

## AMENDMENTS TO HOUSE BILL NO. 271

Sponsor: SENATOR CORMAN

Printer's No. 1942

1 Amend Bill, page 2, lines 2 through 59, by striking out all  
2 of said lines and inserting

3 Amending Titles 3 (Agriculture) and 4 (Amusements) of the  
4 Pennsylvania Consolidated Statutes, extensively revising  
5 gaming provisions as follows:

6 In Title 3:

7 for horse racing, in the area of race horse industry  
8 reform.

9 In Title 4:

10 for amusements generally, in the areas of fantasy  
11 contests, of lottery and of iLottery;

12 for gaming, in the areas of general provisions, of  
13 Pennsylvania Gaming Control Board, of licensees, of table  
14 games, of interactive gaming, of revenues, of administration  
15 and enforcement and of miscellaneous provisions; and

16 providing for video gaming.

17 Providing, as to the revisions:

18 for related repeals.

19 Repealing a provision related to keno in the State Lottery  
20 Law.

21 Amend Bill, page 211, lines 19 through 30; pages 212 through  
22 674, lines 1 through 30; page 675, lines 1 through 14; by  
23 striking out all of said lines on said pages and inserting

24 Section 1. Section 9313 of Title 3 of the Pennsylvania  
25 Consolidated Statutes is amended to read:  
26 § 9313. Budget.

27 Beginning July 1, 2016, the commission and the Department of  
28 Agriculture shall annually submit a budget request to the  
29 Secretary of the Budget in accordance with the provisions  
30 contained in section 610 of the act of April 9, 1929 (P.L.177,  
31 No.175), known as The Administrative Code of 1929, consisting of  
32 amounts to be appropriated from the State Racing Fund, the  
33 Pennsylvania Race Horse Development Trust Fund and the General  
34 Fund to administer and enforce this chapter and for the  
35 promotion of horse racing. Beginning July 1, 2016, and annually

1 thereafter, 1% of the previous fiscal year's deposits into the  
2 Pennsylvania Race Horse Development Trust Fund shall be  
3 transferred from the Pennsylvania Race Horse Development Trust  
4 Fund to the State Racing Fund to provide for the promotion of  
5 horse racing.

6 Section 1.1. Section 9330(f) of Title 3 is repealed:  
7 § 9330. Place and manner of conducting pari-mutuel wagering at  
8 racetrack enclosure.

9 \* \* \*

10 [(f) Primary market area.--

11 (1) A licensed racing entity or secondary pari-mutuel  
12 organization may not accept a wager or establish electronic  
13 wagering or advanced deposit account wagering for any person  
14 located in the primary market area of a racetrack, other than  
15 the racetrack at which the licensed racing entity is  
16 conducting a horse race meeting.

17 (2) Nothing in this subsection shall be construed to  
18 prohibit a licensed racing entity from accepting a wager from  
19 or establishing an electronic wagering account for any person  
20 located in the primary market area of the racetrack where the  
21 licensed racing entity is conducting a horse race meeting. If  
22 two tracks share the primary market area, both racetracks  
23 shall have equal rights to the market in the shared area.]

24 Section 1.2. Sections 9352(3) and (4), 9356(b)(2) and (10)  
25 and 9374(a) of Title 3 are amended to read:

26 § 9352. Licensing costs and fees.

27 Costs and fees are as follows:

28 \* \* \*

29 (3) Initial license fee:

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

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

44 (4) License renewal fee:

45 (i) The fee for an electronic wagering license  
46 renewal under section 9351(b)(2) shall be [\$100,000]  
47 \$10,000. If an existing licensee under this section that  
48 is also a Category 1 slot machine licensee or its  
49 corporate successor or an affiliate paid the license fee  
50 under 4 Pa.C.S. § 1209, the fee required under this  
51 paragraph shall be deemed paid. A license renewal may not

1 be issued until receipt of the license renewal fee. The  
2 license fee shall be deposited into the State Racing  
3 Fund, or, in the case of a deemed payment, it shall be  
4 transferred to the State Racing Fund.

5 (ii) The fee for the renewal of a totalisator or  
6 racing vendor license under section 9351(b)(1) shall be  
7 \$5,000 and shall be deposited in the State Racing Fund.

8 \* \* \*

9 § 9356. Operations.

10 \* \* \*

11 (b) Requirements.--

12 \* \* \*

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

23 \* \* \*

24 (10) The information supplied by the account holder  
25 shall be verified by the licensee using means acceptable to  
26 the commission. [A secondary pari-mutuel organization must  
27 verify that the account holder does not reside within the  
28 primary market area of a licensed racing entity.]

29 \* \* \*

30 § 9374. Costs of enforcement of medication rules or  
31 regulations.

32 (a) Authorization.--Beginning July 1, 2016, and each year  
33 thereafter, the General Assembly shall authorize the transfer of  
34 funds from the Pennsylvania Race Horse Development Trust Fund to  
35 the State Racing Fund to provide for each cost associated with  
36 the collection and research of and testing for medication, which  
37 shall include the cost of necessary personnel, equipment,  
38 supplies and facilities, except holding barns or stables, to be  
39 located at horse race facilities, grounds or enclosures or at  
40 other locations designated by the commission. All such costs  
41 shall be reviewed and approved by the commission. The transfer  
42 shall be made in 52 equal weekly installments during the fiscal  
43 year before any other distribution from the Pennsylvania Race  
44 Horse Development Trust Fund.

45 \* \* \*

46 Section 1.4. Title 4 is amended by adding a part to read:

47 PART I

48 AMUSEMENTS GENERALLY

49 Chapter

50 1. Preliminary Provisions (Reserved)

51 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:

"Applicant." A person who, on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under the provisions of this chapter. If the applicant is a person other than an individual, the board shall determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

"Beginner." A participant who has entered fewer than 51 contests offered by a single licensed operator or who does not meet the definition of a highly experienced player.

"Board." The Pennsylvania Gaming Control Board.

"Bureau." The Bureau of Investigations and Enforcement of the board.

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

"Controlling interest." Either of the following:

(1) For a publicly traded domestic or foreign corporation, partnership, limited liability company or other form of publicly traded legal entity, a controlling interest is an interest if a person's sole voting rights under State law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing board or the ownership or beneficial holding of 5% or more of the securities of the publicly traded corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted

1 by clear and convincing evidence.

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

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

9 "Entry fee." The cash or cash equivalent paid by a  
10 participant to a licensed operator in order to participate in a  
11 fantasy contest.

12 "Fantasy contest." As follows:

13 (1) An online fantasy or simulated game or contest with  
14 an entry fee and a prize or award in which:

15 (i) The value of all prizes or awards offered to  
16 winning participants is established and made known to  
17 participants in advance of the contest and the value is  
18 not determined by the number of participants or the  
19 amount of any fees paid by those participants.

20 (ii) All winning outcomes reflect the relative  
21 knowledge and skill of participants and are determined by  
22 accumulated statistical results of the performance of  
23 individuals, including athletes in the case of sports  
24 events.

25 (iii) No winning outcome is based on the score,  
26 point spread or performance of a single actual team or  
27 combination of teams or solely on a single performance of  
28 an individual athlete or player in a single actual event.

29 (2) The term does not include social fantasy contests.

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

34 "Fantasy contest adjusted revenues." For each fantasy  
35 contest, the amount equal to the total amount of all entry fees  
36 collected from all participants entering the fantasy contest  
37 minus prizes or awards paid to participants in the fantasy  
38 contest, multiplied by the in-State percentage.

39 "Fantasy contest license." A license issued by the board  
40 authorizing a person to offer fantasy contests in this  
41 Commonwealth in accordance with this chapter.

42 "Fantasy contest terminal." A computerized or electronic  
43 terminal or similar device within a licensed facility that  
44 allows participants to:

45 (1) register for a fantasy contest account;

46 (2) pay an entry fee;

47 (3) select athletes for a fantasy contest;

48 (4) receive winnings; or

49 (5) otherwise participate in a fantasy contest.

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

51 "Highly experienced player." As follows:

1       (1) Any participant who has:

2           (i) entered more than 1,000 fantasy contests; or

3           (ii) won more than three fantasy contest prizes or  
4       awards valued at \$1,000 or more.

5       (2) Once a participant is classified as a highly  
6       experienced player, a player shall remain classified as a  
7       highly experienced player.

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

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

18      "Institutional investor." As defined in section 1103.

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 or who is empowered to  
22      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 facility." As defined in section 1103.

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

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

35      "Licensee." A licensed operator, a principal or key employee  
36      of a licensed operator.

37      "Participant." An individual who participates in a fantasy  
38      contest, whether the individual is located in this Commonwealth  
39      or another jurisdiction.

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

45      "Principal." An officer, director or person who directly  
46      holds a beneficial interest in or ownership of the securities of  
47      an applicant for a fantasy contest license or a licensed  
48      operator, a person who has a controlling interest in an  
49      applicant for a fantasy contest license or a licensed operator  
50      or who has the ability to elect a majority of the board of  
51      directors of a licensed operator or to otherwise control a

1 licensed operator, lender or other licensed financial  
2 institution of an applicant for a fantasy contest license or a  
3 licensed operator, other than a bank or lending institution  
4 which makes a loan or holds a mortgage or other lien acquired in  
5 the ordinary course of business, underwriter of an applicant for  
6 a fantasy contest license or a licensed operator or other person  
7 or employee of an applicant for a fantasy contest license or a  
8 licensed operator deemed to be a principal by the board.

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

11 "Publicly traded corporation." A person, other than an  
12 individual, that:

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

16 (2) is a registered management company under the  
17 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §  
18 80a-1 et seq.); or

19 (3) is subject to the reporting requirements under  
20 section 15(d) of the Securities Exchange Act of 1934 by  
21 reason of having filed a registration statement that has  
22 become effective under the Securities Act of 1933 (48 Stat.  
23 74, 15 U.S.C. § 77a et seq.).

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

29 "Season-long fantasy contest." A fantasy contest offered by  
30 a licensed operator that is conducted over an entire sports  
31 season.

32 "Social fantasy contest." A fantasy contest which meets one  
33 or more of the following criteria:

34 (1) Nothing is offered to participants other than game-  
35 based virtual currency that cannot be redeemed for cash,  
36 merchandise or anything of value outside the context of game  
37 play.

38 (2) The contest is free to all participants.

39 (3) The entity offering the contest receives no  
40 compensation, other than an administrative fee for the  
41 maintenance of statistical information, in connection with  
42 the contest.

43 (4) The winnings offered are of no greater value than  
44 the lowest individual fee charged to a single participant for  
45 entering or participating in the contest.

46 (5) The contest encompasses an entire season of the  
47 activity in which the underlying competition is being  
48 conducted and the winnings offered, if any, are determined by  
49 agreement of the participants only in order to distribute  
50 fully the participants' contributions to a fund established  
51 to grant the winnings for the contest.

1 "Suspicious transaction." A transaction between a licensed  
2 operator or an employee of a licensed operator and an individual  
3 that involves the acceptance or redemption by a person of cash  
4 or cash equivalent involving or aggregating \$5,000 or more which  
5 a licensed operator or employee of a licensed operator knows,  
6 suspects or has reason to believe:

7 (1) involves funds derived from illegal activities or is  
8 intended or conducted in order to conceal or disguise funds  
9 or assets derived from illegal activities;

10 (2) is part of a plan to violate or evade a law or  
11 regulation to avoid a transaction reporting requirement under  
12 the laws or regulations of the United States or this  
13 Commonwealth, including a plan to structure a series of  
14 transactions to avoid a transaction reporting requirement  
15 under the laws of the United States or this Commonwealth; or

16 (3) had no apparent lawful purpose or is not the type of  
17 transaction in which a person would normally be expected to  
18 engage and the licensed operator or employee knows of no  
19 reasonable explanation for the transaction after examining  
20 the available facts, including the background and possible  
21 purpose of the transaction.

22 SUBCHAPTER B  
23 ADMINISTRATION

24 Sec.

25 311. General and specific powers of board.

26 312. Temporary regulations.

27 313. Fantasy contest license appeals.

28 314. Board minutes and records.

29 315. Reports of board.

30 § 311. General and specific powers of board.

31 (a) General powers.--

32 (1) The board shall have general and sole regulatory  
33 authority over the conduct of fantasy contests and related  
34 activities as described in this chapter. The board shall  
35 ensure the integrity of fantasy contests offered in this  
36 Commonwealth.

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

43 (b) Specific powers.--The board shall have the following  
44 specific powers:

45 (1) At the board's discretion, to issue, approve, renew,  
46 revoke, suspend, condition or deny issuance of licenses under  
47 this chapter.

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

51 (3) To publish each January on the board's publicly



1 accessible Internet website a complete list of all persons  
2 who applied for or held a fantasy contest license at any time  
3 during the preceding calendar year and the status of the  
4 application or fantasy contest license.

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

14 (5) In the event that, in any year, appropriations for  
15 the administration of this chapter are not enacted by June  
16 30, any funds appropriated for the administration of this  
17 chapter which are unexpended, uncommitted and unencumbered at  
18 the end of a fiscal year shall remain available for  
19 expenditure by the board until the enactment of appropriation  
20 for the ensuing fiscal year.

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

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

33 (7.1) To require prospective and existing employees,  
34 independent contractors, applicants and licensees to submit  
35 to fingerprinting by the Pennsylvania State Police or an  
36 authorized agent of the Pennsylvania State Police. The  
37 Pennsylvania State Police or authorized agent of the  
38 Pennsylvania State Police shall submit the fingerprints to  
39 the Federal Bureau of Investigation for purposes or verifying  
40 the identity of the individual and obtaining records of  
41 criminal arrests and convictions.

42 (7.2) To require prospective and existing employees,  
43 independent contractors, applicants and licensees to submit  
44 photographs consistent with the standards established by the  
45 board.

46 (7.3) To require licensed operators to maintain an  
47 office or place of business within this Commonwealth.

48 (7.4) To exempt certain prospective and existing  
49 employees or independent contractors from the requirements  
50 under paragraphs (7.1) and (7.2) that are not inconsistent  
51 with the proper regulation of fantasy contests under this

chapter.

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

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

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

(i) contract with a certified public accountant to conduct an annual independent audit in accordance with standards adopted by the American Institute of Certified Public Accountants to verify compliance with the provisions of this chapter and board regulations;

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

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

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

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

(b.1) Licensed entity representative.--

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

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

(3) The board shall maintain a list of licensed entity representatives which shall contain the information required under paragraph (1) and shall be available on the board's publicly accessible Internet website.

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

1 additional permits or licenses not specifically enumerated in  
2 this chapter.

3 § 312. Temporary regulations.

4 (a) Promulgation.--In order to facilitate the prompt  
5 implementation of this chapter, regulations promulgated by the  
6 board shall be deemed temporary regulations and shall expire no  
7 later than two years following the publication of temporary  
8 regulations. The board may promulgate temporary regulations not  
9 subject to:

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

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

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

17 (b) Expiration.--Except for temporary regulations concerning  
18 network connectivity, security and testing and compulsive and  
19 problem play, the authority provided to the board to adopt  
20 temporary regulations in subsection (a) shall expire no later  
21 than two years following the publication of temporary  
22 regulations. Regulations adopted after this period shall be  
23 promulgated as provided by law.

24 § 313. Fantasy contest license appeals.

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

31 § 314. Board minutes and records.

32 (a) Record of proceedings.--The board shall maintain a  
33 record of all proceedings held at public meetings of the board.  
34 The verbatim transcript of the proceedings shall be the property  
35 of the board and shall be prepared by the board upon the request  
36 of any person and the payment by that person of the costs of  
37 preparation.

38 (b) Applicant information.--

39 (1) The board shall maintain a list of all applicants  
40 for a fantasy contest license. The list shall include a  
41 record of all actions taken with respect to each applicant.  
42 The list shall be available on the board's publicly  
43 accessible Internet website.

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

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

50 (d) Confidentiality of information.--

51 (1) The following information submitted by an applicant

1 for a fantasy contest license under section 322 (relating to  
2 application) or otherwise obtained by the board or the bureau  
3 as part of a background or other investigation from any  
4 source shall be confidential and withheld from public  
5 disclosure:

6 (i) All information relating to character, honesty  
7 and integrity, including family, habits, reputation,  
8 history of criminal activity, business activities,  
9 financial affairs and business, professional and personal  
10 associations.

11 (ii) Nonpublic personal information, including home  
12 addresses, telephone numbers and other personal contact  
13 information, Social Security numbers, educational  
14 records, memberships, medical records, tax returns and  
15 declarations, actual or proposed compensation, financial  
16 account records, creditworthiness or financial condition  
17 relating to an applicant or licensee.

18 (iii) Information relating to proprietary  
19 information, trade secrets, patents or exclusive  
20 licenses, architectural and engineering plans and  
21 information relating to competitive marketing materials  
22 and strategies that may include customer-identifying  
23 information or customer prospects for services subject to  
24 competition.

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

30 (v) Records of an applicant for a fantasy contest  
31 license or a licensed operator not required to be filed  
32 with the Securities and Exchange Commission by issuers  
33 that either have securities registered under section 12  
34 of the Securities Exchange Act of 1934 (48 Stat. 881, 15  
35 U.S.C. § 781) or are required to file reports under  
36 section 15(d) of the Securities Exchange Act of 1934 (48  
37 Stat. 881, 15 U.S.C. § 78o)

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

42 (vii) Financial or security information deemed  
43 confidential by the board upon a showing of good cause by  
44 the applicant for a fantasy contest license or licensed  
45 operator.

46 (2) Except as provided in paragraph (1), no claim of  
47 confidentiality shall be made regarding any criminal history  
48 record information that is available to the public under 18  
49 Pa.C.S. § 9121(b) (relating to general regulations).

50 (3) Except as provided in paragraph (1), no claim of  
51 confidentiality shall be made regarding a record in

1 possession of the board that is otherwise publicly available  
2 from the board under the act of February 14, 2008 (P.L.6,  
3 No.3), known as the Right-to-Know Law.

4 (4) The information made confidential under this section  
5 shall be withheld from public disclosure, in whole or in  
6 part, except that any confidential information shall be  
7 released upon the order of a court of competent jurisdiction  
8 or, with the approval of the Attorney General, to a duly  
9 authorized law enforcement agency or shall be released to the  
10 public, in whole or in part, to the extent that such release  
11 is requested by an applicant for a fantasy contest license or  
12 licensed operator and does not otherwise contain confidential  
13 information about another person.

14 (5) The board may seek a voluntary waiver of  
15 confidentiality from an applicant for a fantasy contest  
16 license or a licensed operator, but may not require an  
17 applicant or licensed operator to waive any confidentiality  
18 provided for in this subsection as a condition for the  
19 approval of an application, renewal of a fantasy contest  
20 license or any other action of the board.

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

25 (f) Information held by department.--Files, records, reports  
26 and other information in the possession of the department  
27 pertaining to licensed operators or applicants shall be made  
28 available to the board as may be necessary for the effective  
29 administration of this chapter.

30 § 315. Reports of board.

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

34 (1) Total fantasy contest adjusted revenues.

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

39 (3) At the board's discretion, any other information  
40 related to the conduct of fantasy contests or licensed  
41 operators.

42 (b) Licensed operators.--The board may require licensed  
43 operators to provide information to the board to assist in the  
44 preparation of the report.

#### SUBCHAPTER C

#### LICENSURE

47 Sec.

48 321. General prohibition.

49 322. Application.

50 323. Issuance and denial of license.

51 324. License renewal.

1 325. Conditions of licensure.

2 326. Prohibitions.

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

4 328. Penalties.

5 § 321. General prohibition.

6 (a) General rule.--Except as provided in subsection (b), no  
7 person may offer or otherwise make available for play in this  
8 Commonwealth a fantasy contest without a fantasy contest  
9 license.

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

13 (1) The board has reasonable cause to believe the person  
14 or licensed operator is or may be in violation of the  
15 provisions of this chapter.

16 (2) The board requires the person to suspend the  
17 operation of a fantasy contest until the fantasy contest  
18 license is issued or renewed.

19 § 322. Application.

20 (a) Form and information.--An application for a fantasy  
21 contest license shall be submitted on a form and in manner as  
22 shall be required by the board. An application for a fantasy  
23 contest license shall contain the following information:

24 (1) (i) if the applicant is an individual, the name,  
25 Federal employer identification number and business  
26 address of the applicant;

27 (ii) if the applicant is a corporation, the name and  
28 business address of the corporation, the state of its  
29 incorporation and the full name and business address of  
30 each officer and director thereof;

31 (iii) if the applicant is a foreign corporation, the  
32 name and business address of the corporation, whether it  
33 is qualified to do business in this Commonwealth and the  
34 full name and business address of each officer and  
35 director thereof; and

36 (iv) if the applicant is a partnership or joint  
37 venture, the name and business address of each officer  
38 thereof.

39 (2) The name and business address of the person having  
40 custody of the applicant's financial records.

41 (3) The names and business addresses of the applicant's  
42 key employees.

43 (4) The names and business addresses of each of the  
44 applicant's principals.

45 (5) Information, documentation and assurances related to  
46 financial and criminal history as the board deems necessary  
47 to establish by clear and convincing evidence the financial  
48 stability, integrity and responsibility of the applicant and  
49 the applicant's key employees and principals.

50 (6) Information and documentation necessary to establish  
51 the applicant's ability to comply with section 325 (relating

1 to conditions of licensure).

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

3 (b) Nonrefundable application fee.--Each application  
4 submitted under this chapter shall be accompanied by a  
5 nonrefundable application fee, which shall be established by the  
6 board, and which may not exceed the amount necessary to  
7 reimburse the board for all costs incurred by the board for  
8 fulfilling the requirements of this section and section 323  
9 (relating to issuance and denial of license).

10 (c) Additional information.--A person applying for a fantasy  
11 contest license shall have an ongoing duty to provide  
12 information required by the board and to cooperate in any  
13 inquiry or investigation.

14 (d) Abbreviated application process.--The board, at its  
15 discretion, may establish an abbreviated application process for  
16 a fantasy contest license for applicants that are also licensed  
17 gaming entities. The abbreviated application may only require  
18 information not in possession of the board that is necessary to  
19 fulfill the requirements of this chapter.

20 § 323. Issuance and denial of license.

21 (a) Duty to review applications.--The board shall review all  
22 applications for a fantasy contest license and may issue a  
23 license to any applicant that:

24 (1) Has submitted a completed application and paid the  
25 nonrefundable application fee as required by the board under  
26 section 322 (relating to application).

27 (2) Has demonstrated that the applicant has the  
28 financial stability, integrity and responsibility to comply  
29 with the provisions of this chapter and regulations  
30 established by the board.

31 (3) Has not been denied an application for a fantasy  
32 contest license under subsection (b).

33 (b) Reasons to deny applications.--The board may deny an  
34 application for a fantasy contest license if the applicant:

35 (1) has knowingly made a false statement of material  
36 fact in the application or has deliberately failed to  
37 disclose any information requested;

38 (2) employs a principal or key employee who has been  
39 convicted in any jurisdiction of any of the following:

40 (i) a felony;

41 (ii) an offense under the laws of another  
42 jurisdiction which, if committed in this Commonwealth,  
43 would be subject to imprisonment for more than five  
44 years; or

45 (iii) a misdemeanor gambling offense, unless 15  
46 years have elapsed from the date of conviction for the  
47 offense.

48 (3) has at any time knowingly failed to comply with the  
49 provisions of this chapter or of any requirements of the  
50 board;

51 (4) has had a registration, permit or license to conduct

fantasy contests denied or revoked in any other jurisdiction;  
(5) has legally defaulted in the payment of any  
obligation or debt due to the Commonwealth or is not  
compliant with taxes due; or  
(6) is not qualified to do business in this Commonwealth  
or is not subject to the jurisdiction of the courts of the  
Commonwealth.  
(7) is found by the board to be unsuitable for licensure  
or inimicable to the interest of the Commonwealth to offer  
fantasy contests in this Commonwealth.  
(c) Time period for review.--The board shall conclude its  
review of an application for a fantasy contest license within  
120 days of receipt of the completed application. If the fantasy  
contest license is not issued, the board shall provide the  
applicant with the justification for not issuing the fantasy  
contest license.  
(d) License fee.--  
(1) Within 30 days of the board issuing a fantasy  
contest license, a successful applicant shall pay to the  
board a license fee of \$50,000.  
(2) The license fee collected under this subsection  
shall be deposited into the General Fund.  
(3) If a licensed operator fails to pay the fee required  
by this subsection, the board shall suspend or revoke the  
licensed operator's fantasy contest license until payment of  
the license fee is received.  
(e) Abbreviated approval process.--The board, at its  
discretion, may establish an abbreviated approval process for  
the issuance of a fantasy contest license to a licensed gaming  
entity whose slot machine license under Chapter 13 (relating to  
licenses) and table game operation certificate under Chapter 13A  
(relating to table games) are in good standing.  
§ 324. License renewal.  
(a) Renewal.--  
(1) A fantasy contest license issued under this chapter  
shall be valid for a period of five years.  
(2) Nothing in this subsection shall be construed to  
relieve a licensed operator of the affirmative duty to notify  
the board of any changes relating to the status of its  
fantasy contest license or to any other information contained  
in the application materials on file with the board.  
(3) The application for renewal of a fantasy contest  
license must be submitted at least 180 days prior to the  
expiration of the fantasy contest license and include an  
update of the information contained in the initial  
application for a fantasy contest license. A fantasy contest  
license for which a completed renewal application and fee as  
required under subsection (c) has been received by the board  
shall continue in effect unless and until the board sends  
written notification to the licensed operator that the board  
has denied the renewal of the fantasy contest license.



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

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

6 (i) the licensed operator or the licensed operator's  
7 key employees or principals are in violation of any  
8 provision of this chapter;

9 (ii) the licensed operator has furnished the board  
10 with false or misleading information;

11 (iii) the information contained in the licensed  
12 operator's initial application or any renewal application  
13 is no longer true and correct;

14 (iv) the licensed operator has failed to remit taxes  
15 or assessments required under section 331 (relating to  
16 fantasy contest tax), 332 (relating to licensed operator  
17 deposits) or 333 (relating to responsibility and  
18 authority of department); or

19 (v) the licensed operator has legally defaulted in  
20 the payment of any obligation or debt due to the  
21 Commonwealth.

22 (2) In the event of a revocation or failure to renew,  
23 the licensed operator's authorization to conduct fantasy  
24 contests shall immediately cease and all fees paid in  
25 connection with the application shall be deemed to be  
26 forfeited.

27 (3) In the event of a suspension, the licensed  
28 operator's authorization to conduct fantasy contests shall  
29 immediately cease until the board has notified the licensed  
30 operator that the suspension is no longer in effect.

31 (c) Renewal fee.--

32 (1) Within 30 days of the board renewing a fantasy  
33 contest license, the licensed operator shall pay to the board  
34 a renewal fee of \$10,000.

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

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

41 § 325. Conditions of licensure.

42 As a condition of licensure, the board shall require each  
43 licensed operator to establish and implement procedures to  
44 govern the conduct of fantasy contests in this Commonwealth. The  
45 procedures, at a minimum, shall:

46 (1) Permit only participants who have established a  
47 fantasy contest account with the licensed operator to  
48 participate in a fantasy contest conducted by the licensed  
49 operator.

50 (2) Verify the age, location and identity of any  
51 participant prior to making a deposit into a fantasy contest

1 account for a participant located in this Commonwealth  
2 according to regulations established by the board. No  
3 participant under 18 years of age may be permitted to  
4 establish a fantasy contest account with a licensed operator.

5 (3) Verify the identity of a participant by requiring  
6 the participant to provide the licensed operator a unique  
7 user name and password prior to accessing a fantasy contest  
8 account.

9 (4) Ensure rules and prizes and awards established by  
10 the licensed operator for a fantasy contest are made known to  
11 a participant prior to the acceptance of any entry fee and  
12 prize and award values are not determined by the number of  
13 participants nor the amount of any fees paid by those  
14 participants.

15 (4.1) Develop and offer fantasy contests that are  
16 limited to beginners as follows:

17 (i) Except as provided in subparagraph (ii), a  
18 licensed operator shall prohibit participants who are not  
19 beginners from participating, directly or through another  
20 person as a proxy, in beginner fantasy contests.

21 (ii) A licensed operator may allow a participant who  
22 is not a beginner to enter up to 10 beginner fantasy  
23 contests in any sport in which that participant has not  
24 already entered 20 fantasy contests.

25 (iii) A licensed operator shall suspend the account  
26 of a participant who is not a beginner, except as  
27 provided for in subparagraph (ii), that enters a beginner  
28 fantasy contest and shall ban the participant from  
29 further participation in beginner fantasy contests  
30 offered by the licensed operator.

31 (4.2) Develop and offer fantasy contests in which highly  
32 experienced players cannot, either directly or through  
33 another person as a proxy, participate. A licensed operator  
34 shall suspend the account of any highly experienced player  
35 who enters a fantasy contest which excludes highly  
36 experienced players, directly or through another person as a  
37 proxy, and shall ban the individual from further  
38 participation in fantasy contests offered by the licensed  
39 operator.

40 (4.3) Establish a procedure for receiving and responding  
41 to participant complaints and reconciling a participant's  
42 fantasy contest account. The licensed operator shall forward  
43 to the board on a quarterly basis a copy of each complaint  
44 received.

45 (4.4) Submit, in the manner as the board requires, a  
46 description of the licensed operator's administrative and  
47 accounting procedures in detail, including its written system  
48 of internal control. Each written system of internal control  
49 shall include:

50 (i) An organizational chart depicting appropriate  
51 segregation of employee functions and responsibilities.

1           (ii) A description of the duties and  
2 responsibilities of each employee position shown on the  
3 organizational chart.

4           (iii) A detailed narrative description of the  
5 administrative and accounting procedures designed to  
6 satisfy the requirements of this section.

7           (iv) Record retention policy.

8           (v) A statement signed by the chief financial  
9 officer of the proposed licensed operator or other  
10 competent person and the chief executive officer of the  
11 proposed licensed operator or other competent person  
12 attesting that the officers believe, in good faith, that  
13 the system satisfies the requirements of this section.

14          (vi) Any other item that the board may require in  
15 its discretion.

16          (4.5) File a report of any suspicious transaction with  
17 the bureau. The following shall apply:

18           (i) A licensed operator or a person acting on behalf  
19 of a licensed operator who knowingly fails to file a  
20 report of a suspicious transaction commits a misdemeanor  
21 of the third degree.

22           (ii) A licensed operator or a person acting on  
23 behalf of a licensed operator who fails to file a report  
24 or a person who causes another person required under this  
25 section to fail to file a report of a suspicious  
26 transaction shall be strictly liable for his actions and  
27 may be subject to sanctions as determined by the board.

28           (iii) The bureau shall maintain a record of all  
29 reports made under this paragraph for a period of five  
30 years. The bureau shall make the reports available to any  
31 Federal or State law enforcement agency without necessity  
32 of subpoena.

33           (iv) A person who is required to file a report of a  
34 suspicious transaction shall not notify an individual  
35 suspected of committing the suspicious transaction that  
36 the transaction has been reported. A person that violates  
37 this subsection commits a misdemeanor of the third degree  
38 and may be subject to sanctions as determined by the  
39 board.

40           (v) A person who is required to file a report of a  
41 suspicious transaction who in good faith makes the report  
42 shall not be liable in any civil action brought by a  
43 person for making the report, regardless of whether the  
44 transaction is later determined to be suspicious.

45          (5) Ensure that an individual who is the subject of a  
46 fantasy contest is restricted from entering as a participant  
47 in a fantasy contest that is determined, in whole or part, on  
48 the accumulated statistical results of a team of individuals  
49 in the sport in which the individual is a member.

50          (6) Allow a person to restrict himself from entering a  
51 fantasy contest or accessing a fantasy contest account for a

1 specific period of time as determined by the participant and  
2 implement procedures to prevent the person from participating  
3 in the licensed operator's fantasy contests. The following  
4 shall apply to self-exclusions:

5 (i) A person may request placement on the list of  
6 self-excluded persons and agree that, during any period  
7 of voluntary exclusion, the person may not collect any  
8 winnings nor recover any losses resulting from any  
9 fantasy contest activity.

10 (ii) Notwithstanding any other law to the contrary,  
11 the board's list of self-excluded persons shall not be  
12 open to public inspection. Nothing in this section shall  
13 be construed to prohibit a licensed operator from  
14 disclosing the identity of persons self-excluded under  
15 this paragraph to affiliated licensed gaming entities or  
16 licensed operators in this Commonwealth or other  
17 jurisdictions for the limited purpose of assisting in the  
18 proper administration of responsible programs operated by  
19 affiliated licensed gaming entities or licensed  
20 operators.

21 (7) Allow a person to restrict the total amount of  
22 deposits that the participant may pay to the licensed  
23 operator for a specific time period established by the  
24 participant and implement procedures to prevent the  
25 participant from exceeding the limit.

26 (8) Conspicuously post compulsive and problem play  
27 notices at fantasy contest registration points and provide  
28 the toll-free telephone number to participants. The toll-free  
29 telephone number and the compulsive and problem play notice  
30 shall be approved by the board, in consultation with the  
31 Department of Drug and Alcohol Programs or a successor  
32 agency.

33 (9) Disclose the number of entries a single participant  
34 may submit to each fantasy contest and take steps to prevent  
35 such participants from submitting more than the allowable  
36 number.

37 (10) Prohibit the licensed operator's principals,  
38 employees and relatives living in the same household of an  
39 employee or principal from competing in a fantasy contest  
40 offered by any licensed operator to the general public and in  
41 which fantasy contest the licensed operator offers a prize or  
42 award.

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

46 (12) Take steps to maintain the confidentiality of a  
47 participant's personal and financial information.

48 (13) Segregate participant funds from operational funds  
49 in separate accounts and maintain a reserve in the form of  
50 cash, cash equivalents, security deposits held by banks and  
51 processors, an irrevocable letter of credit, payment

processor reserves and receivables, a bond or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning participants. To satisfy this paragraph, a licensed operator that only offers season-long fantasy contests that generate less than \$250,000 in season-long fantasy contest adjusted revenue may contract with a third party to hold prizes and awards in an escrow account until after the season is concluded and prizes and awards are distributed.

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

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

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

(17) Monitor fantasy contests for the use of scripts and prohibit participants found to have used such scripts from participation in future fantasy contests.

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

#### § 326. Prohibitions.

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

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

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

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

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

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

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

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

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

(8.1) knowingly allow a self-excluded person to keep a

1 prize or award.

2 (9) knowingly accept a deposit in excess of a limit  
3 established by a participant for the specific time period  
4 established by the participant;

5 (10) share confidential information that could affect  
6 fantasy contest play with third parties until the information  
7 is made publicly available;

8 (11) knowingly permit a principal, an employee of a  
9 licensed operator or a relative living in the same household  
10 of an employee or principal of a licensed operator to become  
11 a participant in a fantasy contest offered by any licensed  
12 operator in which a licensed operator offers a prize or  
13 award;

14 (12) offer a fantasy contest where:

15 (i) the value of all prizes or awards offered to  
16 winning participants is not established and made known to  
17 participants in advance of the fantasy contest;

18 (ii) the value of the prize or award is determined  
19 by the number of participants or the amount of any fees  
20 paid by those participants;

21 (iii) the winning outcome does not reflect the  
22 relative knowledge and skill of participants;

23 (iv) the winning outcome is based on the score,  
24 point spread or performance of a single actual team or  
25 combination of teams or solely on a single performance of  
26 an individual athlete or player in a single actual event;  
27 or

28 (v) the winning outcome is not based on statistical  
29 results accumulated from fully completed athletic sports  
30 contests or events, except that participants may be  
31 credited for statistical results accumulated in a  
32 suspended or shortened sports event which has been  
33 partially completed on account of weather or other  
34 natural or unforeseen event;

35 (13) fail to remit taxes or assessments to the  
36 department in accordance with sections 331 (relating to  
37 fantasy contest tax), 332 (relating to licensed operator  
38 deposits) and 333 (relating to responsibility and authority  
39 of department);

40 (14) knowingly allow a participant to use a script  
41 during a fantasy contest;

42 (15) except as permitted under section 342 (relating to  
43 licensed gaming entities), offer or make available in this  
44 Commonwealth a fantasy contest terminal; and

45 (16) perform any other action prohibited by the board.

46 (b) Deposit.--The licensed operator shall forward the amount  
47 of the prize or award under subsection (a) (8.1) to the board  
48 which shall transfer the amount to the State Treasurer for  
49 deposit in the General Fund.

50 § 327. Change in ownership or control of licensed operators.

51 (a) Notification and approval.--

1       (1) A licensed operator shall notify the board upon  
2 becoming aware of any proposed change of ownership of the  
3 licensed operator by a person or group of persons acting in  
4 concert which involves any of the following:

5       (i) More than 15% of a licensed operator's  
6 securities or other ownership interests.

7       (ii) The sale other than in the ordinary course of  
8 business of a licensed operator's assets.

9       (iii) Any other transaction or occurrence deemed by  
10 the board to be relevant to fantasy contest license  
11 qualifications.

12       (2) Notwithstanding the provisions of paragraph (1), a  
13 licensed operator shall not be required to notify the board  
14 of any acquisition by an institutional investor under  
15 paragraph (1)(i) or (ii) if the institutional investor holds  
16 less than 10% of the securities or other ownership interests  
17 referred to in paragraph (1)(i) or (ii), the securities or  
18 interests are publicly traded securities and its holdings of  
19 such securities were purchased for investment purposes only  
20 and the institutional investor files with the board a  
21 certified statement to the effect that the institutional  
22 investor has no intention of influencing or affecting,  
23 directly or indirectly, the affairs of the licensed operator.  
24 However, the institutional investor may vote on matters put  
25 to the vote of the outstanding security holders. Notice to  
26 the board shall be required prior to completion of any  
27 proposed or contemplated change of ownership of a licensed  
28 operator that meets the criteria of this section.

29       (b) Qualification of purchaser and change of control.--

30       (1) A purchaser of the assets, other than in the  
31 ordinary course of business, of a licensed operator shall  
32 independently qualify for a fantasy contest license in  
33 accordance with this chapter and shall pay the application  
34 fee and license fee as required by sections 322 (relating to  
35 application) and 323 (relating to issuance and denial of  
36 license), except that if the purchaser of assets is another  
37 licensed operator, the purchaser of assets shall not be  
38 required to requalify for a fantasy contest license or pay  
39 another application fee and license fee.

40       (2) A change in control of any licensed operator shall  
41 require that the licensed operator independently qualify for  
42 a fantasy contest license in accordance with this chapter,  
43 and the licensed operator shall pay a new application and  
44 license fee as required by sections 322 and 323, except that  
45 if the new controller is another licensed operator, the new  
46 controller shall not be required to requalify for a fantasy  
47 contest license or pay another application fee and license  
48 fee.

49       (c) License revocation.--Failure to comply with this section  
50 may cause the fantasy contest license issued under this chapter  
51 to be revoked or suspended by the board unless the purchase of

1 the assets or the change in control that meets the criteria of  
2 this section has been independently qualified in advance by the  
3 board and any required application or license fee has been paid.

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

7 "Change in control of a licensed operator." The acquisition  
8 by a person or group of persons acting in concert of more than  
9 20% of a licensed operator's securities or other ownership  
10 interests, with the exception of any ownership interest of the  
11 person that existed at the time of initial licensing and payment  
12 of the initial fantasy contest license fee, or more than 20% of  
13 the securities or other ownership interests of a corporation or  
14 other form of business entity that owns directly or indirectly  
15 at least 20% of the voting or other securities or other  
16 ownership interests of the licensed operator.

17 § 328. Penalties.

18 (a) Suspension or revocation of license.--After a public  
19 hearing with at least 15 days' notice, the board may suspend or  
20 revoke a licensed operator's fantasy contest license in any case  
21 where a violation of this chapter has been shown by a  
22 preponderance of the evidence.

23 (b) Administrative penalties.--

24 (1) In addition to suspension or revocation of a fantasy  
25 contest license, the board may impose administrative  
26 penalties on a licensed operator for violations of this  
27 chapter.

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

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

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

39 (c) Civil penalties.--

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

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

47 SUBCHAPTER D  
48 FISCAL PROVISIONS

49 Sec.

50 331. Fantasy contest tax.

51 332. Licensed operator deposits.



1 333. Responsibility and authority of department.

2 334. Compulsive and problem gambling.

3 § 331. Fantasy contest tax.

4 (a) Imposition.--Each licensed operator shall report to the  
5 department and pay from its monthly fantasy contest adjusted  
6 revenues, on a form and in the manner prescribed by the  
7 department, a tax of 15% of its monthly fantasy contest adjusted  
8 revenues.

9 (b) Deposits and distributions.--

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

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

17 (3) The tax imposed and collected by the department  
18 under subsection (a) shall be deposited into the General  
19 Fund.

20 (c) Penalty.--

21 (1) A licensed operator who fails to timely remit to the  
22 department the tax imposed under this section shall be  
23 liable, in addition to any sanction or penalty imposed under  
24 this chapter, for the payment of a penalty of 5% per month up  
25 to a maximum of 25% of the amounts ultimately found to be  
26 due, to be recovered by the department.

27 (2) Penalties imposed and collected by the department or  
28 the board under this subsection shall be deposited in the  
29 General Fund.

30 § 332. Licensed operator deposits.

31 (a) Accounts established.--The State Treasurer shall  
32 establish within the State Treasury an account for each licensed  
33 operator for the deposit required under subsection (b) to  
34 recover costs or expenses incurred by the board and the  
35 department in carrying out their powers and duties under this  
36 chapter based upon a budget submitted by the board and the  
37 department under subsection (c).

38 (b) Deposits.--

39 (1) The department shall determine the appropriate  
40 assessment amount for each licensed operator, which shall be  
41 a percentage assessed by the department on the licensed  
42 operator's fantasy contest adjusted revenues. Each licensed  
43 operator shall deposit funds into its account on a monthly  
44 basis.

45 (2) The percentage assessed by the department shall not  
46 exceed an amount necessary to recover costs or expenses  
47 incurred by the board and the department in carrying out  
48 their powers and duties under this chapter based on a budget  
49 submitted by the board and the department under subsection

50 (c).

51 (c) Itemized budget reporting.--

1       (1) The board and the department shall prepare and  
2       annually submit to the chairperson and minority chairperson  
3       of the Appropriations Committee of the Senate and the  
4       chairperson and minority chairperson of the Appropriations  
5       Committee of the House of Representatives an itemized budget  
6       consisting of amounts to be appropriated out of the accounts  
7       established under this section necessary to administer this  
8       chapter.

9       (2) The itemized budget required under paragraph (1)  
10       shall be submitted in conjunction with the budget required to  
11       be submitted under section 1202(b)(28) (relating to general  
12       and specific powers).

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

16       (e) Penalty.--

17       (1) A licensed operator who fails to timely remit to the  
18       department the tax imposed under this section shall be  
19       liable, in addition to any sanction or penalty imposed under  
20       this chapter, for the payment of a penalty of 5% per month up  
21       to a maximum of 25% of the amounts ultimately found to be  
22       due, to be recovered by the department.

23       (2) Penalties imposed and collected by the department  
24       under this subsection shall be deposited into the General  
25       Fund.

26       § 333. Responsibility and authority of department.

27       (a) General rule.--The department shall administer and  
28       collect taxes imposed under section 331 (relating to fantasy  
29       contest tax) and interest imposed under section 806 of the act  
30       of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code,  
31       and promulgate and enforce rules and regulations to carry out  
32       its prescribed duties in accordance with sections 331 and 332  
33       (relating to licensed operator deposits), including the  
34       collection of taxes, penalties, assessments and interest.

35       (b) Procedure.--For purposes of implementing sections 331  
36       and 332, the department may promulgate regulations in the same  
37       manner in which the board is authorized as provided in section  
38       312 (relating to temporary regulations).

39       § 334. Compulsive and problem gambling.

40       Each year, from the tax imposed under section 331, the amount  
41       equal to .002 multiplied by the total fantasy contest adjusted  
42       revenue of all active and operating licensed operators shall be  
43       transferred to the Department of Drug and Alcohol Programs or a  
44       successor agency to be used for drug and alcohol addiction  
45       treatment services, including treatment for drug and alcohol  
46       addiction related to compulsive and problem gambling as provided  
47       under section 1509.1 (relating to drug and alcohol treatment).

#### 48                       SUBCHAPTER E

#### 49                       MISCELLANEOUS PROVISIONS

50       Sec.

51       341. Applicability of other statutes.

1 341.1. Liability.

2 342. Licensed gaming entities.

3 § 341. Applicability of other statutes.

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

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

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

14 (d) State Lottery Law.--This chapter shall not apply to a  
15 fantasy contest or similar product authorized under the act of  
16 August 26, 1971 (P.L.351, No.91), known as the State Lottery  
17 Law, and authorized solely by the department and the Division of  
18 the State Lottery or iLottery under Chapter 5 (relating to  
19 lottery).

20 § 341.1. Liability.

21 A licensed operator or employee of a licensed operator shall  
22 not be liable to any self-excluded person or to any other party  
23 in any judicial proceeding for any harm, monetary or otherwise,  
24 which may arise as a result of:

25 (1) the failure of a licensed operator to withhold  
26 fantasy contest privileges from or restore fantasy contest  
27 privileges to a self-excluded person; or

28 (2) otherwise permitting or not permitting a self-  
29 excluded person to engage in fantasy contest activity while  
30 on the list of self-excluded persons.

31 § 342. Licensed gaming entities.

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

34 (b) Applicability.--Nothing in this chapter shall be  
35 construed to limit the board's general and sole regulatory  
36 authority over the conduct of gaming or related activities under  
37 Part II (relating to gaming), including, but not limited to, the  
38 certification, registration and regulation of gaming service  
39 providers and individuals and entities associated with a gaming  
40 service provider.

41 (c) Restricted contests.--A licensed gaming entity may offer  
42 restricted fantasy contests that are exclusive to participants  
43 who are at least 21 years of age.

44 (d) Promotional play.--For a restricted fantasy contest  
45 under subsection (c), a licensed gaming entity may offer slot  
46 machine promotional play or table game match play to a  
47 participant who is at least 21 years of age as a prize or award  
48 or for participating in a fantasy contest conducted by the  
49 licensed gaming entity.

50 (e) Gaming service providers.--A licensed operator who is  
51 not a licensed gaming entity may, at the discretion of the

board, be certificated or registered as a gaming service provider under section 1317.2 (relating to gaming service provider) in order to operate fantasy contests subject to the requirements of this section.

(f) Fantasy contest terminals.--

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

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

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

## CHAPTER 5

### LOTTERY

Sec.

501. Scope of chapter.

502. Definitions.

503. iLottery authorization.

504. Retail Incentive Program.

505. Lottery Sales Advisory Council.

§ 501. Scope of chapter.

This chapter relates to lottery.

§ 502. 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:

"Agent" or "lottery sales agent." A person licensed under section 305 of the State Lottery Law.

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

"iLottery." A 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.

"iLottery game." Internet instant games and other lottery products offered through iLottery. 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

1 indicating whether a lottery prize has been won according to an  
2 established methodology as provided by the lottery.

3 "Lottery" or "State Lottery." The lottery established under  
4 the State Lottery Law.

5 "Lottery products." Plays, shares or chances offered by the  
6 State Lottery as well as lottery property that may be exchanged  
7 for plays, shares or chances. The term includes instant tickets,  
8 terminal-based tickets, raffle games, play-for-fun games,  
9 lottery vouchers, subscription services and gift cards  
10 authorized for sale under the State Lottery Law.

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

12 "State Lottery Law." The act of August 26, 1971 (P.L.351,  
13 No.91), known as the State Lottery Law.

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

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

20 (b) Temporary regulatory authority.--

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

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

31 (ii) Section 204(b) of the act of October 15, 1980  
32 (P.L.950, No.164), known as the Commonwealth Attorneys  
33 Act.

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

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

38 (c) Prompt implementation.--Notwithstanding any other  
39 provision of law to the contrary and in order to facilitate the  
40 prompt implementation of iLottery in this Commonwealth, initial  
41 contracts entered into by the department for iLottery and  
42 related gaming systems, including any necessary hardware,  
43 software, licenses or related services, shall not be subject to  
44 the provisions of 62 Pa.C.S. (relating to procurement).  
45 Contracts entered into under this subsection may not exceed two  
46 years.

47 (d) Player identifiable information.--With the exception of  
48 certain information released by the department to notify the  
49 public of the identity of a prize recipient or to perform any  
50 other obligation of the lottery under laws or regulations  
51 related to the payment of lottery prizes, personal 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 public disclosure whether retained by the department, an agent of the department or a lottery sales agent.

(e) Lottery confidential 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 confidential proprietary information of the department and otherwise exempt from public disclosure whether retained by the department, an agent of the lottery or a lottery sales agent.

(2) Confidential proprietary information shall include any research or study conducted by the lottery or a lottery vendor that utilizes confidential 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 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) iLottery game cards.--iLottery game cards or other similar mechanisms that allow players to prepurchase lottery products offered through iLottery sold by a lottery sales agent shall result in the lottery sales agent receiving a commission on the sale as provided for under the State Lottery Law.

(h) Restrictions.--

(1) An iLottery player must be at least 18 years of age to establish an account with the department and must be physically located within the geographical boundaries of this Commonwealth to play iLottery games. A player establishing an account must agree to the terms and conditions presented by the department which must require the player to affirm that the account is limited solely to that player's use for iLottery gaming purposes and that other use is unlawful.

(2) No iLottery game shall be sold, and no prize shall be awarded, to an officer or employee of the division of State Lottery in the department or a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of the officer or employee.

(i) Self-exclusion.--The department shall promulgate regulations regarding the establishment of an iLottery self-

1 exclusion program that would allow individuals to voluntarily  
2 exclude themselves from iLottery.

3 § 504. Retail Incentive Program.

4 (a) Establishment.--The department shall establish a Retail  
5 Incentive Program to reward lottery sales agents that engage in  
6 department-recommended best practices which result in increased  
7 lottery sales at the agent's lottery sales location. Consistent  
8 with the State Lottery's responsibilities to older  
9 Pennsylvanians and the Lottery's commitment to helping agents  
10 achieve success in selling lottery products, the Retail  
11 Incentive Program shall be designed to generate incremental  
12 revenue that exceeds the cost of the program. The program shall  
13 be reviewed annually to determine the benefit to older  
14 Pennsylvanians and the consistency to the State Lottery's  
15 mission.

16 (b) Funding.--The department shall fund the program with  
17 0.5% of the sale of traditional lottery products at lottery  
18 sales agents' physical lottery sales location within the prior  
19 fiscal year. The funds administered under this chapter shall not  
20 be counted toward the profit margin limitation under section  
21 303(a)(11)(iv) of the State Lottery Law.

22 (c) Notice.--Prior to the commencement of the Retail  
23 Incentive Program, and for each year thereafter that the Retail  
24 Incentive Program is in effect, the department shall publish a  
25 notice in the Pennsylvania Bulletin detailing the Retail  
26 Incentive Program for that fiscal year. The notice shall include  
27 program goals, requirements and the assessment metrics that will  
28 be used for measuring program effectiveness. A modification in  
29 the program must be submitted for publication as a notice in the  
30 Pennsylvania Bulletin.

31 (d) Review.--The notices under subsection (c) shall not be  
32 subject to review under any of the following:

33 (1) Section 205 of the act of July 31, 1968 (P.L.769,  
34 No.240), referred to as the Commonwealth Documents Law.

35 (2) Sections 204(b) and 301(10) of the act of October  
36 15, 1980 (P.L.950, No.164), known as the Commonwealth  
37 Attorneys Act.

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

40 (e) Contents.--The Retail Incentive Program shall include  
41 regular and varied incentives for lottery sales agents to  
42 increase sales by a predetermined percentage over a base period,  
43 increase State Lottery signage, keep ticket displays stocked,  
44 pay winning tickets and actively promote the sale of lottery  
45 products.

46 (f) Participation.--Participation in the Retailer Incentive  
47 Program shall be voluntary for lottery sales agents.

48 (g) Nonlapse.--Amounts remaining in the Retail Incentive  
49 Program at the end of a fiscal year shall not lapse, but shall  
50 be used to fund retail sales initiatives, including, but not  
51 limited to, new equipment, signage, training, coupons, consumer

1 and agent in-store promotions and sales makeovers, designed to  
2 improve in-store merchandising, foot traffic and sales.

3 § 505. Lottery Sales Advisory Council.

4 (a) Establishment.--

5 (1) The department shall establish a Lottery Sales  
6 Advisory Council which shall be comprised of the secretary,  
7 the Director of the Division of the State Lottery, a  
8 representative from the Department of Aging or a successor  
9 agency, members of a Statewide food merchants association,  
10 lottery sales agents and any other individual, at the  
11 discretion of the department.

12 (2) The Lottery Sales Advisory Council shall meet at  
13 times and in a manner at the department's discretion for the  
14 purposes of increasing the partnership between the State  
15 Lottery and lottery sales agents and developing policy  
16 recommendations for increased lottery sales.

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

19 (b) Compensation.--A non-Commonwealth employee member of the  
20 Lottery Sales Advisory Council shall not be entitled to any form  
21 of compensation from the Commonwealth for the performance of any  
22 duty that may be required by the Lottery Sales Advisory Council.

23 Section 2. Section 1102 of Title 4 is amended to read:

24 § 1102. Legislative intent.

25 The General Assembly recognizes the following public policy  
26 purposes and declares that the following objectives of the  
27 Commonwealth are to be served by this part:

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

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

36 (2.1) The authorization of table games and interactive  
37 gaming in this part is intended to supplement slot machine  
38 gaming by increasing revenues to the Commonwealth and  
39 providing new employment opportunities by creating skilled  
40 jobs for individuals related to the conduct of table games at  
41 licensed facilities in this Commonwealth and related to the  
42 conduct of interactive gaming.

43 (3) The authorization of limited gaming is intended to  
44 provide a significant source of new revenue to the  
45 Commonwealth to support property tax relief, wage tax  
46 reduction, economic development opportunities and other  
47 similar initiatives.

48 (3.1) The authorization of limited gaming in this  
49 Commonwealth impacts this Commonwealth as a whole, including  
50 the geographic regions of this Commonwealth where licensed  
51 facilities are located. Requiring licensed facilities to make



1 annual payments for the privilege of operating in this  
2 Commonwealth's counties and municipalities furthers a  
3 legitimate government interest of ensuring benefits to not  
4 only the host county and host municipality but the region  
5 where the licensed facility is located.

6 (3.2) Requiring annual payments to both host counties  
7 and host municipalities recognizes that these two separate  
8 units of local government have separate governing bodies,  
9 different jurisdictions and may face distinct issues related  
10 to the authorization of limited gaming within their  
11 boundaries. This distinction applies in all regions, except a  
12 city and county of the first class, which are governed by one  
13 governing body and where the territorial limits of the  
14 jurisdictions are identical and unique.

15 (4) The authorization of limited gaming is intended to  
16 positively assist the Commonwealth's horse racing industry,  
17 support programs intended to foster and promote horse  
18 breeding and improve the living and working conditions of  
19 personnel who work and reside in and around the stable and  
20 backside areas of racetracks.

21 (5) The authorization of limited gaming is intended to  
22 provide broad economic opportunities to the citizens of this  
23 Commonwealth and shall be implemented in such a manner as to  
24 prevent possible monopolization by establishing reasonable  
25 restrictions on the control of multiple licensed gaming  
26 facilities in this Commonwealth.

27 (6) The authorization of limited gaming is intended to  
28 enhance the further development of the tourism market  
29 throughout this Commonwealth, including, but not limited to,  
30 year-round recreational and tourism locations in this  
31 Commonwealth.

32 (7) Participation in limited gaming authorized under  
33 this part by any licensee [or], permittee, registrant or  
34 certificate holder shall be deemed a privilege, conditioned  
35 upon the proper and continued qualification of the licensee  
36 [or], permittee, registrant or certificate holder and upon  
37 the discharge of the affirmative responsibility of each  
38 licensee, permittee, registrant and certificate holder to  
39 provide the regulatory and investigatory authorities of the  
40 Commonwealth with assistance and information necessary to  
41 assure that the policies declared by this part are achieved.

42 (8) Strictly monitored and enforced control over all  
43 limited gaming authorized by this part shall be provided  
44 through regulation, licensing and appropriate enforcement  
45 actions of specified locations, persons, associations,  
46 practices, activities, licensees [and], permittees,  
47 registrants and certificate holders.

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

51 (10) The public interest of the citizens of this

1 Commonwealth and the social effect of gaming shall be taken  
2 into consideration in any decision or order made pursuant to  
3 this part.

4 (10.1) The General Assembly has a compelling interest in  
5 protecting the integrity of both the electoral process and  
6 the legislative process by preventing corruption and the  
7 appearance of corruption which may arise through permitting  
8 any type of political campaign contributions by certain  
9 persons involved in the gaming industry and regulated under  
10 this part.

11 (10.2) Banning all types of political campaign  
12 contributions by certain persons subject to this part is  
13 necessary to prevent corruption and the appearance of  
14 corruption that may arise when political campaign  
15 contributions and gaming regulated under this part are  
16 intermingled.

17 (11) It is necessary to maintain the integrity of the  
18 regulatory control and legislative oversight over the  
19 operation and play of slot machines [and], table games and  
20 interactive gaming in this Commonwealth; to ensure the  
21 bipartisan administration of this part; and avoid actions  
22 that may erode public confidence in the system of  
23 representative government.

24 (12) It is the intent of the General Assembly to  
25 authorize the operation and play of slot machines [and], table games and interactive gaming under a single slot  
26 machine license issued to a slot machine licensee when a slot  
27 machine licensee has been issued a table game operation  
28 certificate and an interactive gaming certificate under this  
29 part.

30 (12.1) The continued growth and success of the  
31 commercial gaming industry in this Commonwealth is dependent  
32 upon a regulatory environment which promotes and fosters  
33 technological advances and encourages the development and  
34 delivery of innovative gaming products.

35 (12.2) It is also the intent of the General Assembly to  
36 ensure the sustainability and competitiveness of the  
37 commercial gaming industry in this Commonwealth by  
38 authorizing interactive gaming, the operation of multistate  
39 wide-area progressive slot machines, skill and hybrid slot  
40 machines.

41 (12.3) It is also the intent of the General Assembly to  
42 authorize the operation and play of interactive gaming in  
43 conformance with Federal law, including the Unlawful Internet  
44 Gambling Enforcement Act of 2006 (Title VIII of Public Law  
45 109-347, 31 U.S.C. §§ 5361-5367).

46 (12.4) It is also the intent of the General Assembly to  
47 authorize sports wagering when Federal law is enacted or  
48 repealed or a Federal court decision is filed that permits a  
49 state to regulate sports wagering.

50 (12.5) It is further the intent of the General Assembly  
51

1 to:

2 (i) Auction Category 4 locations and the right to  
3 apply for Category 4 locations in this Commonwealth to  
4 ensure the sustainability and competitiveness of the  
5 commercial gaming industry.

6 (ii) Authorize Category 4 locations in a manner to  
7 avoid the cannibalization of existing commercial gaming  
8 locations.

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," "gaming employee," "gaming school," "gaming  
26 service provider," "key employee," "licensed facility,"  
27 "licensed racing entity," "manufacturer," "manufacturer  
28 license," "net terminal revenue," "player," "progressive  
29 payout," "progressive system," "Race Horse Industry Reform Act,"  
30 "slot machine," "State gaming receipts," "supplier," "supplier  
31 license," "table game" and "table game device" in section 1103  
32 of Title 4 are amended and the section is amended by adding  
33 definitions to read:  
34 § 1103. Definitions.

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

38 \* \* \*

39 "Airport authority." Any of the following:

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

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

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

1 eligible passengers.

2 \* \* \*

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

19 "Auction." A public meeting of the board to receive and open  
20 sealed bids submitted in accordance with section 1305.2  
21 (relating to conduct of auctions).

22 \* \* \*

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

32 \* \* \*

33 "Bid." An offer to pay for the right to select a Category 4  
34 location and apply for a Category 4 slot machine license.

35 \* \* \*

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

- 38 (1) Chips or tokens.
- 39 (2) Travelers checks.
- 40 (3) Foreign currency and coin.
- 41 (4) Certified checks, cashier's checks and money orders.
- 42 (5) Personal checks or drafts.
- 43 (6) A negotiable instrument applied against credit  
44 extended by a certificate holder, an interactive gaming  
45 certificate holder, an interactive gaming operator or a  
46 financial institution.

47 (6.1) A prepaid access instrument.

48 (7) Any other instrument or representation of value that  
49 the Pennsylvania Gaming Control Board deems a cash  
50 equivalent.

51 "Category 4 location." A specific geographic point

1 established by geographic coordinates in this Commonwealth with  
2 a 15-linear mile radius.

3 \* \* \*

4 "Cheat." To defraud or steal from any player, slot machine  
5 licensee or the Commonwealth while operating or playing a slot  
6 machine [or], table game[,] or authorized interactive game,  
7 including causing, aiding, abetting or conspiring with another  
8 person to do so. The term shall also mean to alter or causing,  
9 aiding, abetting or conspiring with another person to alter the  
10 elements of chance, method of selection or criteria which  
11 determine:

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

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

16 (3) The value of a wagering instrument.

17 (4) The value of a wagering credit.

18 The term does not include altering a slot machine, table game  
19 device or associated equipment or interactive gaming device or  
20 associated equipment for maintenance or repair with the approval  
21 of a slot machine licensee.

22 "Cheating or thieving device." A device, software or  
23 hardware used or possessed with the intent to be used to cheat  
24 during the operation or play of any slot machine [or], table  
25 game or authorized interactive game. The term shall also include  
26 any device used to alter a slot machine [or], a table game  
27 device or associated equipment, an authorized interactive game  
28 or interactive gaming device or associated equipment without the  
29 slot machine licensee's approval.

30 \* \* \*

31 ["Commission" or "commissions."] "Commission." The State  
32 Horse Racing Commission [or the State Harness Racing Commission,  
33 or both as the context may require.] as defined in 3 Pa.C.S. §  
34 9301 (relating to definitions).

35 "Communications technology." Any method used and the  
36 components employed to facilitate the transmission and receipt  
37 of information, including transmission and reception by systems  
38 using wire, wireless, cable, radio, microwave, light, fiber  
39 optics, satellite or computer data networks, including the  
40 Internet and intranets.

41 \* \* \*

42 "Concession operator." A person engaged in the sale or  
43 offering for sale of consumer goods or services to the public at  
44 a qualified airport, or authorized to conduct other commercial  
45 activities related to passenger services at a qualified airport,  
46 in accordance with the terms and conditions of an agreement or  
47 contract with an airport authority, government entity or other  
48 person.

49 "Conduct of gaming." The licensed placement, operation and  
50 play of slot machines [and], table games and interactive games  
51 and casino simulcasting under this part, as authorized and

1 approved by the Pennsylvania Gaming Control Board. The term  
2 shall include the licensed placement, operation and play of  
3 authorized interactive games through the use of multi-use  
4 computing devices at a qualified airport under Subchapter B.1 of  
5 Chapter 13B (relating to multi-use computing devices).

6 "Contest." A slot machine, table game or authorized  
7 interactive game competition among players for cash, cash  
8 equivalents or prizes.

9 \* \* \*

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

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

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

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

19 (4) presented during play of an authorized interactive  
20 game for redemption, if the object or thing was not issued by  
21 the interactive gaming certificate holder or interactive  
22 gaming operator.

23 \* \* \*

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

28 \* \* \*

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

31 (1) Cashiers.

32 (2) Change personnel.

33 (3) Count room personnel.

34 (4) Slot attendants.

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

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

41 (7) Security personnel.

42 (8) Surveillance personnel.

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

48 (10) Boxmen.

49 (11) Dealers or croupiers.

50 (12) Floormen.

51 (13) Personnel authorized to issue promotional play.

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

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

\* \* \*

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

\* \* \*

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

"Gaming service provider." A person that is not required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part and:

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

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

1 "Gross interactive airport gaming revenue." The following  
2 shall apply:

3 (1) Revenue shall be the total of all cash or cash  
4 equivalent wagers paid by an eligible passenger to an  
5 interactive gaming certificate holder at a qualified airport  
6 through the use of multi-use computing devices in  
7 consideration for the play of authorized interactive games at  
8 a qualified airport through the use of multi-use computing  
9 devices, including cash received as entry fees for contests  
10 or tournaments, minus:

11 (i) The total of cash or cash equivalents paid out  
12 to an eligible passenger as winnings.

13 (ii) The actual cost paid by the interactive gaming  
14 certificate holder at a qualified airport through the use  
15 of multi-use computing devices for personal property  
16 distributed to a player as a result of playing an  
17 authorized interactive game. This subparagraph does not  
18 include travel expenses, food, refreshments, lodging or  
19 services.

20 (2) Amounts deposited with an interactive gaming  
21 certificate holder for purposes of interactive gaming at a  
22 qualified airport through the use of multi-use computing  
23 devices and amounts taken in fraudulent acts perpetrated  
24 against an interactive gaming certificate holder for which  
25 the interactive gaming certificate holder is not reimbursed  
26 and shall not be considered to have been paid to the  
27 interactive gaming certificate holder for purposes of  
28 calculating gross interactive airport gaming revenue.  
29 "Gross interactive gaming revenue." As follows:

30 (1) The total of all cash or cash equivalent wagers paid  
31 by registered players to an interactive gaming certificate  
32 holder in consideration for the play of authorized  
33 interactive games, including cash received as entry fees for  
34 contests or tournaments, minus:

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

37 (ii) The actual cost paid by the interactive gaming  
38 certificate holder for any personal property distributed  
39 to a player as a result of playing an authorized  
40 interactive game. This subparagraph does not include  
41 travel expenses, food, refreshments, lodging or services.

42 (2) Amounts deposited with an interactive gaming  
43 certificate holder for purposes of interactive gaming and  
44 amounts taken in fraudulent acts perpetrated against an  
45 interactive gaming certificate holder for which the  
46 interactive gaming certificate holder is not reimbursed shall  
47 not be considered to have been paid to the interactive gaming  
48 certificate holder for purposes of calculating gross  
49 interactive gaming revenue.

50 \* \* \*

51 "Hybrid slot machine." A slot machine in which a combination



1 of the skill of the player and elements of chance affects the  
2 outcome of the game.

3 \* \* \*

4 "Initial auction." An auction at which a Category 1 and  
5 Category 2 slot machine licensee may submit a bid.

6 \* \* \*

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

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

18 (2) iLottery under Chapter 5 (relating to lottery).

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

21 (4) A fantasy contest under Chapter 3 (relating to  
22 fantasy contests).

23 "Interactive gaming." The placing of wagers with an  
24 interactive gaming certificate holder or interactive gaming  
25 operator using a computer network of both Federal and non-  
26 Federal interoperable packet switched data networks through  
27 which an interactive gaming certificate holder may offer  
28 authorized interactive games to registered players. The term  
29 shall include the placing of wagers through the use of a multi-  
30 use computing device.

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

35 "Interactive gaming account agreement." An agreement entered  
36 into between an interactive gaming certificate holder and a  
37 registered player which governs the terms and conditions of the  
38 registered player's interactive gaming account and the use of  
39 the Internet for purposes of placing wagers on authorized  
40 interactive games operated by an interactive gaming certificate  
41 holder or interactive gaming operator.

42 "Interactive gaming agreement." An agreement entered into by  
43 or between an interactive gaming certificate holder and an  
44 interactive gaming operator related to the offering or operation  
45 of interactive gaming or an interactive gaming system by the  
46 interactive gaming operator on behalf of the interactive gaming  
47 certificate holder. The term shall include an interactive gaming  
48 agreement entered into between an interactive gaming certificate  
49 holder and an interactive gaming operator for the conduct of  
50 interactive gaming through the use of multi-use computing  
51 devices at a qualified airport in accordance with Chapter 13B

1 (relating to interactive gaming).

2 "Interactive gaming certificate." The authorization issued  
3 to a slot machine licensee by the Pennsylvania Gaming Control  
4 Board authorizing the operation and conduct of interactive  
5 gaming by a slot machine licensee in accordance with Chapter 13B  
6 (relating to interactive gaming).

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

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

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

18 "Interactive gaming operator." A person licensed by the  
19 Pennsylvania Gaming Control Board to operate interactive gaming  
20 or an interactive gaming system on behalf of an interactive  
21 gaming certificate holder. The term shall include a person that  
22 has received conditional authorization under section 13B14  
23 (relating to interactive gaming operators) for so long as such  
24 authorization is effective.

25 "Interactive gaming platform." The combination of hardware  
26 and software or other technology designed and used to manage,  
27 conduct and record interactive games and the wagers associated  
28 with interactive games, as approved by the Pennsylvania Gaming  
29 Control Board. The term shall include any emerging or new  
30 technology deployed to advance the conduct and operation of  
31 interactive gaming, as approved through regulation by the  
32 Pennsylvania Gaming Control Board.

33 "Interactive gaming reciprocal agreement." An agreement  
34 negotiated by the Pennsylvania Gaming Control Board and approved  
35 by the Governor on behalf of the Commonwealth with the  
36 regulatory agency of one or more states or jurisdictions where  
37 interactive gaming is legally authorized which will permit the  
38 conduct of interactive gaming between interactive gaming  
39 certificate holders in this Commonwealth and gaming entities in  
40 the states or jurisdictions that are parties to the agreement.

41 "Interactive gaming restricted area." Any room or area, as  
42 approved by the Pennsylvania Gaming Control Board, used by an  
43 interactive gaming certificate holder or interactive gaming  
44 operator to manage, control and operate interactive gaming,  
45 including, where approved by the board, redundancy facilities.

46 "Interactive gaming skin or skins." The portal or portals to  
47 an interactive gaming platform or interactive gaming website  
48 through which authorized interactive games are made available by  
49 an interactive gaming certificate holder or interactive gaming  
50 operator to registered players in this Commonwealth or  
51 registered players in any other state or jurisdiction which has

1 entered into an interactive gaming reciprocal agreement.

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

5 "Interactive gaming website." The interactive gaming skin or  
6 skins through which an interactive gaming certificate holder or  
7 interactive gaming operator makes authorized interactive games  
8 available for play.

9 \* \* \*

10 "Key employee." Any individual who is employed in a director  
11 or department head capacity and who is empowered to make  
12 discretionary decisions that regulate slot machine [or]  
13 operations, table game operations, interactive gaming operations  
14 or casino simulcasting, including the general manager and  
15 assistant manager of the licensed facility, director of slot  
16 operations, director of table game operations, director of  
17 interactive gaming, director of cage and/or credit operations,  
18 director of surveillance, director of marketing, director of  
19 management information systems, director of interactive gaming  
20 system programs or other similar job classifications associated  
21 with interactive gaming and casino simulcasting, persons who  
22 manage, control or administer interactive gaming and casino  
23 simulcasting or the bets and wagers associated with authorized  
24 interactive games and casino simulcasting, director of security,  
25 comptroller and any employee who is not otherwise designated as  
26 a gaming employee and who supervises the operations of these  
27 departments or to whom these department directors or department  
28 heads report and such other positions not otherwise designated  
29 or defined under this part which the Pennsylvania Gaming Control  
30 Board shall determine based on detailed analyses of job  
31 descriptions as provided in the internal controls of the  
32 licensee as approved by the Pennsylvania Gaming Control Board.  
33 All other gaming employees unless otherwise designated by the  
34 Pennsylvania Gaming Control Board shall be classified as non-key  
35 employees.

36 \* \* \*

37 "Licensed facility." As follows:

38 (1) The physical land-based location at which a licensed  
39 gaming entity is authorized to place and operate slot  
40 machines and, if authorized by the Pennsylvania Gaming  
41 Control Board under Chapter 13A (relating to table games), to  
42 conduct table games and if authorized under Chapter 13B  
43 (relating to interactive gaming), to conduct interactive  
44 gaming. The term includes any:

45 [(1)] (i) area of a licensed racetrack at which a  
46 slot machine licensee was previously authorized pursuant  
47 to section 1207(17) (relating to regulatory authority of  
48 board) to operate slot machines prior to the effective  
49 date of this paragraph;

50 [(2)] (ii) board-approved interim facility or  
51 temporary facility; [and]

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

4           (iv) area of a licensed facility where casino  
5           simulcasting is conducted, as approved by the  
6           Pennsylvania Gaming Control Board.

7           (2) The term shall not include a redundancy facility or  
8           an interactive gaming restricted area which is not located on  
9           the premises of a licensed facility as approved by the  
10           Pennsylvania Gaming Control Board and which is maintained and  
11           operated by an interactive gaming certificate holder in  
12           connection with interactive gaming or casino simulcasting.

