

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 623 Session of
2003

INTRODUCED BY MAHER, BLAUM, GANNON, BOYES, HASAY, BROWNE, JAMES,
LEWIS, MANDERINO, NICKOL, PALLONE, STETLER, WALKO AND
WASHINGTON, MARCH 3, 2003

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,
JULY 17, 2003

AN ACT

1 ~~Amending Title 18 (Crimes and Offenses) of the Pennsylvania~~ <—
2 ~~Consolidated Statutes, further providing for deceptive or~~
3 ~~fraudulent business practices; authorizing certain racetrack~~
4 ~~gaming; providing for disbursements of revenues; establishing~~
5 ~~the Pennsylvania Gaming Control Board and the State Gaming~~
6 ~~Fund; imposing fees; providing penalties; making repeals; and~~
7 ~~making an appropriation.~~

8 AMENDING TITLE 18 (CRIMES AND OFFENSES) OF THE PENNSYLVANIA <—
9 CONSOLIDATED STATUTES, FURTHER PROVIDING FOR DECEPTIVE OR
10 FRAUDULENT BUSINESS PRACTICES; DEFINING THE OFFENSE OF
11 GREYHOUND RACING; AUTHORIZING CERTAIN RACETRACK GAMING;
12 PROVIDING FOR DISBURSEMENTS OF REVENUES; ESTABLISHING THE
13 PENNSYLVANIA GAMING CONTROL BOARD AND THE STATE GAMING FUND;
14 IMPOSING FEES; PROVIDING PENALTIES; MAKING APPROPRIATIONS;
15 AND MAKING REPEALS.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 ~~Section 1. Section 4107(a) of Title 18 of the Pennsylvania~~ <—
19 ~~Consolidated Statutes is amended to read:~~

20 ~~§ 4107. Deceptive or fraudulent business practices.~~

21 ~~(a) Offense defined. A person commits an offense if, in the~~
22 ~~course of business, he:~~

23 ~~(1) uses or possesses for use a false weight or measure,~~

~~or any other device for falsely determining or recording any quality or quantity;~~

~~(2) sells, offers or exposes for sale, or delivers less than the represented quantity of any commodity or service;~~

~~(3) takes or attempts to take more than the represented quantity of any commodity or service when as buyer he furnishes the weight or measure;~~

~~(4) sells, offers or exposes for sale adulterated or mislabeled commodities. As used in this paragraph, the term "adulterated" means varying from the standard of composition or quality prescribed by or pursuant to any statute providing criminal penalties for such variance or set by established commercial usage. As used in this paragraph, the term "mislabeled" means varying from the standard of trust or disclosure in labeling prescribed by or pursuant to any statute providing criminal penalties for such variance or set by established commercial usage;~~

~~(5) makes a false or misleading statement in any advertisement addressed to the public or to a substantial segment thereof for the purpose of promoting the purchase or sale of property or services;~~

~~(6) makes a false or misleading written statement for the purpose of obtaining property or credit;~~

~~(7) makes a false or misleading written statement for the purpose of promoting the sale of securities, or omits information required by law to be disclosed in written documents relating to securities;~~

~~(8) makes a false or misleading material statement to induce an investor to invest in a business venture. The offense is complete when any false or misleading material~~

~~statement is communicated to an investor regardless of whether any investment is made. For purposes of grading, the "amount involved" is the amount or value of the investment solicited or paid, whichever is greater. As used in this paragraph, the following words and phrases shall mean:~~

~~"Amount" as used in the definition of "material statement" includes currency values and comparative expressions of value, including, but not limited to, percentages or multiples. "Business venture" means any venture represented to an investor as one where he may receive compensation either from the sale of a product, from the investment of other investors or from any other commercial enterprise. "Compensation" means anything of value received or to be received by an investor. "Invest" means to pay, give or lend money, property, service or other thing of value for the opportunity to receive compensation. The term also includes payment for the purchase of a product. "Investment" means the money, property, service or other thing of value paid or given, or to be paid or given, for the opportunity to receive compensation. "Investor" means any natural person, partnership, corporation, limited liability company, business trust, other association, government entity, estate, trust, foundation or other entity solicited to invest in a business venture, regardless of whether any investment is made.~~

~~"Material statement" means a statement about any matter which could affect an investor's decision to invest in a business venture, including, but not limited to, statements about:~~

- ~~(i) the existence, value, availability or marketability of a product;~~
- ~~(ii) the number of former or current investors, the~~

~~amount of their investments or the amount of their former or current compensation;~~

~~(iii) the available pool or number of prospective investors, including those who have not yet been solicited and those who already have been solicited but have not yet made an investment;~~

