennsylvania no later than 30 days after
8 the date of delivery that the vessel equipped with gambling
9 devices has been delivered to the customer who ordered the
10 work performed on the vessel.

11 (7) The person does not sell a gambling device to any
12 other person except to a customer who shall use or possess
13 the gambling device outside of this Commonwealth in a
14 locality where the use or possession of the gambling device
15 is lawful. If a person sells a gambling device to such a
16 customer, the person shall submit documentation to the Office
17 of Attorney General of Pennsylvania no later than 30 days
18 after the date of delivery that the gambling device has been
19 delivered to the customer.

20 (e) Penalty.--Any person who fails to provide records as
21 provided in subsection (d) commits a summary offense.

22 (e.1) Construction.--Nothing in this section shall be
23 construed to prohibit any activity that is lawfully conducted
24 under any of the following:

25 (1) The act of August 26, 1971 (P.L.351, No.91), known
26 as the State Lottery Law.

27 (2) The act of July 10, 1981 (P.L.214, No.67), known as
28 the Bingo Law.

29 (3) The act of December 19, 1988 (P.L.1262, No.156),
30 known as the Local Option Small Games of Chance Act.

31 (4) 4 Pa.C.S. (relating to amusements).

32 (f) Definitions.--The following words and phrases when used
33 in this section shall have the meanings given to them in this
34 subsection unless the context clearly indicates otherwise:

35 "Consideration associated with a related product, service or
36 activity." Money or other value collected for a product,
37 service or activity which is offered in any direct or indirect
38 relationship to playing or participating in the simulated
39 gambling program. The term includes consideration paid for
40 computer time, Internet time, telephone calling cards and a
41 sweepstakes entry.

42 "Electronic video monitor." An electronic device capable of
43 showing moving or still images.

44 "Gaming machine." An electronic or mechanical device or game
45 that directly or indirectly requires consideration to play, has
46 the outcome of play determined primarily by chance and rewards a
47 player cash, prize or anything of value. The term includes a
48 video gaming terminal as defined in 4 Pa.C.S. § 3102 (relating
49 to definitions) that does not contain an irremovable
50 identification plate as specified in 4 Pa.C.S. § 3701 (relating
51 to testing and certification of terminals).

1 "Simulated gambling program." Any method intended to be used
2 by a person interacting with an electronic video monitor in a
3 business establishment that directly or indirectly implements
4 the predetermination of sweepstakes cash or cash-equivalent
5 prizes or otherwise connects the sweepstakes player or
6 participant with the cash or cash-equivalent prize.

7 Section 35. No person may be charged with a violation of 18
8 Pa.C.S. § 5513 involving a gambling device or gaming machine if
9 the person surrenders the gambling device or gaming machine to
10 the Pennsylvania State Police within 60 days of the effective
11 date of this section.

12 Section 36. Licensed gaming entities required to make
13 payments under 4 Pa.C.S. § 1326.1 shall:

14 (1) receive a credit against payments due in calendar
15 year 2017 for any payments made up to the date the first
16 payment is due under paragraph (2) under the following:

17 (i) 4 Pa.C.S. § 1403(c)(3)(i), (ii), (iii), (iii.1),
18 (iv), (v), (vi) and (vii) and 4(i) and (ii), formerly (3)
19 (viii)(A) and (B), as those provisions were in existence
20 prior to the effective date of the reenactment and
21 amendment of 4 Pa.C.S. § 1403;

22 (ii) any written agreement between a municipality
23 and a licensed gaming entity required to make payments
24 under 4 Pa.C.S. § 1326.1 entered into prior to the
25 effective date of this section that relates to the
26 payments required under 4 Pa.C.S. § 1403(c)(3)(i), (ii),
27 (iii), (iii.1), (iv), (v), (vi) and (vii) and 4(i) and
28 (ii), formerly (3)(viii)(A) and (B), as those provisions
29 existed prior to the effective date of the amendment of 4
30 Pa.C.S. § 1403; or

31 (iii) any written agreement between a county and a
32 licensed gaming entity required to make payments prior to
33 the effective date of this section under the provisions
34 of 4 Pa.C.S. § 1403(c)(2), as those provisions existed
35 prior to the effective date of the amendment of 4 Pa.C.S.
36 § 1403; and

37 (2) commence the payments due under this section the
38 first day of the first calendar month following the effective
39 date of this section.

40 Section 37. This act shall apply as follows:

41 (1) The following provisions shall apply retroactively
42 to January 1, 2017:

43 (i) The addition of 4 Pa.C.S. § 1326.1.

44 (ii) The amendment of 4 Pa.C.S. § 13A63(b)(3)(iii)
45 (A) and (C).

46 (iii) The reenactment and amendment of 4 Pa.C.S. §
47 1403, except as provided in paragraph (2) of this
48 section.

49 (iv) Section 36 of this act.

50 (2) The reenactment and amendment of 4 Pa.C.S. § 1403(c)
51 (2) shall apply retroactively to May 27, 2017.

1 Section 38. Repeals are as follows:

2 (1) The General Assembly finds that the repeal under
3 paragraph (2) is necessary to effectuate the amendment of 4
4 Pa.C.S. § 1307(a).

5 (2) Section 21(2) of the act of January 7, 2010 (P.L.1,
6 No.1), is repealed.

7 (3) The General Assembly declares that the repeal under
8 paragraph (4) is necessary to effectuate the addition of 4
9 Pa.C.S. § 1403(c)(2)(i)(D)(I.2) and (I.3).

10 (4) Section 1753-E of the act of April 9, 1929 (P.L.343,
11 No.176), known as The Fiscal Code, is repealed.

12 (5) The General Assembly declares that the repeal under
13 paragraph (6) is necessary to effectuate the addition of 4
14 Pa.C.S. § 1521.1.

15 (6) Section 416 of the act of April 12, 1951 (P.L.90,
16 No.21), known as the Liquor Code.

17 Section 39. This act shall take effect as follows:

18 (1) The amendment or addition of 4 Pa.C.S. Chs. 5 and
19 13C and 4 Pa.C.S. § 1509 shall take effect in 60 days.

20 (2) The addition of 4 Pa.C.S. Ch. 3 shall take effect in
21 180 days.

22 (3) The remainder of this act shall take effect
23 immediately.