13       \* \* \*

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

20       "Manufacturer." A person who manufactures, builds, rebuilds,  
21 fabricates, assembles, produces, programs, designs or otherwise  
22 makes modifications to any slot machine, table game device or  
23 associated equipment or authorized interactive games for use or  
24 play of slot machines [or], table games or authorized  
25 interactive games in this Commonwealth for gaming purposes. The  
26 term shall not include a person who manufactures, builds,  
27 rebuilds, fabricates, assembles, produces, programs, designs or  
28 otherwise makes modifications to multi-use computing devices  
29 used in connection with the conduct of interactive gaming at a  
30 qualified airport.

31       "Manufacturer license." A license issued by the Pennsylvania  
32 Gaming Control Board authorizing a manufacturer to manufacture  
33 or produce slot machines, table game devices or associated  
34 equipment, interactive gaming devices or associated equipment  
35 for use in this Commonwealth for gaming purposes.

36       \* \* \*

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

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

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

42           (ii) Allows an eligible passenger to play an  
43           authorized interactive game.

44           (iii) Communicates with a server that is in a  
45           location approved by the Pennsylvania Gaming Control  
46           Board.

47           (iv) Is approved by the Pennsylvania Gaming Control  
48           Board.

49           (v) Has the capability of being linked to and  
50           monitored by the department's central control computer  
51           system, as applicable for any particular interactive

1 game, in accordance with section 1323 (relating to  
2 central control computer system).

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

6 (2) The term shall not include any tablet or computing  
7 device that restricts, prohibits or is incapable of providing  
8 access to interactive gaming, interactive gaming skins or  
9 interactive gaming platforms.

10 "Multistate agreement." The written agreement, approved by  
11 the Governor, between the Pennsylvania Gaming Control Board and  
12 regulatory agencies in other states or jurisdictions for the  
13 operation of a multistate wide-area progressive slot machine  
14 system.

15 "Multistate wide-area progressive slot machine system." The  
16 linking of slot machines located in this Commonwealth with slot  
17 machines located in one or more states or jurisdictions whose  
18 regulatory agencies have entered into written agreements with  
19 the Pennsylvania Gaming Control Board for the operation of the  
20 system.

21 \* \* \*

22 "Net terminal revenue." The net amount of the gross terminal  
23 revenue less the tax and assessments imposed by sections 1402  
24 (relating to gross terminal revenue deductions), 1403 (relating  
25 to establishment of State Gaming Fund and net slot machine  
26 revenue distribution), 1405 (relating to Pennsylvania Race Horse  
27 Development Trust Fund) and 1407 (relating to Pennsylvania  
28 Gaming Economic Development and Tourism Fund).

29 \* \* \*

30 "Nongaming service provider." A person that is not a gaming  
31 service provider or required to be licensed as a manufacturer,  
32 supplier, management company or gaming junket enterprise under  
33 this part and that provides goods or services:

34 (1) to a slot machine licensee or applicant for a slot  
35 machine license for use in the operation of a licensed  
36 facility; and

37 (2) that does not require access to the gaming floor or  
38 a gaming-related restricted area.

39 "Non-peer-to-peer interactive game." An authorized  
40 interactive game in which the player does not compete against  
41 players and which is not a peer-to-peer interactive game.

42 \* \* \*

43 "Peer-to-peer interactive game." An authorized interactive  
44 game which is nonbanking, in which a player competes against one  
45 or more players and in which the interactive gaming certificate  
46 holder collects a rake.

47 \* \* \*

48 "Player." An individual wagering cash, a cash equivalent or  
49 other thing of value in the play or operation of a slot machine  
50 [or], an authorized interactive game or a table game, including  
51 during a contest or tournament, the play or operation of which

1 may deliver or entitle the individual playing or operating the  
2 slot machine [or], authorized interactive game or table game to  
3 receive cash, a cash equivalent or other thing of value from  
4 another player or a slot machine licensee.

5 "Prepaid access instrument." A card, code, electronic serial  
6 number, mobile identification number, personal identification  
7 number or similar device that:

8 (1) Allows patron access to funds that have been paid in  
9 advance and can be retrieved or transferred through the use  
10 of the device.

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

15 (3) Must be distributed by a slot machine licensee or  
16 its affiliates in order to be considered a cash equivalent at  
17 the slot machine licensee's licensed facility or the location  
18 of the slot machine licensee's affiliates.

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

22 \* \* \*

23 "Progressive payout." A slot machine wager payout that  
24 increases in a monetary amount based on the amounts wagered in a  
25 progressive system, including a multistate wide-area progressive  
26 slot machine system.

27 "Progressive system." A computerized system linking slot  
28 machines in one or more licensed facilities within this  
29 Commonwealth and offering one or more common progressive payouts  
30 based on the amounts wagered. The term shall include a  
31 multistate wide-area progressive system.

32 \* \* \*

33 "Qualified airport." A publicly owned commercial service  
34 airport.

35 "Qualified entity." An entity which is not a Category 1,  
36 Category 2 or Category 3 slot machine licensee who may  
37 participate in an auction under section 1305.2(b.1) and who has  
38 satisfied the requirements of this part and any criteria  
39 established by the Pennsylvania Gaming Control Board for  
40 licensure, including but not limited to, financial and character  
41 suitability requirements, and has been approved by the board.

42 "Race Horse Industry Reform Act." [The act of December 17,  
43 1981 (P.L.435, No.135), known as the Race Horse Industry Reform  
44 Act.] 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

45 \* \* \*

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

50 "Registered player." An individual who has entered into an  
51 interactive gaming account agreement with an interactive gaming

1 certificate holder.

2 \* \* \*

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

5 "Skill slot machine." A slot machine in which the skill of  
6 the player, rather than the elements of chance, is the  
7 predominant factor in affecting the outcome of the game.

8 "Slot machine."

9 (1) The term includes:

10 (i) Any mechanical, electrical or computerized  
11 contrivance, terminal, machine or other device approved  
12 by the Pennsylvania Gaming Control Board which, upon  
13 insertion of a coin, bill, ticket, token or similar  
14 object therein or upon payment of any consideration  
15 whatsoever, including the use of any electronic payment  
16 system except a credit card or debit card, is available  
17 to play or operate, the play or operation of which,  
18 whether by reason of skill or application of the element  
19 of chance or both[, may]:

20 (A) May deliver or entitle the person or persons  
21 playing or operating the contrivance, terminal,  
22 machine or other device to receive cash, billets,  
23 tickets, tokens or electronic credits to be exchanged  
24 for cash or to receive merchandise or anything of  
25 value whatsoever, whether the payoff is made  
26 automatically from the machine or manually. [A slot  
27 machine:

28 (1)] (B) May utilize spinning reels or video  
29 displays or both.

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

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

35 (ii) Associated equipment necessary to conduct the  
36 operation of the contrivance, terminal, machine or other  
37 device.

38 (iii) A skill slot machine, hybrid slot machine and  
39 the devices or associated equipment necessary to conduct  
40 the operation of a skill slot machine or hybrid slot  
41 machine.

42 (iv) A slot machine used in a multistate wide-area  
43 progressive slot machine system and devices and  
44 associated equipment as defined by the Pennsylvania  
45 Gaming Control Board through regulations.

46 (v) A multi-use computing device which is capable of  
47 simulating, either digitally or electronically, a slot  
48 machine.

49 (2) The term does not include a fantasy contest terminal  
50 within the meaning of Chapter 3.

51 \* \* \*

1 "State gaming receipts." Revenues and receipts required by  
2 this part to be paid into the State Gaming Fund, the  
3 Pennsylvania Race Horse Development Trust Fund and the  
4 Pennsylvania Gaming Economic Development and Tourism Fund, and  
5 all rights, existing on the effective date of this section or  
6 coming into existence later, to receive any of those revenues  
7 and receipts.

8 \* \* \*

9 "Subsequent auction." An auction at which a Category 1,  
10 Category 2 and Category 3 slot machine licensee may submit a bid  
11 for a Category 4 license that remains available after an initial  
12 auction.

13 \* \* \*

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

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

29 \* \* \*

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

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

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

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

51 (4) Small games of chance as authorized under the act of



December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.

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

(6) Keno.

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

(8) iLottery under Chapter 5 (relating to lottery).

"Table game device." Includes gaming tables, cards, dice, chips, shufflers, tiles, dominoes, wheels[, drop boxes] or any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the Pennsylvania Gaming Control Board and used to conduct a table game or that is capable, through the use of digital, electronic or other communications technology, of simulating play of a table game.

\* \* \*

"Winning bid." The single highest bid received at an auction.

"Winning bidder." The slot machine licensee or qualified entity with the winning bid.

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

§ 1201. Pennsylvania Gaming Control Board established.

\* \* \*

(h) Qualifications and restrictions.--

\* \* \*

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

\* \* \*

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

§ 1202. General and specific powers.

1 (a) General powers.--

2 (1) The board shall have general and sole regulatory  
3 authority over the conduct of gaming [or] and related  
4 activities as described in this part. The board shall ensure  
5 the integrity of the acquisition and operation of slot  
6 machines, table games, table game devices and associated  
7 equipment and authorized interactive games and interactive  
8 gaming devices and associated equipment and shall have sole  
9 regulatory authority over every aspect of the authorization,  
10 operation and play of slot machines [and], table games and  
11 interactive gaming devices and associated equipment.

12 \* \* \*

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

15 \* \* \*

16 (12.2) At its discretion, to award, revoke, suspend,  
17 condition or deny an interactive gaming certificate or an  
18 interactive gaming license in accordance with Chapter 13B  
19 (relating to interactive gaming).

20 (12.3) At its discretion, to award, revoke, suspend,  
21 condition or deny a casino simulcasting permit in accordance  
22 with Chapter 13F (relating to casino simulcasting).

23 (12.4) At its discretion, to award, revoke, suspend,  
24 condition or deny a sports wagering certificate in accordance  
25 with Chapter 13C (relating to sports wagering).

26 \* \* \*

27 (17) To require prospective and existing employees,  
28 independent contractors, applicants, licensees and permittees  
29 to submit to fingerprinting by the Pennsylvania State Police  
30 or an authorized agent of the Pennsylvania State Police. The  
31 Pennsylvania State Police or an authorized agent of the  
32 Pennsylvania State Police shall submit the fingerprints to  
33 the Federal Bureau of Investigation for purposes of verifying  
34 the identity of the individual and obtaining records of  
35 criminal arrests and convictions.

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

40 \* \* \*

41 (20) In addition to the power of the board regarding  
42 license and permit applicants, to determine at its discretion  
43 the suitability of any person who furnishes or seeks to  
44 furnish to a slot machine licensee directly or indirectly any  
45 goods, services or property related to slot machines, table  
46 games, table game devices or associated equipment,  
47 interactive games and interactive gaming devices and  
48 associated equipment, casino simulcasting technology and  
49 equipment or sports wagering and sports wagering devices or  
50 through any arrangements under which that person receives  
51 payment based directly or indirectly on earnings, profits or

1 receipts from the slot machines, table games, table game  
2 devices and associated equipment[.], interactive games,  
3 interactive gaming devices and associated equipment, casino  
4 simulcasting technology and equipment or sports wagering and  
5 sports wagering devices. The board may require any such  
6 person to comply with the requirements of this part and the  
7 regulations of the board and may prohibit the person from  
8 furnishing the goods, services or property[.] except that, in  
9 determining the suitability of a person who furnishes or  
10 seeks to furnish casino simulcasting technology and  
11 equipment, the board shall consult the commission.

12 \* \* \*

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

29 \* \* \*

30 (27.2) Within six months of the effective date of this  
31 section, to publish on the board's publicly accessible  
32 Internet website a complete list of all slot machine  
33 licensees who filed a petition seeking authorization to  
34 conduct interactive gaming and the status of each petition or  
35 interactive gaming certificate.

36 \* \* \*

37 (35) To review detailed site plans identifying the  
38 interactive gaming restricted area or room where a slot  
39 machine licensee proposes to manage, administer or control  
40 interactive gaming operations to determine the adequacy of  
41 the proposed internal and external security and proposed  
42 surveillance measures.

43 (36) To require each slot machine licensee that holds an  
44 interactive gaming certificate to provide on a quarterly  
45 basis the following information with respect to interactive  
46 gaming:

47 (i) the name of any person, entity or firm to whom  
48 any payment, remuneration or other benefit or thing of  
49 value has been made or conferred for professional  
50 services, including, but not limited to, interactive  
51 gaming system operations or management, legal, consulting

1 and lobbying services;

2 (ii) the amount or value of the payments,  
3 remuneration, benefit or thing of value;

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

6 (iv) the reason or purpose for the procurement of  
7 the services.

8 (37) To review and approve detailed site and  
9 architectural plans identifying the area of a licensed  
10 facility where a slot machine licensee proposes to place slot  
11 machines that are or will be used in a multistate wide-area  
12 progressive slot machine system, skill slot machines or  
13 hybrid slot machines or administer casino simulcasting and  
14 make them available for play in order to determine the  
15 adequacy of proposed internal and external controls, security  
16 and proposed surveillance measures.

17 (38) To conduct auctions under section 1305.2 (relating  
18 to conduct of auctions).

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

21 § 1204. Licensed gaming entity application appeals from board.

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

43 § 1206. Board minutes and records.

44 \* \* \*

45 (f) Confidentiality of information.--

46 (1) The following information submitted by an applicant,  
47 permittee, certificate holder, interactive gaming certificate  
48 holder or licensee pursuant to section 1310(a) (relating to  
49 slot machine license application character requirements)  
50 [or], 1308(a.1) (relating to applications for license or  
51 permit), 13B12 (relating to interactive gaming certificate

1 required and content of petition), 13B14 (relating to  
2 interactive gaming operators), 13C12 (relating to petition  
3 requirements) or 13F12 (relating to casino simulcasting  
4 permit) or obtained by the board or the bureau as part of a  
5 background or other investigation from any source shall be  
6 confidential and withheld from public disclosure:

7 (i) All information relating to character, honesty  
8 and integrity, including family, habits, reputation,  
9 history of criminal activity, business activities,  
10 financial affairs and business, professional and personal  
11 associations submitted under section 1310(a) or 1308(a.1)  
12 or otherwise obtained by the board or the bureau.

13 (ii) Nonpublic personal information, including home  
14 addresses, telephone numbers and other personal contact  
15 information, Social Security numbers, educational  
16 records, memberships, medical records, tax returns and  
17 declarations, actual or proposed compensation, financial  
18 account records, creditworthiness or financial condition  
19 relating to an applicant, licensee [or], permittee,  
20 certificate holder, interactive gaming certificate  
21 holder, interactive gaming operator, casino simulcasting  
22 permit holder or sports wagering certificate holder, or  
23 the immediate family thereof.

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

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

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

43 (vi) Records of an applicant or licensee not  
44 required to be filed with the Securities and Exchange  
45 Commission by issuers that either have securities  
46 registered under section 12 of the Securities Exchange  
47 Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are  
48 required to file reports under section 15(d) of the  
49 Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
50 § 78o).

51 (vii) Records considered nonpublic matters or

1 information by the Securities and Exchange Commission as  
2 provided by 17 CFR 200.80 (relating to commission records  
3 and information).

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

7 \* \* \*

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

11 § 1207. Regulatory authority of board.

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

13 (1) Deny, deny the renewal, revoke, condition or suspend  
14 any license [or], permit, certificate, registration or other  
15 authorization provided for in this part if the board finds in  
16 its sole discretion that a licensee [or], permittee,  
17 registrant, certificate holder, or interactive gaming  
18 certificate holder, under this part, or its officers,  
19 employees or agents, have furnished false or misleading  
20 information to the board or failed to comply with the  
21 provisions of this part or the rules and regulations of the  
22 board and that it would be in the public interest to deny,  
23 deny the renewal, revoke, condition or suspend the license  
24 [or], permit, certificate, registration or other  
25 authorization.

26 \* \* \*

27 (5) Prescribe the procedures to be followed by slot  
28 machine licensees for any financial event that occurs in the  
29 operation and play of slot machines [or], table games,  
30 authorized interactive games, casino simulcasting, multi-use  
31 computing devices or sports wagering.

32 (6) Prescribe criteria and conditions for the operation  
33 of slot machine progressive systems, including multistate  
34 wide-area progressive slot machine systems. A wide area  
35 progressive slot system shall be collectively administered by  
36 participating slot machine licensees in accordance with the  
37 terms of a written agreement executed by each participating  
38 slot machine licensee and, in the case of a multistate wide-  
39 area progressive slot machine system, in accordance with the  
40 multistate agreement, as approved by the board.

41 (6.1) Collaborate with the appropriate regulatory  
42 agencies in other states or jurisdictions to facilitate the  
43 establishment of multistate wide-area progressive slot  
44 machine systems by slot machine licensees in this  
45 Commonwealth and, if determined necessary, enter into the  
46 multistate agreements.

47 \* \* \*

48 (7.2) Enforce prescribed hours for the operation of  
49 authorized interactive games so that an interactive gaming  
50 certificate holder or interactive gaming operator may conduct  
51 authorized interactive games on any day during the year in

1 order to meet the needs of registered players or to meet  
2 competition.

3 (7.3) In consultation with the commission, enforce  
4 prescribed hours of operation of casino simulcasting by slot  
5 machine licensees.

6 (8) Require that each licensed gaming entity prohibit  
7 persons under 21 years of age from operating or using slot  
8 machines [or], playing table games or participating in  
9 interactive gaming, casino simulcasting and sports wagering.

10 (9) Establish procedures for the inspection and  
11 certification of compliance of each slot machine, table game,  
12 table game device and associated equipment, interactive game  
13 and interactive gaming device and associated equipment,  
14 casino simulcasting technology and equipment and sports  
15 wagering and sports wagering devices prior to being placed  
16 into use by a slot machine licensee. The board shall  
17 collaborate with the commission to facilitate the inspection  
18 and certification of casino simulcasting technology and  
19 equipment.

20 (10) [Require] Subject to paragraph (10.1), require that  
21 no slot machine or authorized interactive game that  
22 replicates the play of a slot machine, other than a slot  
23 machine or authorized interactive game that replicates the  
24 play of a slot machine that is used in a multistate wide-area  
25 progressive slot machine system, may be set to pay out less  
26 than the theoretical payout percentage, which shall be no  
27 less than 85%, as specifically approved by the board. The  
28 board shall adopt regulations that define the theoretical  
29 payout percentage [of a slot machine game] based on the total  
30 value of the jackpots expected to be paid by a play or a slot  
31 machine game or an authorized interactive game that  
32 replicates the play of a slot machine divided by the total  
33 value [of slot machine] wagers expected to be made on that  
34 play or slot machine game or an authorized interactive game  
35 that replicates the play of a slot machine during the same  
36 portion of the game cycle. In so doing, the board shall  
37 decide whether the calculation shall include the entire cycle  
38 of a slot machine game or an authorized interactive game that  
39 replicates the play of a slot machine or any portion thereof.  
40 Subject to paragraph (10.1), in the case of a slot machine  
41 that is used in a multistate wide-area progressive slot  
42 machine system, the theoretical payout percentage shall be as  
43 set forth in the multistate agreement.

44 (10.1) For each of the following, define the player's  
45 win percentage based on the relative skill of the player or  
46 the combination of skill and the elements of chance of the  
47 game:

48 (i) A skill slot machine or an authorized  
49 interactive game that replicates the play of a skill slot  
50 machine. For a skill slot machine or authorized  
51 interactive game that replicates the play of a skill slot

1 machine that is used in a multistate wide-area  
2 progressive slot machine system, the player's win  
3 percentage shall be as set forth in the multistate  
4 agreement.

5 (ii) A hybrid slot machine or an authorized  
6 interactive game that replicates the play of a hybrid  
7 slot machine. For a hybrid slot machine or an authorized  
8 interactive game that replicates the play of a hybrid  
9 slot machine that is used in a multistate wide-area  
10 progressive slot machine system, the player's win  
11 percentage shall be set forth in the multistate  
12 agreement.

13 \* \* \*

14 (21) Authorize, in its discretion, a slot machine  
15 licensee to conduct slot machine contests or tournaments,  
16 table game contests or tournaments in accordance with section  
17 13A22.1 (relating to table game tournaments) or interactive  
18 gaming contests or tournaments and adopt regulations  
19 governing the conduct of such contests and tournaments.

20 (21.1) Authorize, at its discretion, a slot machine  
21 licensee to place slot machines that are used in a multistate  
22 wide-area progressive slot machine system, skill slot  
23 machines or hybrid slot machines and make them available for  
24 play at licensed facilities.

25 (21.2) Adopt and promulgate regulations to govern the  
26 operation and placement of skill slot machines and hybrid  
27 slot machines by slot machine licensees at licensed  
28 facilities in the same manner as provided in section 13B03  
29 (relating to regulations).

30 (22) License, regulate, investigate and take any other  
31 action determined necessary regarding all aspects of  
32 interactive gaming, casino simulcasting and sports wagering.

33 (23) Define and limit the rules of authorized  
34 interactive games, including odds, interactive gaming devices  
35 and associated equipment permitted and the method of  
36 operation of authorized interactive games and interactive  
37 gaming devices and associated equipment.

38 (24) Require, as applicable, that all wagering offered  
39 through an interactive gaming website display the permissible  
40 minimum and maximum wagers associated with each authorized  
41 interactive game.

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

47 (26) Negotiate and enter into interactive gaming  
48 reciprocal agreements on behalf of the Commonwealth to govern  
49 the conduct of interactive gaming between interactive gaming  
50 certificate holders in this Commonwealth and gaming entities  
51 in other states or jurisdictions. Notwithstanding any



1 provision of this part, wagers may be accepted in accordance  
2 with this part and regulations of the board from persons in  
3 other states or jurisdictions and wagers from persons in this  
4 Commonwealth may be made through an interactive gaming  
5 platform to a state or jurisdiction with which the  
6 Commonwealth has an interactive gaming reciprocal agreement  
7 if the board determines that such wagering is not  
8 inconsistent with Federal law or the law of the state or  
9 jurisdiction in which the person or gaming entity is located,  
10 or such wagering is conducted pursuant to an interactive  
11 gaming reciprocal agreement to which this Commonwealth is a  
12 party that is not inconsistent with Federal law. The board,  
13 with the approval of the Governor, is hereby designated as  
14 the agency of the Commonwealth with the power and authority  
15 to enter into interactive gaming reciprocal agreements with  
16 other states or jurisdictions.

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

20 (28) Authorize a Category 2 or Category 3 slot machine  
21 licensee to enter into an agreement with a Category 1 slot  
22 machine licensee for the conduct of casino simulcasting under  
23 the Category 1 slot machine licensee's authority as a  
24 licensed racing entity, if such agreement is approved by the  
25 board and by the commission, pursuant to the commission's  
26 authority under 3 Pa.C.S. Ch. 93.

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

31 (30) Adopt and promulgate regulations to govern the  
32 installation of video display technology in approved areas of  
33 a Category 1 licensed facility to enable the delivery of  
34 simulcast horse race meetings to patrons through video walls  
35 and other such video display technology. The board may  
36 consult with the commission to facilitate the installation of  
37 video display monitors in accordance with this paragraph and  
38 to facilitate the conduct of casino simulcasting under  
39 paragraph (28).

40 Section 7.1. Section 1208 of Title 4 is amended by adding a  
41 paragraph to read:

42 § 1208. Collection of fees and fines.

43 The board has the following powers and duties:

44 \* \* \*

45 (1.1) To collect the proceeds of auctions under section  
46 1305.2 (relating to conduct of auctions).

47 \* \* \*

48 Section 8. Sections 1209(a) and (b) and 1210 of Title 4 are  
49 amended to read:

50 § 1209. Slot machine license fee.

51 (a) Imposition.--Except as provided for a Category 3

1 licensed gaming entity under section 1305 (relating to Category  
2 3 slot machine license) or a Category 4 slot machine licensee  
3 under section 1305.1 (relating to Category 4 slot machine  
4 license) and subject to the requirements of this section, at the  
5 time of license issuance the board shall impose a one-time slot  
6 machine license fee to be paid by each successful applicant for  
7 a conditional Category 1, a Category 1 or a Category 2 license  
8 in the amount of \$50,000,000 and deposited in the State Gaming  
9 Fund. No fee shall be imposed by the board for a Category 1  
10 license if the applicant has paid a \$50,000,000 fee for a  
11 conditional Category 1 license.

12 (b) Term.--A slot machine license, after payment of the fee,  
13 shall be in effect unless suspended, revoked or not renewed by  
14 the board upon good cause consistent with the license  
15 requirements as provided for in this part. Slot machine  
16 licensees shall be required to update the information in their  
17 initial applications annually, and the license of a licensee in  
18 good standing shall be renewed every [three] five years. Nothing  
19 in this subsection shall relieve a licensee of the affirmative  
20 duty to notify the board of any changes relating to the status  
21 of its license or to any other information contained in the  
22 application materials on file with the board. As to the renewal  
23 of a license, except as required in subsection (f)(3), no  
24 additional license fee pursuant to subsection (a) shall be  
25 required.

26 \* \* \*

27 § 1210. Number of slot machines.

28 (a) Initial complement.--Except as provided for Category 3  
29 slot machine licensees under section 1305 (relating to Category  
30 3 slot machine license) or a Category 4 slot machine licensee  
31 under section 1305.1 (relating to Category 4 slot machine  
32 license), the following apply:

33 (1) All slot machine licensees shall be permitted to  
34 operate up to 3,000 slot machines at any one licensed  
35 facility.

36 (2) Each slot machine licensee shall be required to  
37 operate and make available to play a minimum of 1,500 slot  
38 machines at its licensed facility within one year of the  
39 issuance by the board of a slot machine license to the slot  
40 machine licensee. The board, upon application and for good  
41 cause shown, may grant an extension for an additional period  
42 ending on the later of 36 months from the end of the initial  
43 one-year period or December 31, 2012.

44 (3) A Category 1 or Category 2 slot machine licensee  
45 that is also a Category 4 slot machine licensee may, upon  
46 notification and receipt of approval from the board, install  
47 and operate slot machines from the initial complement  
48 authorized under subsection (a)(1) subject to the limitation  
49 under section 1305.1(d)(1) at the licensee's Category 4  
50 licensed facility.

51 (b) Additional slot machines.--Except as provided for

1 Category 3 slot machine licensees under section 1305, six months  
2 following the date of commencement of slot machine operations,  
3 the board may permit a slot machine licensee to install and  
4 operate up to 2,000 additional slot machines at its licensed  
5 facility, beyond those machines permitted under subsection (a),  
6 upon application by the slot machine licensee. The board, in  
7 considering such an application, shall take into account the  
8 appropriateness of the physical space where the additional slot  
9 machines will be located and the convenience of the public  
10 attending the facility. The board may also take into account the  
11 potential benefit to economic development, employment and  
12 tourism, enhanced revenues to the Commonwealth and other  
13 economic indicators it deems applicable in making its decision.  
14 Subject to the limitation under section 1305.1(d), slot machines  
15 approved under this subsection may be installed and operated at  
16 a Category 4 licensed facility.

17 Section 9. Section 1211 of Title 4 is amended by adding  
18 subsections to read:

19 § 1211. Reports of board.

20 \* \* \*

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

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

25 (i) Total gross interactive gaming revenue.

26 (ii) The number and win by type of authorized  
27 interactive game at each licensed facility conducting  
28 interactive gaming during the previous year.

29 (iii) All taxes, fees, fines and other revenue  
30 collected and, where appropriate, revenue disbursed  
31 during the previous year related to interactive gaming  
32 activities. The department shall collaborate with the  
33 board to carry out the requirements of this subparagraph.

34 (2) The board may require interactive gaming certificate  
35 holders and interactive gaming operators to provide  
36 information to the board to assist in the preparation of the  
37 report.

38 \* \* \*

39 (d.1) Impact of interactive gaming.--

40 (1) Commencing one year after the issuance of the first  
41 interactive gaming certificate and continuing annually  
42 thereafter, the Department of Drug and Alcohol Programs or  
43 successor agency shall prepare and distribute a report to the  
44 Governor and the standing committees of the General Assembly  
45 with jurisdiction over the board on the impact of interactive  
46 gaming on compulsive and problem gambling and gambling  
47 addiction in this Commonwealth. The report shall be prepared  
48 by a private organization or entity with expertise in serving  
49 and treating the needs of persons with compulsive gambling  
50 addictions, which organization or entity shall be selected by  
51 the Department of Drug and Alcohol Programs or successor

1 agency. The report may be prepared and distributed in  
2 coordination with the board. Any costs associated with the  
3 preparation and distribution of the report shall be borne by  
4 all interactive gaming certificate holders. The board shall  
5 be authorized to assess a fee against each interactive gaming  
6 certificate holder for these purposes.

7 (2) Commencing one year after the issuance of the first  
8 interactive gaming certificate and continuing annually  
9 thereafter, the board shall prepare and distribute a report  
10 to the Governor and the standing committees of the General  
11 Assembly with the jurisdiction over the board on the impact  
12 of interactive gaming on licensed gaming entities in this  
13 Commonwealth.

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

15 (1) One year after the commencement of casino  
16 simulcasting in accordance with Chapter 13F (relating to  
17 casino simulcasting), the operation of skill slot machines,  
18 hybrid slot machines and the operation of a multistate wide-  
19 area slot machine system, the report required under  
20 subsection (a) shall include information related to the  
21 following:

22 (i) The conduct of casino simulcasting.

23 (ii) The operation of skill slot machines and hybrid  
24 slot machines.

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

27 (2) Information on revenue, taxes, fees and fines, if  
28 any, collected during the preceding calendar year and any  
29 other information, data or recommendations related to the  
30 conduct of casino simulcasting and the operation of the  
31 multistate wide-area progressive slot machine system, skill  
32 slot machines and hybrid slot machines as determined by the  
33 board.

34 (d.3) Study.--The board shall study and annually report to  
35 the standing committees of the General Assembly with  
36 jurisdiction over the board on developments in gaming technology  
37 and the impact, if any, new technologies and expansion of gaming  
38 are having or are expected to have on the sustainability and  
39 competitiveness of the gaming industry in this Commonwealth. The  
40 initial report shall be due one year after the effective date of  
41 this subsection. Each report shall specifically address the  
42 following:

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

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

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

50 (4) Any legislative or administrative concerns regarding  
51 traditional, new or emerging gaming technologies with

1 recommendations regarding resolution of such concerns.

2 (5) Any cannibalization from Category 4 slot machine  
3 licensees on Category 1, Category 2 or Category 3 slot  
4 machine licensees.

5 \* \* \*

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

8 § 1212. Diversity goals of board.

9 \* \* \*

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

14 \* \* \*

15 (9) Technology related to interactive gaming and  
16 interactive gaming devices and associated equipment.

17 (10) Technology related to casino simulcasting.

18 (11) Technology related to sports wagering.

19 Section 11. Sections 1301 and 1302(a)(4) of Title 4 are  
20 amended to read:

21 § 1301. Authorized slot machine licenses.

22 [There] Except as provided under section 1305.1 (relating to  
23 Category 4 slot machine license), there shall be three distinct  
24 classifications of slot machine licenses, designated by  
25 category, each permitting a licensed racing entity or person to  
26 apply for a qualifying license category and, upon issuance by  
27 the board in its discretion, to place and operate slot machines  
28 at a licensed facility. Except for conditional Category 1  
29 license applications pursuant to section 1315 (relating to  
30 conditional Category 1 licenses), it is mandatory that the board  
31 shall consider, approve, condition or deny the approval of all  
32 initial applications for each and every category of slot machine  
33 licenses collectively and together, in a comprehensive Statewide  
34 manner, within 12 months following the time set by the board at  
35 which all applications are to be filed and deemed complete by  
36 the board. The board shall approve, condition or deny the  
37 issuance of a slot machine license of any category within the  
38 time period provided for herein. Following approval of an  
39 application for a slot machine license, the applicant shall  
40 provide formal notification to the board as soon as:

41 (1) it fulfills all required conditions for issuance of  
42 the license; and

43 (2) the board's decision approving the application is a  
44 final, binding, nonappealable determination which is not  
45 subject to a pending legal challenge.

46 Upon receipt of such formal notification and upon conducting any  
47 necessary verification, the board shall issue a slot machine  
48 license to the applicant.

49 § 1302. Category 1 slot machine license.

50 (a) Eligibility.--A person may be eligible to apply for a  
51 Category 1 license to place and operate slot machines at a

1 licensed racetrack facility if the person:

2 \* \* \*

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

10 \* \* \*

11 Section 12. Section 1305(a) is amended by adding a paragraph  
12 and the section is amended by adding subsections to read:

13 § 1305. Category 3 slot machine license.

14 (a) Eligibility.--

15 \* \* \*

16 (1.2) The requirements under paragraph (1)(i), (ii) and  
17 (iii) and the membership fee required under paragraphs (1)  
18 (iv) and (1.1) shall not apply to the licensed facility if  
19 the Category 3 slot machine licensee makes notification to  
20 the board and a payment of \$1,000,000 to the department for  
21 deposit into the General Fund.

22 \* \* \*

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

24 (1) Upon submission by a Category 3 slot machine  
25 licensee of a petition to the board, in such form and manner  
26 as the board may require, the board may authorize the  
27 Category 3 slot machine licensee to increase the number of  
28 slot machines at the Category 3 slot machine licensee's  
29 licensed facility.

30 (2) An increase in the number of slot machines by a  
31 Category 3 slot machine licensee under paragraph (1) may not  
32 exceed 250 additional slot machines, which shall be in  
33 addition to the number of permissible slot machines  
34 authorized under subsection (c).

35 \* \* \*

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

42 \* \* \*

43 Section 12.1. Title 4 is amended by adding sections to read:  
44 § 1305.1. Category 4 slot machine license.

45 (a) Eligibility.--The following apply:

46 (1) A slot machine licensee may submit a bid if:

47 (i) the slot machine licensee's license and table  
48 game operation certificate are in good standing with the  
49 board; and

50 (ii) the slot machine licensee agrees to locate a  
51 Category 4 licensed facility as provided under subsection

1       (b).  
2       (2) A winning bidder of an auction under section  
3 1305.2(a) (relating to conduct of auctions) shall be  
4 ineligible to participate in an auction until an auction is  
5 conducted under section 1305.2(b) and (b.1).

6       (a.1) Municipal option.--

7       (1) Prior to the commencement of an auction under  
8 section 1305.2, each municipality shall have the option to  
9 prohibit the location of a Category 4 licensed facility  
10 within the municipality by delivering a resolution of the  
11 municipality's governing body to the board no later than  
12 December 31, 2017. No Category 4 licensed facility may be  
13 located in a municipality which has exercised its option  
14 under this paragraph.

15       (2) A municipality that prohibits the location of a  
16 Category 4 licensed facility within the municipality under  
17 subsection (a) may rescind that prohibition at any time by  
18 delivering a new resolution of the municipality's governing  
19 body to the board. A municipality that rescinds its prior  
20 prohibition according to this subsection may not subsequently  
21 prohibit the location of a Category 4 licensed facility in  
22 the municipality.

23       (b) Location.--The following shall apply:

24       (1) Ten Category 4 licensed facilities may be located in  
25 this Commonwealth.

26       (2) A winning bidder's Category 4 location may not be  
27 within 25 linear miles of another Category 1, Category 2 or  
28 Category 3 licensed facility but may be within 25 linear  
29 miles of the winning bidder's licensed facility.

30       (3) After a winning bidder selects a Category 4 location  
31 under section 1305.2(c)(9), the selected Category 4 location  
32 is reserved and another Category 4 location may not be  
33 located within that Category 4 location.

34       (4) If the winning bidder applying for a Category 4 slot  
35 machine license proposes to place the licensed facility upon  
36 land designated a subzone, an expansion subzone or an  
37 improvement subzone under the act of October 6, 1998  
38 (P.L.705, No.92), known as the Keystone Opportunity Zone,  
39 Keystone Opportunity Expansion Zone and Keystone Opportunity  
40 Improvement Zone Act, and the application is subsequently  
41 approved by the board, the winning bidder shall submit a  
42 statement waiving the exemptions, deductions, abatements or  
43 credits granted under the Keystone Opportunity Zone, Keystone  
44 Opportunity Expansion Zone and Keystone Opportunity  
45 Improvement Zone Act.

46       (5) Within five days of approving a Category 4 slot  
47 machine license for a proposed Category 4 licensed facility  
48 consisting of land designated a subzone, an expansion subzone  
49 or an improvement subzone under the Keystone Opportunity  
50 Zone, Keystone Opportunity Expansion Zone and Keystone  
51 Opportunity Improvement Zone Act for a Category 4 slot

1 machine license under this section, the board shall notify  
2 the Department of Community and Economic Development. The  
3 notice shall include a description of the land where the  
4 proposed Category 4 licensed facility would be situated which  
5 is designated a subzone, an expansion subzone or an  
6 improvement subzone. Within five days of receiving the notice  
7 required by this paragraph, the Secretary of Community and  
8 Economic Development shall decertify the land as being a  
9 subzone, an expansion subzone or an improvement subzone. Upon  
10 decertification in accordance with this paragraph and  
11 notwithstanding Chapter 3 of the Keystone Opportunity Zone,  
12 Keystone Opportunity Expansion Zone and Keystone Opportunity  
13 Improvement Zone Act, a political subdivision may amend an  
14 ordinance, resolution or other required action which granted  
15 the exemptions, deductions, abatements or credits required by  
16 the Keystone Opportunity Zone, Keystone Opportunity Expansion  
17 Zone and Keystone Opportunity Improvement Zone Act to repeal  
18 the exemptions, deductions, abatements or credits for the  
19 decertified land.

20 (6) A Category 4 slot machine license may not be located  
21 in a county hosting a Category 3 licensed facility.

22 (7) A Category 4 slot machine license may not be located  
23 in a sixth class county which is contiguous to a county that  
24 hosts a Category 2 licensed facility.

25 (c) Conduct of gaming.--A Category 4 slot machine licensee  
26 shall have the authority to install and make slot machines  
27 available for play at a Category 4 licensed facility. The holder  
28 of a table game certificate that is a Category 4 slot machine  
29 licensee may install and make table games available for play at  
30 a Category 4 licensed facility.

31 (d) Number of slot machines.--The following apply:

32 (1) Subject to paragraphs (2) and (3), a Category 4 slot  
33 machine licensee may operate not fewer than 300 and not more  
34 than 750 slot machines at the Category 4 licensed facility.

35 (2) A Category 1 or Category 2 slot machine licensee who  
36 is a Category 4 slot machine licensee may not operate slot  
37 machines above the authorized complement under section 1210  
38 (relating to number of slot machines).

39 (3) (i) A Category 3 slot machine licensee who is a  
40 Category 4 slot machine licensee may submit a petition to  
41 operate slot machines above the Category 3 authorized  
42 complement under section 1305 (relating to Category 3  
43 slot machine license).

44 (ii) No later than 60 days after the board approves  
45 a petition to operate slot machines above the Category 3  
46 authorized complement in accordance with subparagraph  
47 (i), the Category 3 slot machine licensee shall pay a  
48 nonrefundable authorization fee in the amount of \$10,000  
49 per authorized additional slot machine.

50 (iii) A qualified entity who is a Category 4 slot  
51 machine licensee shall submit to the board a petition to



1 operate slot machines not to exceed the limit under  
2 paragraph (1). No later than 60 days after the board  
3 approves a petition to operate slot machines at a  
4 Category 4 licensed facility, the qualified entity must  
5 pay a nonrefundable authorization fee in the amount of  
6 \$10,000 per authorized slot machine.

7 (4) A slot machine licensee may not reduce the number of  
8 slot machines and table games in operation at a Category 1,  
9 Category 2 or Category 3 licensed facility, as of the  
10 effective date of this section, unless the board approves of  
11 a reduction and the reduction is not a result of the conduct  
12 of gaming at a Category 4 licensed facility.

13 (e) License fee.--

14 (1) The license fee for a Category 4 slot machine  
15 license shall be determined pursuant to an auction under  
16 section 1305.2.

17 (2) An additional license fee for a Category 4 slot  
18 machine license shall not be required.

19 (3) The provisions of section 1209(c) (relating to slot  
20 machine license fee) shall not apply to a Category 4 license.

21 (f) Temporary facilities.--The board, in its discretion and  
22 upon application or petition, may permit the use of a temporary  
23 facility within which slot machines and table games may be made  
24 available for play or operation at a Category 4 licensed  
25 facility, for a period not to exceed 18 months.

26 (g) Pennsylvania State Police.--Notwithstanding section 1517  
27 (relating to investigations and enforcement), the board may not  
28 require the Pennsylvania State Police to have an office located  
29 within a Category 4 licensed facility.

30 § 1305.2. Conduct of auctions.

31 (a) Initial auctions.--

32 (1) Beginning no later than January 15, 2018, and  
33 concluding by July 31, 2018, the board shall conduct initial  
34 auctions for the 10 available Category 4 slot machine  
35 licenses.

36 (2) The board shall set the date, time and location of  
37 the initial auctions at least three weeks prior to the  
38 initial auction and make the auction information available on  
39 the board's publicly accessible Internet website.

40 (b) Subsequent auctions.--

41 (1) If a winning bid is not awarded at an initial  
42 auction conducted under subsection (a), the board shall  
43 conduct subsequent auctions.

44 (2) A Category 1 or Category 2 slot machine licensee  
45 that submitted a winning bid in an initial auction shall be  
46 eligible to submit a bid in all subsequent auctions.

47 (3) Except as provided under subsection (c) (10) (ii),  
48 (11), (12) and (13), the board shall complete all subsequent  
49 auctions no later than August 31, 2018.

50 (b.1) Additional auctions.--If a subsequent auction fails to  
51 generate any bids, the board, in its discretion, may determine

1 if it is in the best interests of the Commonwealth whether to  
2 conduct additional auctions at which any Category 1, Category 2  
3 or Category 3 slot machine licensee, or other qualified entity,  
4 may bid. If the board intends to conduct additional auctions,  
5 the board shall first establish criteria and procedures for the  
6 qualification of entities to bid and apply for a Category 4  
7 license.

8 (c) Auction procedures.--The following shall apply to the  
9 auctions conducted by the board:

10 (1) Auctions shall be conducted using a competitive  
11 bidding process.

12 (2) The board shall adopt procedures to prevent bid  
13 rigging and collusion among bidders and establish auction  
14 conditions, processes or procedures. The procedures shall not  
15 be subject to review under section 205 of the act of July 31,  
16 1968 (P.L.769, No.240), referred to as the Commonwealth  
17 Documents Law, sections 204(b) and 301(10) of the act of  
18 October 15, 1980 (P.L.950, No.164), known as the Commonwealth  
19 Attorneys Act, or the act of June 25, 1982 (P.L.633, No.181),  
20 known as the Regulatory Review Act.

21 (3) The board shall require each prospective bidder to  
22 submit a bond or letter of credit in the amount of the  
23 minimum bid under paragraph (5).

24 (4) Each auction shall be conducted separately.

25 (5) The minimum bid shall be \$7,500,000. In no case may  
26 the board accept a bid that is less than \$7,500,000.

27 (6) If the auction does not result in a winning bid, the  
28 highest bidders shall have one hour to submit a final and  
29 best bid to the board at the same public meeting. If the  
30 submission of the final bids does not result in a winning  
31 bid, the highest bidders shall continue to submit final bids,  
32 in an amount not less than or equal to a prior bid  
33 submission, until a winning bid is received.

34 (7) The winning bidder shall pay to the board the bid  
35 amount within two business days following the auction.  
36 Payment shall be by cashier's check, certified check or any  
37 other method acceptable to the board.

38 (8) If the winning bidder does not pay the bid amount  
39 within the time period required under paragraph (7), the  
40 second highest bidder shall be awarded the right to select a  
41 Category 4 location and apply for the Category 4 slot machine  
42 license, so long as the second highest bidder's bid amount  
43 meets the requirements of paragraph (5). If the second  
44 highest bidder declines the award or is ineligible to win,  
45 the board shall conduct another auction.

46 (9) Upon winning an auction, the winning bidder at the  
47 public meeting shall select the Category 4 location at which  
48 it intends to operate the Category 4 licensed facility. The  
49 board shall post the Category 4 location selection on its  
50 publicly accessible Internet website. The selected Category 4  
51 location may not be selected by a subsequent winning bidder.

1       (10) (i) The winning bidder shall submit an application  
2       for the Category 4 slot machine license within six months  
3       of the payment of the winning bid amount. The board may,  
4       in its discretion, extend this deadline for a period not  
5       to exceed two additional months.

6       (ii) Failure of the winning bidder to submit an  
7       application within the time under subparagraph (i) shall  
8       result in forfeiture of the bidder's right to apply for  
9       the license and forfeiture of the winning bid amount. The  
10       board shall conduct another auction at a time determined  
11       by the board.

12       (11) Issuance of a Category 4 slot machine license by  
13       the board to a winning bidder shall be contingent upon the  
14       bidder's ability to meet the requirements of this part.

15       (12) In the event the board denies the application for  
16       the Category 4 slot machine license filed by the winning  
17       bidder, the winning bidder shall be entitled to a return of  
18       75% of the winning bid amount the winning bidder submitted  
19       under paragraph (7). A refund under this paragraph shall be  
20       paid from the General Fund. The board shall conduct another  
21       auction at a time determined by the board.

22       (13) If the board approves the application for the  
23       Category 4 slot machine license filed by the winning bidder  
24       and the applicant fails to open and operate the Category 4  
25       licensed facility, the bid amount submitted under paragraph  
26       (7) is forfeited. The board shall conduct another auction at  
27       a time determined by the board.

28       (d) Deposit of fees.--Notwithstanding section 1209 (relating  
29       to slot machine license fee), all Category 4 slot machine  
30       license auction fees and authorization fees shall be deposited  
31       into the General Fund.

32       Section 12.2. Section 1307 of Title 4 is amended to read:  
33       § 1307. Number of slot machine licenses.

34       (a) Category 1, Category 2 and Category 3 licenses.--The  
35       board may license no more than seven Category 1 licensed  
36       facilities and no more than five Category 2 licensed facilities,  
37       as it may deem appropriate, as long as two, and not more,  
38       Category 2 licensed facilities are located by the board within  
39       the city of the first class and that one, and not more, Category  
40       2 licensed facility is located by the board within the city of  
41       the second class. The board may at its discretion increase the  
42       total number of Category 2 licensed facilities permitted to be  
43       licensed by the board by an amount not to exceed the total  
44       number of Category 1 licenses not applied for within five years  
45       following the effective date of this part. Except as permitted  
46       by section 1328 (relating to change in ownership or control of  
47       slot machine licensee), any Category 1 license may be reissued  
48       by the board at its discretion as a Category 2 license if an  
49       application for issuance of such license has not been made to  
50       the board. The board may license no more than [three] two  
51       Category 3 licensed facilities.

1     (b) Category 4 licenses.--The board may license no more than  
2     10 Category 4 licensed facilities. The board shall conduct  
3     auctions in accordance with section 1305.2 (relating to conduct  
4     of auctions).

5     Section 13. Section 1309(a.1) heading of Title 4 is amended  
6     and the subsection is amended by adding a paragraph to read:  
7     § 1309. Slot machine license application.

8     \* \* \*

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

10     \* \* \*

11     (3) The board may permit an applicant for a slot machine  
12     license that has an application under paragraph (1) or (2)  
13     pending before the board to supplement its application with  
14     all information required under Chapter 13B (relating to  
15     interactive gaming) and to request that the board consider  
16     its application for a slot machine license, a table game  
17     operation certificate and an interactive gaming certificate  
18     concurrently. All fees for an interactive gaming certificate  
19     shall be paid by the applicant in accordance with the  
20     requirements of this part.

21     \* \* \*

22     Section 13.1. Section 1313(e) of Title 4 is amended to read:  
23     § 1313. Slot machine license application financial fitness  
24     requirements.

25     \* \* \*

26     (e) Applicant's operational viability.--In assessing the  
27     financial viability of the proposed licensed facility, the board  
28     shall make a finding, after review of the application, that the  
29     applicant is likely to maintain a financially successful, viable  
30     and efficient business operation and will likely be able to  
31     maintain a steady level of growth of revenue to the Commonwealth  
32     pursuant to section 1403 (relating to establishment of State  
33     Gaming Fund and net slot machine revenue distribution).  
34     Notwithstanding any provision of this part to the contrary, an  
35     applicant that includes a commitment or promise to pay a slot  
36     machine license fee in excess of the amount provided in section  
37     1209 or a distribution of terminal revenue in excess of the  
38     amounts provided in sections 1403, 1405 (relating to  
39     Pennsylvania Race Horse Development Trust Fund) and 1407  
40     (relating to Pennsylvania Gaming Economic Development and  
41     Tourism Fund) shall not be deemed a financially successful,  
42     viable or efficient business operation and shall not be approved  
43     for a slot machine license.

44     \* \* \*

45     Section 14. Section 1317(a), (c) and (d) of Title 4 are  
46     amended and the section is amended by adding subsections to  
47     read:

48     § 1317. Supplier licenses.

49     (a) Application.--A manufacturer that elects to contract  
50     with a supplier under section 1317.1(d.1) (relating to  
51     manufacturer licenses) shall ensure that the supplier is

1 appropriately licensed under this section. A person seeking to  
2 provide slot machines, table game devices or associated  
3 equipment, interactive gaming devices or associated equipment or  
4 multi-use computing devices to a slot machine licensee, an  
5 interactive gaming certificate holder or an interactive gaming  
6 operator within this Commonwealth through a contract with a  
7 licensed manufacturer shall apply to the board for the  
8 appropriate supplier license.

9 \* \* \*

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

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

22 (2) The license shall be nontransferable.

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

24 \* \* \*

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

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

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

48 (d) Renewal.--

49 (1) [Two] Six months prior to expiration of a supplier  
50 license, the supplier licensee seeking renewal of its license  
51 shall submit a renewal application accompanied by the renewal

1 fee to the board.

2 (2) If the renewal application satisfies the  
3 requirements of subsection (b), the board may renew the  
4 licensee's supplier license.

5 (3) If the board receives a complete renewal application  
6 but fails to act upon the renewal application prior to the  
7 expiration of the supplier license, the supplier license  
8 shall continue in effect [for an additional six-month period  
9 or] until acted upon by the board[, whichever occurs first].

10 \* \* \*

11 Section 14.1. Section 1317.1 of Title 4 is amended to read:  
12 § 1317.1. Manufacturer licenses.

13 (a) Application.--A person seeking to manufacture slot  
14 machines, table game devices and associated equipment or  
15 interactive gaming devices and associated equipment for use in  
16 this Commonwealth shall apply to the board for a manufacturer  
17 license.

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

21 (1) The name and business address of the applicant and  
22 the applicant's affiliates, intermediaries, subsidiaries and  
23 holding companies; the principals and key employees of each  
24 business; and a list of employees and their positions within  
25 each business, as well as any financial information required  
26 by the board.

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

30 (3) The consent to a background investigation of the  
31 applicant, its principals and key employees or other persons  
32 required by the board and a release to obtain any and all  
33 information necessary for the completion of the background  
34 investigation.

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

40 (5) The type of slot machines, table game devices or  
41 associated equipment or interactive gaming devices or  
42 associated equipment to be manufactured or repaired.

43 (6) Any other information determined by the board to be  
44 appropriate.

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

49 (1) The [initial license shall be for a period of one  
50 year, and, if renewed under subsection (d), the] license  
51 shall be issued for a period of [three] five years and shall

1 be renewed in accordance with subsection (d). Nothing in this  
2 paragraph shall relieve the licensee of the affirmative duty  
3 to notify the board of any changes relating to the status of  
4 its license or to any other information contained in  
5 application materials on file with the board.

6 (2) The license shall be nontransferable.

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

8 (c.1) Abbreviated process.--In the event an applicant for a  
9 manufacturer license to manufacture table game devices or  
10 associated equipment used in connection with table games is  
11 licensed by the board under this section to manufacture slot  
12 machines or associated equipment used in connection with slot  
13 machines, the board may determine to use an abbreviated process  
14 requiring only that information determined by the board to be  
15 necessary to consider the issuance of a license to manufacture  
16 table game devices or associated equipment used in connection  
17 with table games, including financial viability of the  
18 applicant. Nothing in this section shall be construed to waive  
19 any fees associated with obtaining a license, certificate or  
20 permit through the normal application process. The board may  
21 only use the abbreviated process if all of the following apply:

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

26 (2) The person to whom the manufacturer license was  
27 issued affirms there has been no material change in  
28 circumstances relating to the license.

29 (3) The board determines, in its sole discretion, that  
30 there has been no material change in circumstances relating  
31 to the licensee that necessitates that the abbreviated  
32 process not be used.

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

34 (1) Notwithstanding subsection (c.1)(1) or any  
35 regulations of the board to the contrary, the board may  
36 extend the use of the abbreviated process authorized under  
37 subsection (c.1) to an applicant for a manufacturer license  
38 to manufacture slot machines used in multistate wide-area  
39 progressive slot machine systems, skill slot machines, hybrid  
40 slot machines or associated equipment used in connection with  
41 multistate wide-area progressive slot machine systems, skill  
42 slot machines or hybrid slot machines or interactive gaming  
43 devices or associated equipment used in connection with  
44 interactive gaming, if the applicant holds a valid  
45 manufacturer license issued by the board to manufacturer slot  
46 machines or associated equipment or table games or table game  
47 devices or associated equipment. The requirements of  
48 subsection (c.1) (2) and (3) shall apply to this subsection.

49 (2) An applicant for a manufacturer license to  
50 manufacture slot machines used in a multistate wide-area  
51 progressive system, skill or hybrid slot machines or

1 associated equipment or interactive gaming devices or  
2 associated equipment shall be subject to the applicable  
3 provisions of this part.

4 (d) Renewal.--

5 (1) [Two] Six months prior to expiration of a  
6 manufacturer license, the manufacturer licensee seeking  
7 renewal of its license shall submit a renewal application  
8 accompanied by the renewal fee to the board.

9 (2) If the renewal application satisfies the  
10 requirements of subsection (b), the board may renew the  
11 licensee's manufacturer license.

12 (3) If the board receives a complete renewal application  
13 but fails to act upon the renewal application prior to the  
14 expiration of the manufacturer license, the manufacturer  
15 license shall continue in effect [for an additional six-month  
16 period or] until acted upon by the board[, whichever occurs  
17 first].

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

20 (1) A manufacturer or its designee, as licensed by the  
21 board, may supply or repair any slot machine, table game  
22 device or associated equipment or interactive gaming device  
23 or associated equipment manufactured by the manufacturer,  
24 provided the manufacturer holds the appropriate manufacturer  
25 license.

26 (2) A manufacturer of slot machines may contract with a  
27 supplier under section 1317 (relating to supplier licenses)  
28 to provide slot machines or associated equipment to a slot  
29 machine licensee within this Commonwealth, provided the  
30 supplier is licensed to supply slot machines or associated  
31 equipment used in connection with slot machines.

32 (3) A manufacturer may contract with a supplier under  
33 section 1317 to provide table game devices or associated  
34 equipment to a certificate holder, provided the supplier is  
35 licensed to supply table game devices or associated equipment  
36 used in connection with table games.

37 (4) A manufacturer may contract with a supplier under  
38 section 1317 to provide slot machines used in a multistate  
39 wide-area progressive system, skill slot machines or hybrid  
40 slot machines or associated equipment, interactive gaming  
41 devices or associated equipment, provided that the  
42 manufacturer is licensed to manufacture slot machines used in  
43 a multistate wide-area progressive slot machine system, skill  
44 slot machines or hybrid slot machines or associated equipment  
45 or interactive gaming devices or associated equipment used in  
46 connection with interactive games.

47 (e) Prohibitions.--

48 (1) No person may manufacture slot machines, table game  
49 devices or associated equipment or interactive gaming devices  
50 or associated equipment for use within this Commonwealth [by  
51 a slot machine licensee] unless the person has been issued



1 the appropriate manufacturer license under this section.

2 (2) Except as permitted in section 13A23.1 (relating to  
3 training equipment), no [slot machine licensee] person may  
4 use slot machines, table game devices or associated  
5 equipment, authorized interactive games or interactive gaming  
6 devices or associated equipment unless the slot machines,  
7 table game devices or associated equipment, interactive games  
8 or interactive gaming devices or associated equipment were  
9 manufactured by a person that has been issued the appropriate  
10 manufacturer license under this section.

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

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

18 § 1317.3. Nongaming service provider.

19 (a) Notification required.--

20 (1) A slot machine licensee or applicant for a slot  
21 machine license that contracts with or otherwise engages in  
22 business with a nongaming service provider shall provide  
23 notification to the board prior to:

24 (i) the nongaming service provider's provision of  
25 goods or services at the slot machine licensee's licensed  
26 facility; or

27 (ii) the provision of goods or services for use in  
28 the operation of the slot machine licensee's licensed  
29 facility.

30 (2) Notification under this section shall be on a form  
31 and in a manner as determined by the board. The board may  
32 impose a fee, not to exceed \$100, in connection with the  
33 notification.

34 (b) Contents of notification.--Notification under this  
35 section shall include:

36 (1) The name and business address of the nongaming  
37 service provider.

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

40 (3) An affirmation from the slot machine licensee or  
41 applicant for a slot machine license that the goods or  
42 services to be provided by the nongaming service provider  
43 will not require access to the gaming floor or a gaming-  
44 related restricted area.

45 (4) An affirmation from the slot machine licensee or  
46 applicant for a slot machine license certifying that the  
47 licensee or applicant has performed due diligence regarding  
48 the nongaming service provider and believes that neither the  
49 nongaming service provider nor its employees will adversely  
50 affect the public interest or integrity of gaming.

51 (5) Any other information that the board deems

1 necessary.  
2 (c) Duration of notification.--Subject to subsection (d) (5),  
3 the nongaming service provider notification required under  
4 subsection (a) shall be valid for five years.  
5 (d) Conditions.--A slot machine licensee or applicant for a  
6 slot machine license that contracts or otherwise engages in  
7 business with a nongaming service provider shall be subject to  
8 the following conditions:  
9 (1) The nongaming service provider and its employees  
10 shall only provide the goods and services described in the  
11 notification under this section.  
12 (2) The slot machine licensee or applicant for a slot  
13 machine license shall notify the board of any material change  
14 in the information provided in the notification under this  
15 section. No fee shall be required for a subsequent change  
16 during the time for which the notification remains valid  
17 under subsection (c).  
18 (3) The slot machine licensee or applicant for a slot  
19 machine license shall ensure that employees of the nongaming  
20 service provider do not enter the gaming floor or a gaming-  
21 related restricted area while providing the goods or services  
22 described in subsection (b) (2).  
23 (4) The slot machine licensee or applicant for a slot  
24 machine license shall report to the board an employee of a  
25 nongaming service provider that does any of the following:  
26 (i) Enters the gaming floor or a gaming-related  
27 restricted area of the licensed facility.  
28 (ii) Commits an act that adversely affects the  
29 public interest or integrity of gaming.  
30 (5) The board may prohibit a nongaming service provider  
31 or any of its employees from providing goods or services to a  
32 slot machine licensee or applicant for a slot machine license  
33 at a licensed facility upon a finding by the board that the  
34 prohibition is necessary to protect the public interest or  
35 integrity of gaming.  
36 (e) Authority to exempt.--The board may exempt a slot  
37 machine licensee or applicant for a slot machine license from  
38 the notification requirements of this section if the board  
39 determines any of the following:  
40 (1) The nongaming service provider or the type or nature  
41 of the nongaming service provider's business is regulated by  
42 an agency of the Federal Government, an agency of the  
43 Commonwealth or the Pennsylvania Supreme Court.  
44 (2) Notification is not necessary to protect the public  
45 interest or integrity of gaming.  
46 (f) (Reserved).  
47 (g) Criminal history record information.--Notwithstanding  
48 any other provision of this part or regulation of the board, a  
49 nongaming service provider shall obtain from the Pennsylvania  
50 State Police and provide to the board the results of a criminal  
51 history record information check under 18 Pa.C.S. Ch. 91

1 (relating to criminal history record information).

2 (h) Emergency notification.--

3 (1) A slot machine licensee may use a nongaming service  
4 provider prior to the board receiving notification under this  
5 section when a threat to public health, welfare or safety  
6 exists or circumstances outside the control of the slot  
7 machine licensee require immediate action to mitigate damage  
8 or loss to the slot machine licensee's licensed facility or  
9 to the Commonwealth.

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

12 (i) Notify the board immediately upon engaging a  
13 nongaming service provider for which the board has not  
14 previously received notification in accordance with  
15 subsection (a).

16 (ii) Provide the notification required under  
17 subsection (a) within a reasonable time as established by  
18 the board.

19 (i) Nongaming service provider list.--

20 (1) The board shall have the authority to prohibit a  
21 nongaming service provider from engaging in business with a  
22 slot machine licensee upon a finding by the board that the  
23 prohibition is necessary to protect the public interest and  
24 the integrity of gaming.

25 (2) The board shall develop and maintain a list of  
26 prohibited nongaming service providers and make it available  
27 upon request to a slot machine licensee or an applicant for a  
28 slot machine license.

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

33 (j) Duties of nongaming service provider.--A nongaming  
34 service provider shall:

35 (1) Cooperate with the board and bureau regarding an  
36 investigation, hearing, enforcement action or disciplinary  
37 action.

38 (2) Comply with each condition, restriction,  
39 requirement, order or ruling of the board issued under this  
40 part or regulation of the board.

41 (3) Report any change in circumstances to the slot  
42 machine licensee or applicant for a slot machine license that  
43 may render the nongaming service provider ineligible,  
44 unqualified or unsuitable for the provision of goods or  
45 services at a licensed facility or use in the operation of a  
46 licensed facility. The slot machine licensee or applicant for  
47 a slot machine license shall report any change in  
48 circumstances to the board in such form and manner as the  
49 board may establish.

50 (k) Construction.--Nothing in this section shall be  
51 construed to limit the powers and authority of the board under

1 section 1202 (relating to general and specific powers) or the  
2 regulatory authority of the board under section 1207 (relating  
3 to regulatory authority of board).

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

6 § 1320. Slot machine testing and certification standards.

7 (a) Use of other state standards.--[Until such time as the  
8 board establishes an independent testing and certification  
9 facility pursuant to subsection (b), the] The board may  
10 determine, at its discretion, whether the slot machine testing  
11 and certification standards of another jurisdiction within the  
12 United States in which an applicant for a manufacturer license  
13 is licensed are comprehensive and thorough and provide similar  
14 adequate safeguards as those required by this part. If the board  
15 makes that determination, it may permit a manufacturer through a  
16 licensed supplier as provided in section 1317 (relating to  
17 supplier [and manufacturer licenses application] licenses) to  
18 deploy those slot machines which have met the slot machine  
19 testing and certification standards in such other jurisdictions  
20 without undergoing the full testing and certification process by  
21 a board-established independent facility. In the event slot  
22 machines of an applicant for a manufacturer license are licensed  
23 in such other jurisdiction, the board may determine to use an  
24 abbreviated process requiring only that information determined  
25 by the board to be necessary to consider the issuance of a slot  
26 machine certification to such an applicant. [Alternatively, the  
27 board in its discretion may also rely upon the certification of  
28 a slot machine that has met the testing and certification  
29 standards of a board-approved private testing and certification  
30 facility until such time as the board establishes an independent  
31 testing and certification facility pursuant to subsection (b).  
32 Nothing in this section shall be construed to waive any fees  
33 associated with obtaining a license through the normal  
34 application process.]

35 \* \* \*

36 (b.1) Use of private testing and certification facilities.--  
37 Notwithstanding any other provisions of this part or regulation  
38 of the board, if a slot machine is tested and certified by a  
39 private testing and certification facility registered with the  
40 board, the board shall use an abbreviated certification process  
41 requiring only that information determined by it to be necessary  
42 to consider the issuance of a slot machine certification under  
43 this section. Within one year of the effective date of this  
44 subsection, the board shall promulgate regulations that:

45 (1) Provide for the registration of private testing and  
46 certification facilities. Persons seeking registration under  
47 this subsection shall be subject to section 1202(b)(9)  
48 (relating to general and specific powers).

49 (2) Specify the form and content of the application for  
50 registration.

51 (3) Establish and collect an application fee for persons

1 seeking registration. The application fee shall include the  
2 costs of all background investigations as determined  
3 necessary and appropriate by the bureau.

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

7 (5) Utilize information provided by private testing and  
8 certification facilities for the abbreviated certification of  
9 slot machines.

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

13 (7) Establish fees that must be paid by licensed  
14 manufacturers.

15 (8) Require slot machines submitted for abbreviated  
16 certification to be approved or denied by the board within 30  
17 days from the date of submission to the board. If the board  
18 fails to act within the 30-day period, the abbreviated  
19 certification shall be deemed conditionally approved.

20 (9) Provide procedures and standards for the suspension  
21 and revocation of the registration of a private testing and  
22 certification facility and the reinstatement of a suspended  
23 or revoked registration, as determined appropriate by the  
24 board.

25 \* \* \*

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

27 § 1326. [License renewals] Renewals.

28 (a) Renewal.--All permits [and], licenses, registrations or  
29 certificates issued under this part unless otherwise provided  
30 shall be subject to renewal every [three] five years. Nothing in  
31 this subsection shall relieve a licensee, permittee or holder of  
32 a certificate or registration of the affirmative duty to notify  
33 the board of any changes relating to the status of its license,  
34 permit, certificate or registration or to any other information  
35 contained in the application materials on file with the board.  
36 The application for renewal shall be submitted at least [60] 180  
37 days prior to the expiration of the permit [or], license,  
38 registration or certificate and shall include an update of the  
39 information contained in the initial and any prior renewal  
40 applications and the payment of any renewal fee required by this  
41 part. Unless otherwise specifically provided in this part, the  
42 amount of any renewal fee shall be calculated by the board to  
43 reflect the longer renewal period. A permit [or], license,  
44 registration or certificate for which a completed renewal  
45 application and fee, if required, has been received by the board  
46 will continue in effect unless and until the board sends written  
47 notification to the holder of the permit [or], license,  
48 registration or certificate that the board has denied the  
49 renewal of such permit [or], license, registration or  
50 certificate.

51 (b) Revocation or failure to renew.--In addition to any

1 other sanctions the board may impose under this part, the board  
2 may at its discretion suspend, revoke or deny renewal of any  
3 permit [or], license, registration or certificate issued under  
4 this part if it receives any information from any source that  
5 the applicant or any of its officers, directors, owners or key  
6 employees is in violation of any provision of this part, that  
7 the applicant has furnished the board with false or misleading  
8 information or that the information contained in the applicant's  
9 initial application or any renewal application is no longer true  
10 and correct. In the event of a revocation or failure to renew,  
11 the applicant's authorization to conduct the previously approved  
12 activity shall immediately cease, and all fees paid in  
13 connection therewith shall be deemed to be forfeited. In the  
14 event of a suspension, the applicant's authorization to conduct  
15 the previously approved activity shall immediately cease until  
16 the board has notified the applicant that the suspension is no  
17 longer in effect.

18 Section 18. Title 4 is amended by adding a section to read:  
19 § 1326.1. Slot machine license operation fee.

20 (a) Imposition.--Beginning January 1, 2017, the board shall  
21 impose an annual slot machine license operation fee on each  
22 Category 1 and Category 2 licensed gaming entity in an amount  
23 equal to 20% of the slot machine license fee paid at the time of  
24 issuance under section 1209(a) (relating to slot machine license  
25 fee).

26 (b) Payment of fee.--The department shall develop a payment  
27 schedule for the slot machine license operation fee imposed  
28 under subsection (a).

29 (c) Credit for payment.--The department shall credit against  
30 the slot machine license operation fee imposed under subsection  
31 (a) any amount paid by a:

32 (1) Except as provided in subparagraph (2), Category 1  
33 or 2 licensed gaming entity:

34 (i) under section 1403(c)(3) (relating to the  
35 establishment of State Gaming Fund and net slot machine  
36 revenue distribution) between January 1, 2017, and May  
37 27, 2017; and

38 (ii) to a municipality under an agreement between  
39 the Category 1 or 2 licensed gaming entity and the  
40 municipality in lieu of a payment under section 1403(c)  
41 (3), as certified to the department by the municipality  
42 receiving the funds.

43 (2) Category 2 licensed gaming entity located in a city  
44 of the first class:

45 (i) under section 1403(c)(2) between January 1,  
46 2017, and May 27, 2017; and

47 (ii) to a city of the first class under an agreement  
48 between the Category 2 licensed gaming entity and the  
49 city in lieu of a payment under section 1403(c)(2), as  
50 certified to the department by the city.

51 (d) Failure to pay.--The board may at its discretion

1 suspend, revoke or deny a permit or license issued under this  
2 part if a Category 1 or Category 2 licensed gaming entity fails  
3 to pay the slot machine license operation fee imposed under  
4 subsection (a).

5 (e) Deposit of slot machine license operation fee.--The  
6 total amount of all slot machine license operation fees imposed  
7 and collected by the board under this section shall be deposited  
8 in the fund and shall be appropriated to the department on a  
9 continuing basis for the purposes under section 1403(c)(3) and  
10 (4).

11 Section 19. Section 1330 of Title 4 is repealed:

12 [§ 1330. Multiple slot machine license prohibition.

13 No slot machine licensee, its affiliate, intermediary,  
14 subsidiary or holding company may possess an ownership or  
15 financial interest that is greater than 33.3% of another slot  
16 machine licensee or person eligible to apply for a Category 1  
17 license, its affiliate, intermediary, subsidiary or holding  
18 company. The board shall approve the terms and conditions of any  
19 divestiture under this section. Under no circumstances shall any  
20 such divestiture be approved by the board if the compensation  
21 for the divested interest in a person eligible to apply for a  
22 Category 1 license exceeds the greater of the original cost of  
23 the interest, the book value of the interest or an independently  
24 assessed value of the interest one month prior to the effective  
25 date of this part and, in the case of a person eligible to apply  
26 for a Category 1 license, unless the person acquiring the  
27 divested interest is required to continue conducting live racing  
28 at the location where live racing is currently being conducted  
29 in accordance with section 1303 (relating to additional Category  
30 1 slot machine license requirements) and be approved for a  
31 Category 1 slot machine license. No such slot machine license  
32 applicant shall be issued a slot machine license until the  
33 applicant has completely divested its ownership or financial  
34 interest that is in excess of 33.3% in another slot machine  
35 licensee or person eligible to apply for a Category 1 license,  
36 its affiliate, intermediary, subsidiary or holding company.]

37 Section 20. (Reserved).

38 Section 21. (Reserved).

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

41 § 13A11. Authorization to conduct table games.

42 \* \* \*

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

44 (1) A Category 1 and Category 2 slot machine licensee  
45 awarded a table game operation certificate may operate up to  
46 250 gaming tables at any one time at its licensed facility.  
47 No more than 30% of these gaming tables may be used to play  
48 nonbanking games at any one time. Six months following the  
49 date of commencement of table game operations, the board may  
50 permit a Category 1 or Category 2 certificate holder to  
51 increase the number of gaming tables above the number

1 authorized under this paragraph. The certificate holder shall  
2 petition the board for the increase at its licensed facility.  
3 The board, in considering the petition, shall take into  
4 account the appropriateness of the physical space where the  
5 gaming tables will be located and the convenience of the  
6 public attending the facility. The board may also take into  
7 account the potential benefit to the Commonwealth.

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

13 (2.1) A Category 3 slot machine licensee awarded a table  
14 game operation certificate may petition the board for  
15 additional table games at its licensed facility. The board  
16 may authorize up to 15 additional gaming tables. The  
17 additional tables shall be used to play nonbanking games. The  
18 board, in considering the petition, shall take into account  
19 the appropriateness of the physical space where the gaming  
20 tables will be located and the convenience of the public  
21 attending the facility. The board may also take into account  
22 the potential benefit to the Commonwealth.

23 (2.2) The following apply:

24 (i) A Category 4 slot machine licensee may submit a  
25 petition for a table game operation certificate at a  
26 Category 4 licensed facility under section 13A12  
27 (relating to petition requirements). A Category 4 slot  
28 machine licensee that submits a petition for a table game  
29 operation certificate under section 13A12 shall pay, at  
30 the time of submission of the petition, a one-time  
31 nonrefundable authorization fee in the amount of  
32 \$2,500,000.

33 (ii) A Category 4 slot machine licensee awarded a  
34 table game operation certificate at a Category 4 licensed  
35 facility by the board may operate up to 30 gaming tables  
36 at the licensee's licensed facility.