~~(iv) representations of future compensation to be received by investors or prospective investors; or~~

~~(v) the source of former, current or future compensation paid or to be paid to investors or prospective investors.~~

~~"Product" means a good, a service or other tangible or intangible property of any kind; [or]~~

~~(9) obtains or attempts to obtain property of another by false or misleading representations made through communications conducted in whole or in part by telephone involving the following:~~

~~(i) express or implied claims that the person contacted has won or is about to win a prize;~~

~~(ii) express or implied claims that the person contacted may be able to recover any losses suffered in connection with a prize promotion; or~~

~~(iii) express or implied claims regarding the value of goods or services offered in connection with a prize or a prize promotion.~~

~~As used in this paragraph, the term "prize" means anything of value offered or purportedly offered. The term "prize promotion" means an oral or written express or implied representation that a person has won, has been selected to receive or may be eligible to receive a prize or purported~~

1 prize[.]; or

2 ~~(10) does either of the following when he is in a client~~
3 ~~relationship with a certified public accountant, public~~
4 ~~accountant or public accounting firm:~~

5 ~~(i) knowingly provides false or misleading~~
6 ~~information to the certified public accountant, public~~
7 ~~accountant or public accounting firm in connection with~~
8 ~~performance of an attestation function for the client~~
9 ~~which resulted in an attestation by the certified public~~
10 ~~accountant, public accountant or public accounting firm~~
11 ~~of a materially misleading financial statement, audit,~~
12 ~~review or other document; or~~

13 ~~(ii) omits to provide information to the certified~~
14 ~~public accountant, public accountant or public accounting~~
15 ~~firm that he knows is material to the performance of an~~
16 ~~attestation function and results in an attestation by the~~
17 ~~certified public accountant, public accountant or public~~
18 ~~accounting firm of a materially misleading financial~~
19 ~~statement, audit, review or other document.~~

20 * * *

21 Section 2. Title 18 is amended by adding a chapter to read:

22 CHAPTER 92

23 RACETRACK GAMING

24 Sec.

25 9200. Short title of chapter.

26 9201. Scope.

27 9202. Legislative intent.

28 9203. Definitions.

29 9204. Pennsylvania Gaming Control Board established.

30 9205. Board's powers.

1 ~~9205.1. Applications for license or permit.~~

2 ~~9206. Authorized slot machine licenses.~~

3 ~~9206.1. Slot machine license fee.~~

4 ~~9207. Slot machine license application.~~

5 ~~9208. Slot machine accounting controls and audits.~~

6 ~~9208.1. Central control computer.~~

7 ~~9208.2. Protocol information.~~

8 ~~9209. Supplier and manufacturer licenses.~~

9 ~~9210. Occupation permit and applications.~~

10 ~~9210.1. Slot machine license application character~~
11 ~~requirements.~~

12 ~~9210.2. Slot machine license application financial~~
13 ~~fitness requirements.~~

14 ~~9211. Additional licenses and permits; approval of~~
15 ~~agreements.~~

16 ~~9212. License or permit issuance.~~

17 ~~9212.1. Transferability of licenses.~~

18 ~~9212.2. Change in ownership of slot machine licensee.~~

19 ~~9212.3. Public official financial interest.~~

20 ~~9212.4. Political influence.~~

21 ~~9213. Prohibited acts and penalties.~~

22 ~~9213.1. Slot machine terminal proceeds.~~

23 ~~9213.2. Gross terminal revenue deduction.~~

24 ~~9214. Net slot machine revenue distribution and establishment~~
25 ~~of State Gaming Fund.~~

26 ~~9214.1. Responsibility and authority of department.~~

27 ~~9214.2. Liens and suits for taxes.~~

28 ~~9214.3. Applicants to provide certain tax information.~~

29 ~~9215. Distributions from owners' revenue receipts.~~

30 ~~9215.1. Transfers from State Gaming Fund.~~

- ~~1 9215.2. No eminent domain authority.~~
- ~~2 9215.3. Local zoning authority.~~
- ~~3 9215.4. Neighboring church, school or residence setback.~~
- ~~4 9215.5. Athletic event gaming.~~
- ~~5 9216. Compulsive and problem gambling program.~~
- ~~6 9217. Declaration of exemption from Federal laws prohibiting~~
- ~~7 slot machines.~~
- ~~8 9218. Enforcement.~~
- ~~9 9218.1. Automated teller machines.~~
- ~~10 9218.2. Native American gaming.~~
- ~~11 9218.3. Manufacturer market share.~~
- ~~12 9218.4. Liquor licenses at racetracks.~~
- ~~13 9219. Applicability.~~