37 (iii) Twelve months following the date of  
38 commencement of table game operations under subparagraph  
39 (ii), a Category 4 slot machine licensee awarded a table  
40 game operation certificate may petition the board for an  
41 increase in the number of gaming tables at the Category 4  
42 licensed facility. The board may permit the certificate  
43 holder under this section to add up to 10 additional  
44 gaming tables at a Category 4 licensed facility. The  
45 board, in considering the petition, shall take into  
46 account the appropriateness of the physical space where  
47 the gaming tables will be located and the convenience of  
48 the public attending the facility. The board may also  
49 take into account the potential benefit to the  
50 Commonwealth.

51 (iv) Gaming tables used in tournaments shall not be



1       used in the calculation of the total number of gaming  
2       tables authorized in a table game authorization  
3       certificate under subparagraphs (ii) and (iii).

4       (3) Nonbanking gaming tables shall seat a maximum of ten  
5       players.

6   § 13A22.1. Table game tournaments.

7       \* \* \*

8       (c) Exemptions and additional tables.--The following shall  
9       apply:

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

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

30       \* \* \*

31   § 13A27. Other financial transactions.

32       (a) Credit.--

33       (1) Notwithstanding section 1504 (relating to wagering  
34       on credit), a certificate holder may extend interest-free,  
35       unsecured credit to patrons for the purpose of playing slot  
36       machines or table games in accordance with this section;  
37       however, a certificate holder shall not accept credit cards,  
38       charge cards or debit cards from a patron or player for the  
39       exchange or purchase or chips, slot machine or table game  
40       credits or for an advance of coins or currency to be utilized  
41       by a player to play slot machine or table games. No credit  
42       card advance machine may be placed on the gaming floor.

43       (2) Prepaid access instruments are not deemed to be a  
44       credit card, charge card, debit card or any other instrument  
45       of credit and are not prohibited under this section. A device  
46       or other mechanism that allows or facilitates the funding of  
47       a prepaid access instrument shall not be deemed a credit card  
48       advance machine under this section.

49       \* \* \*

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

1 (1) The identity, creditworthiness and indebtedness  
2 information of the applicant by conducting a comprehensive  
3 review of the information submitted with the application and  
4 any information regarding the applicant's credit activity at  
5 other licensed facilities which the certificate holder may  
6 obtain through a casino credit bureau and, if appropriate,  
7 through direct contact with other slot machine licensees.

8 (2) That the applicant's name is not included on an  
9 exclusion list under section 1514 (relating to regulation  
10 requiring exclusion [or], ejection or denial of access of  
11 certain persons) or 1516 (relating to list of persons self  
12 excluded from gaming activities) or the voluntary credit  
13 suspension list under subsection (h).

14 \* \* \*

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

17 § 13A41. Table game device and associated equipment testing and  
18 certification standards.

19 \* \* \*

20 (b.1) Use of private testing and certification facilities.--  
21 Notwithstanding any provision of this part or regulation of the  
22 board, if a table game device or associated equipment is tested  
23 and certified by a private testing and certification facility  
24 registered with the board, the board shall use an abbreviated  
25 certification process requiring only that information determined  
26 by it to be necessary to consider the issuance of a table game  
27 device or associated equipment certification under this section.  
28 Within one year of the effective date of this subsection, the  
29 board shall promulgate regulations that:

30 (1) Provide for the registration of private testing and  
31 certification facilities. Persons seeking registration under  
32 this subsection shall be subject to section 1202(b)(9)  
33 (relating to general and specific powers).

34 (2) Specify the form and content of the application for  
35 registration.

36 (3) Establish and collect an application fee for persons  
37 seeking registration. The application fee shall include the  
38 costs of all background investigations as determined  
39 necessary and appropriate by the board.

40 (4) Establish uniform procedures and standards which  
41 private testing and certification facilities must comply with  
42 during the testing and certification of table game devices  
43 and associated equipment.

44 (5) Utilize information provided by private testing and  
45 certification facilities for the abbreviated certification of  
46 table game devices or associated equipment.

47 (6) Establish an abbreviated certification process that  
48 may be used by registered private testing and certification  
49 facilities to test and certify table game devices or  
50 associated equipment.

51 (7) Establish fees that must be paid by a licensed

1 manufacturer.

2 (8) Require table game devices and associated equipment  
3 submitted for abbreviated certification to be approved or  
4 denied by the board within 30 days from the date of  
5 submission to the board. If the board fails to act within the  
6 30-day period, the abbreviated certification shall be deemed  
7 conditionally approved.

8 (9) Provide procedures and standards for the suspension  
9 and revocation of the registration of a private testing and  
10 certification facility and the reinstatement of a suspended  
11 or revoked registration.

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

14 § 13A61. Table game authorization fee.

15 (a) Amount of authorization fee.--

16 \* \* \*

17 (3.1) Notwithstanding any other provision of this part,  
18 no later than 60 days after the board approves a request for  
19 additional table games in accordance with section 13A11  
20 (relating to authorization to conduct table games) submitted  
21 by a Category 3 slot machine licensee, the Category 3 slot  
22 machine licensee shall pay a one-time nonrefundable fee in  
23 the amount of \$1,000,000. The fee shall be deposited into the  
24 General Fund.

25 \* \* \*

26 Section 24. Section 13A62(a) of Title 4 is amended to read:  
27 § 13A62. Table game taxes.

28 (a) Imposition.--

29 (1) Except as provided in [paragraphs (2) and (3)]  
30 paragraph (2), each certificate holder and a Category 4 slot  
31 machine licensee who is a holder of a table game operation  
32 certificate at a Category 4 licensed facility shall report to  
33 the department and pay from its daily gross table game  
34 revenue, on a form and in the manner prescribed by the  
35 department, a tax of 12% of its daily gross table game  
36 revenue.

37 (2) In addition to the tax payable under paragraph (1),  
38 each certificate holder and Category 4 slot machine licensee  
39 who is a holder of a table game operation certificate at a  
40 Category 4 licensed facility shall report to the department  
41 and pay from its daily gross table game revenue, on a form  
42 and in the manner prescribed by the department, a tax of 34%  
43 of its daily gross table game revenue from each table game  
44 played on a fully automated electronic gaming table.

45 [(3) The tax reported and payable under paragraph (1) by  
46 each certificate holder shall be 14% of daily gross table  
47 game revenue for a period of two years following commencement  
48 of table games operations at its licensed facility.]

49 \* \* \*

50 Section 24.1. Section 13A63(b)(1)(i), (3)(i) and (iii)(C)  
51 and (4) of Title 4 are amended and the section is amended by

1 adding subsections to read:

2 § 13A63. Local share assessment.

3 \* \* \*

4 (a.1) Required payment for Category 4 licensees.--In  
5 addition to the tax imposed under section 13A62, each Category 4  
6 slot machine licensee who is a holder of a table game operation  
7 certificate at a Category 4 licensed facility shall pay on a  
8 weekly basis and on a form and in a manner prescribed by the  
9 department a local share assessment into a restricted receipts  
10 account established within the fund. All funds owed under this  
11 section shall be held in trust by the Category 4 slot machine  
12 licensee who is a holder of a table game operation certificate  
13 at a Category 4 licensed facility until the funds are paid into  
14 the account. Funds in the account shall be added to and  
15 distributed with the funds distributed under section 1403(c.1)  
16 (relating to establishment of State Gaming Fund and net slot  
17 machine revenue distribution).

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

24 (1) If the licensed facility is a Category 1 licensed  
25 facility located at a harness racetrack and the county,  
26 including a home rule county, in which the licensed facility  
27 is located is:

28 (i) A county of the third class: 50% of the  
29 licensed facility's local share assessment shall be added  
30 to and distributed with the funds distributed under  
31 section 1403(c) (2) (i) (D) [(relating to establishment of  
32 State Gaming Fund and net slot machine revenue  
33 distribution)].

34 \* \* \*

35 (3) If the facility is a Category 2 licensed facility  
36 and if the county in which the licensed facility is located  
37 is:

38 (i) A county of the first class: 100% of the  
39 licensed facility's local share assessment shall be  
40 [added to and] distributed [with the funds distributed  
41 under section 1403(c) (2) (iii) (A)] to a city of the first  
42 class.

43 \* \* \*

44 (iii) A county of the third class where a city of  
45 the third class hosting the licensed facility is located  
46 in two counties of the third class: 50% of the licensed  
47 facility's local share assessment shall be distributed as  
48 follows:

49 \* \* \*

50 (C) Twenty percent to the nonhost county in  
51 which the host city is located, of which 50% shall be

1 deposited into a restricted receipts account to be  
2 established in the Commonwealth Financing Authority  
3 to be used [solely for grants to municipalities that  
4 are contiguous to the host city] exclusively for  
5 economic development projects, community improvement  
6 projects and other projects in the public interest  
7 within the nonhost county, with priority given to  
8 municipalities contiguous to the host city.

9 \* \* \*

10 (4) The following apply:

11 (i) If the facility is a Category 3 licensed  
12 facility located in a county of the second class A: 50%  
13 of the licensed facility's local share assessment shall  
14 be [deposited into a restricted receipts account to be  
15 established in the Commonwealth Financing Authority to be  
16 used exclusively for grants or guarantees for projects in  
17 the county that qualify under 64 Pa.C.S. §§ 1551  
18 (relating to Business in Our Sites Program), 1556  
19 (relating to Tax Increment Financing Guarantee Program)  
20 and 1558 (relating to Water Supply and Waste Water  
21 Infrastructure Program).] distributed as follows:

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

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

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

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

47 \* \* \*

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

49 CHAPTER 13B

50 INTERACTIVE GAMING

51 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).

13B02. Regulatory authority.

13B03. Regulations.

§ 13B01. (Reserved).

§ 13B02. Regulatory authority.

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

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

(2) Establishing standards and procedures for testing and approving interactive games and interactive gaming devices and associated equipment, and any variations or composites of authorized interactive games, provided that the board determines that the interactive games and any new interactive games or any variations or composites are suitable for use after a test or experimental period under any terms and conditions as the board may deem appropriate. The board may give priority to the testing of interactive games, interactive gaming devices and associated equipment or other gaming equipment which a slot machine licensee or an applicant for an interactive gaming license has certified that it will use to conduct interactive gaming in this Commonwealth. Nothing in this paragraph shall be construed to prohibit the board from using the testing and certification standards of another state or jurisdiction in which interactive gaming is conducted, if it determines that the standards of the jurisdiction are comprehensive, thorough and provide similar and adequate safeguards as those required under this part. If the board makes such a determination and the slot machine licensee or applicant for an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming or an interactive gaming system, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of an interactive gaming certificate or interactive

1 gaming license under this chapter. The board, in its  
2 discretion, may also rely upon the certification of  
3 interactive games that have met the testing and certification  
4 standards of a board-approved private testing and  
5 certification facility.

6 (3) Establishing standards and rules to govern the  
7 conduct of interactive gaming and the platform and system of  
8 and wagering associated with interactive gaming, including  
9 internal controls and accounting controls, and the type,  
10 number, payout, wagering limits and rules for interactive  
11 games.

12 (4) Establishing the method for calculating gross  
13 interactive gaming revenue and standards for the daily  
14 counting and recording of cash and cash equivalents received  
15 in the conduct of authorized interactive games and ensure  
16 that internal controls and accounting controls are followed,  
17 including the maintenance of financial books and records and  
18 the conduct of audits. The board shall consult with the  
19 department in establishing these regulations.

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

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

25 (7) Establishing technical standards for the approval of  
26 interactive games, interactive gaming devices and associated  
27 equipment, including mechanical, electrical or program  
28 reliability, security against tampering and any other  
29 standards as it may deem necessary to protect registered  
30 players from fraud or deception.

31 (8) Governing the creation, ownership and utilization of  
32 interactive gaming accounts by registered players, including  
33 the following:

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

38 (ii) Prohibiting the assignment or other transfer of  
39 an interactive gaming account.

40 (iii) Prohibiting the creation, ownership or  
41 utilization of an interactive gaming account by an  
42 individual under 21 years of age.

43 (9) Establishing procedures for a registered player to  
44 log into the registered player's interactive gaming account,  
45 authenticate the registered player's identity, agree to  
46 terms, conditions and rules applicable to authorized  
47 interactive games and log out of the registered player's  
48 interactive gaming account, including procedures for  
49 automatically logging off a registered player from an  
50 interactive game after a specified period of inactivity.

51 (10) Establishing procedures for:

1           (i) Depositing funds in an interactive gaming  
2           account by cash, transfer or other means, as approved by  
3           the board.

4           (ii) The withdrawal of funds from an interactive  
5           gaming account.

6           (iii) The suspension of interactive gaming account  
7           activity for security reasons.

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

10          (v) The disposition of unclaimed funds in a dormant  
11          interactive gaming account.

12          (11) Establishing mechanisms by which a registered  
13          player may place a limit on the amount of money being wagered  
14          on an authorized interactive game or during any specified  
15          time period or the amount of money lost during any specified  
16          time period.

17          (12) Establishing mechanisms to exclude from interactive  
18          gaming persons not eligible to play by reason of age,  
19          identity or location or inclusion on a list of persons denied  
20          access to interactive gaming activities in accordance with  
21          sections 1514 (relating to regulation requiring exclusion,  
22          ejection or denial of access of certain persons), 1515  
23          (relating to repeat offenders excludable from licensed gaming  
24          facility) and 1516 (relating to list of persons self excluded  
25          from gaming activities).

26          (13) Establishing procedures for the protection,  
27          security and reliability of interactive gaming accounts,  
28          authorized interactive games, interactive gaming devices and  
29          associated equipment and mechanisms to prevent tampering or  
30          utilization by unauthorized persons.

31          (14) Establishing data security standards to govern age,  
32          identity and location verification of persons engaged in  
33          interactive gaming activity.

34          (15) Requiring each interactive gaming certificate  
35          holder to:

36               (i) Provide written information on its interactive  
37               gaming skin or interactive gaming website, which explains  
38               the rules for each authorized interactive game, payoffs  
39               or winning wagers and other information as the board may  
40               require.

41               (ii) Designate one or more interactive gaming  
42               restricted areas where interactive gaming will be  
43               managed, administered or controlled.

44               (iii) Provide the board with access to the  
45               interactive gaming skin or interactive gaming website,  
46               interactive gaming platform, signal or transmission used  
47               in connection with interactive gaming and interactive  
48               gaming restricted areas.

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



1       (v) Provide statements on its interactive gaming  
2       skin or interactive gaming website about the permissible  
3       minimum and maximum wagers for each authorized  
4       interactive game, as applicable.

5       (vi) Adopt policies or procedures to prohibit any  
6       unauthorized person from having access to interactive  
7       gaming devices and associated equipment.

8       (vii) Adopt data security standards to verify the  
9       age, identity and location of persons engaged in  
10       interactive gaming and prevent unauthorized access by any  
11       person whose age, identity and location have not been  
12       verified or whose age, identity and location cannot be  
13       verified in accordance with regulations adopted by the  
14       board.

15       (viii) Adopt standards to protect the privacy and  
16       security of registered players engaged in interactive  
17       gaming.

18       (ix) Collect, report and pay any and all applicable  
19       taxes and fees and maintain all books, records and  
20       documents related to the interactive gaming certificate  
21       holder's interactive gaming activities in a manner and in  
22       a location within this Commonwealth as approved by the  
23       board or the department. All books, records and documents  
24       shall be immediately available for inspection during all  
25       hours of operation in accordance with the regulations of  
26       the board and shall be maintained in a manner and during  
27       periods of time as the board shall by regulation require.

28       (b) Additional authority.--

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

32       (i) Payment processing and related money  
33       transmitting and services.

34       (ii) Identity, location or age verification and  
35       geospatial technology services.

36       (iii) General telecommunications services, which are  
37       not specifically designed for or related to interactive  
38       gaming.

39       (iv) Other goods or services that are not  
40       specifically designed for use with interactive gaming if  
41       the persons providing the goods or services are not paid  
42       a percentage of gaming revenue or of money wagered on  
43       interactive games or of any fees, not including fees to  
44       financial institutions and payment providers for  
45       facilitating a deposit by an interactive gaming account  
46       holder.

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

49       (2) The board shall develop a classification system for  
50       the licensure, permitting or other authorization of persons  
51       that provide the following goods or services related to

1 interactive gaming:

2 (i) Persons that provide interactive games and  
3 interactive gaming devices and associated equipment.

4 (ii) Persons that manage, control or administer the  
5 interactive games or the wagers associated with  
6 interactive games.

7 (iii) Persons that provide customer lists comprised  
8 of persons identified or selected, in whole or in part,  
9 because they placed or may place wagers on interactive  
10 gaming.

11 § 13B03. Regulations.

12 (a) Promulgation.--

13 (1) In order to facilitate the prompt implementation of  
14 this chapter, the board shall have the authority to  
15 promulgate temporary regulations which shall expire not later  
16 than two years following the publication of the temporary  
17 regulation in the Pennsylvania Bulletin and on the board's  
18 publicly accessible Internet website.

19 (2) The board may promulgate temporary regulations not  
20 subject to:

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

24 (ii) Section 204(b) of the act of October 15, 1980  
25 (P.L.950, No.164), known as the Commonwealth Attorneys  
26 Act.

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

29 (b) Publications.--The board shall begin publishing  
30 temporary regulations governing the rules for interactive  
31 gaming, the issuance of interactive gaming certificates and  
32 interactive gaming licenses, standards for approving  
33 manufacturers, suppliers and other persons seeking to provide  
34 interactive games, interactive gaming devices and associated  
35 equipment, including age, identity and location verification  
36 software or system programs and security and surveillance  
37 standards in the Pennsylvania Bulletin within 45 days of the  
38 effective date of this subsection.

39 (c) Expiration of temporary regulations.--Except for  
40 temporary regulations governing the rules for issuing  
41 certificates and licenses under this chapter, for new  
42 interactive games, for approving interactive games or variations  
43 thereof, interactive gaming devices and associated equipment and  
44 for approving manufacturers, suppliers and other persons seeking  
45 to provide interactive games, interactive gaming devices and  
46 associated equipment, the board's authority to adopt temporary  
47 regulations under subsection (a) shall expire two years after  
48 publication of the temporary regulations. Regulations adopted  
49 after this period shall be promulgated as provided by law.

50 SUBCHAPTER B

51 INTERACTIVE GAMING AUTHORIZED

1 Sec.  
2 13B11. Authorization to conduct interactive gaming.  
3 13B12. Interactive gaming certificate required and content of  
4 petition.  
5 13B13. Issuance of interactive gaming certificate.  
6 13B14. Interactive gaming operators.  
7 13B15. Interactive gaming certificate and interactive gaming  
8 license.  
9 13B16. Timing of initial interactive gaming authorizations.  
10 § 13B11. Authorization to conduct interactive gaming.  
11 (a) Authority of board.--The board may authorize a slot  
12 machine licensee:  
13 (1) To conduct interactive gaming directly or through an  
14 interactive gaming operator under an interactive gaming  
15 agreement, including contests and tournaments and any other  
16 game which is determined by the board to be suitable for  
17 interactive gaming.  
18 (2) To deploy interactive gaming skins or interactive  
19 gaming websites to facilitate the conduct of interactive  
20 gaming activities.  
21 (a.1) Additional authority of board.--Pursuant to section  
22 13B12(a.1) (relating to interactive gaming certificate required  
23 and content of petition), the board may authorize a qualified  
24 gaming entity to:  
25 (1) Conduct interactive gaming directly or through an  
26 interactive gaming operator under an interactive gaming  
27 agreement, including contests and tournaments and any other  
28 game which is determined by the board to be suitable for  
29 interactive gaming.  
30 (2) Deploy interactive gaming skins or interactive  
31 gaming websites to facilitate the conduct of interactive  
32 gaming activities.  
33 (a.2) Categorization.--The board, in the board's sole  
34 discretion, shall categorize each authorized interactive game as  
35 one of the following:  
36 (1) A peer-to-peer interactive game.  
37 (2) A non-peer-to-peer interactive game which simulates  
38 slot machines.  
39 (3) A non-peer-to-peer interactive game which simulates  
40 table games.  
41 (b) Authority to play interactive games.--Notwithstanding  
42 any other provision of law, an individual who is 21 years of age  
43 or older is hereby permitted to participate as a registered  
44 player in interactive gaming and wagering associated with  
45 playing an authorized interactive game offered by an interactive  
46 gaming certificate holder in accordance with this chapter and  
47 regulations of the board. Except as provided in Subchapter G  
48 (relating to miscellaneous provisions), a registered player must  
49 be physically located within this Commonwealth in order to  
50 participate in interactive gaming.  
51 § 13B12. Interactive gaming certificate required and content of

1           petition.

2       (a) Certificate required.--No person shall operate or  
3 conduct or attempt to operate or conduct interactive gaming,  
4 except for test purposes as approved by the board, or offer  
5 interactive gaming for play by the public in this Commonwealth  
6 without first obtaining an interactive gaming certificate or an  
7 interactive gaming license from the board. A slot machine  
8 licensee may seek approval to conduct interactive gaming by  
9 filing a petition for an interactive gaming certificate with the  
10 board. The board shall prescribe the form and the manner in  
11 which it shall be filed.

12       (a.1) Timing of petition and eligibility.--The following  
13 shall apply:

14           (1) No later than 90 days after the date the board  
15 begins accepting petitions under this chapter, a slot machine  
16 licensee may file a petition with the board for an  
17 interactive gaming certificate. If the board approves a  
18 petition for an interactive gaming certificate under this  
19 paragraph, the board shall authorize the interactive gaming  
20 certificate holder to offer any category of interactive  
21 gaming.

22           (2) Between 90 days and 120 days after the date the  
23 board begins accepting petitions under this chapter, a slot  
24 machine licensee may file a petition with the board for an  
25 interactive gaming certificate. If the board approves a  
26 petition for an interactive gaming certificate under this  
27 paragraph, the board shall authorize the interactive gaming  
28 certificate holder to offer the categories of interactive  
29 gaming identified in the slot machine licensee's petition  
30 under paragraph (b) (4.1).

31           (3) One hundred twenty days after the date the board  
32 begins accepting petitions under this chapter, a qualified  
33 gaming entity may file a petition with the board for an  
34 interactive gaming certificate. If the board approves a  
35 petition for an interactive gaming certificate under this  
36 paragraph, the board shall authorize the interactive gaming  
37 certificate holder to offer the categories of interactive  
38 gaming identified in the slot machine licensee's petition  
39 under paragraph (b) (4.1).

40           (4) A qualified gaming entity which files a petition for  
41 an interactive gaming certificate under paragraph (3) shall  
42 be considered a slot machine licensee for the purposes of  
43 this subchapter.

44           (5) Any slot machine licensee who becomes licensed after  
45 the effective date of this section shall have 90 days from  
46 the date of licensure to submit a petition with the board for  
47 an interactive gaming certificate. If the board approves a  
48 petition for an interactive gaming certificate under this  
49 paragraph, the board shall authorize the interactive gaming  
50 certificate holder to offer any category of interactive  
51 gaming. After 90 days but before 120 days from the date of

1 licensure, the slot machine licensee may file a petition with  
2 the board for an interactive gaming certificate. If the board  
3 approves a petition for an interactive gaming certificate  
4 under this paragraph, the board shall authorize the  
5 interactive gaming certificate holder to offer the categories  
6 of interactive gaming identified in the slot machine  
7 licensee's petition under paragraph (b)(4.1). After 120 days  
8 from the date of licensure, a qualified gaming entity may  
9 file a petition with the board for an interactive gaming  
10 certificate in the categories of interactive games for which  
11 the slot machine licensee did not seek authorization.

12 (6) For the purposes of this subsection, a "qualified  
13 gaming entity" shall be a gaming entity licensed in any  
14 jurisdiction which has satisfied the requirements of this  
15 chapter and any other criteria established by the board,  
16 including financial and character suitability requirements.

17 (a.2) Number of interactive gaming certificates  
18 authorized.--

19 (1) The board may issue a maximum number of interactive  
20 gaming certificates as provided under this subsection:

21 (i) An amount not to exceed one certificate for  
22 peer-to-peer interactive games per Category 1, Category 2  
23 or Category 3 slot machine license.

24 (ii) An amount not to exceed one certificate for  
25 non-peer-to-peer interactive games which simulate table  
26 games per Category 1, Category 2 or Category 3 slot  
27 machine license.

28 (iii) An amount not to exceed one certificate for  
29 non-peer-to-peer interactive games which simulate slot  
30 machines per Category 1, Category 2 or Category 3 slot  
31 machine license.

32 (2) An interactive gaming certificate which authorizes  
33 multiple categories of interactive games shall count as an  
34 interactive gaming certificate in each category of  
35 interactive game authorized under this section.

36 (b) Content of petition.--In addition to information and  
37 documentation demonstrating that the slot machine licensee is  
38 qualified for an interactive gaming certificate under this  
39 chapter, a petition for an interactive gaming certificate shall  
40 include the following:

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

43 (2) The name, business address and contact information  
44 of any affiliate or other person that will be a party to an  
45 agreement with the slot machine licensee related to the  
46 operation of interactive gaming or an interactive gaming  
47 system on behalf of the slot machine licensee, including a  
48 person applying for an interactive gaming license.

49 (3) The name and business address, job title and a  
50 photograph of each principal and key employee of the slot  
51 machine licensee who will be involved in the conduct of

1 interactive gaming, whether or not the principal or key  
2 employee is currently licensed by the board, if known.

3 (4) The name and business address, job title and a  
4 photograph of each principal and key employee of the  
5 interactive gaming operator, if any, who will conduct  
6 interactive gaming or an interactive gaming system on behalf  
7 of the slot machine licensee, whether or not the principal or  
8 key employee is currently licensed by the board, if known.

9 (4.1) A statement identifying which categories of  
10 interactive games the slot machine licensee intends to offer:

11 (i) peer-to-peer interactive games;

12 (ii) non-peer-to-peer interactive games which  
13 simulate slot machines; or

14 (iii) non-peer-to-peer interactive games which  
15 simulate table games.

16 (5) An itemized list of the interactive games, including  
17 identifying what category each interactive game falls under,  
18 and any other game or games the slot machine licensee plans  
19 to offer through the slot machine licensee's interactive  
20 gaming website for which authorization is being sought. The  
21 slot machine licensee shall, in accordance with regulations  
22 promulgated by the board, file with the board any changes in  
23 the number of authorized interactive games offered through  
24 interactive gaming.

25 (6) The estimated number of full-time and part-time  
26 employment positions that will be created at the slot machine  
27 licensee's licensed facility or at any interactive gaming  
28 restricted area if an interactive gaming certificate is  
29 issued and an updated hiring plan under section 1510(a)  
30 (relating to labor hiring preferences) which outlines the  
31 slot machine licensee's plan to promote the representation of  
32 diverse groups and Commonwealth residents in the employment  
33 positions.

34 (7) A brief description of the economic benefits  
35 expected to be realized by the Commonwealth if an interactive  
36 gaming certificate is issued.

37 (8) The details of any financing obtained or that will  
38 be obtained to fund an expansion or modification of the slot  
39 machine licensee's licensed facility to accommodate  
40 interactive gaming and to otherwise fund the cost of  
41 commencing interactive gaming.

42 (9) Information and documentation concerning financial  
43 background and resources, as the board may require, to  
44 establish by clear and convincing evidence the financial  
45 stability, integrity and responsibility of the slot machine  
46 licensee, and information or documentation concerning any  
47 person that will operate interactive gaming or an interactive  
48 gaming system on behalf of the slot machine licensee as an  
49 interactive gaming operator, as the board may require. The  
50 interactive gaming agreement with such person shall be  
51 subject to the review and approval of the board.

1       (10) Information and documentation, as the board may  
2 require, to establish by clear and convincing evidence that  
3 the slot machine licensee has sufficient business ability and  
4 experience to conduct a successful interactive gaming  
5 operation. In making this determination, the board may  
6 consider the results of the slot machine licensee's slot  
7 machine and table game operations, including financial  
8 information, employment data and capital investment.

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

13       (12) Detailed site plans identifying the proposed  
14 interactive gaming restricted area where interactive gaming  
15 operations will be managed, administered or controlled as  
16 approved by the board.

17       (13) A detailed description of all of the following:

18           (i) The slot machine licensee's initial system of  
19 internal and accounting controls applicable to  
20 interactive gaming.

21           (ii) The slot machine licensee's proposed standards  
22 to protect, with a reasonable degree of certainty, the  
23 privacy and security of its registered players.

24           (iii) How the slot machine licensee will facilitate  
25 compliance with all of the requirements set forth in this  
26 chapter and in section 802(a) of the Unlawful Internet  
27 Gambling Enforcement Act of 2006 (Public Law 109-347, 31  
28 U.S.C. § 5362(10)(B)), including, but not limited to, all  
29 of the following:

30               (A) Age, identity and location verification  
31 requirements.

32               (B) Appropriate data security standards to  
33 prevent unauthorized access by any person whose age,  
34 identity or location have not been verified or cannot  
35 be verified in accordance with this chapter and  
36 applicable regulations of the board.

37               (C) Except as provided in Subchapter G (relating  
38 to miscellaneous provisions), the requirement that  
39 all wagers made in the conduct of interactive gaming  
40 be initiated and received or otherwise made  
41 exclusively within this Commonwealth.

42           (iv) The slot machine licensee's proposed age,  
43 identity and location verification standards designed to  
44 block access to persons under 21 years of age and other  
45 persons excluded or prohibited from participating in  
46 interactive gaming under this chapter.

47           (v) The procedures the slot machine licensee will  
48 use to register individuals as registered players.

49           (vi) The procedures the slot machine licensee will  
50 use to establish interactive gaming accounts for  
51 registered players.

1           (vii) The interactive games and services the slot  
2           machine licensee proposes to offer to registered players.

3           (viii) Documentation and information relating to  
4           known proposed contractors of the slot machine licensee  
5           and subcontractors of the contractors.

6           (14) The interactive gaming devices and associated  
7           equipment and interactive gaming system or systems, that the  
8           slot machine licensee plans to or will utilize to manage,  
9           administer or control its interactive gaming operations.

10          (15) Compliance certification of the slot machine  
11          licensee's proposed interactive gaming devices and associated  
12          equipment, including interactive gaming software and  
13          hardware, by a board-approved gaming laboratory to ensure  
14          that the gaming software and hardware comply with the  
15          requirements of this chapter and regulations of the board.

16          (16) Detailed description of accounting systems,  
17          including, but not limited to, accounting systems for all of  
18          the following:

19               (i) Interactive gaming accounts.

20               (ii) Per-hand charges, if applicable.

21               (iii) Transparency and reporting to the board and  
22               the department.

23               (iv) Distribution of revenue to the Commonwealth and  
24               winnings to registered players.

25               (v) Ongoing auditing and internal control compliance  
26               reviews.

27          (17) Detailed information on security systems to protect  
28          the interactive gaming skins or interactive gaming website  
29          from internal and external breaches and threats.

30          (18) Any other information the board may require.

31          (c) Confidentiality.--Information submitted to the board  
32          under subsection (b) may be considered confidential by the board  
33          if the information would be confidential under section 1206(f)  
34          (relating to board minutes and records).

35          § 13B13. Issuance of interactive gaming certificate.

36               (a) Requirements for approval of petition.--

37               (1) The board may approve a petition under section 13B12  
38               (relating to interactive gaming certificate required and  
39               content of petition) upon finding clear and convincing  
40               evidence of all of the following:

41                       (i) The slot machine licensee's proposed conduct of  
42                       interactive gaming complies in all respects with the  
43                       requirements of this chapter and regulations promulgated  
44                       by the board.

45                       (ii) Age, identity and location verification  
46                       requirements designed to block access to individuals  
47                       under 21 years of age and persons otherwise excluded or  
48                       prohibited from engaging in interactive gaming in  
49                       accordance with this chapter, as approved by the board,  
50                       have been implemented by the slot machine licensee.

51                       (iii) The slot machine licensee has implemented or



1 will implement appropriate data security standards to  
2 prevent unauthorized access by any person whose age,  
3 identity and location has not been verified or cannot be  
4 verified in accordance with the regulations promulgated  
5 by the board.

6 (iv) The slot machine licensee has implemented or  
7 will implement appropriate standards to protect the  
8 privacy and security of registered players with a  
9 reasonable degree of certainty.

10 (v) The slot machine licensee's initial system of  
11 internal and accounting controls applicable to  
12 interactive gaming, and the security and integrity of all  
13 financial transactions in connection with the system,  
14 complies with this chapter and regulations promulgated by  
15 the board.

16 (vi) The slot machine licensee is in good standing  
17 with the board.

18 (vii) The slot machine licensee agrees that the  
19 number of slot machines and table games in operation at  
20 its licensed facility, as of the effective date of this  
21 section, will not be reduced as a result of interactive  
22 gaming.

23 (2) It shall be an express condition of the issuance and  
24 continued validity of an interactive gaming certificate that  
25 a slot machine licensee shall collect, report and pay all  
26 applicable taxes and fees and shall maintain all books,  
27 records and documents pertaining to the slot machine  
28 licensee's interactive gaming operations in a manner and  
29 location within this Commonwealth as approved by the board.  
30 All books, records and documents shall be immediately  
31 available for inspection by the board and the department  
32 during all hours of operation in accordance with the  
33 regulations of the board and shall be maintained in a manner  
34 and during periods of time as the board shall require.

35 (b) Issuance of interactive gaming certificate.--

36 (1) Upon approval of a petition for an interactive  
37 gaming certificate, the board shall issue an interactive  
38 gaming certificate to the slot machine licensee. The issuance  
39 of an interactive gaming certificate prior to the full  
40 payment of the authorization fee required under section 13B51  
41 (relating to interactive gaming authorization fee) shall not  
42 relieve the slot machine licensee from the obligation to pay  
43 the authorization fee in accordance with the requirements of  
44 section 13B51.

45 (2) Upon issuing an interactive gaming certificate, the  
46 board shall amend the slot machine licensee's statement of  
47 conditions to include conditions pertaining to the  
48 requirements of this chapter.

49 (c) Term of interactive gaming certificate.--Subject to the  
50 power of the board to deny, revoke or suspend an interactive  
51 gaming certificate, an interactive gaming certificate shall be

1 valid for five years from the date of issuance and may be  
2 renewed in accordance with the requirements of section 1326  
3 (relating to renewals).

4 (d) Sanctions.--An interactive gaming certificate holder  
5 that fails to abide by the requirements of this chapter or  
6 regulations of the board or any condition contained in the  
7 interactive gaming certificate holder's statement of conditions  
8 governing the operation of interactive gaming shall be subject  
9 to board-imposed administrative sanctions or other penalties  
10 authorized under this part.

11 (e) Background investigations.--Each petition for an  
12 interactive gaming certificate shall be accompanied by a  
13 nonrefundable fee established by the board to cover the cost of  
14 background investigations. The board shall determine by  
15 regulation the persons who shall be subject to background  
16 investigation. Any additional costs and expenses incurred in any  
17 background investigation or other investigation or proceeding  
18 under this chapter shall be reimbursed to the board by the  
19 petitioner.

20 § 13B14. Interactive gaming operators.

21 (a) License required.--No person shall serve or attempt to  
22 serve as an interactive gaming operator without first obtaining  
23 an interactive gaming license from the board. A person may seek  
24 approval to serve as an interactive gaming operator by filing an  
25 application with the board. The board shall prescribe the form  
26 of the application and the manner in which it shall be filed.  
27 The board shall:

28 (1) Determine suitability of the person filing an  
29 application under this section. The board shall determine  
30 suitability in accordance with the same requirements of this  
31 part applicable to the determination of suitability of the  
32 issuance of an interactive gaming certificate to a slot  
33 machine licensee. Notwithstanding the provisions of this  
34 paragraph, the board may consider a holder of a valid  
35 license, permit, registration, certificate or other  
36 authorization approved and issued under this part, which is  
37 in good standing, as suitable under this section without  
38 additional investigation. The consideration shall not relieve  
39 the applicant for an interactive gaming license from payment  
40 of all fees imposed under this chapter.

41 (2) Provide for the approval of the terms and conditions  
42 of all agreements entered into by or between an interactive  
43 gaming certificate holder and a person applying for an  
44 interactive gaming license.

45 (b) Classification and approval of employees.--

46 (1) The board shall establish a classification system  
47 for employees of interactive gaming operators or other  
48 persons who provide products or services associated with or  
49 related to interactive gaming, interactive gaming platforms  
50 and interactive gaming systems.

51 (2) The board shall provide for the licensure,

1 permitting, registration or certification, as it deems  
2 appropriate, of employees in each employee classification  
3 established by it in accordance with paragraph (1).

4 (c) Applicability of certain provisions.--Interactive gaming  
5 operators shall be subject to the applicable provisions of this  
6 part that apply to interactive gaming certificate holders, as  
7 determined by the board, including the provisions of section  
8 13B13(d) (relating to issuance of interactive gaming  
9 certificate).

10 (d) Term of interactive gaming license.--Subject to the  
11 power of the board to deny, revoke or suspend an interactive  
12 gaming license, an interactive gaming license shall be valid for  
13 five years from the date of issuance and may be renewed in  
14 accordance with the requirements of section 1326 (relating to  
15 renewals).

16 (e) Interactive gaming license and conditional  
17 authorization.--

18 (1) The following shall apply:

19 (i) During the first 18 months after the effective  
20 date of this section, the board may issue conditional  
21 authorization to a person applying for an interactive  
22 gaming license.

23 (ii) Conditional authorization issued under this  
24 subsection shall remain in effect until the earlier of  
25 the date occurring 12 months after the issuance of the  
26 authorization or the date upon which the board makes a  
27 final determination on the person's application.

28 (iii) The effectiveness of a conditional  
29 authorization may be extended by the board not more than  
30 once, upon a showing of good cause.

31 (iv) Conditional authorization shall allow an  
32 applicant for an interactive gaming license to engage in  
33 all of the functions of a licensed interactive gaming  
34 operator for the duration of the conditional  
35 authorization.

36 (2) A conditional authorization may not be issued  
37 unless:

38 (i) The applicant has submitted a complete  
39 application for an interactive gaming license to the  
40 board.

41 (ii) The applicant agrees to pay or has paid the fee  
42 prescribed in section 13B51 (relating to interactive  
43 gaming authorization fee) prior to the issuance of  
44 conditional authorization.

45 (iii) The bureau has no objection to the issuance of  
46 a conditional authorization to the applicant.

47 (3) Within 45 days of the date that the bureau receives  
48 the completed application for an interactive gaming license  
49 from an applicant for investigation, the bureau shall conduct  
50 a preliminary investigation of the applicant and any employee  
51 of the applicant determined by the board to be included in

1 the investigation, which shall include a criminal background  
2 investigation.

3 (4) If the bureau's preliminary investigation discloses  
4 no adverse information that would impact suitability for  
5 licensure, the bureau shall provide the board with a  
6 statement of no objection to the issuance of conditional  
7 authorization to the applicant.

8 (5) If the bureau's preliminary investigation discloses  
9 adverse information that would impact suitability for  
10 licensure, it shall register an objection, and a conditional  
11 authorization may not be issued until the bureau's concerns  
12 are resolved.

13 (6) A conditional authorization approved and issued to  
14 an applicant for an interactive gaming license under this  
15 subsection may be suspended or withdrawn by the board upon a  
16 showing of good cause by the bureau.

17 § 13B15. Interactive gaming certificate and interactive gaming  
18 license.

19 The following shall apply:

20 (1) An interactive gaming certificate and an interactive  
21 gaming license issued to an interactive gaming operator  
22 conducting interactive gaming or an interactive gaming system  
23 on behalf of the interactive gaming certificate holder shall  
24 be valid unless not renewed in accordance with the provisions  
25 of this chapter or:

26 (i) The certificate or license is suspended or  
27 revoked by the board as permitted by this part and  
28 regulations of the board.

29 (ii) The interactive gaming certificate holder's  
30 slot machine license is suspended, revoked or not renewed  
31 by the board as permitted by this part and regulations of  
32 the board.

33 (iii) The interactive gaming certificate holder slot  
34 machine licensee relinquishes or does not seek renewal of  
35 its slot machine license.

36 (iv) The interactive gaming certificate holder does  
37 not seek renewal of its interactive gaming certificate.

38 (2) The interactive gaming certificate may include an  
39 initial itemized list by number and type of authorized  
40 interactive games to be conducted by the interactive gaming  
41 certificate holder or interactive gaming operator. The  
42 interactive gaming certificate holder may increase or  
43 decrease the number of interactive games authorized for play  
44 on its interactive gaming skin or interactive gaming website  
45 or change the type of authorized interactive games played on  
46 its interactive gaming skin or interactive gaming website  
47 consistent with the types of interactive games authorized by  
48 the interactive gaming certificate issued by the board, upon  
49 notice, if required by the board, to the board and approval  
50 by the board or a designated employee of the board. Unless  
51 approved by the board or a designated employee of the board,

1 the total number and type of authorized interactive games  
2 offered for play by an interactive gaming certificate holder  
3 may not differ from the number and type approved by the board  
4 and authorized in the interactive gaming certificate.

5 (3) A slot machine licensee shall be required to update  
6 the information in its petition for an interactive gaming  
7 certificate at times and in the form and manner prescribed by  
8 the board.

9 (4) A valid interactive gaming certificate or  
10 interactive gaming license may be renewed in accordance with  
11 the procedures set forth in section 1326 (relating to  
12 renewals) and upon the payment of the applicable renewal fee  
13 required by section 13B51(c) (relating to interactive gaming  
14 authorization fee).

15 § 13B16. Timing of initial interactive gaming authorizations.

16 The board shall prescribe the date on which initial petitions  
17 for an interactive gaming certificate and applications for an  
18 interactive gaming license must be filed with the board and  
19 shall approve or deny a petition or application within 90 days  
20 following receipt.

#### 21 SUBCHAPTER B.1

#### 22 MULTI-USE COMPUTING DEVICES

23 Sec.

24 13B20. Authorization.

25 13B20.1. (Reserved).

26 13B20.2. (Reserved).

27 13B20.3. Fee.

28 13B20.4. Multi-use gaming device tax.

29 13B20.5. Multi-use gaming device local share assessment.

30 13B20.6. Regulations.

31 13B20.7. Construction.

32 § 13B20. Authorization.

33 (a) Authority.--The board may authorize an interactive  
34 gaming certificate holder to provide for the conduct of  
35 interactive gaming, either directly or through an interactive  
36 gaming operator under an interactive gaming agreement, at a  
37 qualified airport through the use of multi-use computing devices  
38 by eligible passengers in accordance with this subchapter and  
39 the regulations of the board. The following shall apply:

40 (1) If the interactive gaming certificate holder intends  
41 to operate interactive gaming under an interactive gaming  
42 agreement, the interactive gaming operator that is a party to  
43 the interactive gaming agreement shall have been issued an  
44 interactive gaming license or will be issued an interactive  
45 gaming license prior to the commencement of operations under  
46 the interactive gaming agreement. The interactive gaming  
47 agreement shall be subject to the review and approval of the  
48 board.

49 (2) As follows:

50 (i) The interactive gaming certificate holder or the  
51 interactive gaming operator, as appropriate, shall enter

1 into a written agreement for the conduct of interactive  
2 gaming through the use of multi-use computing devices  
3 within the airport gaming area as follows:

4 (A) For the conduct of interactive gaming at a  
5 qualified airport which is located partially in a  
6 county of the first class and partially in a county  
7 contiguous to a county of the first class, the  
8 written agreement shall be with either the airport  
9 authority or its designee or a concession operator,  
10 except that, if the written agreement is with a  
11 concession operator, the airport authority or its  
12 designee must have approved or consented to lawful  
13 gaming within the airport gaming area through the  
14 concession operator's concession contract and the  
15 airport authority must have received a copy of the  
16 written agreement with the certificate holder or the  
17 interactive gaming operator.

18 (B) For the conduct of interactive gaming at a  
19 qualified airport which is not located partially  
20 within a county of the first class and partially in a  
21 county contiguous to a county of the first class, the  
22 written agreement shall be with the airport authority  
23 or its designee.

24 (ii) The written agreement shall be subject to the  
25 review and approval of the board.

26 (3) Notwithstanding any provision to the contrary  
27 contained in this part or regulation of the board, an  
28 eligible passenger does not need to be a registered player as  
29 provided for in section 13B22 (relating to establishment of  
30 interactive gaming accounts).

31 (b) Petition.--An interactive gaming certificate holder  
32 desiring to provide interactive gaming at a qualified airport  
33 under subsection (a) shall submit a petition for approval to the  
34 board. The petition shall be in the form and submitted in the  
35 manner prescribed by the board.

36 (c) Requirements.--The petition filed under subsection (b)  
37 shall include the following:

38 (1) The name, business address and contact information  
39 of the interactive gaming certificate holder and the name,  
40 business address and contact information of the interactive  
41 gaming operator, if applicable.

42 (2) The name and business address, job title and a  
43 photograph of each principal and key employee, if known, of  
44 the interactive gaming certificate holder and the interactive  
45 gaming operator, if applicable, who will be directly involved  
46 in the conduct of the authorized interactive games at the  
47 qualified airport and who are not currently licensed by the  
48 board.

49 (3) The name and job title of the person or persons who  
50 will be responsible for ensuring the operation and integrity  
51 of the conduct of interactive gaming at the qualified airport

1 and for reviewing reports of suspicious transactions.

2 (4) A copy of the interactive gaming agreement, if  
3 applicable.

4 (5) The location of the qualified airport together with  
5 detailed site plans indicating the location of the proposed  
6 airport gaming area.

7 (6) Except as provided in paragraph (7), the name and  
8 business address of the airport authority governing the  
9 qualified airport and the names of the members of the  
10 governing body of the airport authority.

11 (7) If the use and control of the qualified airport is  
12 regulated by a city of the first class, an identification of  
13 the municipal agency with primary oversight in the city of  
14 the first class.

15 (8) Copies of the agreements required under subsection  
16 (a) (2).

17 (9) The brand name of the multi-use computing devices  
18 that will be placed in operation at the qualified airport and  
19 any information required by the board, in its discretion,  
20 regarding persons that manufacture or will supply the multi-  
21 use computing devices as it deems necessary.

22 (10) The interactive games the interactive gaming  
23 certificate holder or the interactive gaming operator, as  
24 applicable, intends to offer for play at the qualified  
25 airport.

26 (11) Information, as the board may require, on any  
27 computer applications, including gaming applications, that  
28 can be accessed on the multi-use computing devices to be  
29 placed into operation at the qualified airport.

30 (12) Information and documentation evidencing the  
31 financial stability, integrity and responsibility of the  
32 interactive gaming certificate holder and the interactive  
33 gaming operator, if applicable.

34 (13) The agreement of the interactive gaming certificate  
35 holder to pay the fee required by section 13B20.3 (relating  
36 to fee).

37 (14) Any other information required by the board.

38 (d) Confidentiality.--Information submitted to the board  
39 under subsection (c) may be considered confidential by the board  
40 if the information would be confidential under section 1206(f)  
41 (relating to board minutes and records).

42 (e) Approval.--The board shall approve the petition  
43 submitted under subsection (b) upon review and approval of the  
44 information submitted under subsection (c) and a determination  
45 by the board by clear and convincing evidence that:

46 (1) The interactive gaming certificate holder and the  
47 interactive gaming operator, if applicable, have paid all  
48 required fees and taxes payable under provisions of this part  
49 other than this subchapter to the date of submission of the  
50 petition.

51 (2) The interactive gaming certificate holder, or the

1 interactive gaming operator, as the case may be, possesses  
2 the necessary funds or has secured adequate financing to  
3 commence the conduct of interactive gaming at the qualified  
4 airport.

5 (3) The proposed internal and external security and  
6 surveillance measures at the qualified airport and within the  
7 airport gaming area are adequate.

8 (4) Interactive gaming at the qualified airport will be  
9 conducted and operated in accordance with this part and  
10 regulations of the board.

11 § 13B20.1. (Reserved).

12 § 13B20.2. (Reserved).

13 § 13B20.3. Fee.

14 (a) Required fee.--

15 (1) An interactive gaming certificate holder shall pay a  
16 one-time, nonrefundable fee upon the authorization to conduct  
17 interactive gaming at a qualified airport through the use of  
18 multi-use computing devices in accordance with this  
19 subchapter.

20 (2) The amount of the fee shall be as follows:

21 (i) If the airport is an international airport  
22 located partially in a county of the first class and  
23 partially in a county contiguous to a county of the first  
24 class, the amount of the fee shall be \$2,500,000.

25 (ii) If the airport is an international airport  
26 located in a county of the second class, the amount of  
27 the fee shall be \$1,250,000.

28 (iii) If the airport is an international airport  
29 located in a county other than a county of the first or  
30 second class, the amount of the fee shall be \$500,000.

31 (iv) If the airport is a qualified airport that has  
32 not been designated an international airport, the amount  
33 of the fee shall be \$125,000.

34 (b) Deposit of fees.--Notwithstanding section 1208 (relating  
35 to collection of fees and fines), all fees received by the board  
36 under this subchapter shall be deposited in the General Fund.

37 § 13B20.4. Multi-use gaming device tax.

38 (a) Imposition.--

39 (1) Each interactive gaming certificate holder  
40 authorized to conduct interactive gaming at a qualified  
41 airport in accordance with the provisions of this subchapter  
42 shall report to the department and pay from its daily gross  
43 interactive airport gaming revenue generated from the conduct  
44 of interactive gaming through multi-use computing devices at  
45 the qualified airport, on a form and in the manner prescribed  
46 by the department, a tax equal to the tax imposed under  
47 section 13B52(a) (relating to interactive gaming tax) of its  
48 daily gross interactive airport gaming revenue generated from  
49 multi-use computing devices at the qualified airport.

50 (2) The tax imposed under paragraph (1) shall be payable  
51 to the department on a weekly basis and shall be based upon



1 the gross interactive airport gaming revenue generated from  
2 multi-use computing devices at the qualified airport derived  
3 during the previous week.

4 (3) All funds owed to the Commonwealth under this  
5 section shall be held in trust for the Commonwealth by the  
6 interactive gaming certificate holder until the funds are  
7 paid to the department. An interactive gaming certificate  
8 holder shall establish a separate bank account into which  
9 gross interactive airport gaming revenue from multi-use  
10 computing devices at a qualified airport shall be deposited  
11 and maintained until such time as the funds are paid to the  
12 department under this section.

13 (4) The department shall transfer the funds collected  
14 under this section to the General Fund.

15 (b) Credit against tax imposed.--A credit against the tax  
16 imposed under subsection (a) shall be granted in an amount  
17 determined by the department with respect to an amount which is:

18 (1) paid by a concession operator or airport authority  
19 on the daily gross interactive gaming revenue generated from  
20 the conduct of interactive gaming through multi-use computing  
21 devices at the qualified airport; and

22 (2) required to remain at the qualified airport pursuant  
23 to Federal requirements relating to Federal Aviation  
24 Administration funds.

25 § 13B20.5. Multi-use gaming device local share assessment.

26 (a) Required payment.--In addition to the tax imposed under  
27 section 13B20.4 (relating to multi-use gaming device tax), each  
28 interactive gaming certificate holder authorized to conduct  
29 interactive gaming at a qualified airport shall report to the  
30 department and pay, on a form and in a manner prescribed by the  
31 department, a local share assessment equal to the local share  
32 assessment imposed under section 13B53 (relating to local share  
33 assessment) of the interactive gaming certificate holder's daily  
34 gross interactive airport gaming revenue from multi-use devices  
35 at the qualified airport. The funds shall be payable to the  
36 department on a weekly basis and shall be based upon the revenue  
37 generated during the previous week. The funds shall be paid into  
38 a restricted receipts account established by the department in  
39 the fund. All funds owed to the Commonwealth under this section  
40 shall be held in trust by the interactive gaming certificate  
41 holder until the funds are paid to the department. Funds in the  
42 account are hereby appropriated to the department on a  
43 continuing basis for the purposes set forth in this section.

44 (b) Distribution.--The department shall make quarterly  
45 distributions from the local share assessments imposed under  
46 subsection (a) as follows:

47 (1) Except as provided under paragraph (2), 50% shall be  
48 deposited into a restricted receipt account to be established  
49 in the Commonwealth Financing Authority to be used  
50 exclusively for grants in the public interest in a county  
51 hosting the qualified airport. If a qualified airport is

1 located in more than one county, the grants shall be  
2 distributed equally to each county hosting the qualified  
3 airport.

4 (2) For an international airport located partially in a  
5 county of the first class and partially in a county  
6 contiguous to a county of the first class, 50% shall be  
7 distributed as follows:

8 (i) Fifty percent to a school district of the first  
9 class.

10 (ii) Fifty percent shall be deposited into a  
11 restricted receipt account to be established in the  
12 Commonwealth Financing Authority to be used exclusively  
13 for grants in the public interest in a county contiguous  
14 to a county of the first class and in which an  
15 international airport is partially located.

16 (3) Fifty percent shall be added to and distributed with  
17 the funds distributed under section 13B53(b)(2).

18 § 13B20.6. Regulations.

19 The board shall promulgate regulations related to the  
20 operation of authorized interactive games through the use of  
21 multi-use computing devices at qualified airports, including,  
22 but not limited to:

23 (1) Procedures for the creation of temporary or  
24 provisional interactive gaming accounts that take into  
25 consideration the nature of interactive gaming through multi-  
26 use computing devices at qualified airports.

27 (2) Procedures to govern credits, debits, deposits and  
28 payments to interactive gaming accounts.

29 (3) In consultation with the department, procedures to  
30 govern financial transactions between an interactive gaming  
31 certificate holder, an interactive gaming operator or other  
32 persons that relates to the reporting of gross interactive  
33 airport gaming revenue generated through the use of multi-use  
34 computing devices at qualified airports.

35 § 13B20.7. Construction.

36 Nothing in this subchapter shall be construed to:

37 (1) Create a separate license governing the use of  
38 multi-use computing devices for the conduct of interactive  
39 games at qualified airports by interactive gaming certificate  
40 holders within this Commonwealth.

41 (2) Limit the board's authority to determine the  
42 suitability of any person who may be directly or indirectly  
43 involved in or associated with the operation of interactive  
44 gaming at a qualified airport or to ensure the integrity of  
45 interactive gaming and protect the public interest.

46 SUBCHAPTER C

47 CONDUCT OF INTERACTIVE GAMING

48 Sec.

49 13B21. Situs of interactive gaming operations.

50 13B22. Establishment of interactive gaming accounts.

51 13B23. Interactive gaming account credits, debits, deposits and

1 payments.  
2 13B24. Acceptance of wagers.  
3 13B25. Dormant interactive gaming accounts.  
4 13B26. Log-in procedure required.  
5 13B27. Information provided at login.  
6 13B28. Prohibitions.  
7 13B29. Commencement of interactive gaming operations.  
8 § 13B21. Situs of interactive gaming operations.

9 Except as provided in Subchapter G (relating to miscellaneous  
10 provisions), all wagers made through interactive gaming shall be  
11 deemed to be initiated, received or otherwise made within the  
12 geographic boundaries of this Commonwealth. The intermediate  
13 routing of electronic data associated or in connection with  
14 interactive gaming shall not determine the location or locations  
15 in which a bet or wager is initiated, received or otherwise  
16 made.

17 § 13B22. Establishment of interactive gaming accounts.

18 (a) Registration restrictions.--Only a registered player who  
19 has first established an interactive gaming account shall be  
20 permitted to play an authorized interactive game or place a  
21 wager associated with an authorized interactive game. The  
22 interactive gaming account shall be in the name of a registered  
23 player and may not be in the name of any beneficiary, custodian,  
24 joint trust, corporation, partnership or other organization or  
25 entity. An eligible passenger is not required to comply with  
26 this section in order to play or place a wager associated with  
27 an interactive game through the use of a multi-use computing  
28 device at a qualified airport.

29 (b) Establishment of interactive gaming accounts.--

30 (1) An interactive gaming account may be established in  
31 person, provided that the board shall, through regulations,  
32 provide procedures for the establishment of interactive  
33 gaming accounts over the Internet through the interactive  
34 gaming certificate holder's interactive gaming skin or  
35 interactive gaming website. Each interactive gaming account  
36 shall comply with the internal controls of the interactive  
37 gaming certificate holder that, at a minimum, require the  
38 following:

39 (i) The filing and execution of an interactive  
40 gaming account application, the form of which has been  
41 preapproved by the board.

42 (ii) Proof of age, identity and physical address of  
43 the principal residence of the prospective interactive  
44 gaming account holder in a method approved by the board  
45 through regulation.

46 (iii) Electronic mail address and other contact  
47 information of the prospective account holder, as the  
48 board or interactive gaming certificate holder may  
49 require.

50 (iv) Password or other secured identification  
51 provided by the interactive gaming certificate holder to

1 access the interactive gaming account or some other  
2 mechanism approved by the board to authenticate the  
3 registered player as the holder to the interactive gaming  
4 account.

5 (v) An acknowledgment under penalty of perjury that  
6 false or misleading statements made in regard to an  
7 application for an interactive gaming account may subject  
8 the applicant to civil and criminal penalties.

9 (2) The interactive gaming certificate holder may accept  
10 or reject an application after receipt and review of the  
11 application and verification of age, identity and physical  
12 address for compliance with the provisions of this chapter.  
13 The interactive gaming certificate holder shall have the  
14 right, at any time with or without cause, to suspend or close  
15 any interactive gaming account at its sole discretion.

16 (3) The address provided by the applicant in the  
17 application for an interactive gaming account shall be deemed  
18 the address of record for the purposes of mailing checks,  
19 account withdrawals, notices and other materials to the  
20 prospective interactive gaming account holder.

21 (4) An interactive gaming account shall be a noninterest  
22 bearing account and shall not be assignable or otherwise  
23 transferable.

24 (c) Password required.--As part of the application process,  
25 the interactive gaming certificate holder shall provide the  
26 prospective interactive gaming account holder with a password to  
27 access the interactive gaming account or shall establish some  
28 other method approved by the board to authenticate the  
29 registered player as the holder of the interactive gaming  
30 account and allow the registered player access to the  
31 interactive gaming account.

32 (d) Grounds for rejection.--Any individual who provides  
33 false or misleading information in the application for an  
34 interactive gaming account may be subject to rejection of the  
35 application or cancellation of the account by the interactive  
36 gaming certificate holder.

37 (e) Suspension of interactive gaming account.--The  
38 interactive gaming certificate holder shall have the right to  
39 suspend or close any interactive gaming account or declare all  
40 or any part of an interactive gaming account closed for wagering  
41 at its discretion.

42 (f) Persons prohibited from establishing or maintaining an  
43 interactive gaming account.--The following persons shall not be  
44 entitled to establish or maintain an interactive gaming account:

45 (1) A person under 21 years of age.

46 (2) A person on the list of persons who are or will be  
47 excluded or ejected from or denied access to any licensed  
48 facility under section 1514 (relating to regulation requiring  
49 exclusion, ejection or denial of access of certain persons),  
50 1515 (relating to repeat offenders excludable from licensed  
51 gaming facility) or 1516 (relating to list of persons self

1 excluded from gaming activities).

2 (3) A gaming employee, key employee or principal  
3 employee of a slot machine licensee and any employee or key  
4 employee of an interactive gaming operator.

5 § 13B23. Interactive gaming account credits, debits, deposits  
6 and payments.

7 (a) Duty of board.--The board shall, by regulation, develop  
8 procedures to govern credits, debits and deposits to interactive  
9 gaming accounts. Notwithstanding any provision of this part to  
10 the contrary, all credits, debits and deposits to interactive  
11 gaming accounts shall be made in accordance with regulations  
12 promulgated by the board, in consultation with the department,  
13 and all payments of winnings shall be made in accordance with  
14 the rules of each authorized interactive game.

15 (b) Rights of interactive gaming certificate holder.--An  
16 interactive gaming certificate holder shall have the right to:

17 (1) Credit an interactive gaming account as part of a  
18 promotion.

19 (2) Refuse all or part of any wager or deposit to the  
20 interactive gaming account of a registered player.

21 § 13B24. Acceptance of wagers.

22 (a) Acceptance.--An interactive gaming certificate holder  
23 may accept wagers only as follows:

24 (1) The wager shall be placed directly with the  
25 interactive gaming certificate holder by the registered  
26 player, after the interactive gaming certificate holder has  
27 verified the identity of the individual seeking to place the  
28 wager.

29 (2) The registered player provides the interactive  
30 gaming certificate holder with the correct password or other  
31 authentication information for access to the interactive  
32 gaming account.

33 (b) Nonacceptance.--An interactive gaming certificate holder  
34 may not accept a wager in an amount in excess of funds on  
35 deposit in the interactive gaming account of the registered  
36 player placing the wager. Funds on deposit include amounts  
37 credited to a registered player's interactive gaming account in  
38 accordance with regulations of the board and any funds in the  
39 account at the time the wager is placed.

40 § 13B25. Dormant interactive gaming accounts.

41 Before closing a dormant interactive gaming account, the  
42 interactive gaming certificate holder shall attempt to contact  
43 the interactive gaming account holder by mail, phone and e-mail  
44 to inform the account holder that the interactive gaming account  
45 is inactive and may be subject to termination. The time and  
46 manner of terminating a dormant interactive gaming account shall  
47 be prescribed by regulation of the board.

48 § 13B26. Log-in procedure required.

49 Each interactive gaming certificate holder shall establish a  
50 log-in procedure for a registered player to access interactive  
51 gaming. The log-in procedure shall include the provision of the

1 appropriate authentication information by the registered player  
2 for access to the registered player's interactive gaming  
3 account. The interactive gaming certificate holder shall not  
4 allow a registered player to log in and access an interactive  
5 gaming account unless the correct password or other  
6 authentication information is provided.

7 § 13B27. Information provided at login.

8 The interactive gaming certificate holder shall configure its  
9 interactive gaming skin or interactive gaming website to include  
10 a link that, upon login, will allow a registered player to  
11 access all of the following information:

12 (1) The current amount of funds in the registered  
13 player's interactive gaming account.

14 (2) The wins and losses since the registered player's  
15 interactive gaming account was established.

16 (3) The wins and losses at the beginning of the current  
17 gaming session and the wins and losses at the end of the  
18 current gaming session.

19 (4) The complete text in searchable format of the rules  
20 of each authorized interactive game offered by the  
21 interactive gaming certificate holder and any other  
22 information as the board may require.

23 § 13B28. Prohibitions.

24 Except as provided in this part, no interactive gaming  
25 certificate holder or any person licensed under this part to  
26 operate interactive gaming or an interactive gaming system and  
27 no person acting on behalf of, or under any arrangement with, an  
28 interactive gaming certificate holder or other person licensed  
29 under this part shall:

30 (1) Make any loan to any person for the purpose of  
31 crediting an interactive gaming account.

32 (2) Release or discharge any debt, either in whole or in  
33 part, or make any loan which represents any losses incurred  
34 by any registered player while playing an authorized  
35 interactive game without maintaining a written record thereof  
36 in accordance with regulations of the board.

37 § 13B29. Commencement of interactive gaming operations.

38 An interactive gaming certificate holder may not operate or  
39 offer interactive games for play on its interactive gaming skin  
40 or interactive gaming website until the board determines that:

41 (1) The interactive gaming certificate holder is in  
42 compliance with the requirements of this chapter.

43 (2) The interactive gaming certificate holder's  
44 internal, administrative and accounting controls are  
45 sufficient to meet the requirements of section 13B32  
46 (relating to internal, administrative and accounting  
47 controls) and have been implemented.

48 (3) The interactive gaming certificate holder's  
49 interactive gaming employees, where applicable, are licensed,  
50 permitted, registered, certified or otherwise authorized by  
51 the board to perform their respective duties.

1       (4) The employees of the interactive gaming operator, if  
2 any, that is conducting interactive gaming on behalf of the  
3 interactive gaming certificate holder are, where applicable,  
4 licensed, permitted or otherwise authorized by the board to  
5 perform their duties.

6       (5) The interactive gaming certificate holder is  
7 prepared in all respects to offer interactive gaming to the  
8 public over its interactive gaming skin or interactive gaming  
9 website.

10       (6) The interactive gaming certificate holder has  
11 implemented necessary security arrangements and surveillance  
12 systems for the operation of interactive gaming.

13       (7) The interactive gaming certificate holder is in  
14 compliance with or will comply with section 13B31 (relating  
15 to responsibilities of interactive gaming certificate  
16 holder).

17       (8) The board has approved the interactive gaming  
18 agreement between the interactive gaming certificate holder  
19 and the interactive gaming operator, if applicable.

#### 20                   SUBCHAPTER D

#### 21                   FACILITIES AND EQUIPMENT

#### 22       Sec.

23 13B31. Responsibilities of interactive gaming certificate  
24 holder.

25 13B32. Internal, administrative and accounting controls.

26 § 13B31. Responsibilities of interactive gaming certificate  
27 holder.

28       (a) Facilities and equipment.--All facilities and  
29 interactive gaming devices and associated equipment shall:

30           (1) Be arranged in a manner promoting appropriate  
31 security for interactive gaming.

32           (2) Include a closed-circuit video monitoring system  
33 according to rules or specifications approved by the board,  
34 with board absolute access to the interactive gaming  
35 certificate holder's interactive gaming skin, interactive  
36 gaming website and interactive gaming platform, signal or  
37 transmission used in connection with interactive gaming.

38           (3) Not be designed in any way that might interfere with  
39 or impede the board in its regulation of interactive gaming.

40           (4) Comply in all respects with regulations of the  
41 board.

42       (b) Location of equipment and interactive gaming restricted  
43 areas.--

44           (1) All interactive gaming devices and associated  
45 equipment used by an interactive gaming certificate holder or  
46 an interactive gaming licensee to conduct interactive gaming  
47 may be located, with the prior approval of the board, in an  
48 interactive gaming restricted area on the premises of the  
49 licensed facility, in an interactive gaming restricted area  
50 within the geographic limits of the county in this  
51 Commonwealth where the licensed facility is situated or in

1 any other area approved by the board.

2 (2) All wagers associated with interactive gaming shall  
3 be deemed to be placed, initiated and received when received  
4 by the interactive gaming certificate holder.

5 § 13B32. Internal, administrative and accounting controls.

6 (a) Submissions to board.--Notwithstanding any provision of  
7 this part, each slot machine licensee who holds or has applied  
8 for an interactive gaming certificate in accordance with this  
9 chapter shall submit a description of its system of internal  
10 procedures and administrative and accounting controls for  
11 interactive gaming to the board, including provisions that  
12 provide for real-time monitoring, recordation or storage of all  
13 interactive games and a description of any changes to its  
14 procedures and controls. The submission shall be made at least  
15 90 days before interactive gaming is to commence or at least 90  
16 days before any change in those procedures or controls is to  
17 take effect, unless otherwise directed by the board.

18 (b) Filing.--Notwithstanding subsection (a), the procedures  
19 and controls may be implemented by an interactive gaming  
20 certificate holder upon the filing of the procedures and  
21 controls with the board. Each procedure or control submission  
22 shall contain both narrative and diagrammatic representations of  
23 the system to be utilized and shall include but need not be  
24 limited to:

25 (1) Accounting controls, including the standardization  
26 of forms and definition of terms to be utilized in the  
27 interactive gaming operations.

28 (2) Procedures, forms and, where appropriate, formulas  
29 to govern the following:

- 30 (i) calculation of hold percentages;  
31 (ii) revenue drops;  
32 (iii) expense and overhead schedules;  
33 (iv) complimentary services; and  
34 (v) cash-equivalent transactions.

35 (3) Job descriptions and the system of personnel and  
36 chain of command, establishing a diversity of responsibility  
37 among employees engaged in interactive gaming operations,  
38 including employees of an interactive gaming operator, and  
39 identifying primary and secondary management and supervisory  
40 positions for areas of responsibility, salary structure and  
41 personnel practices.

42 (4) Procedures for the registration of players and  
43 establishment of interactive gaming accounts, including a  
44 procedure for authenticating the age, identity and physical  
45 address of an applicant for an interactive gaming account and  
46 whether the applicant is a person prohibited from  
47 establishing or maintaining an account under section 13B22  
48 (relating to establishment of interactive gaming accounts).

49 (5) Procedures for terminating a registered player's  
50 interactive gaming account and the return of any funds  
51 remaining in the interactive gaming account to the registered



1 player.

2 (6) Procedures for suspending or terminating a dormant  
3 interactive gaming account and the return of any funds  
4 remaining in the dormant interactive gaming account to the  
5 registered player.

6 (7) Procedures for the logging in and authentication of  
7 a registered player in order to enable the player to commence  
8 interactive gaming and the logging off of the registered  
9 player when the player has completed play, including a  
10 procedure to automatically log a registered player out of the  
11 player's interactive gaming account after a specified period  
12 of inactivity.

13 (8) Procedures for the crediting and debiting of a  
14 registered player's interactive gaming account.

15 (9) Procedures for cashing checks, receiving electronic  
16 negotiable instruments and for redeeming chips, tokens or  
17 other cash equivalents.

18 (10) Procedures for withdrawing funds from an  
19 interactive gaming account by the registered player.

20 (11) Procedures for the protection of a registered  
21 player's funds, including the segregation of a registered  
22 player's funds from operating funds of the interactive gaming  
23 certificate holder.

24 (12) Procedures for recording transactions pertaining to  
25 interactive gaming.

26 (13) Procedures for the security and sharing of personal  
27 identifiable information of a registered player, funds in an  
28 interactive gaming account and other information as required  
29 by the board. The procedures shall include the means by which  
30 an interactive gaming certificate holder or interactive  
31 gaming operator will provide notice to a registered player  
32 related to the sharing of personal identifiable information.  
33 For the purpose of this paragraph, "personal identifiable  
34 information" shall mean any data or information that can be  
35 used, on its own or with other data or information, to  
36 identify, contact or otherwise locate a registered player,  
37 including a registered player's name, address, date of birth  
38 and Social Security number.

39 (14) Procedures and security for the calculation and  
40 recordation of revenue.

41 (15) Procedures for the security of interactive gaming  
42 devices and associated equipment.

43 (16) Procedures and security standards as to receipt,  
44 handling and storage of interactive gaming devices and  
45 associated equipment.

46 (17) Procedures and security standards to protect the  
47 interactive gaming certificate holder's interactive gaming  
48 skin or interactive gaming website and interactive gaming  
49 devices and associated equipment from hacking or tampering by  
50 any person.

51 (18) Procedures for responding to suspected or actual

1 hacking or tampering with an interactive gaming certificate  
2 holder's interactive gaming skin or interactive gaming  
3 website and interactive gaming devices and associated  
4 equipment, including partial or complete suspension of  
5 interactive gaming or the suspension of any or all  
6 interactive gaming accounts when warranted.

7 (19) Procedures to verify each registered player's  
8 physical location each time a registered player logs into his  
9 or her interactive gaming account and at appropriate  
10 intervals thereafter as determined by the board.

11 (20) Procedures to ensure that the interactive games are  
12 fair and honest and that appropriate measures are in place to  
13 deter, detect and, to the extent possible, to prevent  
14 cheating, including collusion, and use of cheating devices,  
15 including the use of software programs that make wagers  
16 according to algorithms.

17 (21) Procedures to assist problem and compulsive  
18 gamblers, including procedures intended to prevent a person  
19 from participating in authorized interactive gaming in  
20 accordance with sections 1514 (relating to regulation  
21 requiring exclusion, ejection or denial of access of certain  
22 persons), 1515 (relating to repeat offenders excludable from  
23 licensed gaming facility) and 1516 (relating to list of  
24 persons self excluded from gaming activities).

25 (22) Procedures to govern emergencies, including  
26 suspected or actual cyber attacks, hacking or tampering with  
27 the interactive gaming certificate holder's interactive  
28 gaming skin, interactive gaming platform or interactive  
29 gaming website. The procedures shall include the process for  
30 the reconciliation or repayment of a registered player's  
31 interactive gaming account.

32 (c) Review of submissions.--

33 (1) The board shall review each submission required by  
34 subsections (a) and (b) and shall determine whether the  
35 submission conforms to the requirements of this chapter and  
36 regulations promulgated by the board and whether the system  
37 submitted provides adequate and effective controls for  
38 interactive gaming of the interactive gaming certificate  
39 holder making the submission.

40 (2) If the board determines that the submission is not  
41 sufficient, it shall specify the insufficiencies in writing  
42 to the interactive gaming certificate holder, who shall make  
43 appropriate alterations to ensure compliance with the  
44 requirements of this chapter and regulations of the board.  
45 When the board determines a submission to be adequate in all  
46 respects, it shall notify the interactive gaming certificate  
47 holder.

48 (3) Except as otherwise provided in subsection (a) or an  
49 emergency situation threatening the integrity of the  
50 interactive gaming platform, no interactive gaming  
51 certificate holder, interactive gaming operator or other

1 person shall commence or alter interactive gaming operations  
2 unless and until the system of procedures, controls and  
3 alternations is submitted to and approved by the board.

#### 4 SUBCHAPTER E

#### 5 TESTING AND CERTIFICATION

6 Sec.

7 13B41. Interactive games and interactive gaming devices and  
8 associated equipment testing and certification  
9 standards.

10 § 13B41. Interactive games and interactive gaming devices and  
11 associated equipment testing and certification  
12 standards.

13 (a) Testing required.--

14 (1) No interactive game or interactive gaming device or  
15 associated equipment shall be used to conduct interactive  
16 gaming unless it has been tested and certified by the board.  
17 The board may, in its discretion and for the purpose of  
18 expediting the approval process, refer testing to any testing  
19 laboratory as approved by the board.

20 (2) The board shall establish, by regulation, technical  
21 standards for approval of interactive games and interactive  
22 gaming devices and associated equipment, including standards  
23 to govern mechanical, electrical or program reliability and  
24 security against tampering and threats, as it may deem  
25 necessary to protect a registered player from fraud or  
26 deception and to ensure the integrity of interactive gaming.

27 (b) Cost of testing and certification.--Any costs associated  
28 with the board's testing and certification under this section  
29 shall be assessed on persons authorized by the board to  
30 manufacture, supply, distribute or otherwise provide interactive  
31 games and interactive gaming devices and associated equipment to  
32 interactive gaming certificate holders or to interactive gaming  
33 operators in this Commonwealth. The costs shall be assessed in  
34 accordance with a schedule adopted by the board.

35 (c) Use of other state standards.--The board may determine  
36 whether the testing and certification standards for interactive  
37 games and interactive gaming devices and associated equipment as  
38 adopted by another jurisdiction within the United States are  
39 comprehensive and thorough and provide similar and adequate  
40 safeguards as those required by this chapter and regulations of  
41 the board. If the board makes that determination, it may permit  
42 the person authorized to manufacture, supply, distribute or  
43 otherwise provide interactive games and interactive gaming  
44 devices or associated equipment that have met the testing and  
45 certification standard in such other jurisdiction to furnish  
46 interactive games or interactive gaming devices and associated  
47 equipment to interactive gaming certificate holders in this  
48 Commonwealth without undergoing the full testing and  
49 certification under this section.

#### 50 SUBCHAPTER F

#### 51 TAXES AND FEES

1 Sec.

2 13B51. Interactive gaming authorization fee.

3 13B52. Interactive gaming tax.

4 13B53. Local share assessment.

5 13B54. Compulsive and problem gambling.

6 13B55. Certificate holder deposits.

7 § 13B51. Interactive gaming authorization fee.

8 (a) Amount of authorization fee.--

9 (1) Each slot machine licensee that is issued an  
10 interactive gaming certificate to conduct interactive gaming  
11 in accordance with section 13B11 (relating to authorization  
12 to conduct interactive gaming) shall pay a one-time  
13 nonrefundable authorization fee in the following amount:

14 (i) \$10,000,000 if the slot machine licensee filed a  
15 petition under 13B12 (relating to interactive gaming  
16 certificate required and content of petition) within 90  
17 days after the date the board begins accepting petitions  
18 under this chapter, or for a slot machine licensee  
19 licensed after the effective date of this section, within  
20 90 days of the issuance of the slot machine license.

21 (ii) \$4,000,000 for each category of interactive  
22 game authorized by the board if the slot machine licensee  
23 filed a petition under 13B12 more than 90 days but not  
24 more than 120 days after the date the board begins  
25 accepting petitions under this chapter, or for a slot  
26 machine licensee licensed after the effective date of  
27 this section, more than 90 days but not more than 120  
28 days after the issuance of the slot machine license.

29 (2) Each qualified gaming entity that is issued an  
30 interactive gaming certificate to conduct interactive gaming  
31 in accordance with section 13B11 shall pay a one-time  
32 nonrefundable authorization fee in the amount of \$4,000,000  
33 for each category of interactive game authorized by the  
34 board.

35 (3) Each interactive gaming operator shall pay a one-  
36 time nonrefundable authorization fee in the amount of  
37 \$1,000,000.

38 (b) Payment of fee.--Persons required to pay the  
39 authorization fee under subsection (a) shall remit the fee to  
40 the board within 60 days of the board's approval of its  
41 petition, license or conditional authorization.

42 (c) Renewal fee.--

43 (1) Notwithstanding any other provision of this chapter,  
44 an interactive gaming certificate holder shall pay a renewal  
45 fee in the amount of \$250,000 upon the renewal of its  
46 interactive gaming certificate.

47 (2) Each interactive gaming operator shall pay a renewal  
48 fee of \$100,000 upon the renewal of its interactive gaming  
49 license.

50 (d) Deposit of fees.--The fees imposed and collected under  
51 this section shall be deposited in the General Fund.

1 § 13B52. Interactive gaming tax.

2 (a) Imposition of tax.--Each interactive gaming certificate  
3 holder that conducts interactive gaming shall report to the  
4 department and pay from its daily gross interactive gaming  
5 revenue, on a form and in the manner prescribed by the  
6 department, a tax of:

7 (1) 14% of its daily gross interactive gaming revenue  
8 from peer-to-peer interactive games;

9 (2) 14% of its daily gross interactive gaming revenue  
10 from non-peer-to-peer interactive games which simulate table  
11 games; and

12 (3) 52% of its daily gross interactive gaming revenue  
13 from non-peer-to-peer interactive games which simulate slot  
14 machines.

15 (b) Deposits and distributions.--

16 (1) The tax imposed under subsection (a) shall be  
17 payable to the department on a weekly basis and shall be  
18 based upon gross interactive gaming revenue derived during  
19 the previous week.

20 (2) An interactive gaming certificate holder shall  
21 establish a separate bank account into which gross  
22 interactive gaming revenue shall be deposited and maintained  
23 until such time as the funds are paid to the department under  
24 this section.

25 (c) Taxes on out-of-State wagering.--The tax rate which  
26 shall be assessed and collected by the department with respect  
27 to wagers placed by registered players located in this  
28 Commonwealth with an interactive gaming operator located outside  
29 of this Commonwealth, but authorized under an interactive gaming  
30 reciprocal agreement, shall be governed by the agreement but may  
31 not be less than the tax imposed under subsection (a).

32 (d) Deposit of funds.--From the tax imposed under  
33 subsections (a) and (c) the following shall apply:

34 (1) Taxes imposed under subsection (a)(1) and (2) shall  
35 be deposited into the General Fund.

36 (2) Taxes imposed under subsection (a)(3) shall be  
37 distributed as follows:

38 (i) Sixty-five percent shall be deposited into the  
39 Property Tax Relief Fund established under section 1409  
40 (relating to Property Tax Relief Fund).

41 (ii) Ten percent shall be deposited into a  
42 restricted receipt account within the State Treasury.  
43 Money in the restricted receipt account is appropriated  
44 to the department on a continuing basis for the purposes  
45 under this paragraph. Beginning in fiscal year 2018-2019  
46 and each fiscal year thereafter, distributions from the  
47 restricted receipt account shall be as follows:

48 (A) The department shall determine whether a  
49 county hosting a licensed facility received less than  
50 the amount the county received during fiscal year  
51 2017-2018 under section 1403(c) (relating to

1 establishment of State Gaming Fund and net slot  
2 machine revenue distribution). If the department  
3 determines that the county hosting a licensed  
4 facility received less than the amount the county  
5 received during fiscal year 2017-2018 under section  
6 1403(c), the department shall calculate the  
7 difference.

8 (B) The department shall make distributions from  
9 the restricted receipt account to any county  
10 determined under clause (A) to receive less in the  
11 current fiscal year than the county did in fiscal  
12 year 2017-2018. The amount distributed to a county  
13 under this paragraph may not exceed the difference  
14 between the amount received under 1403(c) in the  
15 current fiscal year and the amount received under  
16 1403(c) in fiscal year 2017-2018.

17 (C) If more than one county is owed funds under  
18 clause (B) and there are insufficient funds in the  
19 account to pay each county the entire amount of the  
20 decrease experienced by that county, each county  
21 shall receive funds in proportion of that county's  
22 decrease to the total amount of all decreases.

23 (D) The department shall make distributions  
24 required under this paragraph no later than within 60  
25 days after the end of the fiscal year.

26 (E) Undistributed funds shall remain in the  
27 account and not lapse.

28 (3) Twenty-five percent shall be deposited into a  
29 restricted receipts account to be established in the  
30 Commonwealth Financing Authority to be used exclusively for  
31 grants for projects in the public interest in the  
32 Commonwealth.

33 § 13B53. Local share assessment.

34 (a) Required payment.--In addition to the tax imposed under  
35 section 13B52 (relating to interactive gaming tax), each  
36 interactive gaming certificate holder that conducts interactive  
37 gaming shall pay on a weekly basis, on a form and in a manner  
38 prescribed by the department, a local share assessment equal to  
39 2% of the interactive gaming certificate holder's daily gross  
40 interactive gaming revenue.

41 (b) Deposit and distribution.--The department shall, on a  
42 quarterly basis, deposit the local share assessment imposed  
43 under subsection (a) as follows:

44 (1) The following shall apply:

45 (i) Except as provided under subparagraphs (ii),  
46 (iii) and (iv), 50% shall be added to and distributed  
47 according to the county classification of the host county  
48 and the slot machine license category of the interactive  
49 gaming certificate holder under section 1403(c) (2)  
50 (relating to establishment of State Gaming Fund and net  
51 slot machine revenue distribution).

1           (ii) If a host county is both a county of the first  
2 class and a city of the first class which is coterminous,  
3 50% shall be distributed to a school district of the  
4 first class.

5           (iii) If a host county of the interactive gaming  
6 certificate holder is a home rule county of the second  
7 class A where a Category 1 slot machine licensee is  
8 located at a harness racetrack, 50% shall be distributed  
9 to an authority created by the host county under 53  
10 Pa.C.S. Ch. 56 (relating to municipal authorities), to be  
11 used for grants within the interactive gaming certificate  
12 holder's host county. Grants awarded by the authority  
13 shall be used for economic development, municipal police  
14 and emergency services and other purposes in the public  
15 interest.

16           (iv) If an interactive gaming certificate holder  
17 does not have a licensed gaming facility located in this  
18 Commonwealth, 50% shall be added to and distributed with  
19 the amount deposited under subsection (b) (2).

20           (2) Fifty percent shall be deposited into a restricted  
21 receipts account to be established in the Commonwealth  
22 Financing Authority to be used exclusively for grants for  
23 projects in the public interest in the Commonwealth.

24 § 13B54. Compulsive and problem gambling.

25 The following shall apply:

26           (1) Each year, from the tax imposed in section 13B52  
27 (relating to interactive gaming tax), an amount equal to .002  
28 multiplied by the total gross interactive gaming revenue of  
29 all active and operating interactive gaming certificate  
30 holders shall be transferred into the Compulsive and Problem  
31 Gambling Treatment Fund established in section 1509 (relating  
32 to compulsive and problem gambling program).

33           (2) Each year, from the tax imposed in section 13B52, an  
34 amount equal to .002 multiplied by the total gross  
35 interactive gaming revenue of all active and operating  
36 interactive gaming certificate holders shall be transferred  
37 to the Department of Drug and Alcohol Programs or successor  
38 agency to be used for drug and alcohol addiction treatment  
39 services, including treatment for drug and alcohol addiction  
40 related to compulsive and problem gambling, as set forth in  
41 section 1509.1 (relating to drug and alcohol treatment).

42 § 13B55. Certificate holder deposits.

43 (a) Deposits.--

44           (1) The department shall determine the appropriate  
45 assessment amount for each interactive gaming certificate  
46 holder, which amount shall be a percentage assessed on the  
47 interactive gaming certificate holder's gross interactive  
48 gaming revenues. Each interactive gaming certificate holder  
49 shall deposit funds into its account under section 1401  
50 (relating to slot machine licensee deposits) on a weekly  
51 basis.

1       (2) The percentage assessed shall not exceed an amount  
2       necessary to recover costs or expenses incurred by the board  
3       and the department in carrying out powers and duties under  
4       this chapter based on a budget submitted by the board and the  
5       department under subsection (b).

6       (b) Itemized budget reporting.--

7       (1) The board and the department shall prepare and  
8       annually submit to the chairperson and minority chairperson  
9       of the Appropriations Committee of the Senate and the  
10       chairperson and minority chairperson of the Appropriations  
11       Committee of the House of Representatives an itemized budget  
12       consisting of amounts to be appropriated out of the accounts  
13       established under this section as necessary to administer  
14       this chapter.

15       (2) The itemized budget required under paragraph (1)  
16       shall be submitted in conjunction with the budget required to  
17       be submitted under section 1202(b)(28) (relating to general  
18       and specific powers).

19       (c) Appropriation.--Costs and expenses from accounts  
20       established under section 1401 shall only be disbursed upon  
21       appropriation by the General Assembly.

22       (d) Penalty.--

23       (1) An interactive gaming certificate holder that fails  
24       to timely remit to the department amounts required under this  
25       section shall be subject to, in addition to liability imposed  
26       in this chapter, a penalty of 5% per month up to a maximum of  
27       25% of the amounts ultimately found to be due. The penalty  
28       shall be recovered by the department.

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

#### 31                   SUBCHAPTER G

#### 32                   MISCELLANEOUS PROVISIONS

33       Sec.

34       13B61. Participation in interactive gaming outside  
35       Commonwealth.

36       13B62. Institutional investors.

37       13B63. Internet cafes and prohibition.

38       § 13B61. Participation in interactive gaming outside  
39       Commonwealth.

40       Notwithstanding any other provision of this chapter to the  
41       contrary, an interactive gaming certificate holder may accept  
42       interactive gaming wagers from a person who is not physically  
43       located in this Commonwealth or may accept interactive gaming  
44       wagers from a person physically present in this Commonwealth and  
45       transmit such wagers to an interactive gaming platform operated  
46       by one or more operators licensed in a foreign jurisdiction  
47       where interactive gaming is permitted, if the board determines  
48       the following:

49       (1) participation in interactive gaming and acceptance  
50       of wagers associated with interactive gaming from a person  
51       not physically located in this Commonwealth or accepting



1 interactive gaming wagers from a person physically present in  
2 this Commonwealth and transmitting such wagers to an  
3 interactive gaming platform operated by one or more operators  
4 licensed in a foreign jurisdiction where interactive gaming  
5 is permitted is not inconsistent with Federal law or  
6 regulation or the law or regulation of the state or  
7 jurisdiction in which the person or operator is located; and

8 (2) participation in interactive gaming is conducted  
9 pursuant to an interactive gaming reciprocal agreement with  
10 the state or jurisdiction where the person is located and the  
11 interactive gaming reciprocal agreement is not inconsistent  
12 with Federal law or regulation.

13 § 13B62. Institutional investors.

14 (a) Declaration of investment intent.--Notwithstanding any  
15 other provision of this part, the following shall apply:

16 (1) An institutional investor holding 20% or less of the  
17 equity securities of an interactive gaming certificate  
18 holder's, interactive gaming operator's or applicant's  
19 holding, subsidiary or intermediary companies shall be  
20 granted a waiver of any investigation of suitability or other  
21 requirement if the securities are those of a corporation,  
22 whether publicly traded or privately held, and the holdings  
23 of the securities were purchased for investment purposes  
24 only. The institutional investor shall file a certified  
25 statement that it has no intention of influencing or  
26 affecting the affairs of the interactive gaming certificate  
27 holder, interactive gaming operator, applicant or any  
28 holding, subsidiary or intermediary company of an interactive  
29 gaming certificate holder, interactive gaming operator or  
30 applicant. However, an institutional investor shall be  
31 permitted to vote on matters put to the vote of the  
32 outstanding security holders.

33 (2) The board may grant a waiver to an institutional  
34 investor holding a higher percentage of securities upon a  
35 showing of good cause and if the other conditions specified  
36 in paragraph (1) are met.

37 (3) An institutional investor granted a waiver under  
38 this subsection who subsequently decides to influence or  
39 affect the affairs of an interactive gaming certificate  
40 holder, interactive gaming operator or applicant's holding,  
41 subsidiary or intermediary company of an interactive gaming  
42 certificate holder, interactive gaming operator or applicant  
43 shall provide not less than 30 days' notice of intent and  
44 shall file with the board a request for determination of  
45 suitability before taking any action that may influence or  
46 affect such affairs. An institutional investor shall be  
47 permitted to vote on matters put to the vote of the  
48 outstanding security holders.

49 (4) If an institutional investor changes its investment  
50 intent or if the board finds reasonable cause to believe that  
51 the institutional investor may be found unsuitable, no action

1 other than divestiture shall be taken by the institutional  
2 investor with respect to its security holdings until there  
3 has been compliance with any requirements established by the  
4 board, which may include the execution of a trust agreement  
5 in accordance with section 1332 (relating to appointment of  
6 trustee).

7 (5) The interactive gaming certificate holder or  
8 interactive gaming operator or applicant or any holding,  
9 intermediary or subsidiary company of an interactive gaming  
10 certificate holder, interactive gaming operator or applicant  
11 shall notify the board immediately of any information about,  
12 or actions of, an institutional investor holding its equity  
13 securities where the information or action may impact the  
14 eligibility of the institutional investor for a waiver under  
15 this subsection.

16 (b) Failure to declare.--If the board finds:

17 (1) that an institutional investor holding any security  
18 of a holding or intermediary company of an interactive gaming  
19 certificate holder or interactive gaming operator or  
20 applicant or, where relevant, of another subsidiary company  
21 of a holding or intermediary company of an interactive gaming  
22 certificate holder or interactive gaming operator or  
23 applicant which is related in any way to the financing of the  
24 interactive gaming certificate holder or interactive gaming  
25 operator or applicant, fails to comply with the provisions of  
26 subsection (a); or

27 (2) by reason of the extent or nature of its holdings,  
28 an institutional investor is in a position to exercise such a  
29 substantial impact upon the controlling interests of an  
30 interactive gaming certificate holder or interactive gaming  
31 operator or applicant that investigation and determination of  
32 suitability of the institutional investor is necessary to  
33 protect the public interest;

34 then the board may take any necessary action otherwise  
35 authorized under this chapter to protect the public interest.  
36 § 13B63. Internet cafes and prohibition.

37 (a) General rule.--No person shall operate a place of public  
38 accommodation, club, including a club or association limited to  
39 dues-paying members or similar restricted groups, or similar  
40 establishment in which computer terminals or similar access  
41 devices are advertised or made available to be used principally  
42 for the purpose of accessing authorized interactive games. No  
43 interactive gaming certificate holder or interactive gaming  
44 operator shall offer or make available computer terminals or  
45 similar access devices to be used principally for the purpose of  
46 accessing interactive games within a licensed facility.

47 (b) Construction.--Nothing in this section shall be  
48 construed to require the owner or operator of a hotel or motel  
49 or other public place of general use in this Commonwealth to  
50 prohibit or block guests from playing authorized interactive  
51 games on their own computers or other devices.

1 (c) Computer access.--An interactive gaming certificate  
2 holder or interactive gaming operator shall prevent registered  
3 players within a licensed facility from accessing authorized  
4 interactive games on the registered player's own computers or  
5 other devices through the use of geospatial technologies.

6 CHAPTER 13C  
7 SPORTS WAGERING

8 Subchapter

- 9 A. General Provisions  
10 B. Sports Wagering Authorized  
11 C. Conduct of Sports Wagering  
12 D. Sports Wagering Taxes and Fees  
13 E. Miscellaneous Provisions

14 SUBCHAPTER A  
15 GENERAL PROVISIONS

16 Sec.

- 17 13C01. Definitions.  
18 13C02. Regulatory authority.  
19 13C03. Temporary sports wagering regulations.  
20 13C04. Unauthorized sports wagering.  
21 § 13C01. Definitions.

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

25 "Gross sports wagering revenue."

26 (1) The total of cash or cash equivalents received from  
27 sports wagering minus the total of:

28 (i) Cash or cash equivalents paid to players as a  
29 result of sports wagering.

30 (ii) Cash or cash equivalents paid to purchase  
31 annuities to fund prizes payable to players over a period  
32 of time as a result of sports wagering.

33 (iii) The actual cost paid by the sports wagering  
34 certificate holder for any personal property distributed  
35 to a player as a result of sports wagering. This  
36 subparagraph does not include travel expenses, food,  
37 refreshments, lodging or services.

38 (2) The term does not include any of the following:

39 (i) Counterfeit cash or chips.

40 (ii) Coins or currency of other countries received  
41 as a result of sports wagering, except to the extent that  
42 the coins or currency are readily convertible to cash.

43 (iii) Cash taken in a fraudulent act perpetrated  
44 against a sports wagering certificate holder for which  
45 the sports wagering certificate holder is not reimbursed.

46 "Sporting event." A professional or collegiate sports or  
47 athletic event or a motor race event.

48 "Sports wagering." The business of accepting wagers on  
49 sporting events or on the individual performance statistics of  
50 athletes in a sporting event or combination of sporting events  
51 by any system or method of wagering, including over the Internet

1 through websites and mobile applications. The term includes, but  
2 is not limited to, exchange wagering, parlays, over-under,  
3 moneyline, pools and straight bets. The term does not include:

4 (1) Pari-mutuel betting on the outcome of thoroughbred  
5 or harness horse racing as authorized under 3 Pa.C.S. Ch. 93  
6 (relating to race horse industry reform).

7 (2) Lottery games of the Pennsylvania State Lottery as  
8 authorized under the act of August 26, 1971 (P.L.351, No.91),  
9 known as the State Lottery Law.

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

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

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

17 (6) Keno.

18 (7) Fantasy contests.

19 (8) iLottery under Chapter 5 (relating to lottery).

20 "Sports wagering certificate." A certificate awarded by the  
21 board under this chapter that authorizes a slot machine licensee  
22 to conduct sports wagering in accordance with this chapter.

23 "Sports wagering certificate holder." A slot machine  
24 licensee to whom the board has awarded a sports wagering  
25 certificate.

26 "Sports wagering device." The term includes any mechanical,  
27 electrical or computerized contrivance, terminal, machine or  
28 other device, apparatus, equipment or supplies approved by the  
29 board and used to conduct sports wagering.

30 § 13C02. Regulatory authority.

31 The board shall promulgate regulations:

32 (1) Establishing standards and procedures for sports  
33 wagering. The standards and procedures shall provide for the  
34 conduct and implementation of sports wagering by slot machine  
35 licensees, including any new sports wagering or variations or  
36 composites of approved sports wagering, provided that the  
37 board determines that the new sports wagering or any  
38 variations or composites or other approved sports wagering  
39 are suitable for use after a test or experimental period  
40 under the terms and conditions as the board may deem  
41 appropriate.

42 (2) Establishing standards and procedures to govern the  
43 conduct of sports wagering and the system of wagering,  
44 including the manner in which wagers are received, payouts  
45 are remitted and point spreads, lines and odds are  
46 determined. The board may also promulgate regulations to  
47 govern the conduct of sports wagering and the system of  
48 wagering as a form of interactive gaming authorized by the  
49 Commonwealth.

50 (3) Establishing the method for calculating gross sports  
51 wagering revenue and standards for the daily counting and

1 recording of cash and cash equivalents received in the  
2 conduct of sports wagering, including ensuring that internal  
3 controls are followed and financial books and records are  
4 maintained and audits are conducted. The board shall consult  
5 with the department in establishing the regulations under  
6 this paragraph.

7 (4) Establishing notice requirements pertaining to  
8 minimum and maximum wagers on sports wagering.

9 (5) Establishing compulsive and problem gambling  
10 standards pertaining to sports wagering consistent with this  
11 part.

12 (6) Establishing standards prohibiting persons under 21  
13 years of age from participating in sports wagering.

14 (7) Providing information pertaining to sports wagering  
15 in the board's annual report required under section 1211(a.1)  
16 (relating to reports of board).

17 (8) Requiring each sports wagering certificate holder  
18 to:

19 (i) Provide written information about sports  
20 wagering rules, payouts or winning wagers and other  
21 information as the board may require.

22 (ii) Provide specifications approved by the board  
23 under section 1207(11) (relating to regulatory authority  
24 of board) to integrate and update the licensed facility's  
25 surveillance system to cover all areas in the licensed  
26 facility where sports wagering is conducted. The  
27 specifications shall include provisions providing the  
28 board and other persons authorized by the board with  
29 onsite access to the surveillance system or its signal.

30 (iii) Designate one or more locations within the  
31 licensed facility to conduct sports wagering.

32 (iv) Ensure that visibility of each sports wagering  
33 area in the licensed facility of the sports wagering  
34 certificate holder is not obstructed in any way that  
35 could interfere with the ability of the sports wagering  
36 certificate holder, the board and other persons  
37 authorized under this part or by the board to oversee the  
38 surveillance of the conduct of sports wagering.

39 (v) Integrate the licensed facility's count room to  
40 ensure maximum security of the counting and storage of  
41 cash and cash equivalents.

42 (vi) Equip each designated sports wagering area  
43 within the licensed facility with a sign indicating the  
44 permissible sports wagering minimum and maximum wagers.

45 (vii) Ensure that no person under 21 years of age  
46 participates in sports wagering.

47 § 13C03. Temporary sports wagering regulations.

48 (a) Promulgation.--In order to facilitate the prompt  
49 implementation of this chapter, regulations promulgated by the  
50 board shall be deemed temporary regulations which shall expire  
51 not later than two years following the publication of the

1 temporary regulations. The board may promulgate temporary  
2 regulations not subject to:

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

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

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

10 (b) Expiration.--Except for temporary regulations governing  
11 the rules of sports wagering approved by the board, the board's  
12 authority to adopt temporary regulations under subsection (a)  
13 shall expire two years after publication of the temporary  
14 regulations. Regulations adopted after this period shall be  
15 promulgated as provided by law.

16 § 13C04. Unauthorized sports wagering.

17 (a) Offense defined.--

18 (1) It shall be unlawful for any person to operate,  
19 conduct, offer or expose sports wagering for play or to  
20 accept a bet or wager associated with sports wagering from  
21 any person physically located in this Commonwealth which at  
22 the time of play that is not within the scope of a valid  
23 sports wagering certificate issued by the board under this  
24 chapter.

25 (2) It shall be unlawful for any person to knowingly  
26 provide services with respect to any sports wagering or bet  
27 or wager specified in paragraph (1).

28 (b) Grading of offense.--A person who violates subsection  
29 (a) commits a misdemeanor of the first degree. For a second or  
30 subsequent violation of subsection (a), a person commits a  
31 felony of the second degree.

32 (c) Penalties.--

33 (1) For a first violation of subsection (a), a person  
34 shall be sentenced to pay a fine of:

35 (i) not more than \$150,000, if the person is an  
36 individual;

37 (ii) not less than \$150,000 nor more than \$300,000,  
38 if the person is a licensed manufacturer or supplier; or

39 (iii) not less than \$300,000 nor more than \$600,000,  
40 if the person is a licensed gaming entity.

41 (2) For a second or subsequent violation of subsection  
42 (a), a person shall be sentenced to pay a fine of:

43 (i) not more than \$300,000, if the person is an  
44 individual;

45 (ii) not less than \$300,000 nor more than \$600,000,  
46 if the person is a licensed manufacturer or supplier; or

47 (iii) not less than \$600,000 nor more than  
48 \$1,200,000, if the person is a licensed gaming entity.

49 (d) Forfeiture.--If a person engages in sports wagering from  
50 a location where sports wagering is unauthorized, the person  
51 shall forfeit all winnings and any forfeited winnings shall be

1 deposited into the Compulsive and Problem Gambling Treatment  
2 Fund established under section 1509(b) (relating to compulsive  
3 and problem gambling program).

4 (e) Tax liability.--A person who offers sports wagering  
5 without a valid sport wagering certificate shall be liable for  
6 all taxes required by this chapter in the same manner and  
7 amounts as if the person were a licensee.

## 8 SUBCHAPTER B

### 9 SPORTS WAGERING AUTHORIZED

10 Sec.

11 13C11. Authorization to conduct sports wagering.

12 13C12. Petition requirements.

13 13C13. Standard for review of petitions.

14 13C14. Award of certificate.

15 13C15. Sports wagering certificate.

16 13C16. Sports wagering by manufacturers.

17 § 13C11. Authorization to conduct sports wagering.

18 (a) Persons who may be authorized.--

19 (1) (i) The board may authorize a slot machine licensee  
20 to conduct sports wagering and to operate a system of  
21 wagering associated with the conduct of sports wagering  
22 at the slot machine licensee's licensed facility, a  
23 temporary facility authorized under section 13C21(b)  
24 (relating to authorized locations for operation), an area  
25 authorized under section 13C21(c) or through an Internet-  
26 based system.

27 (ii) Authorization shall be contingent upon the slot  
28 machine licensee's agreement to ensure that sports  
29 wagering will be conducted in accordance with this part  
30 and any other conditions established by the board.

31 (iii) Nothing in this part shall be construed to  
32 create a separate license governing the conduct of sports  
33 wagering by slot machine licensees within this  
34 Commonwealth.

35 (2) The board may authorize a sports wagering  
36 certificate holder to conduct sports wagering and to operate  
37 a system of wagering associated with the conduct of sports  
38 wagering as a form of interactive gaming authorized by the  
39 Commonwealth.

40 (3) (i) Except as provided in this part, all  
41 individuals wagering on sporting events through  
42 authorized sports wagering must be physically located  
43 within this Commonwealth or within a state or  
44 jurisdiction with which the board has entered a sports  
45 wagering agreement.

46 (ii) No individual under 21 years of age may make a  
47 wager or bet on sporting events through authorized sports  
48 wagering or have access to the designated sports wagering  
49 area of the licensed facility.

50 (b) Federal authorization.--

51 (1) The board shall, when Federal law is enacted or

1 repealed or a Federal court decision is filed that permits a  
2 state to regulate sports wagering, publish a notice in the  
3 Pennsylvania Bulletin certifying the enactment or repeal or  
4 the filing of the decision.

5 (2) The board may not authorize the conduct of sports  
6 wagering in this Commonwealth until the notice is published  
7 as prescribed in paragraph (1).

8 § 13C12. Petition requirements.

9 (a) General rule.--Unless otherwise prohibited under section  
10 13A13 (relating to prohibitions), a slot machine licensee may  
11 seek approval to conduct sports wagering by filing a petition  
12 with the board, in a form and in a manner prescribed by the  
13 board.

14 (b) Petition contents.--A petition seeking authorization to  
15 conduct sports wagering shall include the following:

16 (1) The name, business address and contact information  
17 of the petitioner.

18 (2) The name, business address, job title and a  
19 photograph of each principal and key employee of the  
20 petitioner who will be involved in the conduct of sports  
21 wagering and who is not currently licensed by the board, if  
22 known.

23 (3) A brief description of the economic benefits  
24 expected to be realized by the Commonwealth, its  
25 municipalities and its residents if sports wagering is  
26 authorized at the petitioner's licensed facility.

27 (4) The details of any financing obtained or that will  
28 be obtained to fund an expansion or modification of the  
29 licensed facility to accommodate sports wagering and to  
30 otherwise fund the cost of commencing sports wagering.

31 (5) Information and documentation concerning financial  
32 background and resources, as the board may require, to  
33 establish by clear and convincing evidence the financial  
34 stability, integrity and responsibility of the petitioner.

35 (6) Information and documentation, as the board may  
36 require, to establish by clear and convincing evidence that  
37 the petitioner has sufficient business ability and experience  
38 to create and maintain a successful sports wagering  
39 operation. In making this determination, the board may  
40 consider the performance of the petitioner's slot machine and  
41 table game operation, including financial information,  
42 employment data and capital investment.

43 (7) Information and documentation, as the board may  
44 require, to establish by clear and convincing evidence that  
45 the petitioner has or will have the financial ability to pay  
46 the authorization fee under section 13C61 (relating to sports  
47 wagering authorization fee).

48 (8) Detailed site plans identifying the petitioner's  
49 proposed sports wagering area within the licensed facility.

50 (9) Other information as the board may require.

51 (c) Confidentiality.--Information submitted to the board



1 under subsection (b)(4), (5), (6), (7) and (8) may be considered  
2 confidential by the board if the information would be  
3 confidential under section 1206(f) (relating to board minutes  
4 and records).

5 § 13C13. Standard for review of petitions.

6 (a) General rule.--The board shall approve a petition if the  
7 petitioner establishes, by clear and convincing evidence, all of  
8 the following:

9 (1) The petitioner's slot machine license and table game  
10 operation certificate are in good standing with the board.

11 (2) The conduct of sports wagering at the petitioner's  
12 licensed facility will increase revenues and employment  
13 opportunities.

14 (3) The petitioner possesses adequate funds or has  
15 secured adequate financing to:

16 (i) Fund any necessary expansion or modification of  
17 the petitioner's licensed facility to accommodate the  
18 conduct of sports wagering.

19 (ii) Pay the authorization fee in accordance with  
20 section 13C61 (relating to sports wagering authorization  
21 fee).

22 (iii) Commence sports wagering operations at its  
23 licensed facility.

24 (4) The petitioner has the financial stability,  
25 integrity and responsibility to conduct sports wagering.

26 (5) The petitioner has sufficient business ability and  
27 experience to create and maintain a successful sports  
28 wagering operation.

29 (6) The petitioner's proposed internal and external  
30 security and proposed surveillance measures within the area  
31 of the licensed facility where the petitioner seeks to  
32 conduct sports wagering are adequate.

33 (7) The petitioner has satisfied the petition  
34 application requirements and provided any other information  
35 required by section 13C12(b) (relating to petition  
36 requirements).

37 (b) Timing of approval.--The board shall approve or deny a  
38 petition within 120 days following receipt of the completed  
39 petition.

40 § 13C14. Award of certificate.

41 (a) General rule.--Upon approval of a petition, the board  
42 shall award a sports wagering certificate to the petitioner. The  
43 award of a sports wagering certificate prior to the payment in  
44 full of the authorization fee required by section 13C61  
45 (relating to sports wagering authorization fee) shall not  
46 relieve the petitioner from complying with the provisions of  
47 section 13C61.

48 (b) Statement of conditions.--Upon awarding a sports  
49 wagering operation certificate, the board shall amend the slot  
50 machine licensee's statement of conditions pertaining to the  
51 requirements of this chapter.

1 (c) Term of sports wagering certificate.--Subject to the  
2 power of the board to deny, revoke or suspend a sports wagering  
3 certificate issued in accordance with the requirements of this  
4 section, a sports wagering certificate shall be renewed every  
5 five years and shall be subject to the requirements of section  
6 1326 (relating to renewals).

7 § 13C15. Sports wagering certificate.

8 The following shall apply:

9 (1) A sports wagering certificate shall be in effect  
10 unless:

11 (i) suspended or revoked by the board consistent  
12 with the requirements of this part;

13 (ii) the slot machine license held by the sports  
14 wagering certificate holder is suspended, revoked or not  
15 renewed by the board consistent with the requirements of  
16 this part; or

17 (iii) the sports wagering certificate holder  
18 relinquishes or does not seek renewal of its slot machine  
19 license.

20 (2) A sports wagering certificate holder that fails to  
21 abide by this chapter or any condition contained in the slot  
22 machine licensee's statement of conditions governing the  
23 conduct of sports wagering shall be subject to board-imposed  
24 administrative sanctions or other penalties authorized under  
25 this part.

26 § 13C16. Sports wagering manufacturers.

27 A person who manufactures, builds, rebuilds, fabricates,  
28 assembles, produces, programs, designs, sells, leases, offers or  
29 otherwise makes modifications to any sports wagering device or  
30 associated equipment for use or operation in this Commonwealth  
31 for sports wagering purposes shall be licensed by the board  
32 under section 1317.1 (relating to manufacturer licenses) and  
33 shall be subject to application and licensure fees and fines as  
34 prescribed under section 1208, as determined by the board.

35 SUBCHAPTER C

36 CONDUCT OF SPORTS WAGERING

37 Sec.

38 13C21. Authorized locations for operation.

39 13C22. Commencement of sports wagering operations.

40 13C23. Condition of continued operation.

41 13C24. Principals, key employees and occupation permits.

42 13C25. Application of Clean Indoor Air Act.

43 13C26. Application of Liquor Code.

44 § 13C21. Authorized locations for operation.

45 (a) Restriction.--A sports wagering certificate holder may  
46 only be permitted to conduct sports wagering at a licensed  
47 facility, a temporary facility authorized under subsection (b),  
48 an area authorized under subsection (c) or through an Internet-  
49 based system.

50 (b) Temporary facilities.--The board may permit a sports  
51 wagering certificate holder to conduct sports wagering at a

1 temporary facility that is physically connected to, attached to  
2 or adjacent to a licensed facility, as approved by the board,  
3 for a period not to exceed 18 months.

4 (c) Powers and duties of board.--

5 (1) Upon request made by a sports wagering certificate  
6 holder, the board, in consultation with the commission, may  
7 determine the suitability of a Category 1 licensed gaming  
8 entity that is also a licensed racing entity authorized to  
9 conduct pari-mutuel wagering at nonprimary locations under 3  
10 Pa.C.S. Ch. 93 (relating to race horse industry reform) to  
11 conduct sports wagering at nonprimary locations.

12 (2) No sports wagering certificate holder may be  
13 approved to conduct sports wagering in a nonprimary location  
14 unless the areas of the nonprimary location where sports  
15 wagering will be conducted are equipped with adequate  
16 security and surveillance equipment to ensure the integrity  
17 of the conduct of sports wagering.

18 (3) An authorization granted under this subsection may  
19 not:

20 (i) Impose any criteria or requirements regarding  
21 the contents or structure of a nonprimary location that  
22 are unrelated to the conduct of sports wagering.

23 (ii) Authorize the placement or operation of slot  
24 machines or table games in a nonprimary location.

25 § 13C22. Commencement of sports wagering operations.

26 No sports wagering certificate holder may operate or offer  
27 sports wagering until the board determines that:

28 (1) The sports wagering certificate holder is in  
29 compliance with the requirements of this part.

30 (2) The sports wagering certificate holder is prepared  
31 in all respects to offer sports wagering play to the public  
32 at the licensed facility.

33 (3) The sports wagering certificate holder has  
34 implemented necessary internal and management controls and  
35 security arrangements and surveillance systems for the  
36 conduct of sports wagering.

37 (4) The sports wagering certificate holder is in  
38 compliance with or has complied with section 13C61 (relating  
39 to sports wagering authorization fee).

40 (5) Other conditions as the board may require to  
41 implement the conduct of sports wagering.

42 § 13C23. Condition of continued operation.

43 As a condition of continued operation, a sports wagering  
44 certificate holder shall maintain all books, records and  
45 documents pertaining to sports wagering in a manner and location  
46 within this Commonwealth as approved by the board. All books,  
47 records and documents related to sports wagering shall be:

48 (1) segregated by separate accounts within the sports  
49 wagering certificate holder's books, records and documents,  
50 except for any books, records or documents that are common to  
51 slot machine, table game and sports wagering operations and

1 approved by the board;

2 (2) immediately available for inspection upon request of  
3 the board, the bureau, the department, the Pennsylvania State  
4 Police or the Attorney General, or agents thereof and, if the  
5 sports wagering certificate holder is conducting sports  
6 wagering at a nonprimary location, upon the request of the  
7 commission, during all hours of operation of the sports  
8 wagering certificate holder in accordance with regulations  
9 promulgated by the board; and

10 (3) maintained for a period as the board, by regulation,  
11 may require.

12 § 13C24. Principals, key employees and occupation permits.

13 The following shall apply:

14 (1) Except as provided under paragraph (2), each  
15 applicant for a principal license, key employee license or  
16 gaming employee occupation permit shall:

17 (i) Consent to a background investigation to be  
18 conducted by the bureau.

19 (ii) Submit to fingerprinting by the Pennsylvania  
20 State Police or an authorized agent of the Pennsylvania  
21 State Police. The Pennsylvania State Police or the  
22 authorized agent shall submit the fingerprints to the  
23 Federal Bureau of Investigation for purposes of verifying  
24 the identity of the individual and obtaining records of  
25 criminal arrests and convictions.

26 (iii) Submit photographs consistent with the  
27 standards established by the board.

28 (2) Nothing in this part shall be construed to require  
29 any individual who holds a principal license, a key employee  
30 license or a gaming employee occupation permit under Chapters  
31 13 (relating to licensees), 13A (relating to table games) and  
32 16 (relating to junkets) to obtain a separate license or  
33 permit to be employed in a sports wagering certificate  
34 holder's sports wagering operation authorized under this  
35 chapter.

36 § 13C25. Application of Clean Indoor Air Act.

37 For the purpose of section 3(b)(11) of the act of June 13,  
38 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the  
39 term "gaming floor" shall include the areas of any facility  
40 where the sports wagering certificate holder is authorized to  
41 conduct sports wagering, except such areas off the gaming floor  
42 where contests or tournaments are conducted unless smoking is  
43 otherwise permitted in such areas.

44 § 13C26. Application of Liquor Code.

45 The provisions of section 493(24)(ii) of the act of April 12,  
46 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply  
47 to sports wagering.

#### 48 SUBCHAPTER D

#### 49 SPORTS WAGERING TAXES AND FEES

50 Sec.

51 13C61. Sports wagering authorization fee.

1 13C62. Sports wagering tax.

2 13C63. Local share assessment.

3 13C64. Compulsive and problem gambling.

4 § 13C61. Sports wagering authorization fee.

5 (a) Amount.--Each slot machine licensee that is issued a  
6 sports wagering certificate to conduct sports wagering in  
7 accordance with section 13C11 (relating to authorization to  
8 conduct sports wagering) shall pay a one-time nonrefundable  
9 authorization fee in the amount of \$10,000,000.

10 (b) Payment of fee.--A slot machine licensee shall remit the  
11 authorization fee under subsection (a) to the board within 60  
12 days of the approval of a petition to conduct sports wagering.  
13 Sports wagering may not be conducted until the fee under  
14 subsection (a) is paid in full.

15 (c) Renewal fee.--Notwithstanding any other provision of  
16 this chapter, a slot machine licensee that is issued a sports  
17 wagering certificate shall pay a renewal fee in the amount of  
18 \$250,000 upon the renewal of its sports wagering certificate in  
19 accordance with sections 1326 (relating to renewals) and  
20 13C14(c) (relating to award of certificate).

21 (d) Failure to pay by deadline.--If a petitioner or sports  
22 wagering certificate holder fails to pay the required  
23 authorization fee in full within the 60-day time period, the  
24 board shall impose a penalty and may grant the petitioner or  
25 sports wagering certificate holder up to a six-month extension  
26 to pay the authorization fee or any remaining portion of the  
27 authorization fee and the penalty.

28 (e) Suspension of certificate.--The board shall suspend the  
29 sports wagering certificate if the sports wagering certificate  
30 holder fails to pay the total authorization fee and the penalty  
31 prior to the expiration of an extension period granted under  
32 subsection (d). The suspension shall remain in effect until  
33 final payment is made.

34 (f) Deposit of fees.--Notwithstanding section 1208 (relating  
35 to collection of fees and fines), all sports wagering  
36 authorization fees, manufacturer license fees, manufacturer  
37 renewal fees and all fees for licenses issued under Chapter 16  
38 (relating to junkets) and all money collected by the board for  
39 violations of this subchapter shall be deposited into the  
40 General Fund.

41 § 13C62. Sports wagering tax.

42 (a) Imposition.--Each sports wagering certificate holder  
43 shall report to the department and pay from its daily gross  
44 sports wagering revenue, on a form and in the manner prescribed  
45 by the department, a tax of 34% of its daily gross sports  
46 wagering revenue.

47 (b) Deposits and distributions.--

48 (1) The tax imposed under subsection (a) shall be  
49 payable to the department on a weekly basis and shall be  
50 based upon gross sports wagering revenue derived during the  
51 previous week.

1       (2) All funds owed to the Commonwealth under this  
2 section shall be held in trust for the Commonwealth by the  
3 sports wagering certificate holder until the funds are paid  
4 to the department. A sports wagering certificate holder shall  
5 establish a separate bank account into which gross sports  
6 wagering revenue shall be deposited and maintained until such  
7 time as the funds are paid to the department under this  
8 section or paid into the fund under section 13C63(a)  
9 (relating to local share assessment).

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

12 § 13C63. Local share assessment.

13       (a) Required payment.--In addition to the tax imposed under  
14 section 13C62 (relating to sports wagering tax), each sports  
15 wagering certificate holder shall pay on a weekly basis, on a  
16 form and in the manner prescribed by the department, a local  
17 share assessment into a restricted receipts account established  
18 within the fund. All money owed under this section shall be held  
19 in trust by the sports wagering certificate holder until the  
20 money is paid into the restricted account. Funds in the  
21 restricted account are hereby appropriated to the department on  
22 a continuing basis for the purposes set forth under this  
23 section.

24       (b) Distributions.--The department shall, on a quarterly  
25 basis, make distributions from the local share assessments  
26 deposited into the restricted account under subsection (a) into  
27 a restricted receipt account to be established in the  
28 Commonwealth Financing Authority to be used exclusively for  
29 grants for projects in the public interest in this Commonwealth.

30       (c) Definitions.--As used in this section, the following  
31 words and phrases shall have the meanings given to them in this  
32 subsection unless the context clearly indicates otherwise:

33       "Local share assessment." Two percent of a sports wagering  
34 certificate holder's daily gross sports wagering revenue.

35 § 13C64. Compulsive and problem gambling.

36 The following shall apply:

37       (1) Each year, from the tax imposed under section 13C62  
38 (relating to sports wagering tax), an amount equal to 0.002  
39 multiplied by the total gross sports wagering revenue of all  
40 active and operating sports wagering certificate holders  
41 shall be transferred into the Compulsive and Problem Gambling  
42 Treatment Fund established under section 1509 (relating to  
43 compulsive and problem gambling program).

44       (2) Each year, from the tax imposed under section 13C62,  
45 an amount equal to 0.002 multiplied by the total gross sports  
46 wagering revenue of all active and operating sports wagering  
47 certificate holders shall be transferred to the Department of  
48 Drug and Alcohol Programs or successor agency to be used for  
49 drug and alcohol addiction treatment services, including  
50 treatment for drug and alcohol addiction related to  
51 compulsive and problem gambling, as set forth under section

1 1509.1 (relating to drug and alcohol treatment).

2 SUBCHAPTER E

3 MISCELLANEOUS PROVISIONS

4 Sec.

5 13C71. Criminal activity.

6 § 13C71. Criminal activity.

7 Sports wagering conducted by a sports wagering certificate  
8 holder in accordance with this chapter shall not constitute a  
9 criminal activity under 18 Pa.C.S. § 5514 (relating to pool  
10 selling and bookmaking).

11 CHAPTER 13D

12 (Reserved)

13 CHAPTER 13E

14 (Reserved)

15 CHAPTER 13F

16 CASINO SIMULCASTING

17 Subchapter

18 A. General Provisions

19 B. Casino Simulcasting Authorized

20 C. Application and Issuance of Permit and Establishment of  
21 Simulcasting Facility

22 D. Conduct of Casino Simulcasting

23 E. Fees and Taxes

24 SUBCHAPTER A

25 GENERAL PROVISIONS

26 Sec.

27 13F01. Legislative intent and purpose.

28 13F02. Definitions.

29 § 13F01. Legislative intent and purpose.

30 The General Assembly finds as follows:

31 (1) The people of this Commonwealth have a vital  
32 economic interest in the continued success of this  
33 Commonwealth's gaming industry, including the race horse  
34 industry. Due to this economic interest, enhancements to  
35 current gaming activities must be authorized to ensure the  
36 ongoing competitiveness, viability and stability of the  
37 gaming industry in this Commonwealth.

38 (2) A primary intent of the Race Horse Development and  
39 Gaming Act, as codified in this part, is to enhance live  
40 horse racing. However, the legalization of commercial gaming  
41 in states on the geographic borders of this Commonwealth  
42 makes it imperative to authorize new and innovative gaming  
43 activities related to horse racing and commercial casino-  
44 style gaming, which could be implemented by licensed gaming  
45 entities, and which could help ensure the viability of both  
46 horse racing and commercial gaming.

47 (3) The intent of this chapter is to give licensed  
48 gaming entities the authority to conduct casino simulcasting  
49 at Category 2, Category 3 and Category 4 licensed facilities  
50 in order to expand horse racing opportunities through  
51 simulcasting and, thereby, enhancing the viability of this

1 Commonwealth's race horse and commercial gaming industry.  
2 § 13F02. Definitions.

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

6 "Casino simulcasting." The simultaneous transmission of live  
7 thoroughbred or harness horse race meetings from an in-State  
8 sending track, out-of-State sending track or a satellite  
9 facility, regardless of licensure status or whether the horse  
10 race meetings originate within this Commonwealth or any other  
11 state or jurisdiction, to a simulcasting facility in this  
12 Commonwealth by satellite devices, television cables, telephone  
13 lines or any other telecommunications technology for the  
14 purposes of conducting pari-mutuel wagering.

15 "Casino simulcasting permit" or "simulcasting permit." A  
16 permit awarded by the board under section 13F12 (relating to  
17 casino simulcasting permit) which authorizes a licensed gaming  
18 entity to conduct casino simulcasting.

19 "Casino simulcasting permit holder." A licensed gaming  
20 entity that holds a casino simulcasting permit issued by the  
21 board in accordance with section 13F12.

22 "In-State sending track." A racetrack within this  
23 Commonwealth which is operated by a licensed racing entity and  
24 is permitted to conduct casino simulcasting.

25 "Licensed gaming entity." A person who has been approved for  
26 and issued a Category 2 slot machine license, a Category 3 slot  
27 machine license or a Category 4 slot machine license in  
28 accordance with sections 1304 (relating to Category 2 slot  
29 machine license), 1305 (relating to Category 3 slot machine  
30 license), 1305.1 (relating to Category 4 slot machine license)  
31 and 1325 (relating to license or permit issuance) and who holds  
32 a casino simulcasting permit.

33 "Out-of-State sending track." An interstate or international  
34 racetrack in a state or jurisdiction other than this  
35 Commonwealth which is equipped to conduct casino simulcasting  
36 and the operator of which is lawfully permitted to conduct horse  
37 race meetings and to provide simulcast horse races to slot  
38 machine licensees in this Commonwealth.

39 "Simulcast horse race." A thoroughbred or harness horse race  
40 meeting conducted at a racetrack, whether within or outside this  
41 Commonwealth, which is simultaneously transmitted by an approved  
42 telecommunications technology to racetracks or simulcasting  
43 facilities in this Commonwealth in accordance with regulations  
44 of the commission.

45 "Simulcasting facility." An area of a licensed facility  
46 established and maintained by a licensed gaming entity for the  
47 conduct of casino simulcasting in accordance with this chapter,  
48 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and  
49 regulations of the board and the commission.

50 SUBCHAPTER B

51 CASINO SIMULCASTING AUTHORIZED



1 Sec.

2 13F05. Authorization to conduct simulcasting.

3 13F06. Regulations.

4 13F07. Temporary regulations.

5 13F08. Simulcast agreements.

6 § 13F05. Authorization to conduct simulcasting.

7 (a) Authority to conduct.--Notwithstanding any other  
8 provision of law or regulation, it shall be lawful for a  
9 licensed gaming entity to conduct casino simulcasting by  
10 agreement or agreements with a licensed racing entity for the  
11 conduct of casino simulcasting in accordance with the provisions  
12 of this chapter, 3 Pa.C.S. Ch. 93 (relating to race horse  
13 industry reform) and the applicable regulations of the board and  
14 the commission promulgated under this chapter.

15 (b) Administration and enforcement.--The board shall  
16 administer and enforce the provisions of this chapter as they  
17 relate to the conduct of casino simulcasting by a slot machine  
18 licensee and, except as provided in this chapter, shall adopt  
19 and promulgate regulations to carry out and enforce the  
20 provisions of this chapter.

21 § 13F06. Regulations.

22 (a) Adoption of regulations.--The board, in consultation  
23 with the commission, shall adopt and promulgate regulations to  
24 govern the conduct of casino simulcasting by licensed gaming  
25 entities in this Commonwealth. Such regulations shall establish  
26 the following:

27 (1) The method and form of the application which a  
28 licensed gaming entity must follow and complete before  
29 consideration of the licensed gaming entity's application to  
30 conduct casino simulcasting.

31 (2) The permissible communications technology which must  
32 be used to facilitate the conduct of casino simulcasting in  
33 accordance with regulations of the board, the commission and  
34 applicable Federal law and regulations.

35 (3) The times during which a licensed gaming entity may  
36 conduct casino simulcasting shall be the same as the times  
37 authorized for the conduct of casino simulcasting by Category  
38 1 slot machine licensees.

39 (4) The approval of the terms and conditions of any  
40 agreement between a licensed gaming entity and a licensed  
41 racing entity related to the management or operation of  
42 casino simulcasting and the pari-mutuel system of wagering,  
43 including the percentage of the money retained by a licensed  
44 racing entity for pari-mutuel pools which may be distributed  
45 to the licensed gaming entity.

46 (5) The required contents of agreements entered into  
47 between a licensed gaming entity and a licensed racing entity  
48 for the management or operation of casino simulcasting and  
49 the pari-mutuel system of wagering.

50 (6) A requirement that wagering on simulcast horse race  
51 meetings shall only be conducted within a simulcasting

1 facility which has been approved by the board, in  
2 consultation with the commission.

3 (7) The standards and rules to govern the conduct of  
4 casino simulcasting and the system of pari-mutuel wagering  
5 associated with race horse simulcasting.

6 (8) The reporting procedures and records which will be  
7 required from a licensed gaming entity to ensure that all  
8 money generated from casino simulcasting is accounted for and  
9 winners' names, when required under applicable Federal or  
10 State law, are filed with the appropriate taxing authorities.

11 (9) Notwithstanding 3 Pa.C.S. § 9340 (relating to  
12 prohibition of wagering) or any other provision of law or  
13 regulation, the policies and procedures which will be  
14 adopted, implemented and followed to ensure that individuals  
15 under 21 years of age will be prohibited from participating  
16 in casino simulcasting or entering a simulcasting facility.

17 (10) Any other requirements, conditions or controls  
18 which the board, in consultation with the commission, deems  
19 necessary and appropriate to administer and enforce the  
20 provisions of this chapter and to facilitate the  
21 implementation of this chapter.

22 (b) Uniform regulation.--In adopting regulations under this  
23 chapter, the commission shall cooperate and work with the board  
24 to develop uniform regulations to govern the operation of casino  
25 simulcasting in this Commonwealth. Except as herein provided,  
26 the provisions of this chapter and any regulations promulgated  
27 under this chapter shall be considered as establishing uniform  
28 requirements and regulations for casino simulcasting at licensed  
29 facilities in this Commonwealth.

30 (c) Adoption of existing regulations.--Notwithstanding  
31 subsection (b) or any other law or regulation to the contrary,  
32 the provisions of 3 Pa.C.S. § 9335 (relating to pari-mutuel pool  
33 distribution) and all regulations and supplements thereto or  
34 revisions thereof adopted by the commission under 3 Pa.C.S. §  
35 9335, which relate to the retention of money in pari-mutuel  
36 pools and the pari-mutuel system of wagering on, before or after  
37 the effective date of this chapter are adopted as regulations  
38 under this chapter and shall remain in effect unless  
39 subsequently modified or superseded by regulations promulgated  
40 by the commission.

41 § 13F07. Temporary regulations.

42 (a) Promulgation.--In order to facilitate the prompt  
43 implementation of this chapter, regulations promulgated by the  
44 board and commission shall be deemed temporary regulations which  
45 shall expire not later than two years following the publication  
46 of the temporary regulation. The board may promulgate temporary  
47 regulations not subject to:

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

51 (2) Section 204(b) of the act of October 15, 1980

1 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

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

4 (b) Expiration.--The authority to adopt temporary  
5 regulations under subsection (a) shall expire two years after  
6 the publication of the temporary regulations. Regulations  
7 adopted by the board and commission after the two-year period  
8 shall be promulgated as provided by law.

9 (c) Publication of temporary regulations.--The board and the  
10 commission shall begin publishing temporary regulations  
11 governing casino simulcasting in the Pennsylvania Bulletin  
12 within 60 days of the effective date of this subsection.  
13 § 13F08. Simulcast agreements.

14 (a) Manner of agreement.--Any agreement entered into between  
15 a licensed gaming entity and a licensed racing entity to  
16 facilitate casino simulcasting shall be in writing and shall be  
17 filed with and approved by the board and the commission in  
18 accordance with regulations promulgated by the board in  
19 consultation with the commission.

20 (b) Wager provisions.--Notwithstanding 3 Pa.C.S. § 9334  
21 (relating to State Racing Fund and tax rate) or 9335 (relating  
22 to pari-mutuel pool distribution), the following shall apply:

23 (1) If a licensed gaming entity offers casino  
24 simulcasting at its licensed facility through an agreement  
25 with a licensed racing entity, the agreement shall specify  
26 the percentage of the money wagered each racing day at the  
27 simulcasting facility and remaining in the wagering pools  
28 after the required distributions under 3 Pa.C.S. § 9335, that  
29 will be paid to the licensed gaming entity. The amount  
30 retained by a licensed gaming entity shall not exceed 25% of  
31 the money retained by the licensed racing entity under 3  
32 Pa.C.S. § 9335.

33 (2) (Reserved).

34 (c) Regulations.--The board, in consultation with the  
35 commission, shall establish regulations to administer the  
36 retention requirements under this section.

#### 37 SUBCHAPTER C

#### 38 APPLICATION AND ISSUANCE OF PERMIT AND 39 ESTABLISHMENT OF SIMULCASTING FACILITY

40 Sec.

41 13F11. Application for permit and requirements.

42 13F12. Casino simulcasting permit.

43 13F13. Casino simulcasting facilities.

44 13F14. License, registration or permitting of employees  
45 required.

46 13F15. Key employees and occupation permits.

47 § 13F11. Application for permit and requirements.

48 (a) Applications.--A licensed gaming entity shall file an  
49 application for a casino simulcasting permit with the board. The  
50 application shall include the following:

51 (1) The name, business address and contact information

1 of the applicant.

2 (2) The name and location of the applicant's licensed  
3 facility.

4 (3) The name and business address, job title and a  
5 photograph of each principal and key employee of the  
6 applicant who will be involved in the conduct of casino  
7 simulcasting and who is not currently licensed by the board  
8 or the commission, if known.

9 (4) The estimated number of full-time and part-time  
10 employment positions that will be created at the licensed  
11 facility if casino simulcasting is authorized and an updated  
12 hiring plan under section 1510(a) (relating to labor hiring  
13 preferences) which outlines the applicant's plan to promote  
14 the representation of diverse groups and Commonwealth  
15 residents in the employment positions.

16 (5) A brief description of the economic benefits  
17 expected to be realized by the Commonwealth, the Department  
18 of Agriculture and the race horse industry in this  
19 Commonwealth if casino simulcasting is authorized at the  
20 applicant's licensed facility.

21 (6) The details of any financing, if applicable,  
22 obtained or that will be obtained to fund an expansion or  
23 modification of the licensed facility to accommodate casino  
24 simulcasting or construct a simulcasting facility or to  
25 otherwise fund the cost of commencing casino simulcasting  
26 operations.

27 (7) 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 applicant.

31 (8) A copy of or a detailed description of the terms and  
32 conditions of any agreement or agreements the licensed gaming  
33 entity has entered into or will enter into with a licensed  
34 racing entity to facilitate the conduct of casino  
35 simulcasting.

36 (9) A detailed description of any financial arrangements  
37 between a licensed gaming entity and a licensed racing entity  
38 related to the conduct of casino simulcasting.

39 (10) Detailed site and architectural plans of the  
40 proposed simulcasting facility within the applicant's  
41 licensed facility.

42 (11) Any other information as the board may require.

43 (b) Review and approval of application.--The board shall  
44 review and approve an application for a simulcasting permit if  
45 the applicant establishes, by clear and convincing evidence, all  
46 of the following:

47 (1) The applicant's slot machine license and table game  
48 operation certificate are in good standing with the board.

49 (2) The conduct of casino simulcasting at the  
50 applicant's licensed facility will have a positive economic  
51 impact on the Commonwealth and the race horse industry in

1 this Commonwealth through increased revenues, increased  
2 purses and employment opportunities.

3 (3) The applicant possesses adequate funds or has  
4 secured adequate financing to:

5 (i) Fund any necessary expansion or modification of  
6 the applicant's licensed facility or to construct a  
7 simulcasting facility to accommodate the conduct of  
8 casino simulcasting.

9 (ii) Pay the costs of establishing, maintaining and  
10 operating the simulcasting facility.

11 (iii) Commence casino simulcasting operations.

12 (4) The applicant has entered into or will enter into an  
13 agreement with a licensed racing entity to manage or operate  
14 casino simulcasting operations, and the agreement has been  
15 approved by the commission.

16 (5) The applicant has the expertise to manage casino  
17 simulcasting.

18 (6) The applicant has the financial stability, integrity  
19 and responsibility to conduct casino simulcasting.

20 (7) The applicant has sufficient business ability and  
21 experience to create and maintain a successful casino  
22 simulcasting operation.

23 (8) The applicant's proposed internal and external  
24 security controls and proposed surveillance measures within  
25 the area of the licensed facility where the applicant seeks  
26 to conduct casino simulcasting are adequate.

27 (c) Confidentiality.--Information submitted to the board  
28 under subsection (a) (6), (7) and (8) may be considered  
29 confidential by the board if the information would be  
30 confidential under section 1206(f) (relating to board minutes  
31 and records).

32 § 13F12. Casino simulcasting permit.

33 (a) Issuance of permit.--Upon review and approval of an  
34 application submitted to the board in accordance with section  
35 13F11 (relating to application for permit and requirements), the  
36 board shall issue a casino simulcasting permit to the applicant.

37 (b) Content of permit.--

38 (1) A casino simulcasting permit shall include a list of  
39 the horse race meetings which are proposed to be simulcast by  
40 the casino simulcasting permit holder at its simulcasting  
41 facility, including the names and locations of the in-State  
42 sending tracks and out-of-State sending tracks, and the start  
43 date and expiration date of any agreement or agreements the  
44 casino simulcasting permit holder has entered into or will  
45 enter into with a licensed racing entity for the operation of  
46 casino simulcasting.

47 (2) A casino simulcasting permit holder shall be  
48 required to update the initial casino simulcasting  
49 application at times prescribed by the board, in consultation  
50 with the commission.

51 § 13F13. Casino simulcasting facilities.

1 (a) Establishment of simulcasting facility.--A licensed  
2 gaming entity approved for and issued a permit to operate casino  
3 simulcasting under this chapter shall establish a simulcasting  
4 facility as part of its licensed facility. The simulcasting  
5 facility may be adjacent to, but shall not be part of, any room  
6 or location in which slot machines or table games are operated  
7 or conducted in accordance with the provisions of this part. The  
8 following shall apply:

9 (1) The simulcasting facility shall conform to all  
10 requirements concerning square footage, equipment, security  
11 measures and related matters which the board, in consultation  
12 with the commission, shall by regulation prescribe.

13 (2) The space or area required for the establishment of  
14 a simulcasting facility shall not be used to decrease the  
15 number of slot machines or table games in operation at the  
16 licensed facility or to reduce the space approved by the  
17 board for the operation of slot machines and the conduct of  
18 table games.

19 (3) The cost of establishing, maintaining and operating  
20 a simulcasting facility shall be the sole responsibility of  
21 the licensed gaming entity.

22 (b) Video display monitors.--Notwithstanding 3 Pa.C.S. Ch.  
23 93 (relating to race horse industry reform) or regulations  
24 promulgated pursuant to 3 Pa.C.S. Ch. 93, the regulations  
25 promulgated by the board shall provide for the installation of  
26 video display technology in approved areas of licensed  
27 facilities to deliver simulcast horse race meetings to patrons  
28 via video walls and other such innovative video display  
29 technology. The board may collaborate with the commission in  
30 developing regulations to govern the installation and operation  
31 of video display monitors in accordance with this subsection.  
32 § 13F14. License, registration or permitting of employees  
33 required.

34 Except as provided in this part, all persons engaged directly  
35 in wagering-related activities at a simulcasting facility,  
36 whether employed by the licensed gaming entity or licensed  
37 racing entity and all other employees of the licensed gaming  
38 entity or licensed racing entity who work or will work in the  
39 simulcasting facility, shall be licensed, registered or  
40 permitted in accordance with regulations promulgated by the  
41 board in collaboration with the commission.

42 § 13F15. Key employees and occupation permits.

43 Nothing in this subchapter shall be construed to require any  
44 individual who holds a principal license, a key employee license  
45 or gaming employee license under Chapters 13 (relating to  
46 licensees) and 13A (relating to table games) or who holds a  
47 license under 3 Pa.C.S. Ch. 93 (relating to race horse industry  
48 reform) to obtain a separate license, permit or registration to  
49 be employed in a casino simulcasting permit holder's casino  
50 simulcasting operation authorized under this chapter, if the  
51 board, in consultation with the commission, determines that

1 licensure under the provisions of this part or 3 Pa.C.S. Ch. 93  
2 is sufficient and will not compromise the integrity of casino  
3 simulcasting.

4 SUBCHAPTER D  
5 CONDUCT OF CASINO SIMULCASTING

6 Sec.

7 13F31. Conduct of casino simulcasting.

8 13F32. Transmission of live races.

9 13F33. Accounting controls and audit protocols.

10 13F34. Condition of continued operation.

11 § 13F31. Conduct of casino simulcasting.

12 (a) Wagering.--Wagering on simulcast horse races shall be  
13 conducted only in the simulcasting facility.

14 (b) Required security.--

15 (1) The security measures for a simulcasting facility  
16 shall include, but may not be limited to, the installation by  
17 the licensed gaming entity of a closed-circuit television  
18 system according to specifications promulgated by the board,  
19 in consultation with the commission.

20 (2) The board and the commission shall have access to  
21 the simulcast system or its signal in accordance with  
22 regulations promulgated by the board, in consultation with  
23 the commission.

24 § 13F32. Transmission of live races.

25 The following shall apply:

26 (1) A licensed racing entity which operates interstate  
27 or international simulcasting of horse race meetings in this  
28 Commonwealth shall have discretion to transmit all or some of  
29 the live races conducted at the racetrack to the licensed  
30 facility of a licensed gaming entity which has established a  
31 simulcasting facility under this chapter. Any race which is  
32 transmitted from an in-State sending track may be transmitted  
33 to all licensed gaming entities which have established  
34 simulcasting facilities.

35 (2) A licensed gaming entity which establishes a  
36 simulcasting facility and conducts casino simulcasting in  
37 accordance with this chapter shall, as a condition of  
38 continued operation of casino simulcasting, receive all live  
39 races which are transmitted by in-State sending tracks.

40 § 13F33. Accounting controls and audit protocols.

41 (a) Approval.--Prior to the commencement of casino  
42 simulcasting, a casino simulcasting permit holder shall submit  
43 to the board for approval all proposed site and architectural  
44 plans, internal control systems and audit protocols for the  
45 casino simulcasting permit holder's casino simulcasting  
46 operations.

47 (b) Minimum requirements.--A casino simulcasting permit  
48 holder's internal controls and audit protocols shall:

49 (1) Provide for reliable records, accounts and reports  
50 of any financial event that occurs in the conduct of casino  
51 simulcasting, including reports to the board and commission

1 related to casino simulcasting, as may be required by  
2 regulation of the board, in consultation with the commission.

3 (2) Provide for accurate and reliable financial records  
4 related to the conduct of casino simulcasting and the pari-  
5 mutuel system of wagering.

6 (3) Establish procedures and security for the counting,  
7 recording and storage of money generated from the conduct of  
8 casino simulcasting.

9 (4) Establish procedures and security standards for the  
10 maintenance of telecommunications equipment and video display  
11 technology used in connection with the conduct of casino  
12 simulcasting.

13 (5) Establish procedures and rules to govern the conduct  
14 of casino simulcasting and the responsibility of employees  
15 related to casino simulcasting.

16 (6) Establish procedures for the collection, recording  
17 and deposit of revenue from the conduct of casino  
18 simulcasting, including the roles of the commission, the  
19 department, licensed racing entities and licensed gaming  
20 entities in the collection and recording of the revenue.

21 (7) Ensure that the system of pari-mutuel wagering used  
22 in the conduct of casino simulcasting is in accordance with 3  
23 Pa.C.S. Ch. 93 (relating to race horse industry reform) and  
24 regulations of the commission promulgated under 3 Pa.C.S.  
25 (relating to agriculture).

26 (8) Ensure, in consultation with the commission, the  
27 proper and timely accounting for and retention of percentages  
28 for pari-mutuel pools and the proper and timely distribution  
29 of money in any pari-mutuel pool generated from casino  
30 simulcasting.

31 (9) Ensure that all functions, duties and  
32 responsibilities related to casino simulcasting are  
33 appropriately segregated and performed in accordance with  
34 sound financial practices by qualified employees.

35 (10) Permit use of its simulcasting facility by the  
36 board, the bureau, the commission and other persons  
37 authorized under this part or by the board and the commission  
38 to facilitate their ability to perform regulatory and  
39 oversight functions under this chapter.

40 (c) Submission to board.--The submission required under  
41 subsection (a) shall include a detailed description of the  
42 casino simulcasting permit holder's administrative and  
43 accounting procedures related to casino simulcasting, including  
44 its written system of internal controls. Each written system of  
45 internal controls shall include:

46 (1) An organizational chart depicting appropriate  
47 functions and responsibilities of employees involved in  
48 casino simulcasting.

49 (2) A description of the duties and responsibilities of  
50 each position shown on the organizational chart.

51 (3) The record retention policy of the casino



1 simulcasting permit holder.

2 (4) The procedure to be utilized to ensure that money  
3 generated from the conduct of casino simulcasting is  
4 safeguarded, including mandatory counting and recording  
5 procedures.

6 (5) A statement signed by the casino simulcasting permit  
7 holder's chief financial officer or other competent person  
8 attesting that the signatory believes, in good faith, that  
9 the system satisfies the requirements of this section.

10 (d) Review.--Prior to authorizing a casino simulcasting  
11 permit holder to conduct casino simulcasting, the board, in  
12 consultation with the commission, shall review the system of  
13 internal controls submitted under subsection (c) to determine  
14 whether it conforms to the requirements of this subchapter and  
15 whether it provides adequate and effective controls for the  
16 conduct of casino simulcasting.

17 (e) License, registration or permitting of employees  
18 required.--Except as provided in section 13F15 (relating to key  
19 employees and occupation permits), persons engaged directly in  
20 wagering-related activities at a simulcasting facility, whether  
21 employed by the licensed gaming entity or a licensed racing  
22 entity and all other employees of the licensed gaming entity who  
23 work or will work in the simulcasting facility shall be  
24 licensed, registered or permitted in accordance with regulations  
25 promulgated by the board in collaboration with the commission.

26 § 13F34. Condition of continued operation.

27 As a condition of continued operation, a casino simulcasting  
28 permit holder shall agree to maintain all books, records and  
29 documents pertaining to casino simulcasting in a manner and  
30 location within this Commonwealth as approved by the board, in  
31 consultation with the commission. All books, records and  
32 documents related to casino simulcasting shall:

33 (1) Be organized in a manner to clearly depict by  
34 separate record the total amount of money contributed to  
35 every pari-mutuel pool in accordance with the applicable  
36 provisions of 3 Pa.C.S. Ch. 93 (relating to race horse  
37 industry reform) and any regulation promulgated under 3  
38 Pa.C.S. Ch. 93.

39 (2) Be segregated by separate accounts within the  
40 licensed gaming entity's books, records and documents, except  
41 for any books, records or documents that are common to slot  
42 machine operations, table game operations and casino  
43 simulcasting, as determined by the board in consultation with  
44 the commission.

45 (3) Be immediately available for inspection upon request  
46 of the board, the commission, the bureau, the department, the  
47 Pennsylvania State Police or the Attorney General, or agents  
48 thereof, during all hours of operation of the casino  
49 simulcasting permit holder's simulcasting facility in  
50 accordance with regulations promulgated by the board in  
51 consultation with the commission.

1       (4) Be maintained for a specific period of time as the  
2       board, in consultation with the commission, by regulation,  
3       may require.

4                       SUBCHAPTER E  
5                       FEES AND TAXES

6       Sec.

7       13F41. Casino simulcasting authorization fee.

8       13F42. Retention and distribution of money and pari-mutuel  
9       pools.

10      13F43. Casino simulcasting taxes.

11      13F44. Construction.

12      § 13F41. Casino simulcasting authorization fee.

13       A casino simulcasting permit shall not be subject to the  
14      payment of an authorization fee, renewal or a renewal fee or the  
15      payment of an additional permit fee.

16      § 13F42. Retention and distribution of money and pari-mutuel  
17      pools.