~~14 § 9200. Short title of chapter.~~

~~15 This chapter shall be known and may be cited as the~~

~~16 Pennsylvania Gaming Act of 2003.~~

~~17 § 9201. Scope.~~

~~18 This chapter deals with racetrack gaming.~~

~~19 § 9202. Legislative intent.~~

~~20 The General Assembly hereby recognizes the following public~~

~~21 policy purposes and declares that the following objectives of~~

~~22 the Commonwealth are to be served by this chapter:~~

~~23 (1) The primary objective of this chapter, to which all~~

~~24 other objectives and purposes are secondary, is to protect~~

~~25 the public through the regulation and policing of all~~

~~26 activities involving gambling and other practices that are~~

~~27 unlawful except as provided by law, including this chapter.~~

~~28 (2) The authorization of limited gambling by the~~

~~29 installation and operation of slot machines at Pennsylvania~~

~~30 horse racetracks is intended to enhance live horse racing,~~

entertainment and employment in this Commonwealth.

~~(3) The authorization of limited gaming is intended to provide a significant source of new revenue to the Commonwealth to support important and necessary educational programs, property tax reform, economic development opportunities and other similar initiatives.~~

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

~~(5) Participation in limited gaming authorized under this chapter by any licensee or permittee shall be deemed a privilege conditioned upon the proper and continued qualification of the licensee or permittee and upon the discharge of the affirmative responsibility of each licensee to provide the regulatory and investigatory authorities of the Commonwealth assistance and information necessary to assure that the policies declared by this chapter are achieved.~~

~~(6) Strictly monitor and enforce control over all limited gaming authorized by this chapter through regulation, licensing and appropriate enforcement actions of specified locations, persons, associations, practices, activities, licensees and permittees.~~

~~(7) Establish and enforce strict financial monitoring and controls of all licensees or permittees.~~

~~(8) To take into consideration the public interest of the citizens of this Commonwealth and the social effect of~~

~~gambling in any decision or order made pursuant to this chapter.~~

~~(9) To ensure the necessary integrity of the regulatory review and legislative oversight over the conduct and operation of limited gaming, and to recognize that the concentration of wealth that exists with the legalization of limited gaming could disproportionately influence the political process at all levels of government.~~

~~§ 9203. 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:~~

~~"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with gaming, including links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems for monitoring slot machines and devices for weighing or counting money.~~

~~"Background investigation." A security, criminal, credit and suitability investigation of a person as provided for in this chapter. The investigation shall show the status of taxes owed to the Commonwealth and its political subdivisions.~~

~~"Backside area." Those areas of the racetrack facility that are not generally accessible to the public and which include, but are not limited to, those facilities commonly referred to as barns, track kitchen, recreation hall, stable employee quarters and training track, and roadways providing access thereto. The term does not include those areas of the racetrack facility which are generally accessible to the public, including the~~

~~various buildings commonly referred to as the grandstand or the racing surfaces, paddock enclosure and walking ring.~~

~~"Board."—The Pennsylvania Gaming Control Board established under section 9204 (relating to Pennsylvania Gaming Control Board established).~~

~~"Cash back."—Amounts paid to a patron based on a percentage of total amounts wagered by the patron.~~

~~"Cheat."—To alter the elements of chance, method of selection or criteria which determine:~~

~~(1) The result of a game.~~

~~(2) The amount or frequency of payment in a game.~~

~~(3) The value of a wagering instrument.~~

~~(4) The value of a wagering credit.~~

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

~~"Fund."—The State Gaming Fund established under section 9214 (relating to net slot machine revenue distribution and establishment of State Gaming Fund).~~

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

~~(1) cashiers;~~

~~(2) change personnel;~~

~~(3) counting room personnel;~~

~~(4) slot attendants;~~

~~(5) hosts or other persons authorized to extend complimentary services;~~

~~(6) machine mechanics;~~

~~(7) security personnel; and~~

~~(8) supervisors or managers.~~

~~The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverage,~~

~~secretarial personnel, janitorial, stage, sound and light technicians and other nongaming personnel. The term also includes employees of a person holding a supplier's license whose duties are directly involved with the manufacture, repair or distribution of slot machines and associated equipment sold or provided to racetracks within this Commonwealth.~~

~~"Gross terminal revenue." The total of wagers received by a slot machine minus the total of:~~

~~(1) Cash or cash equivalents paid out to patrons as a result of playing a slot machine and any cash back paid to patrons either manually or paid out by the slot machine.~~

~~(2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of time as a result of playing a slot machine.~~

~~(3) Any personal property distributed to a patron as the result of playing a slot machine. This does not include travel expenses, food, refreshments, lodging or services. The term does not include counterfeit money or tokens, coins of other countries which are received in slot machines, except to the extent that they are readily convertible to official currency, cash taken in fraudulent acts perpetrated against a slot machine licensee for which the licensee is not reimbursed or cash received as entry fees for contests or tournaments in which the patrons compete for prizes.~~