18       (a) Wagers included in pari-mutuel pools.--

19       (1) Sums wagered at a simulcasting facility on the  
20      results of a simulcast horse race shall be included in the  
21      appropriate pari-mutuel pool generated for the race being  
22      transmitted in accordance with 3 Pa.C.S. § 9335 (relating to  
23      pari-mutuel pool distribution) and shall be distributed in  
24      accordance with 3 Pa.C.S. § 9335 or any regulations  
25      promulgated under 3 Pa.C.S. § 9335.

26       (2) Payments to persons holding winning tickets at a  
27      licensed facility shall be made according to the same odds as  
28      those generated at the in-State sending track.

29       (3) A person placing a wager on a simulcast horse race  
30      at a simulcasting facility shall not be charged a fee for  
31      placing the wager in addition to the amount wagered.

32       (b) Computation of money wagered.--All money wagered by  
33      players on horse race meetings at a simulcasting facility shall  
34      be computed in the amount of money wagered each racing day for  
35      purposes of taxation under 3 Pa.C.S. § 9334 (relating to State  
36      Racing Fund and tax rate), all thoroughbred races shall be  
37      considered a part of a thoroughbred horse race meeting and all  
38      harness races shall be considered a part of a harness horse race  
39      meeting for purposes of 3 Pa.C.S. § 9334.

40      § 13F43. Casino simulcasting taxes.

41       All money wagered by players on horse race meetings under  
42      this chapter shall be subject to the tax imposed under 3 Pa.C.S.  
43      § 9334 (relating to State Racing Fund and tax rate).

44      § 13F44. Construction.

45       Nothing in this chapter and section 1207 (relating to  
46      regulatory authority of board), as it relates to casino  
47      simulcasting, shall be construed to alter, preempt or otherwise  
48      impinge the authority of the commission under 3 Pa.C.S. Ch. 93  
49      (relating to race horse industry reform).

50       Section 26. Section 1401(b)(1) and (2) of Title 4 are  
51      amended and the subsection is amended by adding a paragraph to

1 read:  
2 § 1401. Slot machine licensee deposits.  
3 \* \* \*  
4 (b) Initial deposit of funds.--Not later than two business  
5 days prior to the commencement of slot machine operations by a  
6 slot machine licensee, a slot machine licensee shall deposit and  
7 maintain the following sums in its account to guarantee the  
8 payment of funds to the Commonwealth under this part and as  
9 security for its obligations under section 1405 (relating to  
10 Pennsylvania Race Horse Development Trust Fund):  
11 (1) For a Category 1 or Category 2 slot machine  
12 licensee, \$1,500,000.  
13 (2) For a Category 3 slot machine licensee, \$1,000,000.  
14 No additional minimum deposit shall be required from a slot  
15 machine licensee if a slot machine licensee is granted a table  
16 game operation certificate under Chapter 13A (relating to table  
17 games).  
18 (3) For a Category 4 slot machine licensee, \$1,250,000.  
19 \* \* \*  
20 Section 27. Section 1403 of Title 4 is reenacted and amended  
21 to read:  
22 § 1403. Establishment of State Gaming Fund and net slot machine  
23 revenue distribution.  
24 (a) Fund established.--There is hereby established the State  
25 Gaming Fund within the State Treasury.  
26 (b) Slot machine tax.--The department shall determine and  
27 each slot machine licensee, other than a Category 4 slot machine  
28 licensee, shall pay a daily tax of 34% from its daily gross  
29 terminal revenue from the slot machines in operation at its  
30 facility and a local share assessment as provided in subsection  
31 (c). All funds owed to the Commonwealth, a county or a  
32 municipality under this section shall be held in trust by the  
33 licensed gaming entity for the Commonwealth, the county and the  
34 municipality until the funds are paid or transferred to the  
35 fund. Unless otherwise agreed to by the board, a licensed gaming  
36 entity shall establish a separate bank account to maintain  
37 gross terminal revenue until such time as the funds are paid or  
38 transferred under this section. Moneys in the fund are hereby  
39 appropriated to the department on a continuing basis for the  
40 purposes set forth in subsection (c).  
41 (b.1) Slot machine tax at Category 4 licensed facilities.--  
42 (1) The department shall determine and each Category 4  
43 slot machine licensee shall pay a daily tax of 50% from its  
44 daily gross terminal revenue from the slot machines in  
45 operation at the Category 4 licensed facility and a local  
46 share assessment as provided in subsection (c.1). All money  
47 owed to the Commonwealth, a county or a municipality under  
48 this section shall be held in trust by the licensed gaming  
49 entity for the Commonwealth, the county and the municipality  
50 until the money is paid or transferred to the fund. Unless  
51 otherwise agreed to by the board, a licensed gaming entity

1 shall establish a separate bank account to maintain gross  
2 terminal revenue until such time as the money is paid or  
3 transferred under this section. Money in the fund is  
4 appropriated to the department on a continuing basis for the  
5 purposes set forth in paragraph (2).

6 (2) The tax imposed under paragraph (1) shall be  
7 deposited as follows:

8 (i) Sixty-eight percent into the Property Tax Relief  
9 Fund established under section 1409 (relating to Property  
10 Tax Relief Fund).

11 (ii) Ten percent added to and distributed under  
12 section 13B52(d)(2)(ii) (relating to interactive gaming  
13 tax).

14 (iii) Ten percent into a restricted receipts account  
15 to be established in the Commonwealth Financing Authority  
16 to be used exclusively for grants for projects in the  
17 public interest in the Commonwealth.

18 (iv) Twelve percent added to and distributed under  
19 section 1407 (relating to Pennsylvania Gaming Economic  
20 Development and Tourism Fund).

21 (c) Transfers and distributions.--The department shall:

22 (1) Transfer the slot machine tax and assessment imposed  
23 in subsection (b) to the fund.

24 (2) From the local share assessment established in  
25 subsection (b), make quarterly distributions among the  
26 counties hosting a licensed facility in accordance with the  
27 following schedule:

28 (i) If the licensed facility is a Category 1  
29 licensed facility that is located at a harness racetrack  
30 and the county, including a home rule county, in which  
31 the licensed facility is located is:

32 [(A) A county of the first class: 4% of the  
33 gross terminal revenue to the county hosting the  
34 licensed facility from each such licensed facility.  
35 Notwithstanding any other provision to the contrary,  
36 funds from licensed gaming entities located within a  
37 county of the first class shall not be distributed  
38 outside of a county of the first class.]

39 (B) A county of the second class: 2% of the  
40 gross terminal revenue to the county hosting the  
41 licensed facility from each such licensed facility.

42 (C) A county of the second class A: 1% of the  
43 gross terminal revenue to the county hosting the  
44 licensed facility from each such licensed facility.  
45 An additional 1% of the gross terminal revenue to the  
46 county hosting the licensed facility from each such  
47 licensed facility for the purpose of municipal grants  
48 within the county in which the licensee is located.

49 (D) (I) A county of the third class: Except as  
50 provided in subclause (II), 2% of the gross  
51 terminal revenue from each such licensed facility

1 shall be deposited into a restricted receipts  
2 account to be established in the Commonwealth  
3 Financing Authority to be used exclusively for  
4 grants for projects in the public interest to  
5 municipalities within the county where the  
6 licensed facility is located.

7 (I.1) Priority shall be given to multiyear  
8 projects approved or awarded by the Department of  
9 Community and Economic Development under  
10 subclause (I) on or before [the effective date of  
11 this subclause] January 7, 2010.

12 (I.2) In addition to municipalities that are  
13 eligible to receive grant funding under subclause  
14 (I), a county redevelopment authority within the  
15 county shall also be eligible to receive grant  
16 funding to be used exclusively for economic  
17 development projects or infrastructure. A county  
18 redevelopment authority shall not be eligible to  
19 receive more than 10% of the total grant funds  
20 awarded.

21 (I.3) Notwithstanding the act of February 9,  
22 1999 (P.L.1, No.1), known as the Capital  
23 Facilities Debt Enabling Act, grants made under  
24 subclause (I) may be utilized as local matching  
25 funds for other grants or loans from the  
26 Commonwealth.

27 (II) If a licensed facility is located in  
28 one of two counties of the third class where a  
29 city of the third class is located in both  
30 counties of the third class, the county in which  
31 the licensed facility is located shall receive  
32 1.2% of the gross terminal revenue to be  
33 distributed as follows: 20% to the host city,  
34 30% to the host county and 50% to the host county  
35 for the purpose of making municipal grants within  
36 the county, with priority given to municipalities  
37 contiguous to the host city. The county of the  
38 third class, which includes a city of the third  
39 class that is located in two counties of the  
40 third class and is not the host county for the  
41 licensed facility, shall receive .8% of the gross  
42 terminal revenue to be distributed as follows:  
43 60% to a nonhost city of the third class located  
44 solely in the nonhost county in which the host  
45 city of the third class is also located or 60% to  
46 the nonhost city of the third class located both  
47 in the host and nonhost counties of the third  
48 class, 35% to the nonhost county and 5% to the  
49 nonhost county for the purpose of making  
50 municipal grants within the county.

51 (E) A county of the fourth class: 2% of the

1 gross terminal revenue from each such licensed  
2 facility shall be distributed as follows:

3 (I) The department shall make distributions  
4 directly to each municipality within the county,  
5 except the host municipality, by using a formula  
6 equal to the sum of \$25,000 plus \$10 per resident  
7 of the municipality using the most recent  
8 population figures provided by the Department of  
9 Community and Economic Development, provided,  
10 however, that the amount so distributed to any  
11 municipality shall not exceed 50% of its total  
12 budget for fiscal year 2009 or 2013, whichever is  
13 greater, adjusted for inflation in subsequent  
14 fiscal years by an amount not to exceed an annual  
15 cost-of-living adjustment calculated by applying  
16 any upward percentage change in the Consumer  
17 Price Index immediately prior to the date the  
18 adjustment is due to take effect. Distributions  
19 to a municipality in accordance with this  
20 subclause shall be deposited into a special fund  
21 which shall be established by the municipality.  
22 The governing body of the municipality shall have  
23 the right to draw upon the special fund for any  
24 lawful purpose provided that the municipality  
25 identifies the fund as the source of the  
26 expenditure. Each municipality shall annually  
27 submit a report to the Department of Community  
28 and Economic Development detailing the amount and  
29 purpose of each expenditure made from the special  
30 fund during the prior fiscal year.

31 (II) Any funds not distributed under  
32 subclause (I) shall be deposited into a  
33 restricted receipts account established in the  
34 Department of Community and Economic Development  
35 to be used exclusively for grants to the county,  
36 to economic development authorities or  
37 redevelopment authorities within the county for  
38 grants for economic development projects,  
39 infrastructure projects, job training, community  
40 improvement projects, other projects in the  
41 public interest, and necessary and reasonable  
42 administrative costs. Notwithstanding the  
43 provisions of the act of February 9, 1999 (P.L.1,  
44 No.1), known as the Capital Facilities Debt  
45 Enabling Act, grants made under this clause may  
46 be utilized as local matching funds for other  
47 grants or loans from the Commonwealth.

48 (F) Counties of the fifth through eighth  
49 classes:

50 (I) Except as set forth in subclause (II),  
51 2% of the gross terminal revenue from each such

1 licensed facility shall be deposited into a  
2 restricted account established in the Department  
3 of Community and Economic Development to be used  
4 exclusively for grants to the county.

5 (II) If the licensed facility is located in  
6 a second class township in a county of the fifth  
7 class, 2% of the gross terminal revenue from the  
8 licensed facility shall be distributed as  
9 follows:

10 (a) 1% shall be deposited into a  
11 restricted receipts account to be established  
12 in the Commonwealth Financing Authority to be  
13 used exclusively for grants for projects in  
14 the public interest to municipalities within  
15 the county where the licensed facility is  
16 located.

17 (b) 1% shall be distributed to the county  
18 for projects in the public interest in the  
19 county.

20 (G) Any county not specifically enumerated in  
21 clauses (A) through (F), 2% of the gross terminal  
22 revenue to the county hosting the licensed facility  
23 from each such licensed facility.

24 (ii) If the licensed facility is a Category 1  
25 licensed facility and is located at a thoroughbred  
26 racetrack and the county in which the licensed facility  
27 is located is:

28 [(A) A county of the first class: 4% of the  
29 gross terminal revenue to the county hosting the  
30 licensed facility from each such licensed facility.  
31 Notwithstanding any other provision to the contrary,  
32 funds from licensed gaming entities located within  
33 the county of the first class shall not be  
34 distributed outside of a county of the first class.]

35 (B) A county of the second class: 2% of the  
36 gross terminal revenue to the county hosting the  
37 licensed facility from each such licensed facility.

38 (C) A county of the second class A: 1% of the  
39 gross terminal revenue to the county hosting the  
40 licensed facility from each such licensed facility[.]  
41 for the purpose of funding nonprofit entities  
42 fulfilling a human service, victim assistance or drug  
43 and alcohol prevention and treatment within the  
44 county in which the licensed facility is located. An  
45 additional 1% of the gross terminal revenue to a  
46 redevelopment authority in the county hosting the  
47 licensed facility from each such licensed facility  
48 for the purpose of municipal grants within the county  
49 in which the licensee is located. The redevelopment  
50 authority shall retain 5% of the total funds  
51 administered to cover the costs and expenses of

1 administration of the grants. For purposes of this  
2 subparagraph, a municipality that is wholly within  
3 the boundaries of a contiguous municipality shall be  
4 considered a contiguous municipality and eligible to  
5 receive municipal grants under this subparagraph.

6 (D) A county of the third class which is also a  
7 home rule county: 1% of the gross terminal revenue  
8 to the county hosting the licensed facility from each  
9 such licensed facility. An additional 1% of the gross  
10 terminal revenue minus the amount contained in clause  
11 (D.1) to the county hosting the licensed facility  
12 from each such licensed facility for the purpose of  
13 municipal grants within the county in which the  
14 licensee is located.

15 (D.1) \$1,000,000 of the gross terminal revenue  
16 annually to a land bank jurisdiction established by a  
17 county of the third class which is also a home rule  
18 county. Until a land bank jurisdiction is established  
19 by a county of the third class which is also a home  
20 rule county after the effective date of this  
21 subclause, \$1,000,000 to the county redevelopment  
22 authority.

23 (D.2) (Reserved).

24 (D.3) A county of the third class which is not a  
25 home rule county: 1% of the gross terminal revenue  
26 to the county hosting the licensed facility from each  
27 such licensed facility minus amounts in clauses  
28 (D.4), (D.5), (D.6) and (D.7). An additional 1% of  
29 the gross terminal revenue to the county hosting the  
30 licensed facility from each such licensed facility  
31 for the purpose of municipal grants within the county  
32 in which the licensee is located. Notwithstanding the  
33 provisions of the Capital Facilities Debt Enabling  
34 Act, grants made under this clause may be utilized as  
35 local matching funds for other grants or loans from  
36 the Commonwealth.

37 (D.4) \$220,000 of the gross terminal revenue  
38 annually shall be deposited into a restricted  
39 receipts account to be established in the  
40 Commonwealth Financing Authority to be used  
41 exclusively for grants for projects in the public  
42 interest within a contiguous county containing a  
43 township that receives a portion of the licensed  
44 facility's slot machine operation fee under paragraph  
45 (3)(v)(C) for the purpose of municipal grants within  
46 the county. Notwithstanding the provisions of the  
47 Capital Facilities Debt Enabling Act, grants made  
48 under this clause may be utilized as local matching  
49 funds for other grants or loans from the  
50 Commonwealth.

51 (D.5) \$50,000 of the gross terminal revenue



1 annually to a contiguous county of the fourth class  
2 for fire and emergency services and economic  
3 development. Notwithstanding the provisions of the  
4 Capital Facilities Debt Enabling Act, grants made  
5 under this clause may be utilized as local matching  
6 funds for other grants or loans from the  
7 Commonwealth.

8 (D.6) \$30,000 of the gross terminal revenue  
9 annually to a township of the second class with a  
10 population between 2,000 and 2,500 as of the 2010  
11 decennial census that is contiguous to a township in  
12 a county of the fifth class that receives a portion  
13 of the licensed facility's slot machine operation fee  
14 under paragraph (3)(v)(C).

15 (D.7) \$30,000 of the gross terminal revenue  
16 annually to a township of the second class with a  
17 population between 8,000 and 8,100 as of the 2010  
18 decennial census that is contiguous to a township in  
19 a county of the fifth class that receives a portion  
20 of the licensed facility's slot machine operation fee  
21 under paragraph (3)(v)(C). The township may use the  
22 amount for any purpose, provided that funding for  
23 fire and other emergency services is prioritized.

24 (E) A county of the fourth class: 2% of the  
25 gross terminal revenue from each such licensed  
26 facility shall be deposited into a restricted account  
27 established in the Department of Community and  
28 Economic Development to be used exclusively for  
29 grants to the county, to economic development  
30 authorities or redevelopment authorities within the  
31 county for grants for economic development projects,  
32 community improvement projects, job training, other  
33 projects in the public interest and reasonable  
34 administrative costs. Notwithstanding the Capital  
35 Facilities Debt Enabling Act, grants made under this  
36 clause may be utilized as local matching funds for  
37 other grants or loans from the Commonwealth.

38 (F) Counties of the fifth through eighth  
39 classes: 2% of the gross terminal revenue from each  
40 such licensed facility shall be deposited into a  
41 restricted account established in the Department of  
42 Community and Economic Development to be used  
43 exclusively for grants to the county.

44 (G) Any county not specifically enumerated in  
45 clauses (A) through (F), 2% of the gross terminal  
46 revenue to the county hosting the licensed facility  
47 from each such licensed facility.

48 (iii) If the facility is a Category 2 licensed  
49 facility and if the county in which the licensed facility  
50 is located is:

51 [(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. The first \$5,000,000 of the total amount distributed annually to the county of the first class shall be distributed to the Philadelphia School District.]

(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) A county of the third class: 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.1) If a licensed facility is located in one of two counties of the third class where a city of the third class is located in both counties of the third class, the following shall apply:

(I) The county in which the licensed facility is located shall receive 1.2% of the gross terminal revenue to be distributed as follows: [20% to the host city, 30% to the host county and 50% to the host county for the purpose of making municipal grants within the county, with priority given to municipalities contiguous to the host city.]

(a) 20% shall be distributed to the host city.

(b) 30% shall be distributed to the host county.

(c) 50% shall be distributed as follows:

(1) Beginning January 1, 2018, the sum of \$250,000 shall be distributed annually for a period of 20 years to a city of the third class located in two counties of the third class for purposes of funding the redevelopment of an existing arts and education center that has professional artist

1 space and studios and is located within  
2 the city of the third class that is  
3 located in two counties of the third  
4 class.

5 (2) After the distribution under  
6 subunit (1), the remaining funds shall  
7 be deposited into a restricted receipts  
8 account to be established in the  
9 Commonwealth Financing Authority for  
10 distribution within the host county to  
11 be used exclusively for economic  
12 development projects, community  
13 improvement projects and other projects  
14 in the public interest within the host  
15 county, with priority given to  
16 municipalities contiguous to the host  
17 city.

18 (II) The county of the third class, which  
19 includes a city of the third class that is  
20 located in two counties of the third class and is  
21 not the host county for the licensed facility,  
22 shall receive .8% of the gross terminal revenue  
23 to be distributed as follows: [60% to a nonhost  
24 city of the third class located solely in the  
25 nonhost county in which the host city of the  
26 third class is also located or 60% to the nonhost  
27 city of the third class located both in the host  
28 and nonhost counties of the third class, 35% to  
29 the nonhost county and 5% to the nonhost county  
30 for the purpose of making municipal grants within  
31 the county.]

32 (a) 60% shall be distributed to a  
33 nonhost city of the third class located  
34 solely in the nonhost county in which the  
35 host city of the third class is also located  
36 or 60% to the nonhost city of the third class  
37 located both in the host and nonhost counties  
38 of the third class.

39 (b) 35% shall be distributed to the  
40 nonhost county.

41 (c) 5% shall be deposited into a  
42 restricted receipts account to be established  
43 in the Commonwealth Financing Authority for  
44 distribution within the nonhost county to be  
45 used exclusively for economic development  
46 projects, community improvement projects and  
47 other projects in the public interest within  
48 the nonhost county, with priority given to  
49 municipalities contiguous to the host city.

50 (E) A county of the fourth class: 2% of the  
51 gross terminal revenue from each such licensed

1 facility shall be deposited into a restricted account  
2 established in the Department of Community and  
3 Economic Development to be used exclusively for  
4 grants to the county, to economic development  
5 authorities or redevelopment authorities within the  
6 county for grants for economic development projects,  
7 community improvement projects, job training, other  
8 projects in the public interest and reasonable  
9 administrative costs. Notwithstanding the Capital  
10 Facilities Debt Enabling Act, grants made under this  
11 clause may be utilized as local matching funds for  
12 other grants or loans from the Commonwealth.

13 (F) Counties of the fifth class: 2% of the  
14 gross terminal revenue from each such licensed  
15 facility shall be deposited and distributed as  
16 follows:

17 (I) One percent to be distributed as  
18 follows:

19 (a) Beginning in 2010, the sum of  
20 \$2,400,000 annually for a period of 20 years  
21 to the county for purposes of funding debt  
22 service related to the construction of a  
23 community college campus located within the  
24 county.

25 (b) Any funds not distributed under  
26 subclause (a) shall be deposited into a  
27 restricted receipts account to be established  
28 in the Commonwealth Financing Authority to be  
29 used exclusively for grants within the county  
30 for economic development projects, road  
31 projects located within a 20-mile radius of  
32 the licensed facility and located within the  
33 county, community improvement projects and  
34 other projects in the public interest within  
35 the county. The amount under this subclause  
36 includes reasonable administrative costs.

37 (II) One percent shall be distributed as  
38 follows:

39 (a) Beginning January 1, 2018, the sum  
40 of \$250,000 shall be distributed annually for  
41 a period of 20 years to a contiguous county  
42 of the third class that hosts a Category 2  
43 licensed facility, for the purpose of funding  
44 the construction of a pool and indoor  
45 recreation facility at an existing nonprofit  
46 recreation center within the contiguous  
47 county in a borough with a population between  
48 3,400 and 3,800 at the 2010 decennial census.

49 (b) After the distribution under subunit  
50 (a), the remaining funds shall be deposited  
51 into a restricted receipts account to be

1 established in the Commonwealth Financing  
2 Authority to be used exclusively for grants  
3 within contiguous counties for economic  
4 development projects, community improvement  
5 projects and other projects in the public  
6 interest within contiguous counties. The  
7 amount under this subclause includes  
8 reasonable administrative costs. A contiguous  
9 county that hosts a Category 1 licensed  
10 facility shall be ineligible to receive  
11 grants under this subclause.

12 (II.1) Priority shall be given to multiyear  
13 projects approved or awarded by the Department of  
14 Community and Economic Development under  
15 subclause (I)(b) or (II) on or before [the  
16 effective date of this subclause] January 7,  
17 2010.

18 (III) Fifty percent of any revenue required  
19 to be transferred under paragraph (3)(v) shall be  
20 deposited into the restricted receipts account  
21 established under subclause (I)(b), and 50% shall  
22 be deposited into the restricted receipts account  
23 established under subclause (II). Notwithstanding  
24 the Capital Facilities Debt Enabling Act, grants  
25 made under this clause may be utilized as local  
26 matching funds for other grants or loans from the  
27 Commonwealth.

28 (G) Any county not specifically enumerated in  
29 clauses [(A)] (B) through (F), 2% of the gross  
30 terminal revenue to the county hosting the licensed  
31 facility from each such licensed facility.

32 (iv) (A) Except as provided in clause (B) or (C),  
33 if the facility is a Category 3 licensed facility, 2%  
34 of the gross terminal revenue from the licensed  
35 facility shall be deposited into a restricted  
36 receipts account established in the Department of  
37 Community and Economic Development to be used  
38 exclusively for grants to the county, to economic  
39 development authorities or redevelopment authorities  
40 within the county for grants for economic development  
41 projects, community improvement projects and other  
42 projects in the public interest.

43 (B) If the facility is a Category 3 licensed  
44 facility located in a county of the second class A,  
45 2% of the gross terminal revenue [from the licensed  
46 facility shall be deposited into a restricted  
47 receipts account to be established in the  
48 Commonwealth Financing Authority to be used  
49 exclusively for grants or guarantees for projects in  
50 the host county that qualify under 64 Pa.C.S. §§ 1551  
51 (relating to Business in Our Sites Program), 1556

1 (relating to Tax Increment Financing Guarantee  
2 Program) and 1558 (relating to Water Supply and  
3 Wastewater Infrastructure Program).] to the county  
4 hosting the licensed facility from each such licensed  
5 facility shall be deposited as follows:

6 (I) Seventy-five percent shall be deposited  
7 for the purpose of supporting the maintenance and  
8 refurbishment of the parks and heritage sites  
9 throughout the county in which the licensed  
10 facility is located.

11 (II) Twelve and one-half percent shall be  
12 deposited for the purpose of supporting a child  
13 advocacy center located within the county in  
14 which the licensed facility is located.

15 (III) Twelve and one-half percent shall be  
16 deposited for the purpose of supporting an  
17 organization providing comprehensive support  
18 services to victims of domestic violence,  
19 including legal and medical aid, shelters,  
20 transitional housing and counseling located  
21 within the county in which the licensed facility  
22 is located.

23 (C) If the facility is a Category 3 licensed  
24 facility located in a county of the fifth class that  
25 is contiguous to a county of the seventh class, 2% of  
26 the gross terminal revenue from the licensed facility  
27 shall be deposited into a restricted receipts account  
28 to be established in the Commonwealth Financing  
29 Authority to be used exclusively for grants within  
30 the county for economic development projects,  
31 infrastructure projects, community improvement  
32 projects and other projects in the public interest  
33 within the county and for infrastructure projects  
34 within a 20-mile radius of the licensed facility in a  
35 contiguous county of the seventh class.

36 (v) Unless otherwise specified, for the purposes of  
37 this paragraph money designated for municipal grants  
38 within a county, other than a county of the first class,  
39 in which a licensed facility is located shall be used to  
40 fund grants to the municipality in which the licensed  
41 facility is located, to the county in which the licensed  
42 facility is located and to the municipalities which are  
43 contiguous to the municipality in which the licensed  
44 facility is located and which are located within the  
45 county in which the licensed facility is located. Grants  
46 shall be administered by the county through its economic  
47 development or redevelopment authority in which the  
48 licensed facility is located. Grants shall be used to  
49 fund the costs of human services, infrastructure  
50 improvements, facilities, emergency services, health and  
51 public safety expenses associated with licensed facility

1 operations. If at the end of a fiscal year uncommitted  
2 funds exist, the county shall pay to the economic  
3 development or redevelopment authority of the county in  
4 which the licensed facility is located the uncommitted  
5 funds.

6 (vi) If the licensed facility is located in more  
7 than one county, the amount available shall be  
8 distributed on a pro rata basis determined by the  
9 percentage of acreage located in each county to the total  
10 acreage of all counties occupied by the licensed  
11 facility.

12 (vii) The distributions provided in this paragraph  
13 shall be based upon county classifications in effect on  
14 [the effective date of this section] July 5, 2004. Any  
15 reclassification of counties as a result of a Federal  
16 decennial census or of a State statute shall not apply to  
17 this subparagraph.

18 (viii) If any provision of this paragraph is found  
19 to be unenforceable for any reason, the distribution  
20 provided for in the unenforceable provision shall be made  
21 to the county in which the licensed facility is located  
22 for the purposes of grants to municipalities in that  
23 county, including municipal grants as specified in  
24 subparagraph (v).

25 (ix) Nothing in this paragraph shall prevent any of  
26 the above counties which directly receive a distribution  
27 under this section from entering into intergovernmental  
28 cooperative agreements with other jurisdictions for  
29 sharing this money.

30 (x) The department shall credit against the amount  
31 imposed under this paragraph any amount paid by a  
32 licensed facility from May 27, 2017, until the effective  
33 date of this paragraph to a county under an agreement  
34 between the Category 1, Category 2 or Category 3 licensed  
35 gaming entity and the county in lieu of a payment under  
36 this paragraph, as certified to the department by the  
37 county receiving the funds.

38 (3) From [the local share assessment established in  
39 subsection (b)] the slot machine license operation fees  
40 deposited into the fund under section 1326.1(e) (relating to  
41 slot machine license operation fee), make quarterly  
42 distributions among the municipalities, including home rule  
43 municipalities, hosting a licensed facility in accordance  
44 with the following schedule:

45 (i) To a city of the second class hosting a licensed  
46 facility, other than a Category 3 or Category 4 licensed  
47 facility, [2% of the gross terminal revenue or]  
48 \$10,000,000 annually[, whichever is greater, shall be  
49 paid by each licensed gaming entity operating a facility  
50 located in that city. In the event that the revenues  
51 generated by the 2% do not meet the \$10,000,000 minimum

1 specified in this subparagraph, the department shall  
2 collect the remainder of the minimum amount of  
3 \$10,000,000 from each licensed gaming entity operating a  
4 facility in the city and deposit that amount in the city  
5 treasury.] shall be distributed to the city treasury.

6 (ii) To a city of the second class A hosting a  
7 licensed facility, other than a Category 3 or Category 4  
8 licensed facility, [2% of the gross terminal revenue or  
9 \$10,000,000 annually, whichever is greater, shall be paid  
10 by each licensed entity operating a licensed facility  
11 located in that city] \$10,000,000 annually shall be  
12 distributed to the city, subject, however, to the  
13 budgetary limitation in this subparagraph. The amount  
14 allocated to the designated municipalities shall not  
15 exceed 50% of their total budget for fiscal year 2003-  
16 2004, adjusted for inflation in subsequent years by an  
17 amount not to exceed an annual cost-of-living adjustment  
18 calculated by applying the percentage change in the  
19 Consumer Price Index immediately prior to the date the  
20 adjustment is due to take effect. Any remaining moneys  
21 shall be [collected by the department from each licensed  
22 gaming entity and] distributed in accordance with  
23 paragraph (2) based upon the classification of county  
24 where the licensed facility is located. [In the event  
25 that the revenues generated by the 2% do not meet the  
26 \$10,000,000 minimum specified in this subparagraph, the  
27 department shall collect the remainder of the minimum  
28 amount of \$10,000,000 from each licensed gaming entity  
29 operating a facility in the city, pay any balance due to  
30 the city and transfer any remainder in accordance with  
31 paragraph (2).]

32 (iii) To a city of the third class hosting a  
33 licensed facility, other than a Category 3 or Category 4  
34 licensed facility, [2% of the gross terminal revenue or  
35 \$10,000,000 annually, whichever is greater, shall be paid  
36 by each licensed gaming entity operating a licensed  
37 facility located in that city] \$10,000,000 annually, less  
38 any amount up to \$5,000,000 received pursuant to a  
39 written agreement with a licensed gaming entity executed  
40 prior to the effective date of this part, shall be  
41 distributed to the city, subject, however, to the  
42 budgetary limitation in this subparagraph. In the event  
43 that the city has a written agreement with a licensed  
44 gaming entity executed prior to [the effective date of  
45 this part] July 5, 2004, the amount paid under the  
46 agreement to the city shall be applied and credited [to  
47 the difference between 2% of the gross terminal revenue  
48 and the \$10,000,000 owed under this subparagraph if the  
49 2% of the gross terminal revenue is less than  
50 \$10,000,000. If 2% of the gross terminal revenue is  
51 greater than the \$10,000,000 required to be paid under



1 this subparagraph, the credit shall not apply. The amount  
2 of gross terminal revenue required to be paid pursuant to  
3 the agreement shall be deemed to be gross terminal  
4 revenue for purposes of this subparagraph.], up to  
5 \$5,000,000, to the slot machine license operation fee  
6 owed under section 1326.1. The amount allocated to the  
7 designated municipalities shall not exceed 50% of their  
8 total budget for fiscal year 2003-2004, adjusted for  
9 inflation in subsequent years by an amount not to exceed  
10 an annual cost-of-living adjustment calculated by  
11 applying the percentage change in the Consumer Price  
12 Index immediately prior to the date the adjustment is due  
13 to take effect. Any remaining moneys shall be [collected  
14 by the department from each licensed gaming entity and]  
15 distributed in accordance with paragraph (2) based upon  
16 the classification of county where the licensed facility  
17 is located. [In the event that the revenues generated by  
18 the 2% do not meet the \$10,000,000 minimum specified in  
19 this subparagraph, the department shall collect the  
20 remainder of the minimum amount of \$10,000,000 from each  
21 licensed gaming entity operating a facility, pay any  
22 balance due to the city of the third class and transfer  
23 any remainder in accordance with paragraph (2).]

24 (iii.1) If a licensed facility, other than a  
25 Category 3 or Category 4 licensed facility, is located in  
26 a city of the third class and the city is located in more  
27 than one county of the third class, [2% of the gross  
28 terminal revenue or \$10,000,000 annually, whichever is  
29 greater,] \$10,000,000 annually shall be distributed as  
30 follows: 80% to the host city and 20% to the city of the  
31 third class located solely in a nonhost county in which  
32 the host city of the third class is also located. If a  
33 licensed facility, other than a Category 3 or Category 4  
34 licensed facility, is located in a city of the third  
35 class and that city is located solely in a host county of  
36 the third class in which a nonhost city of the third  
37 class is also located[, 2% of gross terminal revenue or  
38 \$10,000,000 annually, whichever is greater], \$10,000,000  
39 annually shall be distributed as follows: 80% to the  
40 host city and 20% to a city of the third class located  
41 both in a nonhost county of the third class and in a host  
42 county of the third class in which the host city of the  
43 third class is located.

44 (iv) To a township of the first class hosting a  
45 licensed facility, other than a Category 3 or Category 4  
46 licensed facility, [2% of the gross terminal revenue or  
47 \$10,000,000 annually, whichever is greater, shall be paid  
48 by each licensed gaming entity operating a licensed  
49 facility located in the township] \$10,000,000 annually  
50 shall be distributed to the township, subject, however,  
51 to the budgetary limitation in this subparagraph. The

1 amount allocated to the designated municipalities shall  
2 not exceed 50% of their total budget for fiscal year  
3 2003-2004, adjusted for inflation in subsequent years by  
4 an amount not to exceed an annual cost-of-living  
5 adjustment calculated by applying the percentage change  
6 in the Consumer Price Index immediately prior to the date  
7 the adjustment is due to take effect. Any remaining money  
8 shall be [collected by the department from each licensed  
9 gaming entity and] distributed in accordance with  
10 paragraph (2) based upon the classification of county  
11 where the licensed facility is located. [In the event  
12 that the revenues generated by the 2% do not meet the  
13 \$10,000,000 minimum specified in this subparagraph, the  
14 department shall collect the remainder of the minimum  
15 amount of \$10,000,000 from each licensed gaming entity  
16 operating a licensed facility in the township, pay any  
17 balance due to the township and transfer any remainder in  
18 accordance with paragraph (2).]

19 (v) To a township of the second class hosting a  
20 licensed facility:

21 (A) [2% of the gross terminal revenue or  
22 \$10,000,000 annually, whichever is greater, shall be  
23 paid by each licensed gaming entity operating a  
24 licensed facility, other than a Category 3 licensed  
25 facility or a licensed facility owning land adjacent  
26 to the licensed facility located in more than one  
27 township of the second class,] \$10,000,000 annually  
28 shall be distributed to the township of the second  
29 class hosting [the] a licensed facility, other than a  
30 Category 3 or Category 4 licensed facility or a  
31 licensed facility located in more than one township  
32 of the second class, subject, however, to the  
33 budgetary limitation in this subparagraph. The amount  
34 allocated to the designated municipalities shall not  
35 exceed 50% of their total budget for fiscal year  
36 2003-2004, adjusted for inflation in subsequent years  
37 by an amount not to exceed an annual cost-of-living  
38 adjustment calculated by applying the percentage  
39 change in the Consumer Price Index immediately prior  
40 to the date the adjustment is due to take effect. Any  
41 remaining money shall be [collected by the department  
42 from each licensed gaming entity and] distributed in  
43 accordance with paragraph (2) based upon the  
44 classification of county where the licensed facility  
45 is located. [If revenues generated by the 2% do not  
46 meet the \$10,000,000 minimum specified in this  
47 subparagraph, the department shall collect the  
48 remainder of the minimum amount of \$10,000,000 from  
49 each licensed gaming entity operating a licensed  
50 facility in the township, pay any balance due to the  
51 township and transfer any remainder in accordance

1 with paragraph (2).]

2 (B) [2% of the gross terminal revenue or  
3 \$10,000,000 annually, whichever is greater,]  
4 \$10,000,000 annually, less the amount paid under  
5 clause (C), shall be [paid by each licensed gaming  
6 entity operating a licensed facility and owning land  
7 adjacent to the licensed facility located in more  
8 than one township of the second class, other than a  
9 Category 3 licensed facility,] distributed to the  
10 township of the second class hosting [the] a licensed  
11 facility which owns land adjacent to the licensed  
12 facility located in more than one township of the  
13 second class, other than a Category 3 or Category 4  
14 licensed facility, subject, however, to the budgetary  
15 limitation in this subparagraph. The amount allocated  
16 to the designated municipalities may not exceed 50%  
17 of their total budget for the fiscal year 2003-2004,  
18 adjusted for inflation in subsequent years by an  
19 amount not to exceed an annual cost-of-living  
20 adjustment calculated by applying the percentage  
21 change in the Consumer Price Index immediately prior  
22 to the date the adjustment is due to take effect. Any  
23 remaining money shall be [collected by the department  
24 from each licensed gaming entity and] distributed in  
25 accordance with paragraph (2) based upon the  
26 classification of the county where the licensed  
27 facility is located. The county commissioners of a  
28 county of the third class in which the licensed  
29 facility is located shall appoint an advisory  
30 committee for the purpose of advising the county as  
31 to the need for municipal grants for health, safety,  
32 transportation and other projects in the public  
33 interest to be comprised of two individuals from the  
34 host municipality, two from contiguous municipalities  
35 within the county of the third class and one from the  
36 host county. [In the event that the revenues  
37 generated by the 2% do not meet the \$10,000,000  
38 minimum specified in this subparagraph, the  
39 department shall collect the remainder of the minimum  
40 amount of \$10,000,000 from each licensed gaming  
41 entity operating a licensed facility in the township,  
42 pay any balance due to the township and transfer any  
43 remainder in accordance with paragraph (2).]

44 (C) [\$160,000 annually shall be paid by each  
45 licensed gaming entity operating a licensed facility  
46 and owning land adjacent to the licensed facility  
47 located in more than one township of the second  
48 class, other than a Category 3 licensed facility, to  
49 the township of the second class that is located in a  
50 county of the fifth class in which the adjacent land  
51 is located, including racetracks, grazing fields or

1           any other adjoining real property.] For land owned by  
2           a licensed gaming entity, other than a Category 3 or  
3           Category 4 licensed facility, and located in more  
4           than one township of the second class: \$160,000 shall  
5           be distributed annually to the township of the second  
6           class which is located in a county of the fifth class  
7           if the land owned, including racetracks, grazing  
8           fields and other adjoining real property, is adjacent  
9           to the licensed facility.

10          (vi) To a borough hosting a licensed facility, other  
11          than a Category 3 or Category 4 licensed facility, [2% of  
12          the gross terminal revenue or \$10,000,000 annually,  
13          whichever is greater, shall be paid by each licensed  
14          gaming entity operating a licensed facility located in  
15          that borough,] \$10,000,000 annually shall be distributed  
16          to the borough, subject, however, to the budgetary  
17          limitation in this subparagraph. The amount allocated to  
18          the designated municipalities shall not exceed 50% of  
19          their total budget for fiscal year 2003-2004, adjusted  
20          for inflation in subsequent years by an amount not to  
21          exceed an annual cost-of-living adjustment calculated by  
22          applying the percentage change in the Consumer Price  
23          Index immediately prior to the date the adjustment is due  
24          to take effect. Any remaining money shall be [collected  
25          by the department from each licensed gaming entity and]  
26          distributed in accordance with paragraph (2) based upon  
27          the classification of county where the licensed facility  
28          is located. [In the event that the revenues generated by  
29          the 2% do not meet the \$10,000,000 minimum specified in  
30          this subparagraph, the department shall collect the  
31          remainder of the minimum amount of \$10,000,000 from each  
32          licensed gaming entity operating a licensed facility in  
33          the borough, pay any balance due to the borough and  
34          transfer any remainder in accordance with paragraph (2).]

35          (vii) To an incorporated town hosting a licensed  
36          facility, other than a Category 3 or Category 4 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 entity operating a licensed facility  
40          located in the town,] \$10,000,000 annually shall be  
41          distributed to the incorporated town, subject, however,  
42          to the budgetary limitation in this subparagraph. The  
43          amount allocated to the designated municipalities shall  
44          not exceed 50% of their total budget for fiscal year  
45          2003-2004, adjusted for inflation in subsequent years by  
46          an amount not to exceed an annual cost-of-living  
47          adjustment calculated by applying the percentage change  
48          in the Consumer Price Index immediately prior to the date  
49          the adjustment is due to take effect. Any remaining money  
50          shall be [collected by the department from each licensed  
51          gaming entity and] distributed in accordance with

1 paragraph (2) based upon the classification of county  
2 where the licensed facility is located. [In the event  
3 that the revenues generated by the 2% do not meet the  
4 \$10,000,000 minimum specified in this subparagraph, the  
5 department shall collect the remainder of the minimum  
6 amount of \$10,000,000 from each licensed gaming entity  
7 operating a licensed facility in the incorporated town,  
8 pay any balance due to the town and transfer any  
9 remainder in accordance with paragraph (2).

10 (viii) (A) Except as provided in clause (B) or (C),  
11 to a municipality of any class hosting a Category 3  
12 facility, 2% of the gross terminal revenue from the  
13 Category 3 licensed facility located in the  
14 municipality, subject, however, to the budgetary  
15 limitation in this clause. The amount allocated to  
16 the designated municipalities shall not exceed 50% of  
17 their total budget for fiscal year 2009, adjusted for  
18 inflation in subsequent years by an amount not to  
19 exceed an annual cost-of-living adjustment calculated  
20 by applying the percentage change in the Consumer  
21 Price Index immediately prior to the date the  
22 adjustment is due to take effect. Any remaining money  
23 shall be collected by the department from each  
24 licensed gaming entity and distributed in accordance  
25 with paragraph (2) based upon the classification of  
26 county where the licensed facility is located.

27 (B) If the municipality hosting a Category 3  
28 licensed facility is a borough located in a county of  
29 the third class and the borough is contiguous to a  
30 city of the third class, 1% of gross terminal revenue  
31 shall be distributed to the host borough and 1% of  
32 gross terminal revenue shall be distributed to the  
33 city of the third class that is contiguous to the  
34 host borough, subject, however, to the budgetary  
35 limitation in this clause. The amount allocated to  
36 each designated municipality shall not exceed 50% of  
37 its total budget for fiscal year 2009, adjusted for  
38 inflation in subsequent years by an amount not to  
39 exceed an annual cost-of-living adjustment calculated  
40 by applying the percentage increase, if any, in the  
41 Consumer Price Index immediately prior to the date  
42 the adjustment is due to take effect. Any remaining  
43 money shall be collected by the department from each  
44 licensed gaming entity and distributed in accordance  
45 with paragraph (2) based upon the classification of  
46 county where the licensed facility is located.

47 (C) If the municipality hosting a Category 3  
48 licensed facility is a township of the second class  
49 in a county of the fifth class which is contiguous to  
50 a county of the seventh class, 2% of the gross  
51 terminal revenue from the Category 3 licensed

1 facility located in the municipality shall be  
2 distributed to the municipality, subject, however, to  
3 the budgetary limitation in this clause. The amount  
4 allocated to the designated municipalities shall not  
5 exceed the lesser of \$1,000,000 or 50% of their total  
6 budget for fiscal year 2009, adjusted for inflation  
7 in subsequent years by an amount not to exceed an  
8 annual cost-of-living adjustment calculated by  
9 applying the percentage change in the Consumer Price  
10 Index immediately prior to the date the adjustment is  
11 due to take effect. Any remaining money shall be  
12 collected by the department from each licensed gaming  
13 entity and distributed in equal amounts to each  
14 municipality contiguous to the host municipality.  
15 However, the amount to be allocated to any contiguous  
16 municipality shall not exceed the lesser of  
17 \$1,000,000 or 50% of the municipality's total budget  
18 for fiscal year 2009, adjusted for inflation in  
19 subsequent years by an amount not to exceed an annual  
20 cost-of-living adjustment calculated by applying the  
21 percentage change in the Consumer Price Index  
22 immediately prior to the date the adjustment is due  
23 to take effect. Any money remaining following  
24 distribution to contiguous municipalities shall be  
25 collected by the department and distributed in  
26 accordance with paragraph (2) based upon the  
27 classification of county where the licensed facility  
28 is located.

29 (ix) Any municipality not specifically enumerated in  
30 subparagraphs (i) through (viii), 2% of the gross  
31 terminal revenue to the municipality hosting the licensed  
32 facility from each such licensed facility.

33 (x) If the licensed facility is located in more than  
34 one municipality, the amount available shall be  
35 distributed on a pro rata basis determined by the  
36 percentage of acreage located in each municipality to the  
37 total acreage of all municipalities occupied by the  
38 licensed facility.

39 (xi) If the licensed facility is located at a resort  
40 which is also an incorporated municipality, such  
41 municipality shall not be eligible to receive any  
42 distribution under this paragraph. The distribution it  
43 would have otherwise been entitled to under this  
44 paragraph shall instead be distributed in accordance with  
45 paragraph (2) based upon the county where the licensed  
46 facility is located.

47 (xii) The distributions provided in this paragraph  
48 shall be based upon municipal classifications in effect  
49 on the effective date of this section. For the purposes  
50 of this paragraph, any reclassification of municipalities  
51 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 slot machine license operation fee deposited into the fund under section 1326.1(e), make quarterly distributions totaling \$10,000,000 for each licensed facility located within a county and a city of the first class which is coterminous as follows:

(i) If a licensed facility is a Category 1 or Category 2 licensed facility and is operating in a county and a city of the first class which is coterminous on the effective date of this paragraph, the first \$5,000,000 shall be distributed annually to a school district of the first class. Of the remaining funds, 60% shall be distributed to the county and city of the first class which is coterminous and 40% shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants for economic development projects, neighborhood revitalization projects, community improvement projects and other projects in the public

1 interest within the county and city of the first class  
2 which is coterminous.

3 (ii) If a licensed facility is a Category 1 or  
4 Category 2 licensed facility and begins operating in a  
5 county and a city of the first class which is coterminous  
6 after the effective date of this paragraph, 70% of the  
7 slot machine license operation fee shall be distributed  
8 to the county and city of the first class which is  
9 coterminous and 30% of the slot machine license operation  
10 fee shall be deposited into a restricted receipts account  
11 established in the Department of Community and Economic  
12 Development to be used exclusively for grants for  
13 economic development projects, neighborhood  
14 revitalization projects, community improvement projects  
15 and other projects in the public interest within the  
16 county and city of the first class which is coterminous.

17 (iii) Notwithstanding any other provision of this  
18 part to the contrary, slot machine license operation fees  
19 from licensed gaming entities located within a county and  
20 city of the first class shall not be distributed outside  
21 a county and city of the first class.

22 (5) From the local share assessment established in  
23 subsection (b), make quarterly distributions among the  
24 municipalities, including home rule municipalities, hosting a  
25 licensed facility in accordance with the following schedule:

26 (i) Except as provided in subparagraph (ii) or  
27 (iii), to a municipality of any class hosting a Category  
28 3 facility, 2% of the gross terminal revenue from the  
29 Category 3 licensed facility located in the municipality,  
30 subject, however, to the budgetary limitation in this  
31 subparagraph. The amount allocated to the designated  
32 municipalities shall not exceed 50% of their total budget  
33 for fiscal year 2009, adjusted for inflation in  
34 subsequent years by an amount not to exceed an annual  
35 cost-of-living adjustment calculated by applying the  
36 percentage change in the Consumer Price Index immediately  
37 prior to the date the adjustment is due to take effect.  
38 Any remaining money shall be collected by the department  
39 from each licensed gaming entity and distributed in  
40 accordance with paragraph (2) based upon the  
41 classification of county where the licensed facility is  
42 located.

43 (ii) If the municipality hosting a Category 3  
44 licensed facility is a borough located in a county of the  
45 third class and the borough is contiguous to a city of  
46 the third class, 1% of gross terminal revenue shall be  
47 distributed to the host borough and 1% of gross terminal  
48 revenue shall be distributed to the city of the third  
49 class that is contiguous to the host borough, subject,  
50 however, to the budgetary limitation in this  
51 subparagraph. The amount allocated to each designated



1 municipality shall not exceed 50% of its total budget for  
2 fiscal year 2009, adjusted for inflation in subsequent  
3 years by an amount not to exceed an annual cost-of-living  
4 adjustment calculated by applying the percentage  
5 increase, if any, in the Consumer Price Index immediately  
6 prior to the date the adjustment is due to take effect.  
7 Any remaining money shall be collected by the department  
8 from each licensed gaming entity and distributed in  
9 accordance with paragraph (2) based upon the  
10 classification of county where the licensed facility is  
11 located.

12 (iii) If the municipality hosting a Category 3  
13 licensed facility is a township of the second class in a  
14 county of the fifth class which is contiguous to a county  
15 of the seventh class, 2% of the gross terminal revenue  
16 from the Category 3 licensed facility located in the  
17 municipality shall be distributed to the municipality,  
18 subject, however, to the budgetary limitation in this  
19 subparagraph. The amount allocated to the designated  
20 municipalities shall not exceed the lesser of \$1,000,000  
21 or 50% of their total budget for fiscal year 2009,  
22 adjusted for inflation in subsequent years by an amount  
23 not to exceed an annual cost-of-living adjustment  
24 calculated by applying the percentage change in the  
25 Consumer Price Index immediately prior to the date the  
26 adjustment is due to take effect. Any remaining money  
27 shall be collected by the department from each licensed  
28 gaming entity and distributed in equal amounts to each  
29 municipality contiguous to the host municipality. The  
30 amount to be allocated to any contiguous municipality  
31 shall not exceed the lesser of \$1,000,000 or 50% of the  
32 municipality's total budget for fiscal year 2009,  
33 adjusted for inflation in subsequent years by an amount  
34 not to exceed an annual cost-of-living adjustment  
35 calculated by applying the percentage change in the  
36 Consumer Price Index immediately prior to the date the  
37 adjustment is due to take effect. Any money remaining  
38 following distribution to contiguous municipalities shall  
39 be collected by the department and distributed in  
40 accordance with paragraph (2) based upon the  
41 classification of county where the licensed facility is  
42 located.

43 (iv) The department shall credit against the amount  
44 imposed under section this paragraph any amount paid by a  
45 licensed facility from May 27, 2017, until the effective  
46 date of this paragraph, to a municipality under an  
47 agreement between a Category 3 licensed gaming entity and  
48 the municipality in lieu of a payment under this  
49 paragraph, as certified to the department by the  
50 municipality receiving the funds.

51 (6) From the slot machine license operation fees

1 deposited in the fund under section 1326.1(e), make quarterly  
2 distributions to any municipality not specifically enumerated  
3 in paragraph (3) or (4) hosting a Category 1 or a Category 2  
4 licensed facility, other than a Category 1 or Category 2  
5 licensed facility located in a city of the first class, equal  
6 to \$10,000,000 annually.

7 (7) From the local share assessment established in  
8 subsection (b), make quarterly distributions to any  
9 municipality not enumerated in paragraph (5) hosting a  
10 Category 3 licensed facility: 2% of the gross terminal  
11 revenue paid by each licensed gaming entity operating a  
12 Category 3 licensed facility.

13 (8) If a licensed facility is located in more than one  
14 municipality, the amount available shall be distributed on a  
15 pro rata basis determined by the percentage of acreage  
16 located in each municipality to the total acreage of all  
17 municipalities occupied by the licensed facility.

18 (9) If a licensed facility is located at a resort which  
19 is also an incorporated municipality, the municipality shall  
20 not be eligible to receive any distribution under paragraph  
21 (3), (4), (5), (6) or (7). The distribution it would have  
22 otherwise been entitled to under paragraph (3), (4), (5), (6)  
23 or (7) shall instead be distributed in accordance with  
24 paragraph (2) based upon the classification of county where  
25 the licensed facility is located.

26 (10) The distributions provided in paragraph (3), (4),  
27 (5), (6) or (7) shall be based upon municipal classifications  
28 in effect on July 5, 2004. For the purposes of paragraphs  
29 (3), (4), (5), (6) and (7), any reclassification of  
30 municipalities as a result of a Federal decennial census or  
31 of a State statute shall not apply to paragraphs (3), (4),  
32 (5), (6) and (7).

33 (11) If any provision of paragraph (3), (4), (5), (6) or  
34 (7) is found to be unenforceable for any reason, the  
35 distribution provided for in the unenforceable provision  
36 shall be made to the municipality in which the licensed  
37 facility is located.

38 (12) Nothing in paragraph (3), (4), (5), (6) or (7)  
39 shall be construed to prevent any of the above municipalities  
40 from entering into intergovernmental cooperative agreements  
41 with other jurisdictions for sharing the funds distributed to  
42 them.

43 (13) Notwithstanding any other law, agreement or  
44 provision in this part to the contrary, all revenues  
45 provided, directed or earmarked under this section to or for  
46 the benefit of a city of the second class in which an  
47 intergovernmental cooperation authority has been established  
48 and is in existence under the act of February 12, 2004  
49 (P.L.73, No.11), known as the Intergovernmental Cooperation  
50 Authority Act for Cities of the Second Class, shall be  
51 directed to and under the exclusive control of the

1 intergovernmental cooperation authority to be used:

2 (i) to reduce the debt of the city of the second  
3 class;

4 (ii) to increase the level of funding of the  
5 municipal pension funds of the city of the second class;  
6 or

7 (iii) for any other purposes as determined to be in  
8 the best interest of the city of the second class by the  
9 intergovernmental cooperation authority. The revenues  
10 shall not be directed to or under the control of the city  
11 of the second class or any coordinator appointed under  
12 the act of July 10, 1987 (P.L.246, No.47), known as the  
13 Municipalities Financial Recovery Act, for the city of  
14 the second class.

15 (c.1) Local share assessment.--

16 (1) In addition to the tax imposed under paragraph  
17 (b.1), each Category 4 slot machine licensee shall pay on a  
18 weekly basis and on a form and in a manner prescribed by the  
19 department a local share assessment into a restricted  
20 receipts account established within the fund. All funds owed  
21 under this section shall be held in trust by the Category 4  
22 slot machine licensee until the funds are paid into the  
23 account. Funds in the account are hereby appropriated to the  
24 department on a continuing basis for the purposes set forth  
25 in paragraph (2).

26 (2) From the local share assessment established in  
27 paragraph (1), make quarterly distributions as follows:

28 (i) Fifty percent shall be deposited into a  
29 restricted receipts account to be established in the  
30 Commonwealth Financing Authority to be used exclusively  
31 for grants for projects in the public interest in the  
32 county hosting the Category 4 licensed facility.

33 (ii) Fifty percent to the municipality hosting the  
34 Category 4 licensed facility from each Category 4  
35 licensed facility shall be paid by each licensed gaming  
36 entity operating a Category 4 licensed facility in the  
37 municipality, subject to the budgetary limitation in this  
38 subparagraph. The amount allocated to the designated  
39 municipalities shall not exceed 50% of the municipality's  
40 total budget for fiscal year 2016-2017, adjusted for  
41 inflation in subsequent years by an amount not to exceed  
42 an annual cost-of-living adjustment calculated by  
43 applying the percentage change in the Consumer Price  
44 Index immediately prior to the date the adjustment is due  
45 to take effect. Any remaining money shall be collected by  
46 the department from each licensed gaming entity and  
47 distributed in accordance with subparagraph (i).

48 (3) For purposes of this subsection, local share  
49 assessment shall be 4% of the gross terminal revenues  
50 generated at a Category 4 licensed facility.

51 (d) Consumer Price Index.--For purposes of subsection (c),

1 references to the Consumer Price Index shall mean the Consumer  
2 Price Index for All Urban Consumers for the Pennsylvania, New  
3 Jersey, Delaware and Maryland area for the most recent 12-month  
4 period for which figures have been officially reported by the  
5 United States Department of Labor, Bureau of Labor Statistics.

6 (e) Reporting.--

7 (1) In cooperation with the department and the  
8 Commonwealth Financing Authority, the Department of Community  
9 and Economic Development shall submit an annual report on all  
10 distributions of local share assessments and slot machine  
11 license operation fees to counties and municipalities under  
12 this section to the chairman and minority chairman of the  
13 Appropriations Committee of the Senate, the chairman and  
14 minority chairman of the Community, Economic and Recreational  
15 Development Committee of the Senate, the chairman and  
16 minority chairman of the Appropriations Committee of the  
17 House of Representatives and the chairman and minority  
18 chairman of the Gaming Oversight Committee of the House of  
19 Representatives. The report shall be submitted by [August 31,  
20 2010] March 31, 2018, and by [August] March 31 of each year  
21 thereafter.

22 (2) All counties and municipalities receiving  
23 distributions of local share assessments or slot machine  
24 license operation fees under this section shall submit  
25 information to the Department of Community and Economic  
26 Development on a form prepared by the Department of Community  
27 and Economic Development that sets forth the amount and use  
28 of the funds received in the prior calendar year. The form  
29 shall set forth whether the funds received were deposited in  
30 the county's or municipality's General Fund or committed to a  
31 specific project or use.

32 (f) Prohibited activities.--

33 (1) A person or its affiliated entity or a political  
34 subdivision shall not compensate or incur an obligation to  
35 compensate a person to engage in lobbying for compensation  
36 contingent in whole or in part upon the approval, award,  
37 receipt or denial of funds under this section. A person or  
38 its affiliated entity shall not engage in or agree to engage  
39 in lobbying for compensation contingent in whole or in part  
40 upon the approval, award, receipt or denial of funds under  
41 this section. This subsection shall not apply to a county or  
42 municipality that compensates a person to prepare a grant  
43 application for funds under this section if the following  
44 requirements are met:

45 (i) The person is not identified in the application.

46 (ii) The person has no direct contact with the  
47 agency, county or municipality providing the funding.

48 (iii) The person is paid a fixed fee or percentage  
49 of the amount of any funds approved, awarded or received  
50 up to .5%.

51 (2) A violation of this section shall be considered an

1 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to  
2 penalties).

3 Section 27.1. Section 1405 of Title 4 is amended to read:  
4 § 1405. Pennsylvania Race Horse Development Trust Fund.

5 (a) Fund established.--The Pennsylvania Race Horse  
6 Development Fund is converted into a trust fund and shall be  
7 known as the Pennsylvania Race Horse Development Trust Fund  
8 within the State Treasury.

9 (b) Pennsylvania race horse improvement assessment.--Each  
10 active and operating licensed gaming entity, other than a  
11 Category 4 slot machine licensee, shall pay a daily assessment  
12 to the Pennsylvania Race Horse Development Trust Fund as  
13 determined by the department. Subject to the daily assessment  
14 cap established under subsection (c), the licensed gaming  
15 entity's assessment shall be a percentage of each licensed  
16 gaming entity's gross terminal revenue, equal to an amount  
17 calculated as "A" multiplied by "B", with "A" being equal to  
18 each licensed gaming entity's gross terminal revenue for that  
19 day divided by the total gross terminal revenue for that day  
20 from all licensed gaming entities, and "B" being equal to 18% of  
21 that day's gross terminal revenue for all active and operating  
22 Category 1 licensees conducting live racing.

23 (c) Daily assessment cap.--If the resulting daily assessment  
24 for a licensed gaming entity exceeds 12% of that licensed gaming  
25 entity's gross terminal revenue for the day, the licensed gaming  
26 entity shall pay a daily assessment of 12% of its gross terminal  
27 revenue for that day.

28 (d) Distributions.--In accordance with section 1406  
29 (relating to distributions from Pennsylvania Race Horse  
30 Development Trust Fund), the department shall make distributions  
31 from the Pennsylvania Race Horse Development Trust Fund to each  
32 of the active and operating Category 1 licensees conducting live  
33 racing.

34 Section 27.2. Title 4 is amended by adding a section to  
35 read:

36 § 1405.1. Protection of funds.

37 (a) Payment.--Daily assessments collected or received by the  
38 department under section 1405 (relating to Pennsylvania Race  
39 Horse Development Trust Fund) are not funds of the Commonwealth.  
40 The daily assessments shall be paid by the State Treasurer as  
41 directed by the department to each active and operating Category  
42 1 licensee conducting live racing for the obligations of  
43 Category 1 licensees in accordance with section 1406 (relating  
44 to distributions from Pennsylvania Race Horse Development Trust  
45 Fund). The Commonwealth shall not be rightfully entitled to any  
46 money described under this section and sections 1405 and 1406.

47 (b) Eligible recipients.--Funds allocated to the horsemen's  
48 organization under this part must be used to benefit all  
49 horsemen. Funds acquired from other sources shall be kept  
50 separate and apart from funds obtained under this part.

51 (c) Applicability.--This section shall not apply to 3

1 Pa.C.S. § 9313 (relating to budget) for promotion of horse  
2 racing, 3 Pa.C.S. § 9374 (relating to costs of enforcement of  
3 medication rules or regulations) and the annual transfer of  
4 \$19,659,000 under section 1723-A.1 of the act of April 9, 1929  
5 (P.L.343, No.176), known as The Fiscal Code.

6 Section 27.3. Section 1406(c) of Title 4 is amended and the  
7 section is amended by adding subsections to read:

8 § 1406. Distributions from Pennsylvania Race Horse Development  
9 Trust Fund.

10 (a) Distributions.--Funds from the Pennsylvania Race Horse  
11 Development Trust Fund shall be distributed to each active and  
12 operating Category 1 licensee conducting live racing in the  
13 following manner:

14 (1) An amount equal to 18% of the daily gross terminal  
15 revenue of each Category 1 licensee shall be distributed to  
16 each active and operating Category 1 licensee conducting live  
17 racing unless the daily assessments are affected by the daily  
18 assessment cap provided for in section 1405(c) (relating to  
19 Pennsylvania Race Horse Development Trust Fund). In cases in  
20 which the daily assessment cap affects daily assessments, the  
21 distribution to each active and operating Category 1 licensee  
22 conducting live racing for that day shall be a percentage of  
23 the total daily assessments paid into the Pennsylvania Race  
24 Horse Development Trust Fund for that day equal to the gross  
25 terminal revenue of each active and operating Category 1  
26 licensee conducting live racing for that day divided by the  
27 total gross terminal revenue of all active and operating  
28 Category 1 licensees conducting live racing for that day. The  
29 distributions to licensed racing entities from the  
30 Pennsylvania Race Horse Development Trust Fund shall be  
31 allocated as follows:

32 (i) Eighty percent to be deposited weekly into a  
33 separate, interest-bearing purse account to be  
34 established by and for the benefit of the horsemen. The  
35 earned interest on the account shall be credited to the  
36 purse account. Licensees shall combine these funds with  
37 revenues from existing purse agreements to fund purses  
38 for live races consistent with those agreements with the  
39 advice and consent of the horsemen.

40 (ii) From licensees that operate at thoroughbred  
41 tracks, 16% to be deposited on a monthly basis into the  
42 Pennsylvania Breeding Fund as defined in 3 Pa.C.S. § 9336  
43 (relating to Pennsylvania Breeding Fund). From licensees  
44 that operate at standardbred tracks, 8% to be deposited  
45 on a monthly basis in the Pennsylvania Sire Stakes Fund  
46 as defined in 3 Pa.C.S. § 9337 (relating to Pennsylvania  
47 Sire Stakes Fund) and 8% to be deposited on a monthly  
48 basis into a restricted account in the State Racing Fund  
49 to be known as the Pennsylvania Standardbred Breeders  
50 Development Trust Fund. The State Horse Racing Commission  
51 shall, in consultation with the Secretary of Agriculture

1 by rule or by regulation, adopt a standardbred breeders  
2 program that will include the administration of  
3 Pennsylvania Stallion Award, Pennsylvania Bred Award and  
4 a Pennsylvania Sired and Bred Award.

5 (iii) Four percent to be used to fund health and  
6 pension benefits for the members of the horsemen's  
7 organizations representing the owners and trainers at the  
8 racetrack at which the licensed racing entity operates  
9 for the benefit of the organization's members, their  
10 families, employees and others in accordance with the  
11 rules and eligibility requirements of the organization,  
12 as approved by the State Horse Racing Commission. This  
13 amount shall be deposited within five business days of  
14 the end of each month into a separate account to be  
15 established by each respective horsemen's organization at  
16 a banking institution of its choice. Of this amount,  
17 \$250,000 shall be paid annually by the horsemen's  
18 organization to the thoroughbred jockeys or standardbred  
19 drivers organization at the racetrack at which the  
20 licensed racing entity operates for health insurance,  
21 life insurance or other benefits to active and disabled  
22 thoroughbred jockeys or standardbred drivers in  
23 accordance with the rules and eligibility requirements of  
24 that organization.

25 (2) (Reserved).

26 \* \* \*

27 [(c) Eligible recipients.--Funds allocated to the horsemen's  
28 organization under this part must be used to benefit all  
29 horsemen. Funds acquired from other sources shall be kept  
30 separate and apart from funds obtained under this part.]

31 \* \* \*

32 (h) Unauthorized use of funds.--If any funds from the  
33 Pennsylvania Race Horse Development Trust Fund are diverted,  
34 redirected, taken or allocated for any purpose other than the  
35 purposes authorized under this section through legislative or  
36 administrative action, the General Assembly shall within 30 days  
37 of the diversion, redirection, taking or allocation restore all  
38 funds that have been diverted, redirected, taken or allocated  
39 from the Pennsylvania Race Horse Development Fund since 2009 for  
40 any purpose other than the purposes authorized under this  
41 section.

42 Section 27.4. Section 1407(b), (c) and (d) introductory  
43 paragraph of Title 4 are amended and the section is amended by  
44 adding subsections to read:

45 § 1407. Pennsylvania Gaming Economic Development and Tourism  
46 Fund.

47 \* \* \*

48 (b) Fund administration and distribution.--The Pennsylvania  
49 Gaming Economic Development and Tourism Fund shall be  
50 administered by the Department of Community and Economic  
51 Development. [All] Except as provided under subsection (c.1),

1 all moneys in the Pennsylvania Gaming Economic Development and  
2 Tourism Fund shall be distributed pursuant to a subsequently  
3 enacted Economic Development Capital Budget that appropriates  
4 money from the fund pursuant to this section. The procedures for  
5 enactment, authorization and release of economic development and  
6 tourism funds authorized under this section for both capital  
7 projects and operational expenditures shall be the same as those  
8 provided for in sections 303(a), (b) and (c) and 318(a) of the  
9 act of February 9, 1999 (P.L.1, No.1), known as the Capital  
10 Facilities Debt Enabling Act, without reference to the nature or  
11 purpose of the project, and any other statutory provision, if  
12 any, necessary to effectuate the release of funds appropriated  
13 in such economic development capital budget.

14 (c) Pennsylvania Gaming Economic Development and Tourism  
15 Fund Assessment.--Each licensed gaming entity, other than a  
16 Category 4 slot machine licensee, shall pay a daily assessment  
17 of [5%] 5.5% of its gross terminal revenue to the Pennsylvania  
18 Gaming Economic Development and Tourism Fund.

19 (c.1) Supplemental Pennsylvania Gaming Economic Development  
20 and Tourism Fund Assessment.--In addition to subsection (c),  
21 beginning January 1, 2018, each licensed gaming entity, other  
22 than a Category 4 slot machine licensee, shall pay a  
23 supplemental daily assessment of 0.5% of its gross terminal  
24 revenue to the Casino Marketing and Capital Development Account.  
25 The following shall apply:

26 (1) The board shall submit notice to the Legislative  
27 Reference Bureau for publication in the Pennsylvania Bulletin  
28 when the gross terminal revenue for each Category 1 and  
29 Category 2 slot machine licensee for the previous fiscal year  
30 exceeds \$200,000,000 and the gross terminal revenue for each  
31 Category 3 slot machine licensee for the previous fiscal year  
32 exceeds \$50,000,000.

33 (2) This subsection shall expire on the earlier of:

34 (i) ten years after the effective date of this  
35 subsection; or

36 (ii) the date of publication of the notice under  
37 paragraph (1).

38 (d) Restrictions on projects for certain counties and  
39 cities.--Except as set forth in [subsection] subsections (d.1)  
40 (d.2), (d.3) and (d.4), for a ten-year period beginning with the  
41 first fiscal year during which deposits are made into this fund,  
42 no moneys from the Pennsylvania Gaming Economic Development and  
43 Tourism Fund shall be distributed for any project located in a  
44 city or county of the first or second class except as authorized  
45 by this subsection. Moneys not used for the authorized projects  
46 in cities and counties of the first and second classes may be  
47 used throughout this Commonwealth. Moneys from the fund for  
48 projects within cities and counties of the first and second  
49 classes may only be used for the following projects during this  
50 ten-year period:

51 \* \* \*



1 (d.2) Project extension.--Notwithstanding any provision of  
2 this title or the act of July 25, 2007 (P.L.342, No.53), known  
3 as Pennsylvania Gaming Economic Development and Tourism Fund  
4 Capital Budget Itemization Act of 2007, the projects under  
5 subsections (d)(4) and (5) and (d.1) shall be authorized beyond  
6 the expiration date of each of the projects set forth in the  
7 Pennsylvania Gaming Economic Development and Tourism Fund  
8 Capital Budget Itemization Act of 2007. The following shall  
9 apply:

10 (1) Annual allocations for projects under subsection (d)  
11 (4) and (5), and under the former subsection (d)(7) as of the  
12 effective date of subsection (d.1), shall continue in  
13 accordance with the amounts set forth in section 4 of the  
14 Pennsylvania Gaming Economic Development and Tourism Fund  
15 Capital Budget Itemization Act of 2007.

16 (2) Annual allocations under subsection (d)(5) shall be  
17 deposited into the restricted receipts account established  
18 under subsection (d.1) and used for projects as set forth in  
19 subsection (d.1)(1).

20 (d.3) Regional economic development corporation.--For a ten-  
21 year period beginning with fiscal year 2019-20, the amount of  
22 \$2,000,000 annually shall be allocated from the Pennsylvania  
23 Gaming Economic Development and Tourism Fund for distribution to  
24 a regional economic development corporation in two contiguous  
25 counties of the third class where a city of the third class is  
26 located in more than one county of the third class for debt  
27 service on the construction of a science and education center in  
28 a city of the third class that is also the county seat located  
29 in a county of the third class in which a Category 2 licensed  
30 facility is located in a city of the third class which is  
31 located in more than one county of the third class. Unused funds  
32 from this allocation shall be distributed by the same regional  
33 economic development corporation located in two contiguous  
34 counties of the third class where a city of the third class is  
35 located in more than one county of the third class for debt  
36 service on the construction of one or more facilities that  
37 provide a science, education, arts, technology or recreational  
38 use in one or both contiguous counties of the third class where  
39 a city of the third class is located in more than one county of  
40 the third class. The funds allocated under this subsection shall  
41 be distributed in accordance with subsection (b).

42 (d.4) Regional Sports Commission.--Notwithstanding any  
43 provision of this title or the act of July 25, 2007 (P.L.342,  
44 No.53), known as Pennsylvania Gaming Economic Development and  
45 Tourism Fund Capital Budget Itemization Act of 2007, the annual  
46 allocation authorized under subsection (d)(10) on and after the  
47 effective date of this subsection shall continue in accordance  
48 with the amounts under section 4 of the Pennsylvania Gaming  
49 Economic Development and Tourism Fund Capital Budget Itemization  
50 Act of 2007 and shall be deposited into a restricted receipts  
51 account to be used exclusively by an authority created under

1 Article XXV-A of the act of July 28, 1953 (P.L.723, No.230),  
2 known as the Second Class County Code, in a county of the second  
3 class for the establishment, administration and maintenance of a  
4 Regional Sports Commission.

5 \* \* \*

6 Section 27.5. Title 4 is amended by adding a section to  
7 read:

8 § 1407.1. Casino Marketing and Capital Development Account.

9 (a) Establishment.--There is established in the Pennsylvania  
10 Gaming Economic Development and Tourism Fund a restricted  
11 account to be known as the Casino Marketing and Capital  
12 Development Account.

13 (b) Administration and distribution.--The Casino Marketing  
14 and Capital Development Account shall be administered by the  
15 board. All money in the Casino Marketing and Capital Development  
16 Account shall be distributed as grants in accordance with this  
17 section. The Department of Community and Economic Development  
18 shall make payments to grant recipients as directed by the  
19 board.

20 (c) Grant procedures.--The board shall establish procedures  
21 for a slot machine licensee, other than a Category 4 slot  
22 machine licensee, to apply for grants from the Casino Marketing  
23 and Capital Development Account. The board shall determine the  
24 form and manner in which an application for a grant may be filed  
25 with the board.

26 (d) Program guidelines.--The board shall establish program  
27 guidelines. Each slot machine licensee, other than a Category 4  
28 slot machine licensee, that has been licensed for at least two  
29 years, may apply to the board for a grant under this section.  
30 Each grant awarded under this section shall be used by the slot  
31 machine licensee for marketing or capital development.

32 (e) Distribution of grants.--

33 (1) Each year, before the board awards a grant under  
34 this section, the following distributions shall be made:

35 (i) Each Category 1 or Category 2 slot machine  
36 licensee with gross terminal revenues of \$150,000,000 or  
37 less for the previous fiscal year shall receive  
38 \$4,000,000.

39 (ii) Each Category 1 or Category 2 slot machine  
40 licensee with gross terminal revenues of more than  
41 \$150,000,000 but less than \$200,000,000 for the previous  
42 fiscal year shall receive \$2,500,000.

43 (iii) Each Category 3 slot machine licensee with  
44 gross terminal revenue of less than \$50,000,000 for the  
45 previous fiscal year shall receive \$500,000.

46 (iv) If there is insufficient money in the Casino  
47 Marketing and Capital Development Account to make the  
48 required distributions under subparagraphs (i), (ii) and  
49 (iii), distributions shall be made in the proportion of:

50 (A) the eligible licensees under each  
51 subparagraph; to

1                   (B) the total amount of money in the Casino  
2                   Marketing and Capital Development Account.

3           (2) After distribution under paragraph (1), remaining  
4           money in the Casino Marketing and Capital Development Account  
5           shall be distributed by the board to other slot machine  
6           licensees, other than Category 4 slot machine licensees, that  
7           have applied for grants.

8           (3) (i) No slot machine licensee may receive more than  
9           \$4,000,000 from the Casino Marketing and Capital  
10           Development Account in one year.

11           (ii) A slot machine licensee may not receive any  
12           funds from the Casino Marketing and Capital Development  
13           Account during the first two years following licensure.

14   (f) Expiration.--

15           (1) The board shall submit notice to the Legislative  
16           Reference Bureau for publication in the Pennsylvania Bulletin  
17           when the gross terminal revenue for each Category 1 and  
18           Category 2 slot machine licensee for the previous fiscal year  
19           exceeds \$200,000,000 and the gross terminal revenue for each  
20           Category 3 slot machine licensee for the previous fiscal year  
21           exceeds \$50,000,000.

22           (2) This section shall expire on the earlier of:

23           (i) ten years after the effective date of this  
24           subsection; or

25           (ii) the date of publication of the notice under  
26           paragraph (1).

27   (g) Definition.--As used in this section, the term "capital  
28   development" shall include, but not be limited to, expansion or  
29   renovation of an existing licensed facility or constructing or  
30   expanding amenities at a licensed facility.

31   Section 27.6. Section 1408(a) and (c) of Title 4 are amended  
32   and the section is amended by adding a subsection to read:

33   § 1408. Transfers from State Gaming Fund.

34   (a) Transfer for compulsive and problem gambling  
35   treatment.--Each year, the sum of \$2,000,000 or an amount equal  
36   to .002 multiplied by the total gross terminal revenue of all  
37   active and operating licensed gaming entities, whichever is  
38   greater, shall be transferred into the Compulsive and Problem  
39   Gambling Treatment Fund established in section 1509 (relating to  
40   compulsive and problem gambling program). Gross terminal revenue  
41   generated at a Category 4 licensed facility shall not be  
42   included in calculating the assessment under this subsection.

43   \* \* \*

44   (c) Local law enforcement grants.--[Annually] Except as  
45   provided in subsection (c.1), annually, the sum of \$2,000,000  
46   shall be transferred to the board for the purpose of issuing  
47   grants to local law enforcement agencies to investigate  
48   violations of and enforce laws relating to unlawful gambling in  
49   this Commonwealth. For purposes of this subsection, the term  
50   "local law enforcement agency" shall include the Pennsylvania  
51   State Police when conducting unlawful gambling enforcement and

1 prevention activities in a municipality which does not have a  
2 municipal police department and in which the Pennsylvania State  
3 Police provide the municipality with primary police coverage.

4 (c.1) Transfer to the Casino Marketing and Capital  
5 Development Account.--Beginning July 1, 2017, and each year  
6 thereafter, \$2,000,000 shall be transferred to the Casino  
7 Marketing and Capital Development Account established in section  
8 1407.1 (relating to Casino Marketing and Capital Development  
9 Account). Any money not committed for local law enforcement  
10 grants under subsection (c) on the effective date of this  
11 subsection shall be transferred to the Casino Marketing and  
12 Capital Development Account. The following shall apply:

13 (1) The board shall submit notice to the Legislative  
14 Reference Bureau for publication in the Pennsylvania Bulletin  
15 when the gross terminal revenue for each Category 1 and  
16 Category 2 slot machine licensee for the previous fiscal year  
17 exceeds \$200,000,000 and the gross terminal revenue for each  
18 Category 3 slot machine licensee for the previous fiscal year  
19 exceeds \$50,000,000.

20 (2) This subsection shall expire on the earlier of:

21 (i) ten years after the effective date of this  
22 subsection; or

23 (ii) the date of publication of the notice under  
24 paragraph (1).

25 \* \* \*

26 Section 28. Sections 1501(b), 1504 and 1509 of Title 4 are  
27 amended to read:

28 § 1501. Responsibility and authority of department.

29 \* \* \*

30 (b) Application of rules and regulations.--The department  
31 may prescribe the extent, if any, to which any rules and  
32 regulations shall be applied without retroactive effect. The  
33 department shall have authority to prescribe the forms and the  
34 system of accounting and recordkeeping to be employed and  
35 through its representative shall at all times have power of  
36 access to and examination and audit of any equipment and records  
37 relating to all aspects of the operation of slot machines [and],  
38 table games and interactive gaming under this part.

39 \* \* \*

40 § 1504. Wagering on credit.

41 (a) General rule.--Except as otherwise provided in this  
42 section, slot machine licensees shall not extend credit. Slot  
43 machine licensees shall not accept credit cards, charge cards or  
44 debit cards from a patron or a player for the exchange or  
45 purchase of slot machine credits or for an advance of coins or  
46 currency to be utilized by a player to play slot machine games  
47 or extend credit in any manner to a player so as to enable the  
48 player to play slot machines. Slot machine licensees who hold a  
49 table game operation certificate may extend credit for slot  
50 machine gaming in accordance with section 13A26 (relating to  
51 cash equivalents).

1 (b) Prepaid access instruments.--Prepaid access instruments  
2 are not deemed to be a credit card, charge card, debit card or  
3 any other instrument of credit and are not prohibited under this  
4 section.

5 § 1509. Compulsive and problem gambling program.

6 (a) Establishment of program.--The Department of [Health]  
7 Drug and Alcohol Programs or successor agency, in consultation  
8 with organizations similar to the Mid-Atlantic Addiction  
9 Training Institute, shall develop program guidelines for public  
10 education, awareness and training regarding compulsive and  
11 problem gambling and the treatment and prevention of compulsive  
12 and problem gambling. The guidelines shall include strategies  
13 for the prevention of compulsive and problem gambling. The  
14 Department of [Health] Drug and Alcohol Programs or successor  
15 agency may consult with the board and licensed gaming entities  
16 to develop such strategies.

17 (a.1) Duties of Department of [Health] Drug and Alcohol  
18 Programs or successor agency.--From funds available in the  
19 Compulsive and Problem Gambling Treatment Fund, the Department  
20 of [Health] Drug and Alcohol Programs or successor agency shall:

21 (1) Maintain [a] one compulsive gamblers assistance  
22 organization's toll-free problem gambling telephone number,  
23 which shall be the number 1-800-GAMBLER, to provide crisis  
24 counseling and referral services to individuals and families  
25 experiencing difficulty as a result of problem or compulsive  
26 gambling. If the Department of Drug and Alcohol Programs or  
27 successor agency determines that it is unable to adopt the  
28 number 1-800-GAMBLER, the Department of Drug and Alcohol  
29 Programs or successor agency shall maintain another number.

30 (2) Facilitate, through in-service training and other  
31 means, the availability of effective assistance programs for  
32 problem and compulsive gamblers and family members affected  
33 by problem and compulsive gambling.

34 (3) At its discretion, conduct studies to identify  
35 individuals in this Commonwealth who are or are at risk of  
36 becoming problem or compulsive gamblers.

37 (4) Provide grants to and contract with single county  
38 authorities and other organizations which provide services as  
39 set forth in this section.

40 (5) Reimburse organizations for reasonable expenses  
41 incurred assisting the Department of [Health] Drug and  
42 Alcohol Programs or successor agency with implementing this  
43 section.

44 (a.2) Duties of Department of [Health] Drug and Alcohol  
45 Programs or successor agency and board.--[Within 60 days  
46 following the effective date of this subsection, the] The  
47 Department of [Health's Bureau of] Drug and Alcohol Programs or  
48 successor agency and the board's Office of Compulsive and  
49 Problem Gambling shall jointly collaborate with other  
50 appropriate offices and agencies of State or local government,  
51 including single county authorities, and providers and other

1 persons, public or private, with expertise in compulsive and  
2 problem gambling treatment to do the following:

3 (1) Implement a strategic plan for the prevention and  
4 treatment of compulsive and problem gambling.

5 (2) Adopt compulsive and problem gambling treatment  
6 standards to be integrated with the [Bureau] Department of  
7 Drug and Alcohol Program's or successor agency's uniform  
8 Statewide guidelines that govern the provision of addiction  
9 treatment services.

10 (3) Develop a method to coordinate compulsive and  
11 problem gambling data collection and referral information to  
12 crisis response hotlines, child welfare and domestic violence  
13 programs and providers and other appropriate programs and  
14 providers.

15 (4) Develop and disseminate educational materials to  
16 provide public awareness related to the prevention,  
17 recognition and treatment of compulsive and problem gambling.

18 (5) Develop demographic-specific compulsive and problem  
19 gambling prevention, intervention and treatment programs.

20 (6) Prepare an itemized budget outlining how funds will  
21 be allocated to fulfill the responsibilities under this  
22 section.

23 (b) Compulsive and Problem Gambling Treatment Fund.--There  
24 is hereby established in the State Treasury a special fund to be  
25 known as the Compulsive and Problem Gambling Treatment Fund. All  
26 moneys in the fund shall be administered by the Department of  
27 [Health] Drug and Alcohol Programs or successor agency and  
28 expended solely for programs for the prevention and treatment of  
29 gambling addiction and other emotional and behavioral problems  
30 associated with or related to gambling addiction and for the  
31 administration of the compulsive and problem gambling program,  
32 provided that the Department of [Health] Drug and Alcohol  
33 Programs or successor agency shall annually distribute at least  
34 50% of the money in the fund to single county authorities under  
35 subsection (d). The fund shall consist of money annually  
36 allocated to it from the annual payment established under  
37 section 1408(a) (relating to transfers from State Gaming Fund),  
38 money which may be allocated by the board, interest earnings on  
39 moneys in the fund and any other contributions, payments or  
40 deposits which may be made to the fund.

41 (c) Notice of availability of assistance.--

42 (1) [Each] Except as otherwise provided for in paragraph  
43 (4), each slot machine licensee shall [obtain a] use the  
44 toll-free telephone number [to be used] established by the  
45 Department of Drug and Alcohol Programs or successor agency  
46 in subsection (a.1)(1) to provide persons with information on  
47 assistance for compulsive or problem gambling. Each licensee  
48 shall conspicuously post at least 20 signs similar to the  
49 following statement:

50 If you or someone you know has a gambling problem, help  
51 is available. Call (Toll-free telephone number).

1 The signs must be posted within 50 feet of each entrance and  
2 exit, within 50 feet of each automated teller machine  
3 location within the licensed facility and in other  
4 appropriate public areas of the licensed facility as  
5 determined by the slot machine licensee.

6 (2) Each racetrack where slot machines or table games  
7 are operated shall print a statement on daily racing programs  
8 provided to the general public that is similar to the  
9 following:

10 If you or someone you know has a gambling problem, help  
11 is available. Call (Toll-free telephone number).

12 Except as otherwise provided for in paragraph (4), the toll-  
13 free telephone number shall be the same telephone number  
14 established by the Department of Drug and Alcohol Programs or  
15 successor agency under subsection (a.1)(1).

16 (2.1) Each interactive gaming certificate holder and  
17 interactive gaming operator:

18 (i) Shall cause the words:

19 If you or someone you know has a gambling problem,  
20 help is available. Call (Toll-free telephone number).  
21 or some comparable language approved by the board, which  
22 language shall include the words "gambling problem" and  
23 "call 1-800-XXXX," to be prominently displayed to any  
24 person visiting or logging onto the interactive gaming  
25 certificate holder's interactive gaming skin or  
26 interactive gaming website.

27 (ii) Shall provide a mechanism by which an  
28 interactive gaming account holder may establish the  
29 following controls on wagering activity through the  
30 interactive gaming account:

31 (A) A limit on the amount of money lost within a  
32 specified period of time and the length of time the  
33 account holder will be unable to participate in  
34 gaming if the holder reaches the established loss  
35 limit.

36 (B) A limit on the maximum amount of any single  
37 wager on any interactive game.

38 (C) A temporary suspension of interactive gaming  
39 through the account for any number of hours or days.

40 (iii) Shall not knowingly mail or otherwise forward  
41 any gaming-related promotional material or e-mail to a  
42 registered player during any period in which interactive  
43 gaming through the registered players' interactive gaming  
44 account has been suspended or terminated. The interactive  
45 gaming certificate holder shall provide a mechanism by  
46 which a registered player may change the controls.  
47 Notwithstanding any other provision of this subparagraph,  
48 while interactive gaming through the interactive gaming  
49 account is suspended, the registered player may not  
50 change gaming controls until the suspension expires, but  
51 the registered player shall continue to have access to

1 the account and shall be permitted to withdraw funds from  
2 the account upon proper application for the funds to the  
3 interactive gaming certificate holder.

4 (3) A [licensed facility] licensed gaming entity,  
5 interactive gaming certificate holder or interactive gaming  
6 operator, as the case may be, which fails to post or print  
7 the warning sign in accordance with paragraph (1) [or], (2)  
8 or (2.1)(i) shall be assessed a fine of \$1,000 a day for each  
9 day the minimum number of signs are not posted or the  
10 required statement is not printed as provided in this  
11 subsection.

12 (3.1) An interactive gaming certificate holder or  
13 interactive gaming operator, as the case may be, that fails  
14 to establish the mechanisms, controls and systems in  
15 accordance with paragraph (2.1)(ii) and (iii) shall be  
16 assessed a fine of not less than \$5,000 per day for each day  
17 the mechanisms, controls and systems are not available to  
18 interactive gaming account holders.

19 (4) Slot machine licensees or racetracks utilizing a  
20 toll-free telephone number other than the number established  
21 by the Department of Drug and Alcohol Programs or successor  
22 agency under subsection (a.1)(1) prior to the effective date  
23 of this paragraph may continue to use that number for a  
24 period not to exceed three years from the effective date of  
25 this paragraph upon showing good cause to the Department of  
26 Drug and Alcohol Programs or successor agency.

27 (d) Single county authorities.--The Department of [Health]  
28 Drug and Alcohol Programs or successor agency shall make grants  
29 from the fund established under subsection (b) to single county  
30 authorities created pursuant to the act of April 14, 1972  
31 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol  
32 Abuse Control Act, for the purpose of providing compulsive  
33 gambling and gambling addiction prevention, treatment and  
34 education programs. Treatment may include financial counseling,  
35 irrespective of whether the financial counseling is provided by  
36 the single county authority, the treatment service provider or  
37 subcontracted to a third party. It is the intention of the  
38 General Assembly that any grants made by the Department of  
39 [Health] Drug and Alcohol Programs or successor agency to any  
40 single county authority in accordance with the provisions of  
41 this subsection be used exclusively for the development and  
42 implementation of compulsive and problem gambling programs  
43 authorized under this section.

44 (d.1) Eligibility.--Eligibility to receive treatment  
45 services for treatment of compulsive and problem gambling under  
46 this section shall be determined using financial eligibility and  
47 other requirements of the single county authorities as approved  
48 by the Department of [Health] Drug and Alcohol Programs or  
49 successor agency.

50 (d.2) Report.--[No later than October 1, 2010, and each]  
51 Annually on October 1 [thereafter], the Department of [Health]



1 Drug and Alcohol Programs or successor agency, in consultation  
2 with the board, shall prepare and submit a report on the impact  
3 of the programs funded by the Compulsive and Problem Gambling  
4 Treatment Fund to the Governor and to the members of the General  
5 Assembly. The report shall include aggregate demographic-  
6 specific data, including race, gender, geography and income of  
7 those individuals treated.

8 (e) Definition.--As used in subsection (d), the term "single  
9 county authority" means the agency designated by the Department  
10 of Health pursuant to the act of April 14, 1972 (P.L.221,  
11 No.63), known as the Pennsylvania Drug and Alcohol Abuse Control  
12 Act, to plan and coordinate drug and alcohol prevention,  
13 intervention and treatment services for a geographic area, which  
14 may consist of one or more counties.

15 Section 28.1. Section 1510(a) of Title 4 is amended to read:  
16 § 1510. Labor hiring preferences.

17 (a) Category 1, Category 2, [and] Category 3 and Category 4  
18 licensed facilities, generally.--Each licensed gaming entity  
19 shall prepare a hiring plan for employees of its respective  
20 licensed facility which promotes a diverse work force, minority  
21 participation and personnel from within the surrounding  
22 geographical area. The hiring plan shall be approved by the  
23 board and shall be consistent with the goals outlined in  
24 sections 1212 (relating to diversity goals of board) and 13A04  
25 (relating to Commonwealth resident employment goals) and shall  
26 be updated annually.

27 \* \* \*

28 Section 29. Section 1512 of Title 4 is amended by adding a  
29 subsection to read:

30 § 1512. Financial and employment interests.

31 \* \* \*

32 (a.6) Prohibition related to interactive gaming.--

33 (1) Except as may be provided by rule or order of the  
34 Pennsylvania Supreme Court and except as provided in section  
35 1202.1 (relating to code of conduct) or 1512.1 (relating to  
36 additional restrictions), no executive-level public employee,  
37 public official or party officer or immediate family member  
38 thereof shall hold, directly or indirectly, a financial  
39 interest in, be employed by or represent, appear for, or  
40 negotiate on behalf of, or derive any remuneration, payment,  
41 benefit or any other thing of value for any services,  
42 including, but not limited to, consulting or similar services  
43 from any holder of or applicant for an interactive gaming  
44 certificate, holder of or applicant for an interactive gaming  
45 license or other authorization to conduct interactive gaming  
46 or any holding, subsidiary or intermediary company with  
47 respect thereto, or any business, association, enterprise or  
48 other entity that is organized in whole or in part for the  
49 purpose of promoting, advocating for or advancing the  
50 interests of the interactive gaming industry generally or any  
51 interactive gaming-related business or businesses in

1 connection with any cause, application or matter. The  
2 financial interest and employment prohibitions under this  
3 paragraph shall remain in effect for one year following  
4 termination of the individual's status as an executive-level  
5 public employee, public official or party officer.

6 (2) Notwithstanding paragraph (1), a member of the  
7 immediate family of an executive-level public employee,  
8 public official or party officer may hold employment with the  
9 holder of or applicant for an interactive gaming certificate,  
10 holder of or applicant for an interactive gaming license or  
11 other authorization to conduct interactive gaming or any  
12 holding, subsidiary or intermediary company with respect  
13 thereto, if in the judgment of the State Ethics Commission or  
14 the Supreme Court, as appropriate, employment will not  
15 interfere with the responsibilities of the executive-level  
16 public employee, public official or party officer and will  
17 not create a conflict of interest or reasonable risk of the  
18 public perception of a conflict of interest on the part of  
19 the executive-level public employee, public official or party  
20 officer.

21 \* \* \*

22 Section 30. Sections 1513(a), 1514 heading, (a), (d), (e)  
23 and (f), 1515, 1516 and 1517(b)(1), (c)(6) and (12) and (e)(1)  
24 of Title 4 are amended to read:

25 § 1513. Political influence.

26 (a) Contribution restriction.--The following persons shall  
27 be prohibited from contributing any money or in-kind  
28 contribution to a candidate for nomination or election to any  
29 public office in this Commonwealth, or to any political party  
30 committee or other political committee in this Commonwealth or  
31 to any group, committee or association organized in support of a  
32 candidate, political party committee or other political  
33 committee in this Commonwealth:

34 (1) An applicant for a slot machine license,  
35 manufacturer license, supplier license, principal license,  
36 key employee license, interactive gaming license or horse or  
37 harness racing license.

38 (2) A slot machine licensee, licensed manufacturer,  
39 licensed supplier, interactive gaming operator or licensed  
40 racing entity.

41 (3) A licensed principal or licensed key employee of a  
42 slot machine licensee, licensed manufacturer, licensed  
43 supplier, interactive gaming operator or licensed racing  
44 entity.

45 (4) An affiliate, intermediary, subsidiary or holding  
46 company of a slot machine licensee, licensed manufacturer,  
47 licensed supplier, interactive gaming operator or licensed  
48 racing entity.

49 (5) A licensed principal or licensed key employee of an  
50 affiliate, intermediary, subsidiary or holding company of a  
51 slot machine licensee, licensed manufacturer, licensed

1     supplier, interactive gaming operator or licensed racing  
2     entity.

3         (6) A person who holds a similar gaming license in  
4     another jurisdiction and the affiliates, intermediaries,  
5     subsidiaries, holding companies, principals or key employees  
6     thereof.

7     \* \* \*

8     § 1514. Regulation requiring exclusion [or], ejection or denial  
9         of access of certain persons.

10       (a) General rule.--The board shall by regulation provide for  
11     the establishment of a list of persons who are to be excluded or  
12     ejected from any licensed facility or who may be denied access  
13     to interactive gaming. The provisions shall define the standards  
14     for exclusion and shall include standards relating to persons  
15     who are career or professional offenders as defined by  
16     regulations of the board or whose presence in a licensed  
17     facility or whose access to interactive gaming would, in the  
18     opinion of the board, be inimical to the interest of the  
19     Commonwealth or of licensed gaming therein, or both.

20     \* \* \*

21       (d) Sanctions.--The board may impose sanctions upon a  
22     licensed gaming entity or interactive gaming operator in  
23     accordance with this part if the licensed gaming entity  
24     knowingly fails to exclude or eject from the premises of any  
25     licensed facility or deny access to interactive gaming any  
26     person placed by the board on the list of persons to be excluded  
27     [or], ejected or denied access.

28       (e) List not all-inclusive.--Any list compiled by the board  
29     of persons to be excluded [or], ejected or denied access shall  
30     not be deemed an all-inclusive list, and a licensed gaming  
31     entity shall have a duty to keep from the licensed facility and  
32     from interactive gaming persons known to it to be within the  
33     classifications declared in this section and the regulations  
34     promulgated under this section whose presence in a licensed  
35     facility or whose participation in interactive gaming would be  
36     inimical to the interest of the Commonwealth or of licensed  
37     gaming therein, or both, as defined in standards established by  
38     the board.

39       (f) Notice.--Whenever the bureau seeks to place the name of  
40     any person on a list pursuant to this section, the bureau shall  
41     serve notice of this fact to such person by personal service or  
42     certified mail at the last known address of the person. The  
43     notice shall inform the person of the right to request a hearing  
44     under subsection (g). The bureau may also provide notice by  
45     electronic mail, if the electronic mail address of the person is  
46     known to the bureau.

47     \* \* \*

48     § 1515. Repeat offenders excludable from licensed gaming  
49         facility.

50       A licensed gaming entity may exclude or eject from its  
51     licensed facility or deny access to interactive gaming any

1 person who is known to it to have been convicted of a  
2 misdemeanor or felony committed in or on the premises of any  
3 licensed facility. Nothing in this section or in any other law  
4 of this Commonwealth shall limit the right of a licensed gaming  
5 entity to exercise its common law right to exclude or eject  
6 permanently from its licensed facility or permanently deny  
7 access to its interactive gaming any person who disrupts the  
8 operations of its premises or its interactive gaming, threatens  
9 the security of its premises or its occupants or is disorderly  
10 or intoxicated[.] or who threatens the security of its licensed  
11 facility or the area of a licensed facility where interactive  
12 gaming operations are managed, administered or controlled.

13 § 1516. List of persons self excluded from gaming activities.

14 (a) General rule.--The board shall provide by regulation for  
15 the establishment of a list of persons self excluded from gaming  
16 activities, including interactive gaming, at all licensed  
17 facilities. Any person may request placement on the list of  
18 self-excluded persons by acknowledging in a manner to be  
19 established by the board that the person is a problem gambler  
20 and by agreeing that, during any period of voluntary exclusion,  
21 the person may not collect any winnings or recover any losses  
22 resulting from any gaming activity at licensed facilities, including interactive gaming.

24 (b) Regulations.--The regulations of the board shall  
25 establish procedures for placements on and removals from the  
26 list of self-excluded persons. The regulations shall establish  
27 procedures for the transmittal to licensed gaming entities of  
28 identifying information concerning self-excluded persons and  
29 shall require licensed gaming entities to establish procedures  
30 designed at a minimum to deny self-excluded persons access to  
31 interactive gaming and to remove self-excluded persons from  
32 targeted mailings or other forms of advertising or promotions  
33 and deny self-excluded persons access to complimentary, check  
34 cashing privileges, club programs and other similar benefits.

35 (c) Liability.--A licensed gaming entity or employee thereof  
36 shall not be liable to any self-excluded person or to any other  
37 party in any judicial proceeding for any harm, monetary or  
38 otherwise, which may arise as a result of:

39 (1) the failure of a licensed gaming entity to withhold  
40 gaming privileges from or restore gaming privileges to a  
41 self-excluded person; [or]

42 (1.1) the failure of an interactive gaming certificate  
43 holder or interactive gaming operator to withhold interactive  
44 gaming privileges from or restore interactive gaming  
45 privileges to a self-excluded person; or

46 (2) otherwise permitting or not permitting a self-  
47 excluded person to engage in gaming activity in the facility  
48 or participate in interactive gaming while on the list of  
49 self-excluded persons.

50 (d) Disclosure.--Notwithstanding any other law to the  
51 contrary, the board's list of self-excluded persons shall not be

1 open to public inspection. Nothing in this section, however,  
2 shall be construed to prohibit a licensed gaming entity from  
3 disclosing the identity of persons self excluded pursuant to  
4 this section to affiliated gaming entities in this Commonwealth  
5 or other jurisdictions for the limited purpose of assisting in  
6 the proper administration of responsible gaming programs  
7 operated by affiliated licensed gaming entities.

8 § 1517. Investigations and enforcement.

9 \* \* \*

10 (b) Powers and duties of department.--

11 (1) The department shall at all times have the power of  
12 access to examine and audit equipment and records relating to  
13 all aspects of the operation of slot machines [or], table  
14 games or interactive games under this part.

15 \* \* \*

16 (c) Powers and duties of the Pennsylvania State Police.--The  
17 Pennsylvania State Police shall have the following powers and  
18 duties:

19 \* \* \*

20 (6) Enforce the criminal provisions of this part and all  
21 other criminal laws of the Commonwealth[.], including, but  
22 not limited to, within a licensed facility and parking lots  
23 under control of a slot machine licensee adjacent to a  
24 licensed facility.

25 \* \* \*

26 (12) Conduct audits or verification of information of  
27 slot machine [or], table game operations, including the  
28 operation of slot machines used in a multistate wide-area  
29 progressive slot machine system and in the operation of skill  
30 or hybrid slot machines and interactive gaming operations at  
31 such times, under such circumstances and to such extent as  
32 the bureau determines. This paragraph includes reviews of  
33 accounting, administrative and financial records and  
34 management control systems, procedures and records utilized  
35 by a slot machine licensee.

36 \* \* \*

37 (e) Inspection, seizure and warrants.--

38 (1) The bureau, the department and the Pennsylvania  
39 State Police shall have the authority without notice and  
40 without warrant to do all of the following in the performance  
41 of their duties:

42 (i) Inspect and examine all premises where slot  
43 machine [or], table game and interactive gaming  
44 operations are conducted, slot machines, table game  
45 devices and associated equipment, interactive gaming  
46 devices and associated equipment are manufactured, sold,  
47 distributed or serviced or where records of these  
48 activities are prepared or maintained.

49 (ii) Inspect all equipment and supplies in, about,  
50 upon or around premises referred to in subparagraph (i).

51 (iii) Seize, summarily remove and impound equipment

1 and supplies from premises referred to in subparagraph  
2 (i) for the purposes of examination and inspection.

3 (iv) Inspect, examine and audit all books, records  
4 and documents pertaining to a slot machine licensee's  
5 operation.

6 (v) Seize, impound or assume physical control of any  
7 book, record, ledger, game, device, cash box and its  
8 contents, count room or its equipment, interactive gaming  
9 devices and associated equipment or slot machine [or],  
10 table game or interactive gaming operations.

11 \* \* \*

12 Section 31. Section 1518(a)(1), (2), (3), (4), (5), (7.1),  
13 (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of  
14 Title 4 are amended and subsections (a) and (b) are amended by  
15 adding paragraphs to read:

16 § 1518. Prohibited acts; 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 any  
21 person providing information or making any statement, whether  
22 written or oral, to the board, the commission, the bureau,  
23 the department, the Pennsylvania State Police or the Office  
24 of Attorney General, as required by this [part] title.

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 any license fee, authorization fee, permit  
28 fee, tax or assessment imposed under this [part] title;  
29 or

30 (ii) attempt in any manner to evade or defeat any  
31 license fee, authorization fee, permit fee, registration  
32 fee, tax or assessment or any other fee imposed under  
33 this [part] title.

34 (3) It shall be unlawful for any licensed entity, gaming  
35 employee, key employee or any other person to permit a slot  
36 machine, table game or table game device, interactive game or  
37 interactive gaming device or associated equipment to be  
38 operated, transported, repaired or opened on the premises of  
39 a licensed facility by a person other than a person licensed  
40 or permitted by the board pursuant to this part.

41 (3.1) It shall be unlawful for any person who does not  
42 possess a valid and then effective interactive gaming  
43 certificate or interactive gaming license to accept any wager  
44 associated with any authorized interactive game from any  
45 individual without verifying the age, identity and physical  
46 location of the player at the time of play or wager.

47 (4) It shall be unlawful for any licensed entity or  
48 other person to manufacture, supply or place slot machines,  
49 table games, table game devices or associated equipment,  
50 authorized interactive game or interactive gaming devices or  
51 associated equipment into play or display slot machines,

1 table games, table game devices or associated equipment on  
2 the premises of a licensed facility without the authority of  
3 the board.

4 (4.1) It shall be unlawful for any slot machine licensee  
5 to offer interactive games into play or display such games on  
6 its interactive gaming skin or Internet website without the  
7 approval of the board.

8 (4.2) It shall be unlawful for any licensed entity or  
9 other person to manufacture, supply or place interactive  
10 gaming devices or associated equipment into operation at a  
11 licensed facility without the approval of the board.

12 (5) Except as provided for in section 1326 (relating to  
13 [license] renewals), it shall be unlawful for a licensed  
14 entity or other person to manufacture, supply, operate, carry  
15 on or expose for play any slot machine, table game, table  
16 game device or associated equipment, interactive game or  
17 interactive gaming device or associated equipment after the  
18 person's license has expired and prior to the actual renewal  
19 of the license.

20 \* \* \*

21 (7.1) It shall be unlawful for an individual to do any  
22 of the following:

23 (i) Use or possess counterfeit, marked, loaded or  
24 tampered with table game devices or associated equipment,  
25 chips or other cheating devices in the conduct of gaming  
26 under this part, except that an authorized employee of a  
27 licensee or an authorized employee of the board may  
28 possess and use counterfeit chips or table game devices  
29 or associated equipment that have been marked, loaded or  
30 tampered with, or other cheating devices or any  
31 unauthorized interactive gaming device or associated  
32 equipment in performance of the duties of employment for  
33 training, investigative or testing purposes only.

34 (ii) Knowingly, by a trick or sleight of hand  
35 performance or by fraud or fraudulent scheme, or  
36 manipulation, table game device or other device, or  
37 interactive gaming device for himself or for another, win  
38 or attempt to win any cash, property or prize at a  
39 licensed facility or to reduce or attempt to reduce a  
40 losing wager.

41 (7.2) It shall be unlawful for a person to knowingly  
42 alter, tamper or manipulate interactive gaming devices or  
43 associated equipment, including software, system programs,  
44 hardware and any other device or associated equipment used in  
45 interactive gaming operations, in order to alter the odds or  
46 the payout of an interactive game or to disable the  
47 interactive game from operating according to the rules of the  
48 game as authorized by the board.

49 (7.3) It shall be unlawful for a person to knowingly  
50 offer or allow to be offered any authorized interactive game  
51 that has been altered, tampered with or manipulated in a way

1 that affects the odds or the payout of an authorized  
2 interactive game or disables the interactive game from  
3 operating according to the authorized rules of the game as  
4 authorized by the board.

5 \* \* \*

6 (11) It shall be unlawful for a licensed gaming entity  
7 that is a licensed racing entity and that has lost the  
8 license issued to it by [either] the State Horse Racing  
9 Commission or the State Harness Racing Commission under the  
10 Race Horse Industry Reform Act or that has had that license  
11 suspended to operate slot machines [or], table games or  
12 authorized interactive games at the racetrack for which its  
13 slot machine license was issued unless the license issued to  
14 it by either the State Horse Racing Commission or the State  
15 Harness Racing Commission will be subsequently reissued or  
16 reinstated within 30 days after the loss or suspension.

17 \* \* \*

18 (13) It shall be unlawful for an individual under 21  
19 years of age to enter and remain in any area of a licensed  
20 facility where slot machines are operated or the play of  
21 table games is conducted, except that an individual 18 years  
22 of age or older employed by a slot machine licensee, a gaming  
23 service provider, the board or any other regulatory or  
24 emergency response agency may enter and remain in any such  
25 area while engaged in the performance of the individual's  
26 employment duties.

27 (13.1) It shall be unlawful for an individual under 21  
28 years of age to wager, play or attempt to play a slot machine  
29 or table game at a licensed facility or to wager, play or  
30 attempt to play an interactive game.

31 (13.2) It shall be unlawful to allow a person under 21  
32 years of age to open, maintain or use in any way an  
33 interactive gaming account. Any interactive gaming  
34 certificate holder, interactive gaming operator or employee  
35 of an interactive gaming certificate holder or interactive  
36 gaming operator or other such person who knowingly allows a  
37 person under 21 years of age to open, maintain or use an  
38 interactive gaming account shall be subject to the penalty  
39 set forth in this section, except that the establishment of  
40 all of the following facts by an interactive gaming  
41 certificate holder, interactive gaming operator or employee  
42 of an interactive gaming certificate holder, interactive  
43 gaming operator or other such person shall constitute a  
44 defense to any regulatory action by the board or the penalty  
45 authorized under this section:

46 (i) the underage person falsely represented that the  
47 person was at least 21 years of age in the application  
48 for an interactive gaming account; and

49 (ii) the establishment of the interactive gaming  
50 account was made in good faith reliance upon such  
51 representation and in the reasonable belief that the



1        underage person was at least 21 years of age.

2        \* \* \*

3        (15) It shall be unlawful for a licensed gaming entity  
4 to require a wager to be greater than the stated minimum  
5 wager or less than the stated maximum wager. However, a wager  
6 made by a player and not rejected by a licensed gaming entity  
7 prior to commencement of play shall be treated as a valid  
8 wager. A wager accepted by a dealer or through an authorized  
9 interactive game shall be paid or lost in its entirety in  
10 accordance with the rules of the game, notwithstanding that  
11 the wager exceeded the current table maximum wager or  
12 authorized interactive game wager or was lower than the  
13 current table minimum wager or minimum interactive game  
14 wager.

15        \* \* \*

16        (17) It shall be unlawful for an individual to claim,  
17 collect or take, or attempt to claim, collect or take, money  
18 or anything of value in or from a slot machine, gaming table  
19 or other table game device, interactive game or interactive  
20 gaming device with the intent to defraud, or to claim,  
21 collect or take an amount greater than the amount won, or to  
22 manipulate with the intent to cheat, any component of any  
23 slot machine, table game or table game device, interactive  
24 game or interactive gaming device in a manner contrary to the  
25 designed and normal operational purpose.

26        (b) Criminal penalties and fines.--

27        (1) (i) A person that commits a first offense in  
28 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in  
29 connection with providing information or making any  
30 statement, whether written or oral, to the board, the  
31 bureau, the department, the Pennsylvania State Police,  
32 the Office of Attorney General or a district attorney as  
33 required by this part commits an offense to be graded in  
34 accordance with the applicable section violated. A person  
35 that is convicted of a second or subsequent violation of  
36 18 Pa.C.S. § 4902, 4903 or 4904 in connection with  
37 providing information or making any statement, whether  
38 written or oral, to the board, the bureau, the  
39 department, the Pennsylvania State Police, the Office of  
40 Attorney General or a district attorney as required by  
41 this part commits a felony of the second degree.

42        (ii) A person that violates subsection (a) (2), (3)  
43 and (4) through (12) or (17) commits a misdemeanor of the  
44 first degree. A person that is convicted of a second or  
45 subsequent violation of subsection (a) (2), (3) and (4)  
46 through (12) or (17) commits a felony of the second  
47 degree.

48        (2) (i) For a first violation of subsection (a) (1)  
49 through (12) or (17), a person shall be sentenced to pay  
50 a fine of:

51                (A) not [less than \$75,000 nor] more than

1           \$150,000 if the person is an individual;  
2           (B) not less than \$300,000 nor more than  
3           \$600,000 if the person is a licensed gaming entity or  
4           an interactive gaming operator; or  
5           (C) not less than \$150,000 nor more than  
6           \$300,000 if the person is a licensed manufacturer or  
7           supplier.

8           (ii) For a second or subsequent violation of  
9           subsection (a)(1), (2), (3) and (4) through (12) or (17),  
10          a person shall be sentenced to pay a fine of:

11           (A) not [less than \$150,000 nor] more than  
12           \$300,000 if the person is an individual;  
13           (B) not less than \$600,000 nor more than  
14           \$1,200,000 if the person is a licensed gaming entity;  
15           or  
16           (C) not less than \$300,000 nor more than  
17           \$600,000 if the person is a licensed manufacturer or  
18           supplier.

19          (2.1) A person that commits an offense in violation of  
20          subsection (a)(3.1) commits a felony and, upon conviction,  
21          shall be sentenced to pay a fine of not less than \$500,000  
22          nor more than \$1,000,000. A person that is convicted of a  
23          second or subsequent violation of subsection (a)(3.1) commits  
24          a felony of the first degree and shall be sentenced to pay a  
25          fine of not less than \$1,000,000 nor more than \$2,500,000.

26          (3) An individual who commits an offense in violation of  
27          subsection (a)(13) [or], (13.1) or (13.2) commits a  
28          nongambling summary offense and upon conviction of a first  
29          offense shall be sentenced to pay a fine of not less than  
30          \$200 nor more than \$1,000. An individual that is convicted of  
31          a second or subsequent offense under subsection (a)(13) [or],  
32          (13.1) or (13.2) shall be sentenced to pay a fine of not less  
33          than \$500 nor more than \$1,500. In addition to the fine  
34          imposed, an individual convicted of an offense under  
35          subsection (a)(13) [or], (13.1) or (13.2) may be sentenced to  
36          perform a period of community service not to exceed 40 hours.

37          \* \* \*

38          Section 32. Sections 1901, 1901.1 and 1902 of Title 4 are  
39          amended to read:

40          § 1901. Appropriations.

41           (a) Appropriation to board.--

42           (1) The sum of \$7,500,000 is hereby appropriated to the  
43           Pennsylvania Gaming Control Board for the fiscal period July  
44           1, 2004, to June 30, 2006, to implement and administer the  
45           provisions of this part. The money appropriated in this  
46           subsection shall be considered a loan from the General Fund  
47           [and shall be repaid to the General Fund quarterly commencing  
48           with the date slot machine licensees begin operating slot  
49           machines under this part]. This appropriation shall be a two-  
50           year appropriation and shall not lapse until June 30, 2006.

51           (2) The sum of \$2,100,000 is hereby appropriated from

1 the State Gaming Fund to the Pennsylvania Gaming Control  
2 Board for salaries, wages and all necessary expenses for the  
3 proper operation and administration of the Pennsylvania  
4 Gaming Control Board for the expansion of gaming associated  
5 with table games. This appropriation shall be a supplemental  
6 appropriation for fiscal year 2009-2010 and shall be in  
7 addition to the appropriation contained in the act of August  
8 19, 2009 (P.L.777, No.9A), known as the Gaming Control  
9 Appropriation Act of 2009.

10 (b) Appropriation to department.--The sum of \$21,100,000 is  
11 hereby appropriated from the General Fund to the Department of  
12 Revenue for the fiscal period July 1, 2004, to June 30, 2006, to  
13 prepare for, implement and administer the provisions of this  
14 part. The money appropriated under this subsection shall be  
15 considered a loan from the General Fund [and shall be repaid to  
16 the General Fund quarterly commencing with the date slot machine  
17 licensees begin operating slot machines under this part]. This  
18 appropriation shall be a two-year appropriation and shall not  
19 lapse until June 30, 2006.

20 (c) Appropriation to Pennsylvania State Police.--The sum of  
21 \$7,500,000 is hereby appropriated from the General Fund to the  
22 Pennsylvania State Police for the fiscal period July 1, 2004, to  
23 June 30, 2006, to prepare for, implement and administer the  
24 provisions of this part. The money appropriated under this  
25 subsection shall be considered a loan from the General Fund [and  
26 shall be repaid to the General Fund quarterly commencing when  
27 all slot machine licensees begin operating slot machines under  
28 this part]. This appropriation shall be a two-year appropriation  
29 and shall not lapse until June 30, 2006.

30 § 1901.1. Repayments to [State Gaming] General Fund.

31 [The board shall defer assessing slot machine licensees for  
32 payments to the State Gaming Fund for any loans made to the  
33 State Gaming Fund until such time as all slot machine licenses  
34 have been issued and all licensed gaming entities have commenced  
35 the operation of slot machines. The board shall adopt a  
36 repayment schedule that assesses to each slot machine licensee  
37 costs for the repayment of any such loans in an amount that is  
38 proportional to each slot machine licensee's gross terminal  
39 revenue.]

40 (a) Establishment of repayment schedule.--

41 (1) No later than December 1, 2017, the board, in  
42 consultation with all licensed gaming entities, shall  
43 establish a schedule governing the repayment by licensed  
44 gaming entities of loans provided under section 1901  
45 (relating to appropriations).

46 (2) The repayment of loans provided under section 1901  
47 by licensed gaming entities shall begin no later than January  
48 1, 2018.

49 (3) The repayment schedule shall, at a minimum:

50 (i) Specify the dates upon which the repayments  
51 shall be due. Payments may be required on a quarterly,

1 semiannual or annual basis.

2 (ii) Assess each slot machine licensee's costs for  
3 repayment of loans under section 1901 in an amount that  
4 is proportional to each slot machine licensee's gross  
5 terminal revenue.

6 (iii) Result in the total amounts loaned under  
7 section 1901 being repaid by June 30, 2019.

8 (b) Deposit.--Payments received under subsection (a) shall  
9 be deposited into the General Fund.

10 Section 32.1. Title 4 is amended by adding a section to  
11 read:

12 § 1901.3. Adverse litigation.

13 Notwithstanding any law to the contrary, the board may not  
14 consider any application for a Category 4 slot machine license,  
15 interactive gaming certificate, interactive gaming license,  
16 casino simulcasting certificate or sports wagering certificate  
17 if the applicant or any person affiliated with or directly  
18 related to the applicant is a party in any ongoing civil  
19 proceeding in which the party is seeking to overturn or  
20 otherwise challenge a decision or order of the board pertaining  
21 to the approval, denial or conditioning of a license to operate  
22 slot machines. This section shall not be interpreted to affect  
23 the rights of applicants to seek judicial enforcement of  
24 mandatory obligations of the board as may be required by this  
25 part.

26 Section 32.2. Section 1902 of Title 4 is amended to read:  
27 § 1902. Severability.

28 (a) General rule.--Except as provided in subsection (b), the  
29 provisions of this [part] title are severable. If any provision  
30 of this [part] title or its application to any person or  
31 circumstances is held invalid, the invalidity shall not affect  
32 other provisions or applications of this [part] title which can  
33 be given effect without the invalid provision or application.

34 (b) Limitation.--If any of the provisions of section 1201  
35 (relating to Pennsylvania Gaming Control Board established) or  
36 1209 (relating to slot machine license fee) or their application  
37 to any person or circumstance are held to be invalid by any  
38 court, the remaining provisions of this [part] title and its  
39 application shall be void.

40 Section 32.3. Title 4 is amended by adding a part to read:

41 PART III

42 VIDEO GAMING

43 Chapter

44 31. General Provisions

45 33. Administration

46 35. Application and Licensure

47 37. Operation

48 39. Enforcement

49 41. Revenues

50 43. Ethics

51 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.

"Board." The Pennsylvania Gaming Control Board established under section 1201 (relating to Pennsylvania Gaming Control Board established).

"Bureau." The Bureau of Investigations and Enforcement of the board.

"Cash." United States currency and coin.

"Cash equivalent." A ticket, token, chip, card or other similar instrument or representation of value that the board deems a cash equivalent in accordance with this part.

"Central control computer." A central site computer controlled by the department and accessible by the board to which all video gaming terminals communicate for the purpose of auditing capacity, real-time information retrieval of the details of any financial event that occurs in the operation of a video gaming terminal or redemption terminal, including, but not limited to, coin in, coin out, ticket in, ticket out, jackpots, video gaming terminal and redemption terminal door openings and power failure and remote video gaming terminal or redemption terminal activation and disabling of video gaming terminals or redemption terminals.

"Cheat."

(1) Any of the following:

(i) To defraud or steal from a player, terminal operator licensee, establishment licensee or the

1 Commonwealth while operating or playing a video gaming  
2 terminal, including causing, aiding, abetting or  
3 conspiring with another person to do so.

4 (ii) To alter or causing, aiding, abetting or  
5 conspiring with another person to alter the elements of  
6 chance, method of selection or criteria that determine:

7 (A) The result of a video gaming terminal game.

8 (B) The amount or frequency of payment in a  
9 video gaming terminal game.

10 (C) The value of a wagering instrument.

11 (D) The value of a wagering credit.

12 (iii) The term does not include altering a video  
13 gaming terminal or associated equipment for maintenance  
14 or repair with the approval of a terminal operator  
15 licensee and the board.

16 "Cheating or thieving device." A device:

17 (1) used or possessed with the intent to be used to  
18 cheat during the operation or play of a video gaming  
19 terminal; or

20 (2) used to alter a video gaming terminal without the  
21 terminal operator licensee's and the board's approval.

22 "Coin-operated amusement game." A machine that requires the  
23 insertion of a coin, currency or token to play or activate a  
24 game the outcome of which is predominantly and primarily  
25 determined by the skill of the player.

26 "Compensation." Anything of value, money or a financial  
27 benefit conferred on or received by a person in return for  
28 services rendered or to be rendered whether by the person or  
29 another.

30 "Complimentary service." A lodging, service or item that is  
31 provided to an individual at no cost or at a reduced cost that  
32 is not generally available to the public under similar  
33 circumstances. Group rates, including convention and government  
34 rates, shall be deemed to be generally available to the public.

35 "Conduct of video gaming." The licensed placement, operation  
36 and play of video gaming terminals under this part, as  
37 authorized and approved by the board.

38 "Controlling interest." Any of the following:

39 (1) For a publicly traded domestic or foreign  
40 corporation, the term means a person has a controlling  
41 interest in a legal entity, applicant or licensee if a  
42 person's sole voting rights under State law or corporate  
43 articles or bylaws entitle the person to elect or appoint one  
44 or more of the members of the board of directors or other  
45 governing board or the person holds an ownership or  
46 beneficial holding of 5% or more of the securities of the  
47 publicly traded corporation, partnership, limited liability  
48 company or other form of publicly traded legal entity, unless  
49 this presumption of control or ability to elect is rebutted  
50 by clear and convincing evidence.

51 (2) For a privately held domestic or foreign

1 corporation, partnership, limited liability company or other  
2 form of privately held legal entity, the term means the  
3 holding of any securities in the legal entity, unless this  
4 presumption of control is rebutted by clear and convincing  
5 evidence.

6 "Conviction." A finding of guilt or a plea of guilty or nolo  
7 contendere, whether or not a judgment of sentence has been  
8 imposed as determined by the law of the jurisdiction in which  
9 the prosecution was held. The term does not include a conviction  
10 that has been expunged or overturned or for which an individual  
11 has been pardoned or had an order of Accelerated Rehabilitative  
12 Disposition entered.

13 "Corporation." The term includes a publicly traded  
14 corporation.

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

16 "Establishment license." A license issued by the board  
17 authorizing a truck stop establishment to permit a terminal  
18 operator licensee to place and operate video gaming terminals on  
19 the truck stop establishment's premises under this part and the  
20 rules and regulations promulgated under this part.

21 "Establishment licensee." A truck stop establishment that  
22 holds an establishment license.

23 "Executive-level public employee." The term shall include  
24 the following:

25 (1) A deputy secretary of the Commonwealth and the  
26 Governor's Office executive staff.

27 (2) An employee of the executive branch whose duties  
28 substantially involve licensing or enforcement under this  
29 part, who has discretionary power that may affect or  
30 influence the outcome of a Commonwealth agency's action or  
31 decision or who is involved in the development of regulations  
32 or policies relating to a licensed entity. The term includes  
33 an employee with law enforcement authority.

34 (3) An employee of a county or municipality with  
35 discretionary powers that may affect or influence the outcome  
36 of the county's or municipality's action or decision related  
37 to this part or who is involved in the development of law,  
38 regulation or policy relating to matters regulated under this  
39 part. The term includes an employee with law enforcement  
40 authority.

41 (4) An employee of a department, agency, board,  
42 commission, authority or other governmental body not included  
43 in paragraph (1), (2) or (3) with discretionary power that  
44 may affect or influence the outcome of the governmental  
45 body's action or decision related to this part or who is  
46 involved in the development of regulation or policy relating  
47 to matters regulated under this part. The term includes an  
48 employee with law enforcement authority.

49 "Financial backer." An investor, mortgagee, bondholder,  
50 noteholder or other sources of equity or capital provided to an  
51 applicant or licensed entity.

1 "Gambling game." A game that plays or simulates the play of  
2 video poker, reel games, blackjack or other similar game  
3 authorized by the board.

4 "Gaming employee."

5 (1) Any of the following:

6 (i) An employee of a terminal operator licensee,  
7 establishment licensee or supplier licensee that is not a  
8 key employee and is involved in the conduct of video  
9 gaming.

10 (ii) An employee of a supplier licensee whose duties  
11 are directly involved with the repair or distribution of  
12 video gaming terminals or associated equipment sold or  
13 provided to a terminal operator licensee within this  
14 Commonwealth as determined by the board.

15 (2) The term does not include nongaming personnel as  
16 determined by the board or an employee of an establishment  
17 licensee.

18 "Gaming service provider." A person that is not required to  
19 be licensed as a terminal operator, manufacturer, supplier or  
20 establishment licensee and provides goods or services to a  
21 terminal operator licensee that directly relates to the  
22 operation and security of a video gaming terminal or redemption  
23 terminal. The term shall not include a person that supplies  
24 goods or services that, at the discretion of the board, does not  
25 impact the integrity of video gaming, video gaming terminals or  
26 the connection of video gaming terminals to the central control  
27 computer system, including:

28 (1) Seating to accompany video gaming terminals.

29 (2) Structural or cosmetic renovations, improvements or  
30 other alterations to a video gaming area.

31 "Gross terminal revenue." The total of cash or cash  
32 equivalents received by a video gaming terminal minus the total  
33 of cash or cash equivalents paid out to players as a result of  
34 playing a video gaming terminal. The term does not include  
35 counterfeit cash or cash taken in a fraudulent act perpetrated  
36 against a terminal operator licensee for which the terminal  
37 operator licensee is not reimbursed.

38 "Holding company." A person, other than an individual,  
39 which, directly or indirectly, owns or has the power or right to  
40 control or to vote a significant part of the outstanding voting  
41 securities of a corporation or other form of business  
42 organization. A holding company indirectly has, holds or owns  
43 any such power, right or security if it does so through an  
44 interest in a subsidiary or successive subsidiaries.

45 "Incentive." Consideration, including a promotion or prize,  
46 provided to a player or potential player as an enticement to  
47 play a video gaming terminal.

48 "Inducement."

49 (1) Any of the following:

50 (i) Consideration paid directly or indirectly, from  
51 a manufacturer, supplier, terminal operator, procurement



1 agent, gaming employee, employee or another person on  
2 behalf of an applicant or anyone licensed under this  
3 part, to a truck stop establishment, establishment  
4 licensee, establishment licensee owner or an employee of  
5 the establishment licensee, directly or indirectly as an  
6 enticement to solicit or maintain the establishment  
7 licensee or establishment licensee owner's business.

8 (ii) Cash, incentive, marketing and advertising  
9 cost, gift, food, beverage, loan, prepayment of gross  
10 terminal revenue and other contribution or payment that  
11 offsets an establishment licensee's operational costs, or  
12 as otherwise determined by the board.

13 (2) The term shall not include costs paid by a terminal  
14 operator applicant or terminal operator licensee related to  
15 making video gaming terminals operate at the premises of an  
16 establishment licensee, including wiring and rewiring,  
17 software updates, ongoing video gaming terminal maintenance,  
18 redemption terminals, network connections, site controllers  
19 and costs associated with communicating with the central  
20 control computer system.

21 "Institutional investor." A retirement fund administered by  
22 a public agency for the exclusive benefit of Federal, State or  
23 local public employees, investment company registered under the  
24 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1  
25 et seq.), collective investment trust organized by banks under  
26 Part Nine of the Rules of the Comptroller of the Currency,  
27 closed-end investment trust, chartered or licensed life  
28 insurance company or property and casualty insurance company,  
29 banking and other chartered or licensed lending institution,  
30 investment advisor registered under The Investment Advisers Act  
31 of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and such other  
32 person as the board may determine consistent with this part.

33 "Intermediary." A person, other than an individual, that:

34 (1) is a holding company with respect to a corporation  
35 or other form of business organization, that holds or applies  
36 for a license under this part; and

37 (2) is a subsidiary with respect to a holding company.

38 "Key employee." An individual employed by a manufacturer  
39 licensee, supplier licensee, terminal operator licensee or  
40 establishment licensee that is determined by the board to be a  
41 director or department head or otherwise empowered to make  
42 discretionary decisions that regulate the conduct of video  
43 gaming.

44 "Key employee licensee." An individual who holds a key  
45 employee license.

46 "Law enforcement authority." The power to conduct  
47 investigations of or to make arrests for criminal offenses.

48 "Licensed entity." A terminal operator licensee,  
49 establishment licensee, manufacturer licensee or supplier  
50 licensee under this part.

51 "Licensed entity representative." A person, including an

1 attorney, agent or lobbyist, acting on behalf of or authorized  
2 to represent the interest of an applicant, licensee or other  
3 person authorized by the board to engage in an act or activity  
4 that is regulated under this part regarding a matter before or  
5 that may reasonably be expected to come before the board.

6 "Licensed facility." As defined in section 1103 (relating to  
7 definitions).

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

9 "Licensee." A person listed under this part.

10 "Manufacturer." A person that manufactures, builds,  
11 rebuilds, fabricates, assembles, produces, programs, designs or  
12 otherwise makes modifications to a video gaming terminal,  
13 redemption terminal or associated equipment for use or play of  
14 video gaming terminals in this Commonwealth for video gaming  
15 purposes.

16 "Manufacturer license." A license issued by the board  
17 authorizing a manufacturer to manufacture or produce video  
18 gaming terminals, redemption terminals or associated equipment  
19 for use in this Commonwealth for video gaming purposes.

20 "Manufacturer licensee." A person that holds a manufacturer  
21 license.

22 "Minor." An individual under 21 years of age.

23 "Municipality." A city, township, borough or incorporated  
24 town.

25 "Non-key employee." An individual employed by a terminal  
26 operator licensee who, unless otherwise designated by the board,  
27 is not a key employee.

28 "Occupation permit." A permit authorizing an individual to  
29 be employed or to work as a gaming employee.

30 "Party." The bureau or an applicant, licensee, registrant or  
31 other person appearing of record in any proceeding before the  
32 board.

33 "Permittee." A holder of a permit issued under this part.

34 "Person." A natural person, corporation, foundation,  
35 organization, business trust, estate, limited liability company,  
36 trust, partnership, limited liability partnership, association  
37 or other form of legal business entity.

38 "Player." An individual who wagers cash or a cash equivalent  
39 in the play or operation of a video gaming terminal and the play  
40 or operation of which may deliver or entitle the individual  
41 playing or operating the video gaming terminal to receive cash  
42 or a cash equivalent from a terminal operator licensee.

43 "Principal." An officer, director, person who directly holds  
44 a beneficial interest in or ownership of the securities of an  
45 applicant or anyone licensed under this part, person who has a  
46 controlling interest in an applicant or anyone licensed under  
47 this part or has the ability to elect a majority of the board of  
48 directors of a licensee or to otherwise control anyone licensed  
49 under this part, procurement agent, lender or other licensed  
50 financial institution of an applicant or anyone licensed under  
51 this part, other than a bank or lending institution which makes

1 a loan or holds a mortgage or other lien acquired in the  
2 ordinary course of business, underwriter of an applicant or  
3 anyone licensed under this part or other person or employee of  
4 an applicant, terminal operator licensee, manufacturer licensee  
5 or supplier licensee deemed to be a principal by the board,  
6 including a procurement agent.

7 "Procurement agent." A person that shares in the gross  
8 terminal revenue or is otherwise compensated for the purpose of  
9 soliciting or procuring a terminal placement agreement.

10 "Progressive payout." A video game terminal wager payout  
11 that increases in a monetary amount based on the amounts wagered  
12 in a progressive system.

13 "Progressive system." A computerized system linking video  
14 gaming terminals on the premises of an establishment licensee  
15 and offering one or more common progressive payouts based on the  
16 amounts wagered.

17 "Publicly traded corporation." A person, other than an  
18 individual, that:

19 (1) has a class or series of securities registered under  
20 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
21 § 78a et seq.);

22 (2) is a registered management company under the  
23 Investment Company Act of 1940; or

24 (3) is subject to the reporting obligations imposed by  
25 section 15(d) of the Securities Exchange Act of 1934 by  
26 reason of having filed a registration statement that has  
27 become effective under the Securities Act of 1933 (48 Stat.  
28 74, 15 U.S.C. § 77a et seq.).

29 "Redemption terminal." The collective hardware, software,  
30 communications technology and other ancillary equipment used to  
31 facilitate the payment of cash or a cash equivalent to a player  
32 as a result of playing a video gaming terminal.

33 "Security." As defined in the act of December 5, 1972  
34 (P.L.1280, No.284), known as the Pennsylvania Securities Act of  
35 1972.

36 "Slot machine." As defined in section 1103.

37 "State Treasurer." The State Treasurer of the Commonwealth.

38 "Subsidiary." As defined in section 1103.

39 "Supplier." A person that sells, leases, offers or otherwise  
40 provides, distributes or services any video gaming terminal,  
41 redemption terminal or associated equipment to a terminal  
42 operator licensee for use or play in this Commonwealth.

43 "Supplier license." A license issued by the board  
44 authorizing a supplier to provide products or services related  
45 to video gaming terminals, redemption terminals or associated  
46 equipment to terminal operator licensees for use in this  
47 Commonwealth for the conduct of video gaming.

48 "Supplier licensee." A person that holds a supplier license.

49 "Terminal operator." A person that owns, services or  
50 maintains video gaming terminals for placement and operation on  
51 the premises of an establishment licensee.

1 "Terminal operator license." A license issued by the board  
2 authorizing a terminal operator to place and operate video  
3 gaming terminals in an establishment licensee's premises  
4 pursuant to this part and the rules and regulations promulgated  
5 under this part.

6 "Terminal operator licensee." A person that holds a terminal  
7 operator license.

8 "Terminal placement agreement." The formal written agreement  
9 or contract between an applicant for a terminal operator license  
10 or terminal operator licensee and an applicant for an  
11 establishment license or establishment or establishment licensee  
12 that establishes the terms and conditions regarding the conduct  
13 of video gaming.

14 "Truck stop establishment." A premises that:

15 (1) Is equipped with diesel islands used for fueling  
16 commercial motor vehicles.

17 (2) Has sold on average 50,000 gallons of diesel or  
18 biodiesel fuel each month for the previous 12 months or is  
19 projected to sell an average of 50,000 gallons of diesel or  
20 biodiesel fuel each month for the next 12 months.

21 (3) Has at least 20 parking spaces dedicated for  
22 commercial motor vehicles.

23 (4) Has a convenience store.

24 (5) Is situated on a parcel of land of not less than  
25 three acres that the truck stop establishment owns or leases.

26 (6) Is not located on any property owned by the  
27 Pennsylvania Turnpike.

28 "Video gaming area." The area of an establishment licensee's  
29 premises where video gaming terminals and redemption terminals  
30 are installed for operation and play.

31 "Video gaming employees." The term includes gaming  
32 employees, key employees and non-key employees.

33 "Video Gaming Fund." The fund established in section 4102  
34 (relating to taxes and assessments).

35 "Video gaming terminal."

36 (1) A mechanical or electrical contrivance, terminal,  
37 machine or other device approved by the board that, upon  
38 insertion of cash or cash equivalents, is available to play  
39 or operate one or more gambling games, the play of which  
40 utilizes a random number generator and:

41 (i) May award a winning player either a free game or  
42 credit that shall only be redeemable for cash or cash  
43 equivalents at a redemption terminal.

44 (ii) May utilize video displays.

45 (iii) May use an electronic credit system for  
46 receiving wagers and making payouts that are only  
47 redeemable at a redemption terminal.

48 (2) Associated equipment necessary to conduct the  
49 operation of the contrivance, terminal, machine or other  
50 device.

51 (3) The term does not include a slot machine operated at

1 a licensed facility in accordance with Part II (relating to  
2 gaming) or a coin-operated amusement game.

3 (4) The term does not include "lottery" as defined under  
4 the act of August 26, 1971 (P.L.351, No.91), known as the  
5 State Lottery Law.

6 CHAPTER 33  
7 ADMINISTRATION

8 Sec.

9 3301. Powers of board.

10 3302. Regulatory authority of board.

11 3303. Temporary regulations.

12 3304. Appeals.

13 3305. Records and confidentiality of information.

14 3306. Reporting.

15 3307. Diversity.

16 3308. Authority of department.

17 3309. Central control computer system.

18 3310. Department of Drug and Alcohol Programs.

19 § 3301. Powers of board.

20 (a) General powers.--

21 (1) The board shall have general and sole regulatory  
22 authority over the conduct of video gaming or related  
23 activities as described in this part. The board shall ensure  
24 the integrity of the acquisition and operation of video  
25 gaming terminals, redemption terminals and associated  
26 equipment and shall have sole regulatory authority over every  
27 aspect of the conduct of video gaming.

28 (2) The board may employ individuals as necessary to  
29 carry out the requirements of this part who shall serve at  
30 the board's pleasure.

31 (b) Specific powers.--The board shall have the power and  
32 duty:

33 (1) To require background investigations on applicants,  
34 licensees, principals, key employees, procurement agents or  
35 gaming employees under the jurisdiction of the board.

36 (2) At its discretion, to issue, approve, renew, revoke,  
37 suspend, condition or deny issuance or renewal of terminal  
38 operator licenses.

39 (3) At its discretion, to award, revoke, suspend,  
40 condition or deny issuance or renewal of establishment  
41 licenses.

42 (4) At its discretion, to issue, approve, renew, revoke,  
43 suspend, condition or deny issuance or renewal of supplier  
44 and manufacturer licenses.

45 (5) At its discretion, to issue, approve, renew, revoke,  
46 suspend, condition or deny issuance or renewal of a license  
47 or permit for various classes of employees as required under  
48 this part.

49 (6) At its discretion, to issue, approve, renew, revoke,  
50 suspend, condition or deny issuance or renewal of additional  
51 licenses, permits or other authorization that may be required

1 by the board under this part.

2 (7) At its discretion, to suspend, condition or deny the  
3 issuance or renewal of a license or permit or levy a fine or  
4 other sanction for a violation of this part.

5 (8) To require prospective and existing video gaming  
6 employees, independent contractors, applicants, permittees  
7 and licensees to submit to fingerprinting by the Pennsylvania  
8 State Police or its authorized designee. The Pennsylvania  
9 State Police or its authorized designee shall submit the  
10 fingerprints to the Federal Bureau of Investigation for  
11 purposes of verifying the identity of the individual and  
12 obtaining records of criminal arrests and convictions.

13 (9) To require prospective and existing video gaming  
14 employees, independent contractors, applicants, permittees  
15 and licensees to submit photographs consistent with a  
16 statement of policy developed by the board.

17 (10) In addition to the power of the board relating to  
18 license and permit applicants, to determine at its discretion  
19 the suitability of a person who furnishes or seeks to furnish  
20 to a terminal operator licensee directly or indirectly goods,  
21 services or property related to video gaming terminals,  
22 redemption terminals or associated equipment.

23 (11) To approve an application for or issue or renew a  
24 license, certificate, registration, permit or other  
25 authorization that may be required by the board, if the board  
26 is satisfied that the person has demonstrated by clear and  
27 convincing evidence that the person is of good character,  
28 honesty and integrity whose prior activities, criminal  
29 record, if any, reputation, habits and associations do not  
30 pose a threat to the public interest or the effective  
31 regulation and control of video gaming terminal operations or  
32 create or enhance the danger of unsuitable, unfair or illegal  
33 practices, methods and activities in the conduct of video  
34 gaming or the carrying on of the business and financial  
35 arrangements incidental thereto.

36 (12) To publish on the board's publicly accessible  
37 Internet website a complete list of persons or entities who  
38 applied for or held a terminal operator license,  
39 establishment license, manufacturer license or supplier  
40 license at any time during the preceding calendar year and  
41 affiliates, intermediaries, subsidiaries and holding  
42 companies thereof and the status of the application or  
43 license.

44 (13) To prepare and, through the Governor, submit  
45 annually to the General Assembly an itemized budget  
46 consistent with Article VI of the act of April 9, 1929  
47 (P.L.177, No.175), known as The Administrative Code of 1929,  
48 consisting of the amounts necessary to be appropriated by the  
49 General Assembly out of the accounts established under  
50 section 4104 (relating to regulatory assessments) required to  
51 meet the obligations under this part accruing during the

1 fiscal period beginning July 1 of the following year.

2 (14) In the event that appropriations for the  
3 administration of this part are not enacted by June 30 of any  
4 year, funds appropriated for the administration of this part  
5 which are unexpended, uncommitted and unencumbered at the end  
6 of a fiscal year shall remain available for expenditure by  
7 the board or other agency to which they were appropriated  
8 until the enactment of an appropriation for the ensuing  
9 fiscal year.

10 (15) To collect and post information on the board's  
11 publicly accessible Internet website with sufficient detail  
12 to inform the public of persons with a controlling interest  
13 or ownership interest in an applicant for a terminal operator  
14 license or terminal operator licensee or affiliate,  
15 intermediary, subsidiary or holding company of an applicant  
16 for a terminal operator license. The posting shall include:

17 (i) If the applicant for a terminal operator license  
18 or terminal operator licensee or an affiliate,  
19 intermediary, subsidiary or holding company of the  
20 applicant for a terminal operator license or terminal  
21 operator licensee is a publicly traded domestic or  
22 foreign corporation, partnership, limited liability  
23 company or other legal entity, the names of persons with  
24 a controlling interest.

25 (ii) If the applicant for a terminal operator  
26 license or terminal operator licensee or an affiliate,  
27 intermediary, subsidiary or holding company of the  
28 applicant for a terminal operator license or terminal  
29 operator licensee is a privately held domestic or foreign  
30 corporation, partnership, limited liability company or  
31 other legal entity, the names of all persons with an  
32 ownership interest equal to or greater than 1%.

33 (iii) The name of a person entitled to cast the vote  
34 of a person named under subparagraph (i) or (ii).

35 (iv) The names of officers, directors and principals  
36 of the applicant for a terminal operator license or  
37 terminal operator licensee.

38 (16) Determine, designate and classify employees of a  
39 terminal operator licensee as key employees and non-key  
40 employees.

41 § 3302. Regulatory authority of board.

42 (a) General rule.--The board shall have the power and duty:

43 (1) To deny, deny the renewal, revoke, condition or  
44 suspend a license or permit provided for in this part if the  
45 board finds in its sole discretion that an applicant,  
46 licensee or permittee under this part or its officers,  
47 employees or agents have furnished false or misleading  
48 information to the board or failed to comply with the  
49 provisions of this part or the rules and regulations of the  
50 board and that it would be in the public interest to deny,  
51 deny the renewal, revoke, condition or suspend the license or

1 permit.

2 (2) To restrict access to confidential information in  
3 the possession of the board that has been obtained under this  
4 part and ensure that the confidentiality of information is  
5 maintained and protected.

6 (3) To prescribe and require periodic financial  
7 reporting and internal control requirements for terminal  
8 operator licensees.

9 (4) To require that each terminal operator licensee  
10 provide to the board its annual financial statements, with  
11 such additional detail as the board shall require, which  
12 shall be submitted not later than 180 days after the end of  
13 the licensee's fiscal year.

14 (5) To prescribe the procedures to be followed by  
15 terminal operator licensees for a financial event that occurs  
16 in the operation and play of video gaming terminals.

17 (6) To require that each establishment licensee  
18 prohibits minors from operating or using video gaming  
19 terminals or redemption terminals.

20 (7) To establish procedures for the inspection and  
21 certification of compliance of video gaming terminals,  
22 redemption terminals and associated equipment prior to being  
23 placed into use on the premises of an establishment licensee  
24 by a terminal operator licensee.

25 (8) To require that no video gaming terminal may be set  
26 to pay out less than the theoretical payout percentage, which  
27 percentage shall be no less than 85%, as specifically  
28 approved by the board. The board shall adopt regulations that  
29 define the theoretical payout percentage of a video gaming  
30 terminal game based on the total value of the jackpots  
31 expected to be paid by a play on a video gaming terminal game  
32 divided by the total value of video gaming terminals wagers  
33 expected to be made on that play or video gaming terminal  
34 game during the same portion of the game cycle. In so doing,  
35 the board shall specify whether the calculation includes a  
36 portion of or the entire cycle of a video gaming terminal  
37 game.

38 (9) To require that an establishment license applicant  
39 provide detailed site plans of its proposed video gaming area  
40 for review and approval by the board for the purpose of  
41 determining the adequacy of the proposed security and  
42 surveillance measures. The applicant shall cooperate with the  
43 board in making changes to the plans suggested by the board  
44 and shall ensure that the plans as modified and approved are  
45 implemented. The board may not require a floor-to-ceiling  
46 wall to segregate the video gaming area, but may adopt rules  
47 to establish segregation requirements.

48 (10) To promulgate rules and regulations governing the  
49 advertisement of video gaming terminals, provided that the  
50 board shall require all advertisements to display or  
51 reference the toll-free problem gambling telephone number



1 maintained by the Department of Drug and Alcohol Programs or  
2 successor agency under section 3310(b) (relating to duties of  
3 Department of Drug and Alcohol Programs).

4 (11) To enter into contracts with persons for the  
5 purposes of carrying out the powers and duties of the board  
6 under this part.

7 (12) To adopt regulations governing the postemployment  
8 limitations and restrictions applicable to members and  
9 employees of the board subject to section 4302 (relating to  
10 additional board restrictions). In developing the  
11 regulations, the board may consult with the State Ethics  
12 Commission, governmental agencies and the Disciplinary Board  
13 of the Supreme Court regarding postemployment limitations and  
14 restrictions on members and employees of the board who are  
15 members of the Pennsylvania Bar.

16 (13) To review and approve all cash and cash equivalent  
17 handling policies and procedures employed by terminal  
18 operator licensees.

19 (14) To promulgate rules and regulations governing the  
20 placement of automated teller machines within video gaming  
21 areas.

22 (15) To establish age-verification procedures for  
23 establishment licensees and their employees to ensure minors  
24 do not access a video gaming area, video gaming terminal or  
25 redemption terminal.

26 (16) To promulgate rules and regulations governing the  
27 interconnection of video gaming terminals within the premises  
28 of an establishment licensee for a progressive system.

29 (17) To promulgate rules and regulations necessary for  
30 the administration and enforcement of this part.

31 (b) Applicable law.--Except as provided in section 3303  
32 (relating to temporary regulations), regulations shall be  
33 adopted in accordance with the act of July 31, 1968 (P.L.769,  
34 No.240), referred to as the Commonwealth Documents Law, and the  
35 act of June 25, 1982 (P.L.633, No.181), known as the Regulatory  
36 Review Act.

37 § 3303. Temporary regulations.

38 (a) Promulgation.--In order to facilitate the prompt  
39 implementation of this part, regulations promulgated by the  
40 board shall be deemed temporary regulations which shall expire  
41 no later than two years following the publication of the  
42 temporary regulations. The board may promulgate temporary  
43 regulations not subject to:

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

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

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

51 (b) Expiration.--Except for temporary regulations related to

1 security and surveillance, the authority provided to the board  
2 to adopt temporary regulations in subsection (a) shall expire  
3 two years following the publication of the temporary  
4 regulations. Regulations adopted after that date shall be  
5 promulgated as provided by law.

6 § 3304. Appeals.

7 An applicant, licensee or permittee may appeal a final order,  
8 determination or decision of the board involving the approval,  
9 issuance, denial, revocation, nonrenewal, suspension or  
10 conditioning, including any disciplinary actions, of a license,  
11 permit or authorization under this part in accordance with 2  
12 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of  
13 Commonwealth agencies) and 7 Subch. A (relating to judicial  
14 review of Commonwealth agency action).

15 § 3305. Records and confidentiality of information.

16 (a) Records.--The board shall maintain files and records  
17 deemed necessary for the administration and enforcement of this  
18 part.

19 (b) Confidentiality of information.--

20 (1) The following information submitted by an applicant,  
21 licensee or permittee under Chapter 35 (relating to  
22 application and licensure) or obtained by the board or the  
23 bureau as part of a background or other investigation from  
24 any source shall be confidential and withheld from public  
25 disclosure:

26 (i) Information relating to character, honesty and  
27 integrity, including family, habits, reputation, history  
28 of criminal activity, business activities, financial  
29 affairs and business, professional and personal  
30 associations submitted to or otherwise obtained by the  
31 board or the bureau.

32 (ii) Nonpublic personal information, including home  
33 addresses, telephone numbers and other personal contact  
34 information, Social Security numbers, educational  
35 records, memberships, medical records, tax returns and  
36 declarations, actual or proposed compensation, financial  
37 account records, creditworthiness or financial condition  
38 relating to an applicant, licensee or permittee or the  
39 immediate family thereof.

40 (iii) Information relating to proprietary  
41 information, trade secrets, patents or exclusive  
42 licenses, architectural and engineering plans and  
43 information relating to competitive marketing materials  
44 and strategies, including customer-identifying  
45 information or customer prospects for services subject to  
46 competition.

47 (iv) Security information, including risk prevention  
48 plans, detection and countermeasures, emergency  
49 management plans, security and surveillance plans,  
50 equipment and usage protocols and theft and fraud  
51 prevention plans and countermeasures.

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

6       (vi) Records of an applicant, licensee or permittee  
7       not required to be filed with the Securities and Exchange  
8       Commission by issuers that either have securities  
9       registered under section 12 of the Securities Exchange  
10       Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are  
11       required to file reports under section 15(d) of the  
12       Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
13       § 78o).

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

18       (viii) Financial information provided to the board  
19       by an applicant, licensee or permittee.

20       (2) No claim of confidentiality may be made regarding  
21       criminal history record information that is available to the  
22       public under 18 Pa.C.S. § 9121(b) (relating to general  
23       regulations).

24       (3) Except as provided in paragraph (1), no claim of  
25       confidentiality may be made regarding a record in possession  
26       of the board that is otherwise publicly available from the  
27       board under the act of February 14, 2008 (P.L.6, No.3), known  
28       as the Right-to-Know Law.

29       (4) Except as provided in section 3904(h) (relating to  
30       investigations and enforcement), the information made  
31       confidential under this section shall be withheld from public  
32       disclosure in whole or in part, except that confidential  
33       information shall be released upon the order of a court of  
34       competent jurisdiction or, with the approval of the Attorney  
35       General, to a duly authorized law enforcement agency or shall  
36       be released to the public, in whole or in part, to the extent  
37       that the release is requested by an applicant, licensee or  
38       permittee and does not otherwise contain confidential  
39       information about another person.

40       (5) The board may seek a voluntary waiver of  
41       confidentiality from an applicant, licensee or permittee but  
42       may not require an applicant, licensee or permittee to waive  
43       the confidentiality provided under this subsection as a  
44       condition for the approval of an application, renewal of a  
45       license or other action of the board.

46       (6) (i) No current or former member and no current or  
47       former employee, agent or independent contractor of the  
48       board, the department, the Pennsylvania State Police, the  
49       Office of Attorney General or other executive branch  
50       office who has obtained confidential information in the  
51       performance of duties under this part shall intentionally

1 disclose the information to a person, knowing that the  
2 information being disclosed is confidential under this  
3 subsection, unless the person is authorized by law to  
4 receive it.

5 (ii) A violation of this subsection shall constitute  
6 a misdemeanor of the third degree.

7 (iii) In addition to any penalty under subparagraph  
8 (ii), an employee, agent or independent contractor who  
9 violates this subsection shall be administratively  
10 disciplined by discharge, suspension, termination of  
11 contract or other formal disciplinary action as  
12 appropriate. If a current member violates this paragraph,  
13 the other members shall refer the matter to the current  
14 member's appointing authority.

15 (c) Notice.--Notice of the contents of information, except  
16 to a duly authorized law enforcement agency pursuant to this  
17 section, shall be given to an applicant, licensee or permittee  
18 in a manner prescribed by the rules and regulations adopted by  
19 the board.

20 (d) Information held by other agencies.--Files, records,  
21 reports and other information in the possession of the  
22 department pertaining to an applicant, licensee or permittee  
23 shall be made available to the board as may be necessary to the  
24 effective administration of this part.  
25 § 3306. Reporting.

26 (a) Report by board.--Beginning October 1, 2018, and every  
27 year thereafter, the annual report submitted to the Governor and  
28 the General Assembly by the board under section 1211 (relating  
29 to reports of board) shall include information on the conduct of  
30 video gaming for the previous calendar year:

31 (1) Total gross terminal revenue.

32 (2) Total number of terminal operator licensees and  
33 establishment licensees.

34 (3) All taxes, fees, fines and other revenue collected  
35 and, where appropriate, revenue disbursed. The department  
36 shall collaborate with the board to carry out the  
37 requirements of this paragraph.

38 (4) Other information related to the conduct of video  
39 gaming that the board deems appropriate.

40 (b) Participation.--The board may require terminal operator  
41 licensees to provide information to the board to assist in the  
42 preparation of the report under subsection (a).

43 § 3307. Diversity.

44 (a) Intent.--It is the intent and goal of the General  
45 Assembly that the board promote and ensure diversity in all  
46 aspects of the gaming activities authorized under this part.

47 (b) Reports by applicants.--An applicant for a terminal  
48 operator license or establishment license shall submit a  
49 diversity plan to the board. At a minimum, the diversity plan  
50 shall contain a summary of:

51 (1) All employee recruitment and retention efforts

1 undertaken to promote the participation of diverse groups in  
2 employment with the applicant if issued a terminal operator  
3 license or establishment license.

4 (2) Other information deemed necessary by the board to  
5 assess the diversity plan.

6 (c) Review.--The board shall conduct a review of a diversity  
7 plan. When reviewing the adequacy of a diversity plan, the board  
8 shall take into consideration the total number of video gaming  
9 terminals the applicant proposes to operate within the  
10 Commonwealth.

11 (d) Periodic review.--The board shall periodically review  
12 the terminal operator licensee's or establishment licensee's  
13 diversity plan and recommend changes.

14 (e) Applicant or licensee responsibility.--An applicant for  
15 a terminal operator license or establishment license or a  
16 terminal operator licensee or establishment licensee shall  
17 provide information as required by the board to enable the board  
18 to complete the reviews required under subsections (c) and (d).  
19 § 3308. Authority of department.

20 (a) General rule.--The department shall administer and  
21 collect taxes imposed under this part and interest imposed under  
22 section 806 of the act of April 9, 1929 (P.L.343, No.176), known  
23 as The Fiscal Code, and promulgate and enforce rules and  
24 regulations to carry out its prescribed duties in accordance  
25 with this part, including the collection of taxes, penalties and  
26 interest imposed by this part.

27 (b) Application of rules and regulations.--The department  
28 may prescribe the extent, if any, to which any rules and  
29 regulations shall be applied without retroactive effect. The  
30 department shall prescribe the forms and the system of  
31 accounting and recordkeeping to be employed and through its  
32 representative shall at all times have power of access to and  
33 examination and audit of any equipment and records relating to  
34 all aspects of the operation of video gaming terminals and  
35 redemption terminals under this part.

36 (c) Procedure.--For purposes of implementing this part, the  
37 department may promulgate regulations in the same manner in  
38 which the board is authorized as provided in section 3303  
39 (relating to temporary regulations).

40 (d) Additional penalty.--A person who fails to timely remit  
41 to the department or the State Treasurer amounts required under  
42 this part shall be liable, in addition to liability imposed  
43 elsewhere in this part, to a penalty of 5% per month up to a  
44 maximum of 25% of the amounts ultimately found to be due, to be  
45 recovered by the department.

46 (e) Liens and suits for taxes.--The provisions of this part  
47 shall be subject to the provisions of sections 242 and 243 of  
48 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform  
49 Code of 1971.

50 § 3309. Central control computer system.

51 (a) General rule.--To facilitate the auditing and security

1 programs critical to the integrity of video gaming terminals in  
2 this Commonwealth, the department shall have overall control of  
3 video gaming terminals that:

4 (1) Shall be linked, at an appropriate time to be  
5 determined by the department, to a central control computer  
6 under the control of the department and accessible by the  
7 board to provide auditing program capacity and individual  
8 terminal information as approved by the department.

9 (2) Shall include real-time information retrieval and  
10 terminal activation and disabling programs.

11 (b) System requirements.--The central control computer  
12 employed by the department shall provide:

13 (1) A fully operational Statewide video gaming terminal  
14 control system that has the capability of supporting up to  
15 the maximum number of video gaming terminals that is  
16 permitted to be in operation under this part.

17 (2) The employment of a widely accepted gaming industry  
18 protocol to facilitate a video gaming terminal manufacturers'  
19 ability to communicate with the Statewide system.

20 (3) The delivery of a system that has the ability to  
21 verify software, detect alterations in payout and detect  
22 other methods of fraud in all aspects of the operation of  
23 video gaming terminals.

24 (4) The delivery of a system that has the capability to  
25 support progressive video gaming terminals as approved by the  
26 board.

27 (5) The delivery of a system that does not alter the  
28 statistical awards of video gaming terminal games as designed  
29 by the manufacturer and approved by the board.

30 (6) The delivery of a system that provides redundancy so  
31 that each component of the network is capable of operating  
32 independently by the department if any component of the  
33 network, including the central control computer, fails or  
34 cannot be operated for any reason as determined by the  
35 department, and to assure that all transactional data is  
36 captured and secured. Costs associated with a computer system  
37 required by the department to operate within a video gaming  
38 area, whether independent or as part of the central control  
39 computer, shall be paid by the terminal operator licensee.  
40 The computer system shall be controlled by the department and  
41 accessible to the board.

42 (7) The ability to meet all reporting and control  
43 requirements as prescribed by the board and department.

44 (8) The delivery of a system that provides centralized  
45 issuance of cash redemption tickets and facilitates the  
46 acceptance of the tickets by video gaming terminals and  
47 redemption terminals.

48 (9) Other capabilities as determined by the department  
49 in consultation with the board.

50 (c) Personal information.--The central control computer may  
51 not provide for the monitoring or reading of personal or

1 financial information concerning a patron of a terminal operator  
2 licensee.

3 (d) Initial acquisition of central control computer.--

4 (1) Notwithstanding any other provision of law to the  
5 contrary and in order to facilitate the prompt implementation  
6 of this part, initial contracts entered into by the  
7 department for a central control computer, including  
8 necessary computer hardware, software, licenses or related  
9 services shall not be subject to the provisions of 62 Pa.C.S.  
10 (relating to procurement).

11 (2) Contracts made pursuant to the provisions of this  
12 section may not exceed five years.

13 (e) Resolution of contract disputes.--The process specified  
14 in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation  
15 resolution of controversies) shall be the sole means of  
16 resolution for controversies arising with respect to contracts  
17 executed under this section.

18 (f) Existing central control computer system.--The  
19 department, in its discretion, may alter or utilize the central  
20 control computer system controlled by the department under  
21 section 1323 (relating to central control computer system) to  
22 fulfill the requirements of this section.

23 § 3310. Department of Drug and Alcohol Programs or successor  
24 agency.

25 (a) Program update.--

26 (1) The Department of Drug and Alcohol Programs or  
27 successor agency shall update the compulsive and problem  
28 gambling program established in section 1509 (relating to  
29 compulsive and problem gambling program) to address public  
30 education, awareness and training regarding compulsive and  
31 problem gambling and the treatment and prevention of  
32 compulsive and problem gambling related to video gaming  
33 terminals.

34 (2) The updated guidelines shall include strategies for  
35 the prevention of compulsive and problem gambling related to  
36 video gaming terminals.

37 (3) The Department of Drug and Alcohol Programs or  
38 successor agency may consult with the board and terminal  
39 operator licensees to develop the strategies.

40 (b) Duties of Department of Drug and Alcohol Programs or  
41 successor agency.--From funds available in the Compulsive and  
42 Problem Gambling Treatment Fund, the Department of Drug and  
43 Alcohol Programs or successor agency shall with respect to video  
44 gaming terminals:

45 (1) Maintain one compulsive gamblers assistance  
46 organization's toll-free problem gambling telephone number,  
47 which number shall be 1-800-GAMBLER, to provide crisis  
48 counseling and referral services to individuals and families  
49 experiencing difficulty as a result of problem or compulsive  
50 gambling. If the Department of Drug and Alcohol Programs or  
51 successor agency determines that it is unable to adopt the

1 number 1-800-GAMBLER, the Department of Drug and Alcohol  
2 Programs or successor agency shall maintain another number.

3 (2) Maintain one compulsive gambler's assistance  
4 organization's telephone number, which shall be accessible  
5 via a free text message service, to provide crisis counseling  
6 and referral services to individuals and families  
7 experiencing difficulty as a result of problem or compulsive  
8 gambling.

9 (3) Facilitate, through in-service training and other  
10 means, the availability of effective assistance programs for  
11 problem and compulsive gamblers and family members affected  
12 by problem and compulsive gambling.

13 (4) At its discretion, conduct studies to identify  
14 individuals in this Commonwealth who are or are at risk of  
15 becoming problem or compulsive gamblers.

16 (5) Provide grants to and contract with single county  
17 authorities and other organizations that provide services  
18 specified in this section.

19 (6) Reimburse organizations for reasonable expenses  
20 incurred assisting the Department of Drug and Alcohol  
21 Programs or successor agency with implementing this section.

22 (c) Additional duties.--Within 60 days following the  
23 effective date of this section, the Department of Drug and  
24 Alcohol Programs or successor agency and the board's Office of  
25 Compulsive and Problem Gambling shall jointly collaborate with  
26 other appropriate offices and agencies of State or local  
27 government, including single county authorities and providers  
28 and other persons, public or private, with expertise in  
29 compulsive and problem gambling treatment with respect to video  
30 gaming terminals:

31 (1) Implement a strategic plan for the prevention and  
32 treatment of compulsive and problem gambling.

33 (2) Adopt compulsive and problem gambling treatment  
34 standards to be integrated with the Department of Drug and  
35 Alcohol Programs' or successor agency's uniform Statewide  
36 guidelines that govern the provision of addiction treatment  
37 services.

38 (3) Develop a method to coordinate compulsive and  
39 problem gambling data collection and referral information to  
40 crisis response hotlines, child welfare and domestic violence  
41 programs and providers and other appropriate programs and  
42 providers.

43 (4) Develop and disseminate educational materials to  
44 provide public awareness related to the prevention,  
45 recognition and treatment of compulsive and problem gambling.

46 (5) Develop demographic-specific compulsive and problem  
47 gambling prevention, intervention and treatment programs.

48 (6) Prepare an itemized budget outlining how funds will  
49 be allocated to fulfill the responsibilities under this  
50 section.

51 (d) Report.--The Department of Drug and Alcohol Programs or



1 successor agency shall include in the report required under  
2 section 1509 information involving video gaming terminals.

3 CHAPTER 35

4 APPLICATION AND LICENSURE

5 Sec.

6 3501. General prohibition.

7 3502. Terminal operator licenses.

8 3503. (Reserved).

9 3504. Principal licenses.

10 3505. Key employee licenses.

11 3506. Divestiture of disqualifying applicant.

12 3507. Supplier licenses.

13 3508. Manufacturer licenses.

14 3509. Gaming service provider.

15 3510. Occupation permit.

16 3511. Alternative terminal operator licensing standards.

17 3512. Alternative manufacturer licensing standards.

18 3513. Alternative supplier licensing standards.

19 3514. Establishment licenses.

20 3515. License or permit prohibition.

21 3516. Issuance and renewal.

22 3517. Change in ownership or control of terminal operator  
23 licensee.

24 3518. Video gaming accounting controls and audits.

25 3519. Multiple licenses prohibited.

26 3520. Conditional licenses.

27 § 3501. General prohibition.

28 No person may offer or otherwise make available for play in  
29 this Commonwealth a video gaming terminal unless the person is  
30 licensed under this part and according to regulations  
31 promulgated by the board under this part.

32 § 3502. Terminal operator licenses.

33 (a) General requirements.--An application for a terminal  
34 operator license shall be on the form required by the board and  
35 shall include, at a minimum, all of the following:

36 (1) The name, address and photograph of the applicant  
37 and of all directors and owners and key employees and their  
38 positions within the corporation or organization, as well as  
39 additional financial information required by the board.

40 (2) A current tax lien certificate issued by the  
41 department.

42 (3) The details of any gaming license applied for,  
43 granted to or denied to the applicant by another jurisdiction  
44 where the form of gaming is legal and the consent for the  
45 board to acquire copies of the application submitted or  
46 license issued in connection with the application.

47 (4) The details of any loan obtained from a financial  
48 institution or not obtained from a financial institution.

49 (5) The consent to conduct a background investigation by  
50 the board, the scope of which investigation shall be  
51 determined by the bureau in its discretion consistent with

1 the provisions of this part, and a release signed by all  
2 persons subject to the investigation of all information  
3 required to complete the investigation.

4 (6) The details of the applicant's diversity plan to  
5 assure that all persons are accorded equality of opportunity  
6 in employment and contracting by the applicant, its  
7 contractors, subcontractors, assignees, lessees, agents,  
8 vendors and suppliers.

9 (7) Any information concerning maintenance and operation  
10 of video gaming terminals in any other jurisdiction.

11 (8) Proof that the applicant has or will establish a  
12 place of business in this Commonwealth. A terminal operator  
13 licensee shall maintain its place of business in this  
14 Commonwealth to remain eligible for licensure.

15 (9) Any other information determined to be appropriate  
16 by the board.

17 (b) Character requirements.--An application for a terminal  
18 operator license shall include such information, documentation  
19 and assurances as may be required to establish by clear and  
20 convincing evidence of the applicant's suitability, including  
21 good character, honesty and integrity. The application shall  
22 include, without limitation, information pertaining to family,  
23 habits, character, reputation, criminal history background,  
24 business activities, financial affairs and business,  
25 professional and personal associates, covering at least the 10-  
26 year period immediately preceding the filing date of the  
27 application.

28 (c) Civil judgments.--An applicant shall notify the board of  
29 any civil judgment obtained against the applicant pertaining to  
30 laws of the Federal Government, this Commonwealth or another  
31 state, jurisdiction, province or country.

32 (d) (Reserved).

33 (e) (Reserved).

34 (f) Additional eligibility requirements.--In order to be  
35 eligible for a terminal operator license under this part, the  
36 principals and key employees of the applicant must obtain a  
37 license to meet the character requirements of this section or  
38 other eligibility requirements established by the board.

39 (g) Classification system.--The board shall develop a  
40 classification system for other agents, employees or persons who  
41 directly or indirectly hold or are deemed to be holding debt or  
42 equity securities or other financial interest in the applicant  
43 and for other persons that the board considers appropriate for  
44 review under this section.

45 (h) Related entities.--

46 (1) Except as provided in paragraph (2), no person shall  
47 be eligible to receive a terminal operator license unless the  
48 principals and key employees of each intermediary or holding  
49 company of the person meet the requirements of subsection

50 (f).

51 (2) The board may require that lenders and underwriters

1 of intermediaries, subsidiaries or holding companies of a  
2 terminal operator license applicant meet the requirements of  
3 subsection (f) if the board determines that the suitability  
4 of a lender or underwriter is at issue and necessary to  
5 consider a pending application for a terminal operator  
6 license.

7 (i) Revocable privilege.--The issuance or renewal of a  
8 license or other authorization by the board under this section  
9 shall be a revocable privilege.

10 (j) Waiver for publicly traded corporations.--The board may  
11 waive the requirements of subsection (f) for a person directly  
12 or indirectly holding ownership of securities in a publicly  
13 traded corporation if the board determines that the holder of  
14 the securities does not have the ability to control the  
15 corporation or elect one or more directors thereof.

16 (k) (Reserved).

17 (l) Ongoing duty.--A person applying for a license or other  
18 authorization under this part shall continue to provide  
19 information required by the board or the bureau and cooperate in  
20 any inquiry or investigation.

21 (m) Criminal history record check.--The board may conduct a  
22 criminal history record check on a person for whom a waiver is  
23 granted under this section.

24 (n) Applicant financial information.--

25 (1) The board shall require an applicant for a terminal  
26 operator license to produce the information, documentation  
27 and assurances concerning financial background and resources  
28 as the board deems necessary to establish by clear and  
29 convincing evidence the financial stability, integrity and  
30 responsibility of the applicant, its affiliate, intermediary,  
31 subsidiary or holding company, including, but not limited to,  
32 bank references, business and personal income and  
33 disbursement schedules, tax returns and other reports filed  
34 with governmental agencies and business and personal  
35 accounting and check records and ledgers.

36 (2) An applicant shall in writing authorize the  
37 examination of all bank accounts and records as may be deemed  
38 necessary by the board.

39 (o) Financial backer information.--

40 (1) The board shall require an applicant for a terminal  
41 operator license to produce the information, documentation  
42 and assurances as may be necessary to establish by clear and  
43 convincing evidence the integrity of all financial backers,  
44 institutional investors, investors, mortgagees, bondholders  
45 and holders of indentures, notes or other evidences of  
46 indebtedness, either in effect or proposed.

47 (2) The board may waive the qualification requirements  
48 for banking or lending institution and institutional  
49 investors.

50 (3) A banking or lending institution or institutional  
51 investor shall produce for the board upon request any

1 document or information that bears relation to the proposal  
2 submitted by the applicant or applicants.

3 (4) The integrity of the financial sources shall be  
4 judged upon the same standards as the applicant. Any such  
5 person or entity shall produce for the board upon request any  
6 document or information which bears any relation to the  
7 application.

8 (5) The applicant shall produce whatever information,  
9 documentation or assurances the board requires to establish  
10 by clear and convincing evidence the adequacy of financial  
11 resources.

12 (p) Applicant's business experience.--

13 (1) The board shall require an applicant for a terminal  
14 operator license to produce the information, documentation  
15 and assurances as the board may require to establish by clear  
16 and convincing evidence that the applicant has sufficient  
17 business ability and experience to create and maintain a  
18 successful, efficient operation.

19 (2) An applicant shall produce the names of all proposed  
20 key employees and a description of their respective or  
21 proposed responsibilities as they become known.

22 (q) Additional information.--In addition to other  
23 information required by this part, a person applying for a  
24 terminal operator license shall provide the following  
25 information:

26 (1) The organization, financial structure and nature of  
27 all businesses operated by the person, including any  
28 affiliate, intermediary, subsidiary or holding companies, the  
29 names and personal employment and criminal histories of all  
30 officers, directors and key employees of the corporation; the  
31 names of all holding, intermediary, affiliate and subsidiary  
32 companies of the corporation; and the organization, financial  
33 structure and nature of all businesses operated by such  
34 holding, intermediary and subsidiary companies as the board  
35 may require, including names and personal employment and  
36 criminal histories of such officers, directors and principal  
37 employees of such corporations and companies as the board may  
38 require.

39 (2) The extent of securities held in the corporation by  
40 all officers, directors and underwriters and their  
41 remuneration in the form of salary, wages, fees or otherwise.

42 (3) Copies of all management and service contracts.

43 (r) Review and approval.--Upon being satisfied that the  
44 requirements of subsections (a), (b), (c), (f), (g), (h), (i),  
45 (j), (l), (m), (n), (o), (p) and (q) have been met, the board  
46 may approve the application and issue the applicant a terminal  
47 operator license consistent with all of the following:

48 (1) (i) The license shall be valid for a period of five  
49 years.

50 (ii) Nothing in this paragraph shall be construed to  
51 relieve a licensee of the affirmative duty to notify the

board of any changes relating to the status of its  
license or to any information contained in the  
application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(s) Renewal.--

(1) At least six months prior to expiration of a  
terminal operator license, the terminal operator licensee  
seeking renewal of its license shall submit a renewal  
application to the board.

(2) If the renewal application satisfies the  
requirements of subsections (a), (b), (c), (f), (g), (h),  
(i), (j), (l), (m), (n), (o), (p) and (q), the board may  
renew the licensee's terminal operator license.

(3) If the board receives a complete renewal application  
but fails to act upon the renewal application prior to the  
expiration of the terminal operator license, the terminal  
operator license shall continue in effect until acted upon by  
the board.

§ 3503. (Reserved).

§ 3504. Principal licenses.

(a) License required.--All principals shall obtain a  
principal license from the board.

(b) Application.--A principal license application shall be  
in a form prescribed by the board and shall include the  
following:

(1) Verification of status as a principal from a  
terminal operator licensee, manufacturer licensee or supplier  
licensee.

(2) A description of responsibilities as a principal.

(3) All releases necessary to obtain information from  
governmental agencies, employers and other organizations.

(4) Details relating to a similar license, permit or  
other authorization obtained in another jurisdiction.

(5) Additional information required by the board.

(c) Issuance.--Following review of the application and the  
background investigation, the board may issue a principal  
license if the applicant has proven by clear and convincing  
evidence that the applicant is a person of good character,  
honesty and integrity and is eligible and suitable to be  
licensed as a principal.

(d) Nontransferability.--A license issued under this section  
shall be nontransferable.

(e) Principals.--An individual who receives a principal  
license need not obtain a key employee license.

§ 3505. Key employee licenses.

(a) License required.--All key employees shall obtain a key  
employee license from the board.

(b) Application.--A key employee license application shall  
be in a form prescribed by the board and shall include the  
following:

1       (1) Verification of status as a key employee from a  
2       terminal operator licensee, establishment licensee,  
3       manufacturer licensee or supplier licensee.

4       (2) A description of employment responsibilities.

5       (3) All releases necessary to obtain information from  
6       governmental agencies, employers and other organizations.

7       (4) Details relating to a similar license or other  
8       authorization obtained in another jurisdiction.

9       (5) Additional information required by the board.

10      (c) Issuance.--Following review of the application and the  
11      background investigation, the board may issue a key employee  
12      license if the applicant has proven by clear and convincing  
13      evidence that the applicant is a person of good character,  
14      honesty and integrity and is eligible and suitable to be  
15      licensed as a key employee.

16      (d) Nontransferability.--A license issued under this section  
17      shall be nontransferable.

18      § 3506. Divestiture of disqualifying applicant.

19      (a) Board power to require.--

20      (1) In the event that any establishment license  
21      application, terminal operator license application, supplier  
22      license application or manufacturer license application is  
23      not approved by the board based on a finding that an  
24      individual who is a principal or has an interest in the  
25      person applying for the license does not meet the character  
26      requirements of this part or any of the eligibility  
27      requirements under this part or a person who purchases a  
28      controlling interest in the applicant in violation of section  
29      3517 (relating to change in ownership or control of terminal  
30      operator licensee), the board may afford the individual the  
31      opportunity to completely divest his interest in the person,  
32      its affiliate, intermediary, subsidiary or holding company  
33      seeking the license and, after such divestiture, reconsider  
34      the person's or applicant's suitability for licensure in an  
35      expedited proceeding and may, after such proceeding, issue  
36      the person or applicant a terminal operator license.

37      (2) The board shall approve the terms and conditions of  
38      any divestiture under this section.

39      (b) Limitation.--Under no circumstances shall any  
40      divestiture be approved by the board if the compensation for the  
41      divested interest exceeds the cost of the interest.

42      § 3507. Supplier licenses.

43      (a) Application.--

44      (1) A manufacturer that elects to contract with a  
45      supplier under section 3508 (relating to manufacturer  
46      licenses) shall ensure that the supplier is appropriately  
47      licensed under this section.

48      (2) A person seeking to provide video gaming terminals,  
49      redemption terminals or associated equipment to a terminal  
50      operator licensee within this Commonwealth through a contract  
51      with a licensed manufacturer must apply to the board for the

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

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

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

14 (3) Proof that the applicant has or will establish a  
15 place of business in this Commonwealth. A supplier licensee  
16 shall maintain its place of business in this Commonwealth to  
17 remain eligible for licensure.

18 (4) The consent to a background investigation by the  
19 bureau of the applicant, its principals and key employees or  
20 other persons required by the board and a release to obtain  
21 the information necessary for the completion of the  
22 background investigation.

23 (5) The details of any supplier license issued by the  
24 board to the applicant under section 1317 (relating to  
25 supplier licenses), if applicable.

26 (6) The details of any equivalent license granted or  
27 denied by other jurisdictions where gaming activities as  
28 authorized by this part are permitted.

29 (7) The type of goods and services to be supplied and  
30 whether those goods and services will be provided through  
31 purchase, lease, contract or otherwise.

32 (8) Other information determined by the board to be  
33 appropriate.

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

38 (1) (i) The license shall be valid for a period of five  
39 years.

40 (ii) Nothing in this paragraph shall be construed to  
41 relieve a licensee of the affirmative duty to notify the  
42 board of a change relating to the status of its license  
43 or to information contained in the application materials  
44 on file with the board.

45 (2) The license shall be nontransferable.

46 (3) Other conditions established by the board.

47 (d) Renewal.--

48 (1) At least six months prior to expiration of a  
49 supplier license, the supplier licensee seeking renewal of  
50 its license shall submit a renewal application to the board.

51 (2) If the renewal application satisfies the

1 requirements of subsection (b), the board may renew the  
2 licensee's supplier license.

3 (3) If the board receives a complete renewal application  
4 but fails to act upon the renewal application prior to the  
5 expiration of the supplier license, the supplier license  
6 shall continue in effect until acted upon by the board.

7 § 3508. Manufacturer licenses.

8 (a) Application.--A person seeking to manufacture video  
9 gaming terminals, redemption terminals and associated equipment  
10 for use in this Commonwealth must apply to the board for a  
11 manufacturer license.

12 (b) Requirements.--An application for a manufacturer license  
13 shall be on the form required by the board and shall include all  
14 of the following:

15 (1) The name and business address of the applicant and  
16 the applicant's affiliates, intermediaries, subsidiaries and  
17 holding companies; the principals and key employees of each  
18 business; and a list of employees and their positions within  
19 each business, as well as financial information required by  
20 the board.

21 (2) A statement that the applicant and each affiliate,  
22 intermediary, subsidiary or holding company of the applicant  
23 are not terminal operator licensees.

24 (3) The consent to a background investigation by the  
25 bureau of the applicant, its principals, its key employees,  
26 its intermediaries, its subsidiaries or other persons  
27 required by the board and a release to obtain the information  
28 necessary for the completion of the background investigation.

29 (4) The details of any equivalent license granted or  
30 denied by other jurisdictions where gaming activities as  
31 authorized by this part are permitted.

32 (5) The details of any manufacturer license issued by  
33 the board to the applicant under section 1317.1 (relating to  
34 manufacturer licenses), if applicable.

35 (6) The type of video gaming terminals, redemption  
36 terminals or associated equipment to be manufactured or  
37 repaired.

38 (7) Other information determined by the board to be  
39 appropriate.

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

44 (1) (i) The license shall be valid for a period of five  
45 years.

46 (ii) Nothing in this paragraph shall be construed to  
47 relieve the licensee of the affirmative duty to notify  
48 the board of a change relating to the status of its  
49 license or to other information contained in application  
50 materials on file with the board.

51 (2) The license shall be nontransferable.



1       (3) Other conditions established by the board.

2       (d) Renewal.--

3       (1) At least six months prior to expiration of a  
4       manufacturer license, the manufacturer licensee seeking  
5       renewal of its license shall submit a renewal application  
6       accompanied by the renewal fee to the board.

7       (2) If the renewal application satisfies the  
8       requirements of subsection (b), the board may renew the  
9       licensee's manufacturer license.

10       (3) If the board receives a complete renewal application  
11       but fails to act upon the renewal application prior to the  
12       expiration of the manufacturer license, the manufacturer  
13       license shall continue in effect until acted upon by the  
14       board.

15       (e) Authority.--The following shall apply to a licensed  
16       manufacturer:

17       (1) A manufacturer or its designee, as licensed by the  
18       board, may supply or repair a video gaming terminal,  
19       redemption terminal or associated equipment manufactured by  
20       the manufacturer, provided the manufacturer holds the  
21       appropriate manufacturer license.

22       (2) A manufacturer of video gaming terminals or  
23       redemption terminals may contract with a supplier under  
24       section 3507 (relating to supplier licenses) to provide video  
25       gaming terminals, redemption terminals or associated  
26       equipment to a terminal operator licensee within this  
27       Commonwealth, provided the supplier is licensed to supply  
28       video gaming terminals, redemption terminals or associated  
29       equipment.

30       (f) Prohibitions.--

31       (1) No person may manufacture video gaming terminals,  
32       redemption terminals or associated equipment for use within  
33       this Commonwealth by a terminal operator licensee unless the  
34       person has been issued the appropriate manufacturer license  
35       under this section.

36       (2) No person issued a license under this section may  
37       apply for or be issued a terminal operator license under  
38       section 3502 (relating to terminal operator licenses) or  
39       establishment license under section 3514 (relating to  
40       establishment licenses).

41       § 3509. Gaming service provider.

42       (a) Development of classification system.--The board shall  
43       develop a classification system governing the certification,  
44       registration and regulation of gaming service providers and  
45       individuals and entities associated with them. The  
46       classification system shall be based upon the following:

47       (1) Whether the employees of the gaming service provider  
48       will have access to the video gaming area or video gaming  
49       terminals or redemption terminals prior to or after  
50       installation.

51       (2) Whether the goods or services provided or to be

1 provided by the gaming service provider would impact the  
2 integrity of video gaming terminals, redemption terminals or  
3 the conduct of video gaming.

4 (b) Authority to exempt.--The board may exempt a person or  
5 type of business from the requirements of this section if the  
6 board determines:

7 (1) the person or type of business is regulated by an  
8 agency of the Federal Government, an agency of the  
9 Commonwealth or the Pennsylvania Supreme Court; or

10 (2) the regulation of the person or type of business is  
11 determined not to be necessary in order to protect the public  
12 interest or the integrity of gaming.

13 (c) Duties of gaming service providers.--A gaming service  
14 provider shall have a continuing duty to:

15 (1) Provide all information, documentation and  
16 assurances as the board may require.

17 (2) Cooperate with the board in investigations, hearings  
18 and enforcement and disciplinary actions.

19 (3) Comply with all conditions, restrictions,  
20 requirements, orders and rulings of the board in accordance  
21 with this part.

22 (4) Report a change in circumstances that may render the  
23 gaming service provider ineligible, unqualified or unsuitable  
24 for continued registration or certification.

25 (d) Requirement for permit.--The board may require employees  
26 of a gaming service provider to obtain a permit or other  
27 authorization if, after an analysis of duties, responsibilities  
28 and functions, the board determines that a permit or other  
29 authorization is necessary to protect the integrity of gaming.

30 (e) Interim authorization.--The board or a designated  
31 employee of the board may permit a gaming service provider  
32 applicant to engage in business with an applicant for a terminal  
33 operator license or a terminal operator licensee prior to  
34 approval of the gaming service provider application if the  
35 following criteria have been satisfied:

36 (1) A completed application has been filed with the  
37 board by the gaming service provider.

38 (2) The terminal operator license applicant or terminal  
39 operator licensee contracting or doing business with the  
40 gaming service provider certifies that it has performed due  
41 diligence on the gaming service provider and believes that  
42 the applicant meets the qualification to be a gaming service  
43 provider pursuant to this section.

44 (3) The gaming service provider applicant agrees in  
45 writing that the grant of interim authorization to conduct  
46 business prior to board approval of the application does not  
47 create a right to continue to engage in business if the board  
48 determines that the applicant is not suitable or continued  
49 authorization is not in the public interest.

50 (f) Construction.--Nothing in this section shall be  
51 construed to prohibit the board from rescinding a grant of

1 interim authorization if, at any time, the suitability of the  
2 person subject to interim authorization is at issue or if the  
3 person fails to cooperate with the board, the bureau or an agent  
4 of the board or bureau.

5 (g) Gaming service provider lists.--

6 (1) The board shall:

7 (i) Develop and maintain a list of approved gaming  
8 service providers who are authorized to provide goods or  
9 services whether under a grant of interim or continued  
10 authorization.

11 (ii) Develop and maintain a list of prohibited  
12 gaming service providers.

13 (2) An applicant for a terminal operator license or a  
14 terminal operator licensee may not enter into an agreement or  
15 engage in business with a gaming service provider listed on  
16 the prohibited gaming service provider list.

17 (h) Emergency authorization.--

18 (1) A terminal operator licensee may utilize a gaming  
19 service provider that has not been approved by the board when  
20 a threat to public health, welfare or safety exists or  
21 circumstances outside the control of the terminal operator  
22 licensee require immediate action to mitigate damage or loss  
23 to the licensee's video gaming terminals.

24 (2) The board shall promulgate regulations to govern the  
25 use of gaming service providers under emergency  
26 circumstances. The regulations shall include a requirement  
27 that the terminal operator licensee contact the board  
28 immediately upon utilizing a gaming service provider that has  
29 not been approved by the board.

30 (i) Criminal history record information.--If the  
31 classification system developed by the board in accordance with  
32 subsection (a) requires a gaming service provider or an  
33 individual or entity associated with the gaming service provider  
34 to submit to or provide the bureau with criminal history record  
35 information under 18 Pa.C.S. Ch. 91 (relating to criminal  
36 history record information), the bureau shall notify a terminal  
37 operator licensee that submitted a certification under  
38 subsection (e)(2) whether the applicant has been convicted of a  
39 felony or misdemeanor gambling offense.

40 § 3510. Occupation permit.

41 (a) Application.--

42 (1) A person who desires to be a gaming employee and has  
43 a bona fide offer of employment from a terminal operator  
44 licensee, establishment licensee or supplier licensee shall  
45 apply to the board for an occupation permit.

46 (2) A person may not be employed as a gaming employee  
47 unless and until that person holds an appropriate occupation  
48 permit issued under this section.

49 (3) The board may promulgate regulations to reclassify a  
50 category of nongaming employees or gaming employees upon a  
51 finding that the reclassification is in the public interest

1 and consistent with the objectives of this part.  
2 (b) Requirements.--The application for an occupation permit  
3 shall include, at a minimum:  
4 (1) The name and home address of the person.  
5 (2) The previous employment history of the person.  
6 (3) The criminal history record of the person, as well  
7 as the person's consent for the bureau to conduct a  
8 background investigation.  
9 (4) A photograph of the person.  
10 (5) Evidence of the offer of employment and the nature  
11 and scope of the proposed duties of the person, if known.  
12 (6) The details of an occupation permit or similar  
13 license granted or denied to the applicant in other  
14 jurisdictions.  
15 (7) Other information determined by the board to be  
16 appropriate.  
17 (c) Prohibition.--No terminal operator licensee may employ  
18 or permit a person under 18 years of age to render service in a  
19 video gaming area.  
20 § 3511. Alternative terminal operator licensing standards.  
21 (a) Determination.--  
22 (1) The board may determine whether the licensing  
23 standards of another jurisdiction within the United States in  
24 which an applicant, its affiliate, intermediary, subsidiary  
25 or holding company for a terminal operator license is  
26 similarly licensed are comprehensive and thorough and provide  
27 similar adequate safeguards as those required by this part.  
28 (2) If the board makes that determination, it may issue  
29 a terminal operator license to an applicant who holds a  
30 terminal operator license in the other jurisdiction after  
31 conducting an evaluation of the information relating to the  
32 applicant from the other jurisdictions, as updated by the  
33 board, and evaluating other information related to the  
34 applicant received from that jurisdiction and other  
35 jurisdictions where the applicant may be licensed, the board  
36 may incorporate such information in whole or in part into the  
37 board's evaluation of the applicant.  
38 (b) Abbreviated process.--  
39 (1) In the event an applicant for a terminal operator  
40 license is licensed in another jurisdiction, the board may  
41 determine to use an alternate process requiring only that  
42 information determined by the board to be necessary to  
43 consider the issuance of a license, including financial  
44 viability of the licensee, to such an applicant.  
45 (2) Nothing in this section shall be construed to waive  
46 fees associated with obtaining a license through the normal  
47 application process.  
48 (c) Current license holders.--In the event an applicant for  
49 a terminal operator license under this part holds a slot machine  
50 license under Part II (relating to gaming), the board may  
51 determine to use an abbreviated process requiring only that

1 information determined by the board to be necessary to consider  
2 the issuance of a license, including financial viability of the  
3 applicant.

4 § 3512. Alternative manufacturer licensing standards.

5 (a) Determination.--

6 (1) The board may determine whether the licensing  
7 standards of another jurisdiction within the United States in  
8 which an applicant for a manufacturer license is similarly  
9 licensed are comprehensive and thorough and provide similar  
10 adequate safeguards as those required by this part.

11 (2) If the board makes that determination, it may issue  
12 a manufacturer license to an applicant who holds a similar  
13 manufacturer license in the other jurisdiction after  
14 conducting an evaluation of the information relating to the  
15 applicant from the other jurisdictions, as updated by the  
16 board, and evaluating other information related to the  
17 applicant received from that jurisdiction and other  
18 jurisdictions where the applicant may be licensed, the board  
19 may incorporate such information in whole or in part into the  
20 board's evaluation of the applicant.

21 (b) Abbreviated process.--

22 (1) In the event an applicant for a manufacturer license  
23 is licensed in another jurisdiction, the board may determine  
24 to use an abbreviated process requiring only that information  
25 determined by the board to be necessary to consider the  
26 issuance of a license, including financial viability of the  
27 applicant.

28 (2) Nothing in this section shall be construed to waive  
29 fees associated with obtaining a license through the normal  
30 application process.

31 (c) Current license holders.--In the event an applicant for  
32 a manufacturer license under this part holds a manufacturer  
33 license under section 1317.1 (relating to manufacturer  
34 licenses), the board may determine to use an abbreviated process  
35 requiring only that information determined by the board to be  
36 necessary to consider the issuance of a license, including  
37 financial viability of the applicant.

38 § 3513. Alternative supplier licensing standards.

39 (a) Determination.--

40 (1) The board may determine whether the licensing  
41 standards of another jurisdiction within the United States in  
42 which an applicant for a supplier's license is similarly  
43 licensed are comprehensive and thorough and provide similar  
44 adequate safeguards as required by this part.

45 (2) If the board makes that determination, it may issue  
46 a supplier license to an applicant who holds a similar  
47 supplier license in another jurisdiction after conducting an  
48 evaluation of the information relating to the applicant from  
49 the other jurisdictions, as updated by the board, and  
50 evaluating other information related to the applicant  
51 received from that jurisdiction and other jurisdictions where

1 the applicant may be licensed. The board may incorporate the  
2 information in whole or in part into its evaluation of the  
3 applicant.

4 (b) Abbreviated process.--

5 (1) In the event an applicant for a supplier license is  
6 licensed in another jurisdiction, the board may determine to  
7 use an abbreviated process requiring only that information  
8 determined by the board to be necessary to consider the  
9 issuance of a license, including financial viability of the  
10 applicant.

11 (2) Nothing in this section shall be construed to waive  
12 any fees associated with obtaining a license through the  
13 normal application process.

14 (c) Current license holders.--In the event an applicant for  
15 a supplier license under this part holds a supplier license  
16 under section 1317 (relating to supplier licenses), the board  
17 may determine to use an abbreviated process requiring only that  
18 information determined by the board to be necessary to consider  
19 the issuance of a license, including financial viability of the  
20 applicant.

21 § 3514. Establishment licenses.

22 (a) General requirements.--A truck stop establishment that  
23 submits an application for an establishment license shall  
24 include at a minimum:

25 (1) The name, address and photograph of the applicant  
26 and additional financial information required by the board.

27 (2) A description of the proposed surveillance and  
28 security measures to ensure the security of the proposed  
29 video gaming area.

30 (3) A current tax lien certificate issued by the  
31 department.

32 (4) The criminal history record of the applicant,  
33 principal and key employees and a consent for the bureau to  
34 conduct a background investigation on the applicant,  
35 principals and key employees.

36 (5) Other information determined to be appropriate by  
37 the board.

38 (b) Nontransferability.--A license issued under this section  
39 shall be nontransferable.

40 (c) Ongoing duty.--An establishment applying for a license  
41 under this section shall continue to provide information  
42 required by the board or the bureau and cooperate in any inquiry  
43 or investigation.

44 (d) Review and approval.--Upon being satisfied that the  
45 requirements of subsection (a) have been met, the board may  
46 approve the application and issue the applicant an establishment  
47 license consistent with all of the following:

48 (1) (i) The license shall be valid for a period of five  
49 years.

50 (ii) Nothing in this paragraph shall be construed to  
51 relieve a licensee of the affirmative duty to notify the

1 board of a change relating to the status of its license  
2 or to information contained in application materials on  
3 file with the board.

4 (2) The license shall be nontransferable.

5 (3) Other conditions established by the board.

6 (e) Renewal.--

7 (1) At least three months prior to expiration of an  
8 establishment license, the establishment licensee seeking  
9 renewal of its license shall submit a renewal application  
10 accompanied by the renewal fee to the board.

11 (2) If the renewal application satisfies the  
12 requirements of subsection (d), the board may renew the  
13 licensee's establishment license.

14 (3) If the board receives a complete renewal application  
15 but fails to act upon the renewal application prior to the  
16 expiration of the establishment license, the establishment  
17 license shall continue in effect until acted upon by the  
18 board.

19 (f) Requirement.--In order to be eligible for an  
20 establishment license, a truck stop establishment must be  
21 licensed as a lottery sales agent under section 305 of the act  
22 of August 26, 1971 (P.L.351, No.91), known as the State Lottery  
23 Law, and licensed to take any actions authorized by the  
24 designation.

25 § 3515. License or permit prohibition.

26 The following apply:

27 (1) The board shall be prohibited from granting a  
28 license under this part to any applicant who has been  
29 convicted of a felony offense in any jurisdiction.

30 (2) In addition to the prohibition under paragraph (1),  
31 the board shall be prohibited from granting the following:

32 (i) A principal license or key employee license to  
33 an individual who has been convicted in a jurisdiction of  
34 a misdemeanor gambling offense, unless 15 years have  
35 elapsed from the date of conviction for the offense.

36 (ii) A gaming employee permit or a license other  
37 than a principal license or key employee license to an  
38 individual who has been convicted in a jurisdiction of a  
39 misdemeanor gambling offense, unless 15 years have  
40 elapsed from the date of conviction for the offense.

41 (iii) An establishment license to an applicant who  
42 has been convicted in a jurisdiction of a misdemeanor  
43 gambling offense, unless 15 years have elapsed from the  
44 date of conviction for the offense.

45 (3) Following the expiration of any prohibition period  
46 applicable to an applicant under paragraph (2), in  
47 determining whether to issue a license or permit, the board  
48 shall consider the following factors:

49 (i) The nature and duties of the applicant's  
50 position with the licensed entity.

51 (ii) The nature and seriousness of the offense or

1 conduct.

2 (iii) The circumstances under which the offense or  
3 conduct occurred.

4 (iv) The age of the applicant when the offense or  
5 conduct was committed.

6 (v) Whether the offense or conduct was an isolated  
7 or a repeated incident.

8 (vi) Evidence of rehabilitation, including good  
9 conduct in the community, counseling or psychiatric  
10 treatment received and the recommendation of persons who  
11 have substantial contact with the applicant.

12 (4) For purposes of this section, a felony offense is  
13 any of the following:

14 (i) An offense classified as a felony or punishable  
15 under the laws of this Commonwealth by imprisonment for  
16 more than five years.

17 (ii) An offense which, under the laws of another  
18 jurisdiction, is:

19 (A) classified as a felony; or

20 (B) punishable by imprisonment for more than  
21 five years.

22 (iii) An offense under the laws of another  
23 jurisdiction which, if committed in this Commonwealth,  
24 would be subject to imprisonment for more than five  
25 years.

26 § 3516. Issuance and renewal.

27 (a) Issuance.--

28 (1) In addition to any other criteria provided under  
29 this part, any terminal operator, truck stop establishment,  
30 supplier, manufacturer, gaming employee, key employee,  
31 principal or other person that the board approves as  
32 qualified to receive a license, permit or other authorization  
33 under this part shall be issued a license or permit upon the  
34 payment of a fee required in section 4101 (relating to fees)  
35 and upon the fulfillment of conditions required by the board  
36 or provided for in this part.

37 (2) Nothing contained in this part is intended or shall  
38 be construed to create an entitlement to a license, permit or  
39 other authorization by a person.

40 (b) Renewal.--

41 (1) All permits and licenses issued under this part  
42 unless otherwise provided shall be subject to renewal every  
43 five years.

44 (2) The application for renewal of a license or permit,  
45 unless otherwise provided, shall be submitted at least 180  
46 days prior to the expiration of the permit or license and  
47 shall include an update of the information contained in the  
48 initial and any prior renewal applications and the payment of  
49 any renewal fee required by section 4101.

50 (3) Nothing in this subsection shall be construed to  
51 relieve a licensee or permittee of the affirmative duty to



1 notify the board of a change relating to the status of its  
2 license or permit or to other information contained in the  
3 application materials on file with the board.

4 (c) Revocation or failure to renew.--

5 (1) In addition to other sanctions the board may impose  
6 under this part, the board may at its discretion suspend,  
7 revoke or deny renewal of a permit or license issued under  
8 this part if it receives information from any source that the  
9 applicant or any of its officers, directors, owners or key  
10 employees is in violation of any provision of this part, that  
11 the applicant has furnished the board with false or  
12 misleading information or that the information contained in  
13 the applicant's initial application or renewal application is  
14 no longer true and correct such that the applicant is no  
15 longer eligible.

16 (2) In the event of a revocation or failure to renew,  
17 the licensee's authorization to conduct the previously  
18 approved activity shall immediately cease the activity and  
19 all fees paid in connection with the license shall be deemed  
20 to be forfeited.

21 (3) In the event of a suspension, the applicant's  
22 authorization to conduct the previously approved activity  
23 shall immediately cease until the board has notified the  
24 applicant that the suspension is no longer in effect.

25 (d) Nontransferability of licenses.--

26 (1) A license issued by the board is a grant of the  
27 privilege to conduct a business in this Commonwealth.

28 (2) Except as permitted by section 3517 (relating to  
29 change in ownership or control of terminal operator  
30 licensee), no license granted or renewed pursuant to this  
31 part may be sold, transferred or assigned to another person.

32 (3) No licensee may pledge or otherwise grant a security  
33 interest in or lien on the license.

34 (4) The board has the sole discretion to issue, renew,  
35 condition or deny the issuance of a license based upon the  
36 requirements of this part.

37 (5) Nothing contained in this part is intended or shall  
38 be construed to create in any person an entitlement to a  
39 license.

40 § 3517. Change in ownership or control of terminal operator  
41 licensee.

42 (a) Notification and approval.--

43 (1) A terminal operator licensee shall promptly notify  
44 the board of a proposed or contemplated change of ownership  
45 of the terminal operator licensee by a person or group of  
46 persons acting in concert which involves any of the  
47 following:

48 (i) More than 5% of a terminal operator licensee's  
49 securities or other ownership interests.

50 (ii) More than 5% of the securities or other  
51 ownership interests of a corporation or other form of

1 business entity that owns directly or indirectly at least  
2 20% of the voting or other securities or other ownership  
3 interests of the licensee.

4 (iii) The sale of all or substantially all of a  
5 licensee's assets.

6 (iv) Other transaction or occurrence deemed by the  
7 board to be relevant to license qualifications.

8 (2) (i) Notwithstanding the provisions of paragraph  
9 (1), no terminal operator licensee may be required to  
10 notify the board of an acquisition by an institutional  
11 investor under paragraph (1)(i) or (ii) if the  
12 institutional investor holds less than 10% of the  
13 securities or other ownership interests referred to in  
14 paragraph (1)(i) or (ii), the securities or interests are  
15 publicly traded securities and its holdings of the  
16 securities were purchased for investment purposes only  
17 and the institutional investor files with the board a  
18 certified statement to the effect that it has no  
19 intention of influencing or affecting, directly or  
20 indirectly, the affairs of the licensee, provided,  
21 however, that it shall be permitted to vote on matters  
22 put to the vote of the outstanding security holders.

23 (ii) Notice to the board and board approval shall be  
24 required prior to completion of any proposed or  
25 contemplated change of ownership of a terminal operator  
26 licensee that meets the criteria of this section.

27 (b) Qualification of purchaser of terminal operator  
28 licensee; change of control.--

29 (1) The purchaser of all or substantially all of the  
30 assets of a terminal operator licensee shall, if not already  
31 a terminal operator licensee, independently qualify for a  
32 license in accordance with this part and shall pay the  
33 license fee as required by section 4101 (relating to fees).

34 (2) A change in control of a terminal operator licensee  
35 shall require that the terminal operator licensee  
36 independently qualify for a license in accordance with this  
37 part, and the terminal operator licensee shall pay a new  
38 license fee as required by section 4101, except as otherwise  
39 required by the board pursuant to this section.

40 (3) The new license fee shall be paid upon the  
41 assignment and actual change of control or ownership of the  
42 terminal operator license.

43 (c) Change in control defined.--For purposes of this  
44 section, a change in control of a terminal operator licensee  
45 shall mean the acquisition by a person or group of persons  
46 acting in concert of more than 20% of a terminal operator  
47 licensee's securities or other ownership interests, with the  
48 exception of any ownership interest of the person that existed  
49 at the time of initial licensing and payment of the initial slot  
50 machine license fee, or more than 20% of the securities or other  
51 ownership interests of a corporation or other form of business

1 entity that owns directly or indirectly at least 20% of the  
2 voting or other securities or other ownership interests of the  
3 licensee.

4 (d) Fee reduction.--The board may in its discretion  
5 eliminate the need for qualification or proportionately reduce,  
6 but not eliminate, the new license fee otherwise required  
7 pursuant to this section in connection with a change of control  
8 of a licensee, depending upon the type of transaction, the  
9 relevant ownership interests and changes to the interests  
10 resulting from the transaction and other considerations deemed  
11 relevant by the board.

12 (e) License revocation.--Failure to comply with this section  
13 may cause the license issued under this part to be revoked or  
14 suspended by the board unless the purchase of the assets or the  
15 change in control that meets the criteria of this section has  
16 been independently qualified in advance by the board and any  
17 required license fee has been paid.

18 § 3518. Video gaming accounting controls and audits.

19 (a) Approval.--Except as otherwise provided by this part, a  
20 terminal operator license applicant shall, in addition to  
21 obtaining a terminal operator license, obtain approval from the  
22 board in consultation with the department of its internal  
23 control systems and audit protocols prior to the installation  
24 and operation of video gaming terminals at licensed  
25 establishments.

26 (b) Minimum requirements.--At a minimum, the applicant's  
27 proposed internal controls and audit protocols shall:

28 (1) Safeguard its assets and revenues, including, but  
29 not limited to, the recording of cash and cash equivalents  
30 and evidences of indebtedness related to the video gaming  
31 terminals.

32 (2) Provide for reliable records, accounts and reports  
33 of a financial event that occurs in the operation of a video  
34 gaming terminal, including reports to the board related to  
35 the video gaming terminals.

36 (3) Ensure that each video gaming terminal directly  
37 provides or communicates all required activities and  
38 financial details to the central control computer system as  
39 set by the board and the department.

40 (4) Provide for accurate and reliable financial records.

41 (5) Ensure a financial event that occurs in the  
42 operation of a video gaming terminal is performed only in  
43 accordance with the management's general or specific  
44 authorization, as approved by the board.

45 (6) Ensure that a financial event that occurs in the  
46 operation of a video gaming terminal is recorded adequately  
47 to permit proper and timely reporting of gross revenue and  
48 the calculation thereof and of fees and taxes and to maintain  
49 accountability for assets.

50 (7) Ensure that access to assets is permitted only in  
51 accordance with management's specific authorization, as

1 approved by the board.

2 (8) Ensure that recorded accountability for assets is  
3 compared with actual assets at intervals as required by the  
4 board and appropriate action is taken with respect to  
5 discrepancies.

6 (9) Ensure that all functions, duties and  
7 responsibilities are appropriately segregated and performed  
8 in accordance with sound financial practices by competent,  
9 qualified personnel.

10 (10) Any other requirement of the board or the  
11 department.

12 (c) Internal control.--A terminal operator license applicant  
13 shall submit to the board and department, in such manner as the  
14 board requires, a description of its administrative and  
15 accounting procedures in detail, including its written system of  
16 internal control. The written system of internal control shall  
17 include:

18 (1) Records of direct and indirect ownership in the  
19 proposed terminal operator licensee, its affiliate,  
20 intermediary, subsidiary or holding company.

21 (2) An organizational chart depicting appropriate  
22 segregation of employee functions and responsibilities.

23 (3) A description of the duties and responsibilities of  
24 each employee position shown on the organizational chart.

25 (4) A detailed narrative description of the  
26 administrative and accounting procedures designed to satisfy  
27 the requirements of this section.

28 (5) Record retention policy.

29 (6) Procedure to ensure that assets are safeguarded,  
30 including mandatory count procedures.

31 (7) A statement signed by the chief financial officer of  
32 the terminal operator license applicant or other competent  
33 person and the chief executive officer of the terminal  
34 operator license applicant or other competent person  
35 attesting that the officer believes, in good faith, that the  
36 system satisfies the requirements of this section.

37 (8) Other items that the board or department may require  
38 in its discretion.

39 § 3519. Multiple licenses prohibited.

40 (a) Manufacturer restriction.--A manufacturer may not be  
41 licensed as a terminal operator or own, manage or control an  
42 establishment licensee or terminal operator licensee, but may  
43 also be licensed as a supplier.

44 (b) Supplier restriction.--A supplier may not be licensed as  
45 a terminal operator or own, manage or control an establishment  
46 licensee or terminal operator licensee.

47 (c) Terminal operator restriction.--A terminal operator may  
48 not be licensed as a manufacturer or supplier or own, manage or  
49 control an establishment licensee or own, manage or control  
50 premises used by an establishment licensee.

51 (d) Establishment restriction.--An establishment licensee

1 may not be licensed as a manufacturer, supplier, terminal  
2 operator.

3 § 3520. Conditional licenses.

4 (a) Conditional establishment licenses.--

5 (1) Within 90 days after the effective date of this  
6 section, the board shall make applications for establishment  
7 licenses available to applicants.

8 (2) The board shall issue a conditional license to an  
9 applicant for an establishment license if the applicant  
10 satisfies, as determined by the board, all of the following  
11 criteria:

12 (i) The applicant has never been convicted of a  
13 felony in any jurisdiction.

14 (ii) The applicant is current on all State taxes.

15 (iii) The applicant has submitted a completed  
16 application for an establishment license in accordance  
17 with this part, which may be submitted concurrently with  
18 the applicant's request for a conditional license.

19 (iv) The applicant has never been convicted of a  
20 gambling law violation in any jurisdiction.

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. (Reserved).

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 the determination under paragraph  
20 (1), the board may permit a manufacturer licensee to deploy  
21 those video gaming terminals or redemption terminals which  
22 have met the video gaming terminal or redemption terminal  
23 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 five video gaming terminals may be  
6 placed on the premises of the establishment licensee.

7 (2) Redemption tickets shall only be exchanged for cash  
8 through a redemption terminal or reinserted into another  
9 video gaming terminal in the same video gaming area or as  
10 otherwise authorized by the board in the event of a failure  
11 or malfunction in a redemption terminal, and at least one  
12 redemption terminal shall be located in the video gaming  
13 area.

14 (3) Video gaming terminals located on the premises of  
15 the establishment licensee shall be placed and operated by a  
16 terminal operator licensee pursuant to a terminal placement  
17 agreement.

18 (4) No video gaming area may be located in an area that  
19 is not properly segregated from minors.

20 (5) The entrance to the video gaming area shall be  
21 secure and easily seen and observed by at least one employee  
22 of the establishment licensee.

23 (6) The video gaming area shall at all times be  
24 monitored by an employee of the establishment licensee either  
25 directly or through live monitoring of video surveillance.  
26 The employee must be at least 18 years of age and have  
27 completed the mandatory training program required in section  
28 3706 (relating to compulsive and problem gambling).

29 (7) No establishment licensee may provide an incentive.

30 (8) No minor shall be permitted to play a video gaming  
31 terminal or enter the video gaming area.

32 (9) No visibly intoxicated person shall be permitted to  
33 play a video gaming terminal.

34 (10) No establishment licensee may extend credit or  
35 accept a credit card or debit card for play of a video gaming  
36 terminal.

37 (11) No establishment licensee may make structural  
38 alterations or significant renovations to a video gaming area  
39 unless the establishment licensee has notified the terminal  
40 operator licensee and obtained prior approval from the board.

41 (12) No establishment licensee may move a video gaming  
42 terminal or redemption terminal after installation by a  
43 terminal operator licensee.

44 (b) Terminal operator licensee limitations.--A terminal  
45 operator licensee may place and operate video gaming terminals  
46 on the premises of an establishment licensee, subject to the  
47 following:

48 (1) No more than five video gaming terminals may be  
49 placed on the premises of the establishment licensee.

50 (2) Redemption tickets shall only be exchanged for cash  
51 through a redemption terminal located within the same video

1 gaming area or reinserted into another video gaming terminal  
2 located in the same video gaming area as the video gaming  
3 terminal.

4 (3) Video gaming terminals located on the premises of  
5 the establishment licensee shall be placed and operated  
6 pursuant to a terminal placement agreement.

7 (4) No terminal operator licensee may provide an  
8 incentive.

9 (5) No terminal operator licensee may extend credit or  
10 accept a credit card or debit card for play of a video gaming  
11 terminal.

12 (6) No terminal operator licensee may give or offer to  
13 give, directly or indirectly, any type of inducement to a  
14 truck stop establishment to secure or maintain a terminal  
15 placement agreement.

16 (7) No terminal operator licensee may give an  
17 establishment licensee a percentage of gross terminal revenue  
18 other than 15% of the gross terminal revenue of the video  
19 gaming terminals operating in the establishment licensee's  
20 premises.

21 (8) A terminal operator licensee shall only operate,  
22 install or otherwise make available for public use a video  
23 gaming terminal or redemption terminal that has been obtained  
24 from a manufacturer licensee or supplier licensee.

25 (9) No terminal operator licensee may make structural  
26 alterations or significant renovations to a video gaming area  
27 unless the terminal operator licensee has notified the  
28 establishment licensee and obtained prior approval from the  
29 board.

30 (10) No terminal operator licensee may move a video  
31 gaming terminal or redemption terminal after installation  
32 unless prior approval is obtained from the board.

33 § 3703. (Reserved).

34 § 3704. Terminal placement agreements.

35 (a) General rule.--No terminal operator licensee may place  
36 and operate video gaming terminals on the premises of an  
37 establishment licensee unless pursuant to a terminal placement  
38 agreement approved by the board. Approval shall be presented  
39 upon connection of one or more video gaming terminals at the  
40 establishment licensee to the central control computer.

41 (b) Form of agreement.--The board shall establish through  
42 regulation minimum standards for terminal placement agreements.

43 (c) Length of agreement.--Terminal placement agreements  
44 shall be valid for a minimum 60-month term but shall not exceed  
45 a 120-month term.

46 (d) Provisions required.--A terminal placement agreement  
47 shall include a provision that:

48 (1) Renders the agreement invalid if either the terminal  
49 operator license or terminal operator application or the  
50 establishment license or establishment licensee application  
51 is denied, revoked, not renewed, withdrawn or surrendered.

1       (2) Provides the establishment licensee no more or less  
2 than 15% of gross terminal revenue from each video gaming  
3 terminal located on the premises of the establishment  
4 licensee.

5       (3) Identifies who solicited the terminal placement  
6 agreement on behalf of a terminal operator licensee or  
7 applicant.

8       (e) Parties to agreement.--Only an establishment licensee or  
9 applicant may sign or agree to sign a terminal placement  
10 agreement with an applicant for a terminal operator license or a  
11 terminal operator licensee.

12       (f) Void agreements.--An agreement entered into by a truck  
13 stop establishment prior to the effective date of this section  
14 with a person or entity for the placement, operation, service or  
15 maintenance of video gaming terminals, including an agreement  
16 granting a person or entity the right to enter into an agreement  
17 or match any offer made after the effective date of this section  
18 shall be void and may not be approved by the board.

19       (g) Transferability of agreements.--No terminal placement  
20 agreement may be transferred or assigned unless the individual  
21 or entity making the assignment is either a terminal operator  
22 applicant or terminal operator licensee and the individual or  
23 entity receiving the assignment of the terminal placement  
24 agreement is either a terminal operator applicant or terminal  
25 operator licensee under this chapter.

26 § 3705. Duties of licensees.

27 A person issued a license under this part shall:

28       (1) Provide assistance or information required by the  
29 board, the bureau, the department or the Pennsylvania State  
30 Police and to cooperate in inquiries, investigations and  
31 hearings.

32       (2) Consent to inspections, searches and seizures.

33       (3) Inform the board of actions that the person believes  
34 would constitute a violation of this part.

35       (4) Inform the board of arrests for violations of  
36 offenses enumerated under 18 Pa.C.S. (relating to crimes and  
37 offenses).

38 § 3706. Compulsive and problem gambling.

39       (a) Required posting.--

40       (1) An establishment licensee shall conspicuously post  
41 signs similar to the following statement:

42               If you or someone you know has a gambling problem,  
43               help is available. Call (Toll-free telephone number)  
44               or Text (Toll-free telephone number).

45       (2) At least one sign shall be posted within the video  
46 gaming area and at least one sign shall be posted within five  
47 feet of each automated teller machine located within the  
48 establishment licensee's premises, if applicable.

49       (b) Toll-free telephone number.--The toll-free telephone  
50 number required to be posted in subsection (a) shall be the same  
51 number maintained by the Department of Drug and Alcohol Programs

1 or successor agency under section 3310 (relating to Department  
2 of Drug and Alcohol Programs).

3 (c) Problem gambling information.--

4 (1) An establishment licensee shall have available on  
5 its premises access to materials regarding compulsive and  
6 problem gambling assistance.

7 (2) The available materials required by paragraph (1)  
8 shall be a uniform, Statewide handout developed by the board  
9 in consultation with the Department of Drug and Alcohol  
10 Programs or successor agency.

11 (3) The available materials required by paragraph (1)  
12 shall be displayed conspicuously at least within the video  
13 gaming area.

14 (d) Mandatory training.--

15 (1) The board's Office of Compulsive and Problem  
16 Gambling, in consultation with the Department of Drug and  
17 Alcohol Programs or successor agency, shall develop a  
18 mandatory training program for employees and management of an  
19 establishment licensee who oversee the establishment  
20 licensee's video gaming area. The training program shall  
21 address responsible gaming and other compulsive and problem  
22 gambling issues related to video gaming terminals.

23 (2) The board shall establish a fee to cover the cost of  
24 the mandatory training program.

25 (3) At least one employee of the establishment licensee  
26 who holds a valid occupation permit and has successfully  
27 completed the training program shall be located on the  
28 premises and supervising the video gaming area during all  
29 times video gaming terminals are available for play.

30 (e) Penalty.--An establishment licensee that fails to  
31 fulfill the requirements of subsection (a), (b), (c) or (d)  
32 shall be assessed by the board an administrative penalty and may  
33 have its establishment license suspended. When determining the  
34 penalty and number of suspension days, the board shall consider  
35 the length of time in which the materials were not available or  
36 a trained employee was not located on the premises as required  
37 by subsection (d)(3).

## 38 CHAPTER 39

## 39 ENFORCEMENT

40 Sec.

41 3901. Exclusion or ejection of certain persons.

42 3902. Repeat offenders.

43 3903. Self-exclusion.

44 3904. Investigations and enforcement.

45 3905. Prohibited acts and penalties.

46 3906. Report of suspicious transactions.

47 3907. Additional authority.

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49 § 3901. Exclusion or ejection of certain persons.

50 (a) General rule.--The board shall by regulation provide for  
51 the establishment of a list of persons who are to be excluded or

1 ejected from the video gaming area of an establishment licensee.  
2 The provisions shall define the standards for exclusion and  
3 shall include standards relating to persons who are career or  
4 professional offenders as defined by regulations of the board or  
5 whose presence in a video gaming area would, in the opinion of  
6 the board, be inimical to the interest of the Commonwealth or of  
7 licensed video gaming in this Commonwealth, or both.

8 (b) Categories to be defined.--The board shall promulgate  
9 definitions establishing categories of persons who shall be  
10 excluded or ejected pursuant to this section, including cheats  
11 and persons whose privileges for licensure, certification,  
12 permit or registration have been revoked.

13 (c) Discrimination prohibited.--Race, color, creed, national  
14 origin or ancestry or sex shall not be a reason for placing the  
15 name of a person upon a list under this section.

16 (d) Prevention of access.--The board shall, in consultation  
17 with terminal operator licensees and establishment licensees,  
18 develop policies and procedures to reasonably prevent persons on  
19 the list required by this section from entering a video gaming  
20 area.

21 (e) Sanctions.--The board may impose sanctions upon an  
22 establishment licensee in accordance with this part if the  
23 establishment licensee knowingly fails to implement the policies  
24 and procedures established by the board under paragraph (d).

25 (f) List not all-inclusive.--A list compiled by the board  
26 under this section shall not be deemed an all-inclusive list,  
27 and an establishment licensee shall keep from the video gaming  
28 area persons known to the establishment licensee to be within  
29 the classifications declared in this section and the regulations  
30 promulgated under this section whose presence in a video gaming  
31 area would be inimical to the interest of the Commonwealth or of  
32 licensed video gaming in this Commonwealth, or both, as defined  
33 in standards established by the board.

34 (g) Notice.--If the bureau decides to place the name of a  
35 person on a list pursuant to this section, the bureau shall  
36 serve notice of the decision to the person by personal service  
37 or certified mail at the last known address of the person. The  
38 notice shall inform the person of the right to request a hearing  
39 under subsection (h).

40 (h) Hearing.--

41 (1) Within 30 days after receipt of notice in accordance  
42 with subsection (g), the person named for exclusion or  
43 ejection may demand a hearing before the board, at which  
44 hearing the bureau must demonstrate that the person named for  
45 exclusion or ejection satisfies the criteria for exclusion or  
46 ejection established by this section and the board's  
47 regulations.

48 (2) Failure of the person to demand a hearing within 30  
49 days after service shall be deemed an admission of all  
50 matters and facts alleged in the bureau's notice and shall  
51 preclude the person from having an administrative hearing,

1 but shall in no way affect the right to judicial review as  
2 provided in this section.

3 (i) Review.--

4 (1) If, upon completion of a hearing on the notice of  
5 exclusion or ejection, the board determines that placement of  
6 the name of the person on the exclusion or ejection list is  
7 appropriate, the board shall make and enter an order to that  
8 effect.

9 (2) The order shall be subject to review by the  
10 Commonwealth Court in accordance with the rules of court.

11 § 3902. Repeat offenders.

12 (a) Discretion to exclude or eject.--An establishment  
13 licensee may exclude or eject from the establishment licensee's  
14 video gaming area or premises a person who is known to it to  
15 have been convicted of a misdemeanor or felony committed in or  
16 on the premises of a licensed establishment.

17 (b) Construction.--Nothing in this section or in any other  
18 law of this Commonwealth shall be construed to limit the right  
19 of an establishment licensee to exercise its common law right to  
20 exclude or eject permanently from its video gaming area or  
21 premises a person who:

22 (1) disrupts the operations of its premises;

23 (2) threatens the security of its premises or its  
24 occupants; or

25 (3) is disorderly or intoxicated.

26 § 3903. Self-exclusion.

27 (a) Establishment of list.--

28 (1) The board shall provide by regulation for the  
29 establishment of a list of persons self-excluded from video  
30 gaming activities within specific establishment licensees or  
31 establishment licensees in geographic areas of the  
32 Commonwealth.

33 (2) A person may request placement on the list of self-  
34 excluded persons by:

35 (i) acknowledging in a manner to be established by  
36 the board that the person is a problem gambler;

37 (ii) agreeing that, during any period of voluntary  
38 exclusion, the person may not collect any winnings or  
39 recover any losses resulting from any video gaming  
40 activity within establishment licensees and that person  
41 may be subject to arrest for trespass; and

42 (iii) agreeing to another condition established by  
43 the board.

44 (b) Regulations.--The regulations of the board shall  
45 establish:

46 (1) Procedures for placement on and removal from the  
47 list of a self-excluded person.

48 (2) Procedures for the transmittal to establishment  
49 licensees of identifying information concerning a self-  
50 excluded person and shall require establishment licensees to  
51 establish reasonable procedures designed at a minimum to



1 prevent entry of a self-excluded person into the video gaming  
2 area of an establishment licensee, provided that the board  
3 may not require video gaming terminals to be equipped with  
4 identification card-reading devices or require establishment  
5 licensees to purchase identification card-reading devices.

6 (3) Procedures for the transmittal to terminal operator  
7 licensees of identifying information concerning a self-  
8 excluded person and shall require terminal operator licensees  
9 to establish procedures to remove self-excluded persons from  
10 customer loyalty or reward card programs and targeted  
11 mailings or other forms of advertising or promotions.

12 (c) Liability.--An establishment licensee or employee  
13 thereof shall not be liable to a self-excluded person or to  
14 another party in a judicial proceeding for harm, monetary or  
15 otherwise, which may arise as a result of:

16 (1) the failure of the establishment licensee to  
17 withhold video gaming privileges from or restore video gaming  
18 privileges to the self-excluded person; or

19 (2) otherwise permitting or not permitting the self-  
20 excluded person to engage in video gaming activity within the  
21 establishment licensee's premises while on the list of self-  
22 excluded persons.

23 (d) Nondisclosure.--Notwithstanding any other law to the  
24 contrary, the board's list of self-excluded persons shall not be  
25 open to public inspection.

26 § 3904. Investigations and enforcement.

27 (a) Powers and duties of bureau.--The bureau shall have the  
28 following powers and duties:

29 (1) Enforce the provisions of this part.

30 (2) Investigate and review applicants and applications  
31 for a license or registration. The bureau shall be prohibited  
32 from disclosing any portion of a background investigation  
33 report to a member of the board prior to the submission of  
34 the bureau's final background investigation report relating  
35 to the applicant's suitability for licensure to the board.  
36 The Office of Enforcement Counsel, on behalf of the bureau,  
37 shall prepare the final background investigation report for  
38 inclusion in a final report relating to the applicant's  
39 suitability for licensure.

40 (3) Investigate licensees, registrants and other persons  
41 regulated by the board under this part for noncriminal  
42 violations of this part, including potential violations  
43 referred to the bureau by the board or other person.

44 (4) Monitor video gaming operations to ensure compliance  
45 with this part.

46 (5) Inspect and examine licensed entities. Inspections  
47 may include the review and reproduction of documents or  
48 records.

49 (6) Conduct reviews of a licensed entity as necessary to  
50 ensure compliance with this part. A review may include the  
51 review of accounting, administrative and financial records,

1 management control systems, procedures and other records  
2 utilized by a licensed entity.

3 (7) Refer possible criminal violations to the  
4 Pennsylvania State Police. The bureau shall not have the  
5 power of arrest.

6 (8) Cooperate in the investigation and prosecution of  
7 criminal violations related to this part.

8 (9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91  
9 (relating to criminal history record information).

10 (b) Office of Enforcement Counsel.--The board's Office of  
11 Enforcement Counsel shall act as the prosecutor in all  
12 noncriminal enforcement actions initiated by the bureau under  
13 this part and shall have the following powers and duties:

14 (1) Advise the bureau on all matters, including the  
15 granting of licenses or registrations, the conduct of  
16 background investigations, audits and inspections and the  
17 investigation of potential violations of this part.

18 (2) File on behalf of the bureau recommendations and  
19 objections relating to the issuance of licenses and  
20 registrations.

21 (3) Initiate, in its sole discretion, proceedings for  
22 noncriminal violations of this part by filing a complaint or  
23 other pleading with the board.

24 (c) Powers and duties of department.--

25 (1) The department shall at all times have the power of  
26 access to examine and audit equipment and records relating to  
27 all aspects of the operation of video gaming terminals and  
28 redemption terminals under this part.

29 (2) Notwithstanding the provisions of section 353(f) of  
30 the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
31 Reform Code of 1971, the department shall supply the board,  
32 the bureau, the Pennsylvania State Police and the Office of  
33 Attorney General with information concerning the status of  
34 delinquent taxes owed by applicants or licensees.

35 (d) Powers and duties of the Pennsylvania State Police.--The  
36 Pennsylvania State Police shall have the following powers and  
37 duties:

38 (1) Promptly conduct background investigations on  
39 persons as directed by the board under this part. The  
40 Pennsylvania State Police may contract with other law  
41 enforcement annuitants to assist in the conduct of  
42 investigations under this paragraph.

43 (2) Initiate proceedings for criminal violations of this  
44 part.

45 (3) Provide the board with all information necessary for  
46 all actions under this part for all proceedings involving  
47 criminal enforcement of this part.

48 (4) Inspect, when appropriate, a licensee's person and  
49 personal effects present within an establishment licensee's  
50 premises under this part while that licensee is present.

51 (5) Enforce the criminal provisions of this part and all

1 other criminal laws of this Commonwealth.

2 (6) Fingerprint applicants.

3 (7) Exchange fingerprint data with and receive national  
4 criminal history record information from the Federal Bureau  
5 of Investigation for use in background investigations  
6 performed by the bureau under this part.

7 (8) Receive and take appropriate action on any referral  
8 from the bureau relating to criminal conduct.

9 (9) Conduct administrative inspections on the premises  
10 of an establishment licensee at such times, under such  
11 circumstances and to such extent as the bureau determines to  
12 ensure compliance with this part and the regulations of the  
13 board and, in the course of inspections, review and make  
14 copies of all documents and records required by the  
15 inspection through onsite observation and other reasonable  
16 means to assure compliance with this part and regulations  
17 promulgated under this part.

18 (10) Conduct audits or verification of information of  
19 video gaming terminal operations at such times, under such  
20 circumstances and to such extent as the bureau determines.  
21 This paragraph includes the review of accounting,  
22 administrative and financial records and management control  
23 systems, procedures and records utilized by a terminal  
24 operator licensee.

25 (11) Assign members of the Pennsylvania State Police to  
26 duties of enforcement under this part. Those members shall  
27 not be counted toward the complement as provided in section  
28 205 of the act of April 9, 1929 (P.L.177, No.175), known as  
29 The Administrative Code of 1929.

30 (12) Report to the General Assembly. By March 1 of each  
31 year, the Commissioner of the Pennsylvania State Police shall  
32 submit a report to the Appropriations Committee of the  
33 Senate, the Community, Economic and Recreational Development  
34 Committee of the Senate, the Appropriations Committee of the  
35 House of Representatives and the Gaming Oversight Committee  
36 of the House of Representatives. The report shall summarize  
37 all law enforcement activities at each establishment licensee  
38 during the previous calendar year and shall include all of  
39 the following:

40 (i) The number of arrests made and citations issued  
41 at each establishment licensee and the name of the law  
42 enforcement agency making the arrests or issuing the  
43 citations.

44 (ii) A list of specific offenses charged for each  
45 arrest made or citation issued.

46 (iii) The number of criminal prosecutions resulting  
47 from arrests made or citations issued.

48 (iv) The number of convictions resulting from  
49 prosecutions reported under subparagraph (iii).

50 (13) Report violations of this part to the bureau that  
51 are found during the normal course of duties required under

1 any law of this Commonwealth.  
2 (e) Powers and duties of Attorney General.--The Gaming Unit  
3 within the Office of Attorney General shall investigate and  
4 institute criminal proceedings as authorized under subsection  
5 (f).

6 (f) Criminal action.--

7 (1) The district attorneys of the several counties shall  
8 have authority to investigate and to institute criminal  
9 proceedings for a violation of this part.

10 (2) In addition to the authority conferred upon the  
11 Attorney General under the act of October 15, 1980 (P.L.950,  
12 No.164), known as the Commonwealth Attorneys Act, the  
13 Attorney General shall have the authority to investigate and,  
14 following consultation with the appropriate district  
15 attorney, to institute criminal proceedings for a violation  
16 of this part.

17 (3) A person charged with a violation of this part by  
18 the Attorney General shall not have standing to challenge the  
19 authority of the Attorney General to investigate or prosecute  
20 the case, and, if any such challenge is made, the challenge  
21 shall be dismissed and no relief shall be available in the  
22 courts of this Commonwealth to the person making the  
23 challenge.

24 (g) Regulatory action.--Nothing contained in subsection (e)  
25 shall be construed to limit the existing regulatory or  
26 investigative authority of an agency or the Commonwealth whose  
27 functions relate to persons or matters within the scope of this  
28 part.

29 (h) Inspection, seizure and warrants.--

30 (1) The board, the bureau, the department and the  
31 Pennsylvania State Police shall have the authority without  
32 notice and without warrant to do all of the following in the  
33 performance of their duties under this part:

34 (i) Inspect and examine all premises where video  
35 gaming operations are conducted; where video gaming  
36 terminals, redemption terminals and associated equipment  
37 are manufactured, sold, distributed or serviced; or where  
38 records of these activities are prepared or maintained.

39 (ii) Inspect all equipment and supplies in, about,  
40 upon or around premises referred to in subparagraph (i).

41 (iii) Seize, summarily remove and impound equipment  
42 and supplies from premises referred to in subparagraph  
43 (i) for the purposes of examination and inspection.

44 (iv) Inspect, examine and audit all books, records  
45 and documents pertaining to a terminal operator  
46 licensee's video gaming operation.

47 (v) Seize, impound or assume physical control of any  
48 book, record, ledger or device related to video gaming  
49 operations or the video gaming terminals or redemption  
50 terminals.

51 (2) The provisions of paragraph (1) shall not be

1 construed to limit warrantless inspections except in  
2 accordance with constitutional requirements.

3 (3) To further effectuate the purposes of this part, the  
4 bureau and the Pennsylvania State Police may obtain  
5 administrative warrants for the inspection and seizure of  
6 property possessed, controlled, bailed or otherwise held by  
7 an applicant, licensee, intermediary, subsidiary, affiliate  
8 or holding company.

9 (i) Information sharing and enforcement referral.--With  
10 respect to the administration, supervision and enforcement of  
11 this part, the bureau, the department, the Pennsylvania State  
12 Police or the Office of Attorney General may obtain or provide  
13 pertinent information regarding applicants or licensees from or  
14 to law enforcement entities or gaming authorities of the  
15 Commonwealth and other domestic, foreign or federally approved  
16 jurisdictions, including the Federal Bureau of Investigation,  
17 and may transmit the information to each other electronically.  
18 § 3905. Prohibited acts and penalties.

19 (a) Criminal offenses.--

20 (1) The provisions of 18 Pa.C.S. § 4902 (relating to  
21 perjury), 4903 (relating to false swearing) or 4904 (relating  
22 to unsworn falsification to authorities) shall apply to a  
23 person providing information or making a statement, whether  
24 written or oral, to the board, the bureau, the department,  
25 the Pennsylvania State Police or the Office of Attorney  
26 General, as required by this part.

27 (2) It shall be unlawful for a person to willfully:

28 (i) fail to report, pay or truthfully account for  
29 and pay over a license fee, authorization fee, tax or  
30 assessment imposed under this part; or

31 (ii) attempt in any manner to evade or defeat a  
32 license fee, authorization fee, tax or assessment imposed  
33 under this part.

34 (3) It shall be unlawful for a licensed entity, gaming  
35 employee, key employee or any other person to permit a video  
36 gaming terminal to be operated, transported, repaired or  
37 opened on the premises of an establishment licensee by a  
38 person other than a person licensed or permitted by the board  
39 pursuant to this part.

40 (4) It shall be unlawful for a licensed entity or other  
41 person to manufacture, supply or place video gaming  
42 terminals, redemption terminals or associated equipment into  
43 play or display video gaming terminals, redemption terminals  
44 or associated equipment on the premises of an establishment  
45 licensee without the authority of the board.

46 (5) It shall be unlawful for a licensed entity or other  
47 person to manufacture, supply, operate, carry on or expose  
48 for play a video gaming terminal or associated equipment  
49 after the person's license has expired or failed to be  
50 renewed in accordance with this part.

51 (6) It shall be unlawful for an individual while on the

1 premises of an establishment licensee to knowingly use  
2 currency other than lawful coin or legal tender of the United  
3 States or a coin not of the same denomination as the coin  
4 intended to be used in the video gaming terminal or use a  
5 counterfeit or altered redemption tickets with the intent to  
6 cheat or defraud a terminal operator licensee or the  
7 Commonwealth or damage the video gaming terminal or  
8 redemption terminal.

9 (7) (i) Except as set forth in subparagraph (ii), it  
10 shall be unlawful for an individual to use or possess a  
11 cheating or thieving device, counterfeit or altered  
12 billet, ticket, token or similar object accepted by a  
13 video gaming terminal or counterfeit or altered  
14 redemption ticket on the premises of an establishment  
15 licensee.

16 (ii) An authorized employee of a licensee or an  
17 employee of the board may possess and use a cheating or  
18 thieving device, counterfeit or altered billet, ticket,  
19 token or similar object accepted by a video gaming  
20 terminal or counterfeit or altered redemption ticket in  
21 performance of the duties of employment.

22 (8) (i) Except as set forth in subparagraph (ii), it  
23 shall be unlawful for an individual to knowingly possess  
24 or use while on the premises of an establishment licensee  
25 a key or device designed for the purpose of and suitable  
26 for opening or entering a video gaming terminal or  
27 redemption terminal that is located on the premises of  
28 the establishment licensee.

29 (ii) An authorized employee of a licensee or a  
30 member of the board may possess and use a device referred  
31 to in subparagraph (i) in the performance of the duties  
32 of employment.

33 (9) It shall be unlawful for a person or licensed entity  
34 to possess a device, equipment or material which the person  
35 or licensed entity knows has been manufactured, distributed,  
36 sold, tampered with or serviced in violation of this part  
37 with the intent to use the device, equipment or material as  
38 though it had been manufactured, distributed, sold, tampered  
39 with or serviced pursuant to this part.

40 (10) It shall be unlawful for a person to sell, offer  
41 for sale, represent or pass off as lawful any device,  
42 equipment or material that the person or licensed entity  
43 knows has been manufactured, distributed, sold, tampered with  
44 or serviced in violation of this part.

45 (11) It shall be unlawful for an individual to work or  
46 be employed in a position the duties of which would require  
47 licensing under this part without first obtaining the  
48 requisite license issued under this part.

49 (12) It shall be unlawful for a licensed entity to  
50 employ or continue to employ an individual in a position the  
51 duties of which require a license under this part if the

1 individual:

2 (i) Is not licensed under this part.

3 (ii) Is prohibited from accepting employment from a  
4 licensee.

5 (13) It shall be unlawful for a minor to enter and  
6 remain in any video gaming area, except that an individual at  
7 least 18 years of age employed by a terminal operator  
8 licensee, a gaming service provider, an establishment  
9 licensee, the board or another regulatory or emergency  
10 response agency may enter and remain in the area while  
11 engaged in the performance of the individual's employment  
12 duties.

13 (14) It shall be unlawful for a minor to wager, play or  
14 attempt to play a video gaming terminal or submit a  
15 redemption ticket into a redemption terminal.

16 (15) It shall be unlawful for a terminal operator  
17 licensee to require a video gaming terminal wager to be  
18 greater than the stated minimum wager or greater than the  
19 stated maximum wager.

20 (16) An individual who engages in conduct prohibited by  
21 18 Pa.C.S. § 6308 (relating to purchase, consumption,  
22 possession or transportation of liquor or malt or brewed  
23 beverages) on the premises of an establishment licensee  
24 commits a nongambling offense.

25 (17) It shall be unlawful for an individual to claim,  
26 collect or take, or attempt to claim, collect or take, money  
27 or anything of value in or from a video gaming terminal or  
28 redemption terminal with the intent to defraud, or to claim,  
29 collect or take an amount greater than the amount won, or to  
30 manipulate with the intent to cheat, a component of a video  
31 gaming terminal or redemption terminal in a manner contrary  
32 to the designed and normal operational purpose.

33 (b) Criminal penalties and fines.--

34 (1) (i) A person that commits a first offense in  
35 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in  
36 connection with providing information or making any  
37 statement, whether written or oral, to the board, the  
38 bureau, the department, the Pennsylvania State Police,  
39 the Office of Attorney General or a district attorney as  
40 required by this part commits an offense to be graded in  
41 accordance with the applicable section violated. A person  
42 that is convicted of a second or subsequent violation of  
43 18 Pa.C.S. § 4902, 4903 or 4904 in connection with  
44 providing information or making any statement, whether  
45 written or oral, to the board, the bureau, the  
46 department, the Pennsylvania State Police, the Office of  
47 Attorney General or a district attorney as required by  
48 this part commits a felony of the second degree.

49 (ii) A person that violates subsection (a)(2), (3),  
50 (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17)  
51 commits a misdemeanor of the first degree. A person that

1 is convicted of a second or subsequent violation of  
2 subsection (a)(2), (3), (4), (5), (6), (7), (8), (9),  
3 (10), (11), (12) or (17) commits a felony of the second  
4 degree.

5 (2) (i) For a first violation of subsection (a)(1),  
6 (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)  
7 or (17), a person shall be sentenced to pay a fine of:

8 (A) not less than \$75,000 nor more than \$150,000  
9 if the person is an individual or establishment  
10 licensee;

11 (B) not less than \$300,000 nor more than  
12 \$600,000 if the person is a terminal operator  
13 licensee; or

14 (C) not less than \$150,000 nor more than  
15 \$300,000 if the person is a licensed manufacturer or  
16 supplier.

17 (ii) For a second or subsequent violation of  
18 subsection (a)(1), (2), (3), (4), (5), (6), (7), (8),  
19 (9), (10), (11), (12) or (17), a person shall be  
20 sentenced to pay a fine of:

21 (A) not less than \$150,000 nor more than  
22 \$300,000 if the person is an individual or  
23 establishment licensee;

24 (B) not less than \$600,000 nor more than  
25 \$1,200,000 if the person is a terminal operator  
26 licensee; or

27 (C) not less than \$300,000 nor more than  
28 \$600,000 if the person is a licensed manufacturer or  
29 supplier.

30 (3) An individual who commits an offense in violation of  
31 subsection (a)(13) or (14) commits a nongambling summary  
32 offense and upon conviction of a first offense shall be  
33 sentenced to pay a fine of not less than \$200 nor more than  
34 \$1,000. An individual who is convicted of a second or  
35 subsequent offense under subsection (a)(13) or (14) shall be  
36 sentenced to pay a fine of not less than \$500 nor more than  
37 \$1,500. In addition to the fine imposed, an individual  
38 convicted of an offense under subsection (a)(13) or (14) may  
39 be sentenced to perform a period of community service not to  
40 exceed 40 hours.

41 (4) An individual who commits an offense in violation of  
42 subsection (a)(16) commits a nongambling offense to be graded  
43 in accordance with 18 Pa.C.S. § 6308 and shall be subject to  
44 the same penalties imposed pursuant to 18 Pa.C.S. §§ 6308 and  
45 6310.4 (relating to restriction of operating privileges)  
46 except that the fine imposed for a violation of subsection  
47 (a)(16) shall be not less than \$350 nor more than \$1,000.

48 (c) Board-imposed administrative sanctions.--

49 (1) In addition to any other penalty authorized by law,  
50 the board may impose without limitation the following  
51 sanctions:



1       (i) Revoke the license of a person convicted of a  
2       criminal offense under this part or regulations  
3       promulgated under this part or committing any other  
4       offense or violation of this part or applicable law that  
5       would otherwise disqualify the person from holding the  
6       license.

7       (ii) Revoke the license of a person determined to  
8       have violated a provision of this part or regulations  
9       promulgated under this part that would otherwise  
10      disqualify the person from holding the license.

11      (iii) Revoke the license of a person for willfully  
12      and knowingly violating or attempting to violate an order  
13      of the board directed to the person.

14      (iv) Subject to subsection (g), assess  
15      administrative penalties as necessary to punish  
16      violations of this part.

17      (v) Order restitution of money or property  
18      unlawfully obtained or retained by a licensee.

19      (vi) Enter cease and desist orders which specify the  
20      conduct which is to be discontinued, altered or  
21      implemented by a licensee.

22      (vii) Issue letters of reprimand or censure, which  
23      letters shall be made a permanent part of the file of the  
24      licensee so sanctioned.

25      (2) (i) If the board refuses to issue or renew a  
26      license, suspends or revokes a license, assesses civil  
27      penalties, orders restitution, enters a cease and desist  
28      order or issues a letter of reprimand or censure, the  
29      board shall provide the applicant or licensee with  
30      written notification of its decision, including a  
31      statement of the reasons for its decision, by certified  
32      mail within five business days of the decision of the  
33      board.

34      (ii) The applicant or licensee shall have the right  
35      to appeal the decision in accordance with 2 Pa.C.S. Chs.  
36      5 Subch. A (relating to practice and procedure of  
37      Commonwealth agencies) and 7 Subch. A (relating to  
38      judicial review of Commonwealth agency action).

39      (d) Aiding and abetting.--A person who aids, abets,  
40      counsels, commands, induces, procures or causes another person  
41      to violate this part shall be subject to all sanctions and  
42      penalties, both civil and criminal, provided under this part.

43      (e) Continuing offenses.--A violation of this part that is  
44      determined to be an offense of a continuing nature shall be  
45      deemed to be a separate offense on each event or day during  
46      which the violation occurs.

47      (f) Property subject to seizure, confiscation, destruction  
48      or forfeiture.--Any equipment, device or apparatus, money,  
49      material, gaming proceeds or substituted proceeds or real or  
50      personal property used, obtained or received or an attempt to  
51      use, obtain or receive the device, apparatus, money, material,

1 proceeds or real or personal property in violation of this part  
2 shall be subject to seizure, confiscation, destruction or  
3 forfeiture.

4 (g) Penalty limitation.--

5 (1) Administrative penalties assessed by the board on an  
6 establishment licensee shall not exceed \$5,000 for each  
7 noncriminal violation of this part.

8 (2) When imposing an administrative penalty on an  
9 establishment licensee for a noncriminal violation of this  
10 part, the board shall take into consideration the  
11 establishment licensee's annual taxable income and whether  
12 the penalty amount would cause the establishment licensee to  
13 cease non-video gaming operations.

14 (h) Deposit of fines.--Fines imposed and collected by the  
15 board under subsection (c) shall be deposited into the General  
16 Fund.

17 § 3906. Report of suspicious transactions.

18 (a) Duty.--An establishment licensee or terminal operator  
19 licensee or a person acting on behalf of an establishment  
20 licensee or terminal operator licensee shall, on a form and in a  
21 manner as required by the bureau, notify the bureau of a  
22 suspicious transaction.

23 (b) Failure to report.--

24 (1) A person that is required to file a report of a  
25 suspicious transaction under this section and knowingly fails  
26 to file the report or that knowingly causes another person  
27 having that responsibility to fail to file the report commits  
28 a misdemeanor of the third degree.

29 (2) A person required to file a report of a suspicious  
30 transaction under this section and fails to file the report  
31 or a person that causes another person required under this  
32 section to file the report to fail to file the report shall  
33 be strictly liable for the person's actions and may be  
34 subject to sanction under section 3905(c) (relating to  
35 prohibited acts and penalties).

36 (c) Bureau.--The bureau shall maintain a record of all  
37 reports made under this section for a period of five years. The  
38 bureau shall make the reports available to any Federal or State  
39 law enforcement agency upon written request and without  
40 necessity of subpoena.

41 (d) Notice prohibited.--

42 (1) A person that is required to file a report of a  
43 suspicious transaction under this section may not notify an  
44 individual suspected of committing the suspicious transaction  
45 that the transaction has been reported.

46 (2) A person that violates this subsection commits a  
47 misdemeanor of the third degree and may be subject to  
48 sanction under section 3905(c).

49 (e) Immunity.--A person that is required to file a report of  
50 a suspicious transaction under this section and in good faith  
51 makes the report shall not be liable in any civil action brought

1 by a person for making the report, regardless of whether the  
2 transaction is later determined to be a suspicious transaction.

3 (f) Sanctions.--

4 (1) In considering appropriate administrative sanctions  
5 against a person for violating this section, the board shall  
6 consider all of the following:

7 (i) The risk to the public and to the integrity of  
8 gaming operations created by the conduct of the person.

9 (ii) The seriousness of the conduct of the person  
10 and whether the conduct was purposeful and with knowledge  
11 that it was in contravention of the provisions of this  
12 part or regulations promulgated under this part.

13 (iii) Justification or excuse for the conduct by the  
14 person.

15 (iv) The prior history of the particular licensee or  
16 person involved with respect to video gaming terminal  
17 activity.

18 (v) The corrective action taken by the establishment  
19 licensee or terminal operator licensee to prevent future  
20 misconduct of a like nature from occurring.

21 (vi) In the case of a monetary penalty, the amount  
22 of the penalty in relation to the severity of the  
23 misconduct and the financial means of the licensee or  
24 person. The board may impose any schedule or terms of  
25 payment of such penalty as it may deem appropriate.

26 (2) It shall be no defense to disciplinary action before  
27 the board that a person inadvertently, unintentionally or  
28 unknowingly violated this section. The factors enumerated  
29 under paragraph (1) shall only apply to the degree of the  
30 penalty to be imposed by the board and not to a finding of a  
31 violation itself.

32 (g) Regulations.--The board shall promulgate regulations to  
33 effectuate the purposes of this section.

34 § 3907. Additional authority.

35 (a) Petition for access to agency information.--

36 (1) The director of the Office of Enforcement Counsel  
37 within the bureau may petition a court of record having  
38 jurisdiction over information in the possession of an agency  
39 in this Commonwealth or, if there is no such court, then the  
40 Commonwealth Court for authorization to review or obtain  
41 information in the possession of an agency in this  
42 Commonwealth by averring specific facts demonstrating that:

43 (i) The agency has in its possession information  
44 material to a pending investigation or inquiry being  
45 conducted by the bureau pursuant to this part.

46 (ii) Disclosure or release of the information is in  
47 the best interest of the Commonwealth.

48 (2) The petition shall request that the court enter a  
49 rule upon the agency to show cause why the agency should not  
50 be directed to disclose to the bureau, or identified agents  
51 thereof, information in the agency's possession about any

1 pending matter under the jurisdiction of the bureau pursuant  
2 to this part.

3 (3) If the respondent is a local agency, a copy of a  
4 rule issued pursuant to this section shall be provided to the  
5 district attorney of the county in which the local agency is  
6 located and the Office of Attorney General.

7 (4) Upon request of a local agency, the district  
8 attorney or the Attorney General may elect to enter an  
9 appearance to represent the local agency in the proceedings.

10 (b) Procedure.--

11 (1) The filing of a petition pursuant to this section  
12 and related proceedings shall be in accordance with court  
13 rule, including issuance as of course.

14 (2) A party to the proceeding may not disclose the  
15 filing of a petition or answer or the receipt, content or  
16 disposition of a rule or order issued pursuant to this  
17 section, without leave of court.

18 (3) A party to the proceedings may request that the  
19 record be sealed and proceedings be closed. The court shall  
20 grant the request if it is in the best interest of a person  
21 or the Commonwealth to do so.

22 (c) Court determination.--

23 (1) Following review of the record, the court shall  
24 grant the relief sought by the director of the Office of  
25 Enforcement Counsel if the court determines that:

26 (i) The agency has in its possession information  
27 material to the investigation or inquiry.

28 (ii) Disclosure or release of the information is in  
29 the best interest of the Commonwealth.

30 (iii) The disclosure or release of the information  
31 is not otherwise prohibited by statute or regulation.

32 (iv) The disclosure or release of the information  
33 would not inhibit an agency in the performance of the  
34 agency's duties.

35 (2) If the court so determines, the court shall enter an  
36 order authorizing and directing the information be made  
37 available for review in camera.

38 (d) Release of materials or information.--

39 (1) If, after an in-camera review by the court, the  
40 director of the Office of Enforcement Counsel seeks to obtain  
41 copies of materials in the agency's possession, the court  
42 may, if not otherwise prohibited by statute or regulation,  
43 enter an order that the requested materials be provided.

44 (2) An order authorizing the release of materials or  
45 other information shall contain direction regarding the  
46 safekeeping and use of the materials or other information  
47 sufficient to satisfy the court that the materials or  
48 information will be sufficiently safeguarded.

49 (3) In making the determination under paragraph (2) the  
50 court shall consider input of the agency in possession of the  
51 information and input from any agency with which the

information originated concerning a pending investigation or ongoing matter and the safety of person and property.

(e) Modification of order.--

(1) If subsequent investigation or inquiry by the bureau warrants modification of an order entered pursuant to this section, the director of the Office of Enforcement Counsel may petition to request modification of the order.

(2) Upon the request, the court may modify the order at any time and in any manner it deems necessary and appropriate.

(3) The agency named in the original petition shall be given notice and an opportunity to be heard.

(f) Use of information or materials.--A person who, by any means authorized by this section, has obtained knowledge of information or materials solely pursuant to this section may use the information or materials in a manner consistent with any direction imposed by the court and appropriate to the proper performance of the person's duties under this part.

(g) Violation.--In addition to the remedies and penalties provided in this part, a violation of the provisions of this section may be punished as contempt of court.

(h) Definition.--As used in this section, the term "agency" shall mean a "Commonwealth agency" or a "local agency" as those terms are defined in section 102 of the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

§ 3908. Detention.

(a) General rule.--A peace officer who has probable cause to believe that criminal violation of this part has occurred or is occurring on or about an establishment licensee's premises and who has probable cause to believe that a specific individual has committed or is committing the criminal violation may detain the individual in a reasonable manner for a reasonable time on the premises of the establishment licensee to require the suspect to identify himself, to verify such identification or to inform a peace officer.

(b) Immunity.--A peace officer shall not be subject to civil or criminal liability for detention of an individual in accordance with subsection (a).

## CHAPTER 41

### REVENUES

Sec.

4101. Fees.

4102. Taxes and assessments.

4103. Distribution of local share.

4104. Regulatory assessments.

4105. Transfers from Video Gaming Fund.

§ 4101. Fees.

(a) Application fees.--The following nonrefundable application fees shall accompany an application for the following licenses or permits applied for under Chapter 35 (relating to application and licensure):

1       (1) For a manufacturer or supplier license, \$50,000.  
2       (2) For a terminal operator license, \$25,000.  
3       (3) For an establishment license, \$1,000.  
4       (4) For a key employee or principal license, \$500.  
5       (5) For any other authorization or permit authorized by  
6       this part, an amount established by the board, through  
7       regulation, which may not exceed \$100.

8       (b) Initial license and renewal fees.--The following  
9       nonrefundable fees shall be required upon issuance of an initial  
10       license and shall accompany an application for renewal for the  
11       following licenses or permits under Chapter 35:

12       (1) For a manufacturer or supplier license, \$10,000.  
13       (2) For a terminal operator license, \$5,000.  
14       (3) For an establishment license, an amount equal to  
15       \$250 per each video gaming terminal in operation at the  
16       premises of the establishment licensee.  
17       (4) For a key employee, procurement agent license or  
18       principal license, \$500.  
19       (5) For any other authorization or license authorized by  
20       this part, an amount established by the board, through  
21       regulation, which may not exceed \$100.

22       (c) Terminal increase fee.--An establishment licensee that  
23       increases the total number of video gaming terminals within the  
24       establishment after submission of the renewal fee required in  
25       subsection (b) shall provide the board with a \$250 renewal fee  
26       for each additional video gaming terminal added to the  
27       establishment within 60 days of installation of each additional  
28       video gaming terminal.

29       (d) Deposit of fees.--Fees collected under this section  
30       shall be deposited into the General Fund.  
31       § 4102. Taxes and assessments.

32       (a) Fund established.--The Video Gaming Fund is established  
33       in the State Treasury. Money in the fund is hereby appropriated  
34       to the department on a continuing basis for the purposes under  
35       subsection (c).

36       (b) Video gaming terminal tax and assessments.--

37       (1) The department shall determine and each terminal  
38       operator licensee shall pay on a bimonthly basis:  
39       (i) A tax of 42% of its gross terminal revenue from  
40       all video gaming terminals operated by the terminal  
41       operator licensee within this Commonwealth.

42       (ii) A 10% local share assessment from its gross  
43       terminal revenue.

44       (iii) A regulatory assessment established in section  
45       4104 (relating to regulatory assessments) from the  
46       terminal operator licensee's weekly gross terminal  
47       revenue.

48       (2) All money owed under this section shall be held in  
49       trust by the terminal operator licensee until the money is  
50       paid or transferred to the Video Gaming Fund.

51       (3) Unless otherwise agreed to by the board, a terminal

1 operator licensee shall establish a separate bank account to  
2 maintain gross terminal revenue until such time as the money  
3 is paid or transferred under this section.

4 (c) Transfers and distributions.--The department shall:

5 (1) Transfer the tax imposed under subsection (b) to the  
6 Video Gaming Fund.

7 (2) (Reserved).

8 (3) Transfer the regulatory assessment imposed under  
9 subsection (b) in accordance with section 4104.

10 § 4103. Distribution of local share.

11 (a) Distribution.--

12 (1) (Reserved).

13 (2) The department shall on a quarterly basis deposit  
14 the local share assessment imposed under section 4102(b)(1)  
15 (ii) (relating to taxes and assessments) into a restricted  
16 receipts account to be established in the Commonwealth  
17 Financing Authority to be used exclusively for grants for  
18 projects in the public interest within the Commonwealth.

19 (b) Duty of terminal operator.--A terminal operator licensee  
20 shall continuously provide the department with records,  
21 documents or other information necessary to effectuate the  
22 requirements of subsection (a).

23 § 4104. Regulatory assessments.

24 (a) Accounts established.--The State Treasurer shall  
25 establish within the State Treasury an account for each terminal  
26 operator for the deposit of a regulatory assessment amount  
27 required under subsection (b) to recover costs or expenses  
28 incurred by the board, the department, the Pennsylvania State  
29 Police and the Office of Attorney General in carrying out their  
30 powers and duties under this part based upon a budget submitted  
31 by the department under subsection (c).

32 (b) Bi-monthly deposits.--

33 (1) The department shall determine the appropriate  
34 assessment amount for each terminal operator licensee, which  
35 shall be a percentage assessed on the terminal operator  
36 licensee's bi-monthly gross terminal revenue.

37 (2) The percentage assessed shall not exceed an amount  
38 equal to the costs or expenses incurred by the board, the  
39 department, the Pennsylvania State Police or the Office of  
40 Attorney General in carrying out their powers and duties  
41 under this part based upon a budget submitted by the  
42 department under subsection (c).

43 (c) Itemized budget reporting.--

44 (1) The department shall prepare and annually submit to  
45 the chairperson and minority chairperson of the  
46 Appropriations Committee of the Senate and the chairperson  
47 and minority chairperson of the Appropriations Committee of  
48 the House of Representatives an itemized budget consisting of  
49 amounts to be appropriated out of the accounts established  
50 under this section necessary to administer this part.

51 (2) As soon as practicable after submitting copies of

1 the itemized budget, the department shall submit to the  
2 chairperson and minority chairperson of the Appropriations  
3 Committee of the Senate and the chairperson and minority  
4 chairperson of the Appropriations Committee of the House of  
5 Representatives analyses of and recommendations regarding the  
6 itemized budget.

7 (3) The itemized budget required under paragraph (1)  
8 shall be submitted in conjunction with the budget required to  
9 be submitted under section 1202(b)(28) (relating to general  
10 and specific powers).

11 (d) Appropriation.--

12 (1) Costs and expenses may be paid from the accounts  
13 established under subsection (a) only upon appropriation by  
14 the General Assembly.

15 (2) If the total costs or expenses incurred by the  
16 board, the department, the Pennsylvania State Police or the  
17 Office of Attorney General exceed the amounts available in  
18 the accounts established under subsection (a), the General  
19 Assembly may appropriate additional amounts to the board, the  
20 department, the Pennsylvania State Police or the Office of  
21 Attorney General from the Video Gaming Fund.

22 § 4105. Transfers from Video Gaming Fund.

23 (a) Transfer for compulsive and problem gambling  
24 treatment.--On June 30, 2018, and on the last day of each fiscal  
25 year thereafter, the State Treasurer shall transfer from the  
26 Video Gaming Fund an amount equal to 0.002 multiplied by the  
27 total gross terminal revenue of all terminal operator licensees  
28 to the Compulsive and Problem Gambling Treatment Fund  
29 established in section 1509 (relating to compulsive and problem  
30 gambling program).

31 (b) General Fund transfer.--On June 30, 2018, and on the  
32 last day of each fiscal year thereafter, the State Treasurer  
33 shall transfer the remaining balance in the Video Gaming Fund  
34 that is not transferred under subsection (a) to the General  
35 Fund.

## 36 CHAPTER 43

### 37 ETHICS

38 Sec.

39 4301. Board code of conduct.

40 4302. Additional board restrictions.

41 4303. Financial and employment interests.

42 4304. Additional restrictions.

43 4305. Political influence.

44 § 4301. Board code of conduct.

45 (a) Update required.--The board shall update the  
46 comprehensive code of conduct established under section 1202.1  
47 (relating to code of conduct) prior to the consideration of a  
48 license, permit or other authorization under this part in order  
49 to avoid a perceived or actual conflict of interest and to  
50 promote public confidence in the integrity and impartiality of  
51 the board as related to video gaming. At a minimum, the updated



1 code of conduct adopted under this section shall include  
2 registration of licensed entity representatives under subsection  
3 (b) and the restrictions under subsection (c) as they relate to  
4 video gaming.

5 (b) Registration.--

6 (1) A licensed entity representative shall register with  
7 the board in a manner prescribed by the board. The  
8 registration shall include the name, employer or firm,  
9 business address and business telephone number of both the  
10 licensed entity representative and any licensed entity,  
11 applicant for licensure or other person being represented.

12 (2) A licensed entity representative shall update the  
13 registration information on an ongoing basis and failure to  
14 do so shall be punishable by the board.

15 (3) The board shall maintain a registration list that  
16 contains the information required under paragraph (1). The  
17 list shall be available on the board's publicly accessible  
18 Internet website.

19 (c) Restrictions.--In addition to the other prohibitions  
20 contained in this part, a member of the board shall:

21 (1) Not accept a discount, gift, gratuity, compensation,  
22 travel, lodging or other thing of value, directly or  
23 indirectly, from an applicant, licensed entity, affiliate,  
24 subsidiary or intermediary of an applicant or a licensed  
25 entity, registrant or licensed entity representative.

26 (2) Disclose and recuse himself from a hearing or other  
27 proceeding in which the member's objectivity, impartiality,  
28 integrity or independence of judgment may be reasonably  
29 questioned due to the member's relationship or association  
30 with a party connected to a hearing or proceeding or a person  
31 appearing before the board.

32 (3) Refrain from financial or business dealing that  
33 would tend to reflect adversely on the member's objectivity,  
34 impartiality or independence of judgment.

35 (4) (i) Not solicit funds for a charitable,  
36 educational, religious, health, fraternal, civic or other  
37 nonprofit entity from an applicant, licensed entity,  
38 party, registrant or licensed entity representative or  
39 from an affiliate, subsidiary, intermediary or holding  
40 company of an applicant, licensed entity, party or  
41 licensed entity representative.

42 (ii) Subject to the provisions of section 1201(h)  
43 (4.1) (relating to Pennsylvania Gaming Control Board  
44 established), a member may serve as an officer, employee  
45 or member of the governing body of a nonprofit entity and  
46 may attend, make personal contributions to and plan or  
47 preside over the entity's fundraising events.

48 (iii) A member may permit their name to appear on  
49 the letterhead used for fundraising events if the  
50 letterhead contains only the member's name and position  
51 with the nonprofit entity.

1       (5) (i) Not meet or engage in discussions with an  
2       applicant, licensed entity, registrant, licensed entity  
3       representative, person who provides goods, property or  
4       services to a terminal operator licensee or another  
5       person or entity under the jurisdiction of the board  
6       unless the meeting or discussion occurs on the business  
7       premises of the board and is recorded in a log.

8       (ii) The log shall be posted on the board's publicly  
9       accessible Internet website.

10       (iii) The log must include the date and time of the  
11       meeting or discussion, the names of the participants and  
12       the subject discussed.

13       (iv) The provisions of this paragraph shall not  
14       apply to a meeting that considers matters requiring the  
15       physical inspection of the equipment or premises of an  
16       applicant or a licensed entity, if the meeting is entered  
17       in the log.

18       (6) Avoid impropriety and the appearance of impropriety  
19       at all times and observe standards and conduct that promote  
20       public confidence in the oversight of video gaming.

21       (7) Comply with other laws, rules or regulations  
22       relating to the conduct of a member.

23       § 4302. Additional board restrictions.

24       (a) Board restrictions.--The following shall apply to a  
25       board member or employee of the board whose duties substantially  
26       involve licensing, enforcement, development of law, promulgation  
27       of regulations or development of policy relating to gaming under  
28       this part or who has other discretionary authority which may  
29       affect or influence the outcome of an action, proceeding or  
30       decision under this part:

31       (1) The individual may not, for a period of two years  
32       following termination of employment, accept employment with  
33       or be retained by an applicant or a licensed entity or by an  
34       affiliate, intermediary, subsidiary or holding company of an  
35       applicant or a licensed entity.

36       (2) The individual may not, for a period of two years  
37       following termination of employment, appear before the board  
38       in a hearing or proceeding or participate in activity on  
39       behalf of an applicant, licensee or licensed entity or on  
40       behalf of an affiliate, intermediary, subsidiary or holding  
41       company of an applicant, licensee or licensed entity.

42       (3) (i) An applicant or a licensed entity or an  
43       affiliate, intermediary, subsidiary or holding company of  
44       an applicant or a licensed entity may not, until the  
45       expiration of two years following termination of  
46       employment, employ or retain the individual.

47       (ii) Violation of this subparagraph shall result in  
48       termination of the individual's employment and subject  
49       the violator to section 3905(c) (relating to prohibited  
50       acts and penalties).

51       (4) (i) A prospective employee who, upon employment,

1 would be subject to this subsection must, as a condition  
2 of employment, sign an affidavit that the prospective  
3 employee will not violate paragraph (1) or (2).

4 (ii) If the prospective employee fails to sign the  
5 affidavit, the board shall rescind an offer of employment  
6 and may not employ the individual.

7 (b) Contractor restrictions.--The following shall apply to  
8 an independent contractor of the board and to an employee of an  
9 independent contractor whose duties substantially involve  
10 consultation relating to licensing, enforcement, development of  
11 law, promulgation of regulations or development of policy  
12 relating to video gaming under this part:

13 (1) The person may not, for a period of one year  
14 following termination of the contract with the board, be  
15 retained by an applicant or a licensed entity or by an  
16 affiliate, intermediary, subsidiary or holding company of an  
17 applicant or a licensed entity.

18 (2) The person may not, for a period of two years  
19 following termination of the contract with the board, appear  
20 before the board in a hearing or proceeding or participate in  
21 activity on behalf of an applicant, licensee or licensed  
22 entity or on behalf of an affiliate, intermediary, subsidiary  
23 or holding company of an applicant, licensee or licensed  
24 entity.

25 (3) (i) An applicant or a licensed entity or an  
26 affiliate, intermediary, subsidiary or holding company of  
27 an applicant or a licensee may not, until the expiration  
28 of one year following termination of the contract with  
29 the board, employ or retain the person.

30 (ii) A knowing violation of this subparagraph shall  
31 result in termination of the person's employment and  
32 subject the violator to section 3905(c).

33 (4) (i) Each contract between the board and an  
34 independent contractor that involves the duties specified  
35 in this subsection shall contain a provision requiring  
36 the independent contractor to sign an affidavit that the  
37 independent contractor will not violate paragraph (1) or  
38 (2).

39 (ii) If the independent contractor fails to sign the  
40 affidavit, the board may not enter into the contract or  
41 must terminate the contract.

42 (5) (i) An independent contractor shall require a  
43 prospective employee whose employment would involve the  
44 duties specified in this subsection to sign an affidavit  
45 that the prospective employee will not violate paragraph  
46 (1) or (2).

47 (ii) If the prospective employee fails to sign the  
48 affidavit, the independent contractor shall rescind an  
49 offer of employment and may not employ the individual.

50 (c) Construction.--Nothing under subsection (a) or (b) shall  
51 be construed to prevent a current or former employee of the

1 board, a current or former independent contractor or a current  
2 or former employee of an independent contractor from appearing  
3 before the board in a hearing or proceeding as a witness or  
4 testifying as to any fact or information.

5 (d) Ethics commission.--

6 (1) The State Ethics Commission shall issue a written  
7 determination of whether a person is subject to subsection  
8 (a) or (b) upon the written request of the person or the  
9 person's employer or potential employer. A person that relies  
10 in good faith on a determination issued under this paragraph  
11 shall not be subject to a penalty for an action taken,  
12 provided that all material facts specified in the request for  
13 the determination are correct.

14 (2) (i) The State Ethics Commission shall publish a  
15 list of all employment positions within the board and  
16 employment positions within independent contractors whose  
17 duties would subject the individuals in those positions  
18 to the provisions of subsections (a) and (b).

19 (ii) The board and each independent contractor shall  
20 assist the State Ethics Commission in the development of  
21 the list, which shall be published by the State Ethics  
22 Commission in the Pennsylvania Bulletin biennially and  
23 posted by the board on the board's publicly accessible  
24 Internet website.

25 (iii) Upon request, employees of the board and each  
26 independent contractor shall provide the State Ethics  
27 Commission with adequate information to accurately  
28 develop and maintain the list.

29 (iv) The State Ethics Commission may impose a civil  
30 penalty under 65 Pa.C.S. § 1109(f) (relating to  
31 penalties) upon an individual who fails to cooperate with  
32 the State Ethics Commission under this paragraph.

33 (v) An individual who relies in good faith on the  
34 list published by the State Ethics Commission shall not  
35 be subject to a penalty for a violation of subsection (a)  
36 or (b).

37 § 4303. Financial and employment interests.

38 (a) Financial interests.--Except as may be provided for the  
39 judiciary by rule or order of the Pennsylvania Supreme Court, an  
40 executive-level public employee, public official or party  
41 officer, or an immediate family member thereof, shall not  
42 intentionally or knowingly hold a financial interest in an  
43 applicant or a licensee, or in a holding company, affiliate,  
44 intermediary or subsidiary thereof, while the individual is an  
45 executive-level public employee, public official or party  
46 officer and for one year following termination of the  
47 individual's status as an executive-level public employee,  
48 public official or party officer.

49 (b) Employment.--Except as may be provided by rule or order  
50 of the Pennsylvania Supreme Court and except as provided in  
51 section 1202.1 (relating to code of conduct) or 4304 (relating

1 to additional restrictions), no executive-level public employee,  
2 public official or party officer, or an immediate family member  
3 thereof, shall be employed by an applicant or licensee, or by a  
4 holding company, affiliate, intermediary or subsidiary thereof,  
5 while the individual is an executive-level public employee,  
6 public official or party officer and for one year following  
7 termination of the individual's status as an executive-level  
8 public employee, public official or party officer.

9 (c) Complimentary services.--

10 (1) No executive-level public employee, public official  
11 or party officer, or an immediate family member thereof,  
12 shall solicit or accept a complimentary service from an  
13 applicant or licensee, or from an affiliate, intermediary,  
14 subsidiary or holding company thereof, which the executive-  
15 level public employee, public official or party officer, or  
16 an immediate family member thereof, knows or has reason to  
17 know is other than a service or discount which is offered to  
18 members of the general public in like circumstances.

19 (2) No applicant or licensee, or an affiliate,  
20 intermediary, subsidiary or holding company thereof, shall  
21 offer or deliver to an executive-level public employee,  
22 public official or party officer, or an immediate family  
23 member thereof, a complimentary service from the applicant or  
24 licensee, or an affiliate, intermediary, subsidiary or  
25 holding company thereof, that the applicant or licensee, or  
26 an affiliate, intermediary, subsidiary or holding company  
27 thereof, knows or has reason to know is other than a service  
28 or discount that is offered to members of the general public  
29 in like circumstances.

30 (d) Grading.--An individual who violates this section  
31 commits a misdemeanor of the third degree and shall, upon  
32 conviction, be sentenced to pay a fine of not more than \$1,000  
33 or to imprisonment for not more than one year, or both.

34 (e) Divestiture.--

35 (1) An executive-level public employee, public official  
36 or party officer, or an immediate family member thereof, who  
37 holds a financial interest prohibited by this section shall  
38 divest the financial interest within three months of the  
39 effective date of this section, as applicable.

40 (2) An executive-level public employee, public official,  
41 party officer or immediate family member shall have 30 days  
42 from the date the individual knew or had reason to know of  
43 the violation or 30 days from the publication in the  
44 Pennsylvania Bulletin under section 3301(b)(12) (relating to  
45 powers of board) of the application or licensure of the  
46 executive-level public employee, public official, party  
47 officer or immediate family member, whichever occurs earlier,  
48 to divest the financial interest.

49 (3) The State Ethics Commission may, for good cause,  
50 extend the time period under this subsection.

51 (f) State Ethics Commission.--The State Ethics Commission

1 shall do all of the following:

2 (1) (i) Issue a written determination of whether a  
3 person is subject to subsection (a), (b) or (c) upon the  
4 written request of the person or another person that may  
5 have liability for an action taken with respect to the  
6 person.

7 (ii) A person that relies in good faith on a  
8 determination made under this paragraph shall not be  
9 subject to penalty for an action taken, provided that all  
10 material facts specified in the request for the  
11 determination are correct.

12 (2) (i) Publish a list of all State, county, municipal  
13 and other government positions that meet the definitions  
14 of "public official" as defined under subsection (g) or  
15 "executive-level public employee" as defined under  
16 section 3102 (relating to definitions).

17 (ii) The Office of Administration shall assist the  
18 State Ethics Commission in the development of the list,  
19 which list shall be published by the State Ethics  
20 Commission in the Pennsylvania Bulletin biennially and  
21 posted by the board on the board's publicly accessible  
22 Internet website.

23 (iii) Upon request, a public official shall provide  
24 the State Ethics Commission with adequate information to  
25 accurately develop and maintain the list.

26 (iv) The State Ethics Commission may impose a civil  
27 penalty under 65 Pa.C.S. § 1109(f) (relating to  
28 penalties) upon an individual, including a public  
29 official or executive-level public employee, who fails to  
30 cooperate with the State Ethics Commission under this  
31 subsection.

32 (v) A person that relies in good faith on the list  
33 published by the State Ethics Commission shall not be  
34 subject to penalty for a violation of this section.

35 (g) Definitions.--As used in this section, the following  
36 words and phrases shall have the meanings given to them in this  
37 subsection unless the context clearly indicates otherwise:

38 "Applicant." A person applying for a manufacturer license,  
39 supplier license or terminal operator license under this part.

40 "Financial interest." Owning or holding, or being deemed to  
41 hold, debt or equity securities or other ownership interest or  
42 profits interest. A financial interest shall not include a debt  
43 or equity security, or other ownership interest or profits  
44 interest, which is held or deemed to be held in any of the  
45 following:

46 (1) A blind trust over which the executive-level public  
47 employee, public official, party officer or immediate family  
48 member thereof may not exercise any managerial control or  
49 receive income during the tenure of office and the period  
50 under subsection (a). The provisions of this paragraph shall  
51 apply only to blind trusts established prior to the effective

1 date of this section.

2 (2) Securities that are held in a pension plan, profit-  
3 sharing plan, individual retirement account, tax-sheltered  
4 annuity, a plan established pursuant to section 457 of the  
5 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
6 1 et seq.) or a successor provision deferred compensation  
7 plan whether qualified or not qualified under the Internal  
8 Revenue Code of 1986 or any successor provision or other  
9 retirement plan that:

10 (i) is not self-directed by the individual; and

11 (ii) is advised by an independent investment adviser  
12 who has sole authority to make investment decisions with  
13 respect to contributions made by the individual to these  
14 plans.

15 (3) A tuition account plan organized and operated under  
16 section 529 of the Internal Revenue Code of 1986 that is not  
17 self-directed by the individual.

18 (4) A mutual fund where the interest owned by the mutual  
19 fund in a licensed entity does not constitute a controlling  
20 interest as defined in this part.

21 "Immediate family." A spouse, minor child or unemancipated  
22 child.

23 "Licensee." A manufacturer licensee, supplier licensee or a  
24 terminal operator licensee.

25 "Party officer." A member of a national committee; a  
26 chairperson, vice chairperson, secretary, treasurer or counsel  
27 of a State committee or member of the executive committee of a  
28 State committee; a county chairperson, vice chairperson,  
29 counsel, secretary or treasurer of a county committee in which a  
30 licensed facility is located; or a city chairperson, vice  
31 chairperson, counsel, secretary or treasurer of a city committee  
32 of a city in which a licensed facility is located.

33 "Public official." The term shall include the following:

34 (1) The Governor, Lieutenant Governor, a member of the  
35 Governor's cabinet, State Treasurer, Auditor General and  
36 Attorney General of the Commonwealth.

37 (2) A member of the Senate or House of Representatives  
38 of the Commonwealth.

39 (3) An individual elected or appointed to an office of a  
40 county or municipality that directly receives a distribution  
41 of revenue under this part.

42 (4) An individual elected or appointed to a department,  
43 agency, board, commission, authority or other governmental  
44 body not included in paragraph (1), (2) or (3) that directly  
45 receives a distribution of revenue under this part.

46 (5) An individual elected or appointed to a department,  
47 agency, board, commission, authority, county, municipality or  
48 other governmental body not included in paragraph (1), (2) or  
49 (3) with discretionary power that may influence or affect the  
50 outcome of an action or decision and who is involved in the  
51 development of regulation or policy relating to a licensed

1 entity or is involved in other matters under this part.

2 § 4304. Additional restrictions.

3 (a) Restrictions.--

4 (1) No individual trooper or employee of the  
5 Pennsylvania State Police or employee of the Office of  
6 Attorney General or the department whose duties substantially  
7 involve licensing or enforcement, the development of laws or  
8 the development or adoption of regulations or policy related  
9 to gaming under this part or who has other discretionary  
10 authority that may affect or influence the outcome of an  
11 action, proceeding or decision under this part may do any of  
12 the following:

13 (i) Accept employment with or be retained by an  
14 applicant or licensed entity, or an affiliate,  
15 intermediary, subsidiary or holding company of an  
16 applicant or licensed entity, for a period of two years  
17 after the termination of employment.

18 (ii) (A) Appear before the board in a hearing or  
19 proceeding or participate in other activity on behalf  
20 of an applicant, licensee or licensed entity, or an  
21 affiliate, intermediary, subsidiary or holding  
22 company of an applicant, licensee or licensed entity,  
23 for a period of two years after termination of  
24 employment.

25 (B) Nothing in this paragraph shall be construed  
26 to prevent a current or former trooper or employee of  
27 the Pennsylvania State Police, the Office of Attorney  
28 General or the department from appearing before the  
29 board in a proceeding or hearing as a witness or  
30 testifying as to a fact or information.

31 (2) As a condition of employment, a potential employee  
32 who would be subject to this subsection shall sign an  
33 affidavit that the individual will not accept employment with  
34 or be retained by an applicant or licensed entity, or an  
35 affiliate, intermediary, subsidiary or holding company of an  
36 applicant or licensed entity, for a period of two years after  
37 the termination of employment.

38 (b) Employment or retention.--

39 (1) No applicant or licensed entity or an affiliate,  
40 intermediary, subsidiary or holding company of an applicant  
41 or licensed entity may employ or retain an individual subject  
42 to subsection (a) until the expiration of the period required  
43 in subsection (a)(1)(i).

44 (2) An applicant or licensed entity, or an affiliate,  
45 intermediary, subsidiary or holding company of an applicant  
46 or licensed entity, that knowingly employs or retains an  
47 individual in violation of this subsection shall terminate  
48 the employment of the individual and be subject to penalty  
49 under section 1518(c) (relating to prohibited acts;  
50 penalties).

51 (c) Violation.--If an individual subject to subsection (a)



1 refuses or otherwise fails to sign an affidavit, the  
2 individual's potential employer shall rescind the offer of  
3 employment.

4 (d) Code of conduct.--

5 (1) The Pennsylvania State Police, Office of Attorney  
6 General and department each shall adopt a comprehensive code  
7 of conduct that supplements all other requirements under this  
8 part and 65 Pa.C.S. Pt. II (relating to accountability), as  
9 applicable, and shall provide guidelines applicable to  
10 troopers, employees, independent contractors of the agency  
11 whose duties substantially involve licensing or enforcement,  
12 the development of laws or the development or adoption of  
13 regulations or policy related to video gaming under this part  
14 or who have other discretionary authority that may affect the  
15 outcome of an action, proceeding or decision under this part,  
16 and the immediate families of these individuals to enable  
17 them to avoid a perceived or actual conflict of interest and  
18 to promote public confidence in the integrity and  
19 impartiality of video gaming enforcement and regulation.

20 (2) At a minimum, the code of conduct adopted under this  
21 section shall apply the types of restrictions applicable to  
22 members under section 1202.1(c) (relating to code of  
23 conduct), except that the restrictions under section  
24 1202.1(c) (5) shall not apply to an elected Attorney General.

25 (e) State Ethics Commission.--The State Ethics Commission  
26 shall do all of the following:

27 (1) (i) Issue a written determination of whether an  
28 individual is subject to subsection (a) upon the written  
29 request of the individual or the individual's employer or  
30 potential employer.

31 (ii) A person that relies in good faith on a  
32 determination made under this paragraph shall not be  
33 subject to penalty for an action taken, provided that all  
34 material facts specified in the request for the  
35 determination are correct.

36 (2) (i) Publish a list of all positions within the  
37 Pennsylvania State Police, the Office of Attorney General  
38 and the department the duties of which would subject the  
39 individuals in those positions to the provisions of  
40 subsection (a).

41 (ii) Each agency subject to this subsection shall  
42 assist the State Ethics Commission in the development of  
43 the list, which list shall be published by the State  
44 Ethics Commission in the Pennsylvania Bulletin  
45 biennially, shall be posted by the board on the board's  
46 publicly accessible Internet website and shall be posted  
47 by each agency on the agency's publicly accessible  
48 Internet website.

49 (iii) Upon request by the State Ethics Commission,  
50 members and employees of each agency subject to this  
51 subsection shall provide the State Ethics Commission with

1 adequate information to accurately develop and maintain  
2 the list.

3 (iv) The State Ethics Commission may impose a civil  
4 penalty under 65 Pa.C.S. § 1109(f) (relating to  
5 penalties) upon an individual who fails to cooperate with  
6 the State Ethics Commission under this subsection.

7 (v) A person who relies in good faith on the list  
8 published by the State Ethics Commission shall not be  
9 subject to penalty for a violation of subsection (a).

10 § 4305. Political influence.

11 (a) Contribution restriction.--The following persons shall  
12 be prohibited from contributing money or an in-kind contribution  
13 to a candidate for nomination or election to a public office in  
14 this Commonwealth, to a political party committee or other  
15 political committee in this Commonwealth or to a group,  
16 committee or association organized in support of a candidate,  
17 political party committee or other political committee in this  
18 Commonwealth:

19 (1) An applicant for a terminal operator license,  
20 manufacturer license, supplier license, principal license or  
21 a key employee license.

22 (2) A terminal operator licensee, manufacturer licensee  
23 or supplier licensee.

24 (3) A licensed principal or licensed key employee of a  
25 terminal operator licensee, manufacturer licensee or supplier  
26 licensee.

27 (4) An affiliate, intermediary, subsidiary or holding  
28 company of a terminal operator licensee, manufacturer  
29 licensee or supplier licensee.

30 (5) A licensed principal or licensed key employee of an  
31 affiliate, intermediary, subsidiary or holding company of a  
32 terminal operator licensee, manufacturer licensee or supplier  
33 licensee.

34 (6) A person who holds a similar video gaming license in  
35 another jurisdiction and the affiliates, intermediaries,  
36 subsidiaries, holding companies, principals or key employees  
37 thereof.

38 (b) Contributions to certain associations and organizations  
39 barred.--No individual prohibited from making political  
40 contributions under subsection (a) may make a political  
41 contribution of money or an in-kind contribution to an  
42 association or organization, including a nonprofit organization,  
43 that has been solicited by, or knowing that the contribution or  
44 a portion thereof will be contributed to, the elected official,  
45 executive-level public employee or candidate for nomination or  
46 election to a public office in this Commonwealth.

47 (c) Internet website.--

48 (1) The board shall establish a publicly accessible  
49 Internet website that includes a list of all applicants for  
50 and holders of a terminal operator license, manufacturer  
51 license or supplier license and the affiliates,

1 intermediaries, holding companies, principals and key  
2 employees thereof, all persons holding a similar video gaming  
3 license in another jurisdiction, and the affiliates,  
4 intermediaries, holding companies, principals and key  
5 employees thereof, and other entity in which the applicant or  
6 licensee has a debt or an equity security or other ownership  
7 or profits interest. An applicant or licensee shall notify  
8 the board within seven days of the discovery of a change in  
9 or addition to the information.

10 (2) No individual who acts in good faith and in reliance  
11 on the information on the board's publicly accessible  
12 Internet website shall be subject to penalty or liability  
13 imposed for a violation of this section.

14 (3) The board shall request the information required  
15 under paragraph (1) from a person licensed in another  
16 jurisdiction who does not hold a license in this Commonwealth  
17 and from regulatory agencies in the other jurisdiction. If a  
18 person who is a licensee in another jurisdiction refuses to  
19 provide the information required under paragraph (1), the  
20 person and its officers, directors or persons with a  
21 controlling interest shall be ineligible to receive a license  
22 under this part.

23 (d) Annual certification.--The chief executive officer, or  
24 other appropriate individual, of each applicant for a terminal  
25 operator license, manufacturer license or supplier license, or  
26 manufacturer licensee, supplier licensee or terminal operator  
27 licensee, shall annually certify under oath to the board and the  
28 Department of State that the applicant or supplier licensee,  
29 manufacturer licensee or terminal operator licensee has  
30 developed and implemented internal safeguards and policies  
31 intended to prevent a violation of this provision and that the  
32 applicant or supplier licensee, manufacturer licensee or  
33 terminal operator licensee has conducted a good faith  
34 investigation that has not revealed a violation of this  
35 subsection during the past year.

36 (e) Penalties.--

37 (1) A violation of this section by a terminal operator  
38 licensee or a person that holds a controlling interest in the  
39 licensee, or a subsidiary company thereof, or an officer,  
40 director or management-level employee of the licensee shall  
41 be punishable as follows:

42 (i) A first violation of this section shall be  
43 punishable by a fine equal to an amount not less than the  
44 average single-day gross terminal revenue of the terminal  
45 operator licensee.

46 (ii) A second violation of this section, within five  
47 years of the first violation, shall be punishable by at  
48 least a one-day suspension of the license held by the  
49 terminal operator licensee and a fine equal to an amount  
50 not less than two times the average single-day gross  
51 terminal revenue of the terminal operator licensee.

1           (iii) A third violation of this section within five  
2           years of the second violation shall be punishable by the  
3           immediate revocation of the license held by the terminal  
4           operator licensee.

5           (2) A violation of this section by a manufacturer or  
6           supplier licensed under this part or by a person that holds a  
7           controlling interest in such manufacturer or supplier, or a  
8           subsidiary company thereof, or an officer, a director or  
9           management-level employee of such a licensee shall be  
10          punishable as follows:

11          (i) A first violation of this section shall be  
12          punishable by a fine equal to an amount not less than a  
13          single-day average of the gross profit from sales made by  
14          the manufacturer or supplier in this Commonwealth during  
15          the preceding 12-month period or portion thereof in the  
16          event the manufacturer or supplier has not operated in  
17          this Commonwealth for 12 months.

18          (ii) A second or subsequent violation of this  
19          section within five years of a prior violation shall be  
20          punishable by a one-month suspension of the license held  
21          by the manufacturer or supplier and a fine equal to an  
22          amount not less than two times a single-day average of  
23          the gross profit from sales made by the manufacturer or  
24          supplier in this Commonwealth during the preceding 12-  
25          month period or portion thereof in the event the  
26          manufacturer or supplier has not operated in this  
27          Commonwealth for 12 months.

28          (3) In no event shall the fine imposed under this  
29          section be an amount less than \$100,000 for each violation.  
30          In addition to a fine or sanction that may be imposed by the  
31          board under this subsection, an individual who makes a  
32          contribution in violation of this section commits a  
33          misdemeanor of the third degree.

34          (d) Definitions.--As used in this section, the following  
35          words and phrases shall have the meanings given to them in this  
36          subsection:

37          "Contribution." A payment, gift, subscription, assessment,  
38          contract, payment for services, dues, loan, forbearance, advance  
39          or deposit of money or a valuable thing made to a candidate or  
40          political committee for the purpose of influencing an election  
41          in this Commonwealth or for paying debts incurred by or for a  
42          candidate or committee before or after an election. The term  
43          includes:

44          (1) The purchase of tickets for events, including  
45          dinners, luncheons, rallies and other fundraising events.

46          (2) The granting of discounts or rebates not available  
47          to the general public.

48          (3) The granting of discounts or rebates by television  
49          and radio stations and newspapers not extended on an equal  
50          basis to all candidates for the same office.

51          (4) A payment provided for the benefit of a candidate,

1 including payment for the services of a person serving as an  
2 agent of a candidate or committee by a person other than the  
3 candidate or committee or person whose expenditures the  
4 candidate or committee must report.

5 (5) The receipt or use of anything of value by a  
6 political committee from another political committee and a  
7 return on investments by a political committee.

8 "Political committee." A committee, club, association or  
9 other group of persons that receives contributions or makes  
10 expenditures.

11 CHAPTER 45  
12 MISCELLANEOUS PROVISIONS

13 Sec.

14 4501. (Reserved).

15 4502. Declaration of exemption from Federal laws prohibiting  
16 video gaming terminals.

17 4503. Preemption of local taxes and license fees.

18 4504. Exclusive jurisdiction of Supreme Court.

19 4505. Commonwealth Financing Authority.

20 4506. Host county option.

21 § 4501. (Reserved).

22 § 4502. Declaration of exemption from Federal laws prohibiting  
23 video gaming terminals.

24 (a) Declaration.--Under the Gambling Devices Transportation  
25 Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth  
26 declares that it is exempt from section 2 of that act.

27 (b) Legal shipments.--All shipments of gambling devices, as  
28 defined in section 1 of the Gambling Devices Transportation Act,  
29 into this Commonwealth, the registering, recording and labeling  
30 of which has been effected by the manufacturer and supplier of  
31 those devices in accordance with sections 3 and 4 of the  
32 Gambling Devices Transportation Act, shall be deemed legal  
33 shipments of gambling devices into this Commonwealth.

34 § 4503. Preemption of local taxes and license fees.

35 (a) Statutes.--Video gaming terminals shall be exempt from  
36 taxes levied under the following:

37 (1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45),  
38 referred to as the Sterling Act.

39 (2) The act of December 31, 1965 (P.L.1257, No.511),  
40 known as The Local Tax Enabling Act.

41 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule  
42 and optional plan government).

43 (4) Any statute that confers taxing authority to a  
44 political subdivision.

45 (b) Licensing fees.--Video gaming terminals are exempt from  
46 local licensing fees.

47 § 4504. Exclusive jurisdiction of Supreme Court.

48 The Pennsylvania Supreme Court shall have exclusive  
49 jurisdiction to hear a challenge to or to render a declaratory  
50 judgment concerning the constitutionality of this part. The  
51 Pennsylvania Supreme Court may take such action as it deems

1 appropriate, consistent with the Pennsylvania Supreme Court  
2 retaining jurisdiction over the matter, to find facts or to  
3 expedite a final judgment in connection with a challenge or  
4 request for declaratory relief.

5 § 4505. Commonwealth Financing Authority.

6 The Commonwealth Financing Authority shall establish  
7 accounts, administer and distribute the funds deposited into the  
8 accounts and perform all other duties required of it under this  
9 part.

10 § 4506. Host county option.

11 (a) General rule.--A county that hosts a Category 1,  
12 Category 2 or Category 3 licensed facility on the effective date  
13 of this section shall have the option to prohibit the placement  
14 of video gaming terminals within the host county by delivering a  
15 resolution of the county governing body to the board within 60  
16 days of the effective date of this section. No video gaming  
17 terminals may be operated in a host county that has exercised  
18 the option to prohibit video gaming terminals under this  
19 section.

20 (b) Rescission of prohibition.--

21 (1) Subject to paragraph (2), a host county that  
22 prohibits video gaming terminals within the host county under  
23 subsection (a) may rescind that prohibition at any time by  
24 delivering a new resolution of the county governing body to  
25 the board.

26 (2) A host county that rescinds its prior prohibition  
27 according to paragraph (1) may not subsequently prohibit  
28 video gaming terminals in the host county under this section.

29 Section 33. Section 27 of this act reenacted and amended 4  
30 Pa.C.S. § 1403(c)(2). The Department of Revenue shall implement  
31 the reenactment and amendment of the provision as follows:

32 (1) The department shall apply the reenactment without  
33 the amendment retroactively to May 27, 2017.

34 (2) The department shall apply the reenactment with the  
35 amendment prospectively after December 31, 2017.

36 Section 34. This act shall apply as follows:

37 (1) The following provisions shall apply retroactively  
38 to January 1, 2017:

39 (i) The addition of 4 Pa.C.S. § 1326.1.

40 (ii) The amendment of 4 Pa.C.S. § 13A63(b)(3)(iii)

41 (C).

42 (iii) The reenactment and amendment of 4 Pa.C.S. §  
43 1403, except as provided in paragraph (2) of this  
44 section.

45 (2) The reenactment and amendment of 4 Pa.C.S. § 1403(c)  
46 (2) shall apply retroactively to May 27, 2017.

47 Section 35. Repeals are as follows:

48 (1) The General Assembly finds that the repeal under  
49 paragraph (2) is necessary to effectuate the amendment of 4  
50 Pa.C.S. § 1307.

51 (2) Section 21(2) of the act of January 7, 2010 (P.L.1,

1 No.1), is repealed.

2 (3) The General Assembly declares that the repeal under  
3 paragraph (4) is necessary to effectuate the addition of 4  
4 Pa.C.S. § 1403(c)(2)(i)(D)(I.2) and (I.3).

5 (4) Section 1753-E of the act of April 9, 1929 (P.L.343,  
6 No.176), known as The Fiscal Code, is repealed.

7 (5) As much as reads ", except that the secretary may  
8 not authorize the game of keno or an Internet instant game  
9 unless specifically authorized by law" in section 303(a)(1)  
10 of the act of August 26, 1971 (P.L.351, No.91), known as the  
11 State Lottery Law, is repealed.

12 Section 36. This act shall take effect as follows:

13 (1) The amendment or addition of 4 Pa.C.S. Ch. 13C and 4  
14 Pa.C.S. § 1509 shall take effect in 60 days.

15 (2) The addition of 4 Pa.C.S. Ch. 3 shall take effect in  
16 180 days.

17 (3) The amendment or addition of 4 Pa.C.S. § 1407(b),  
18 (c), (c.1), (d) introductory paragraph, (d.2) and (d.3) shall  
19 take effect January 1, 2018.

20 (4) The remainder of this act shall take effect  
21 immediately.