~~"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine operations, including the general manager and assistant general manager of the licensed racetrack, director of slot operations, director of cage and or credit operations, director of surveillance,~~

~~director of management information systems, director of security, comptroller and any employee who supervises the operations of these departments or to whom these department directors report, and such other positions which the board shall determine, based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the board. All other gaming employees, unless otherwise designated by the board, shall be classified as nonkey gaming employees.~~

~~"Licensed corporations." Legal entities that have obtained a license to conduct thoroughbred or harness horse race meetings respectively with pari mutuel wagering from either the State Horse Racing Commission or the State Harness Racing Commission pursuant to the Race Horse Industry Reform Act.~~

~~"Licensed entity." Any licensed corporation, any holder of a slot machine, manufacturer, supplier or other license issued by the board pursuant to this chapter.~~

~~"Licensed racetrack" or "racetrack." The physical facility and grounds where a licensed corporation conducts thoroughbred or harness race meetings respectively with pari mutuel wagering. The term "racetrack" or "its racetrack" shall mean the location at which live horse racing is conducted even if not owned by the licensed corporation.~~

~~"Manufacturer." A person who manufactures, builds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to any slot machine, associated equipment for use or play of slot machines or associated equipment in this Commonwealth for gaming purposes.~~

~~"Manufacturer license." A license issued by the Pennsylvania Gaming Control Board authorizing a manufacturer to manufacture~~

~~or produce slot machines or associated equipment for use in this Commonwealth for gaming purposes.~~

~~"Manufacturer licensee." A manufacturer that obtains a manufacturer license.~~

~~"Nonprimary location." Any facility in which pari mutuel wagering is conducted by licensed corporations other than the racetrack.~~

~~"Occupation permit." A permit authorizing an individual to be employed or work as a gaming employee at a licensed racetrack.~~

~~"Permittee." Holder of a permit issued pursuant to this chapter.~~

~~"Person." A natural person, corporation, organization, business trust, estate, trust, partnership, association or any other legal entity.~~

~~"Progressive jackpot." A slot machine wager payout that increases in a monetary amount.~~

~~"Progressive slot machine." A slot machine that is connected to a progressive system.~~

~~"Progressive system." A computerized system linking slot machines in one or more racetracks and offering one or more common progressive jackpots.~~

~~"Race Horse Industry Reform Act." The act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.~~

~~"Slot machine." Any mechanical, electrical or other device, contrivance, terminal or machine approved by the Pennsylvania Gaming Control Board which, upon insertion of a coin, bill, ticket, token or similar object therein or upon payment of any consideration whatsoever, including the use of any electronic~~

~~1 payment system except a credit card or debit card, is available~~
~~2 to play or operate, the play or operation of which, whether by~~
~~3 reason of the skill of the operator or application of the~~
~~4 element of chance, or both, may deliver or entitle the person~~
~~5 playing or operating the machine to receive cash, tickets,~~
~~6 tokens or electronic credits to be exchanged for cash or to~~
~~7 receive merchandise or any thing of value whatsoever, whether~~
~~8 the payoff is made automatically from the machine or manually. A~~
~~9 slot machine:~~

~~10 (1) may utilize spinning reels or video displays, or~~
~~11 both;~~

~~12 (2) may or may not dispense coins, tickets or tokens to~~
~~13 winning patrons; and~~

~~14 (3) may use an electronic credit system for receiving~~
~~15 wagers and making payouts.~~

~~16 The term shall include associated equipment necessary to conduct~~
~~17 the operation of slot machines.~~

~~18 "Slot machine license." A license authorizing a licensed~~
~~19 corporation to place and operate slot machines at a specific~~
~~20 racetrack pursuant to this chapter and the rules and regulations~~
~~21 promulgated under this chapter.~~

~~22 "Slot machine licensee." A licensed corporation that holds a~~
~~23 slot machine license.~~

~~24 "State Treasurer." The State Treasurer of the Commonwealth.~~

~~25 "Supplier." A person who sells, leases, offers or otherwise~~
~~26 provides, distributes any slot machine, parts or associated~~
~~27 equipment for use or play of slot machines or associated~~
~~28 equipment in this Commonwealth.~~

~~29 "Supplier license." A license issued by the Pennsylvania~~
~~30 Gaming Control Board authorizing a supplier to provide products~~

1 ~~or services related to slot machines or associated equipment to~~
2 ~~slot machine licensees.~~

3 ~~"Supplier licensee." A supplier that holds a supplier~~
4 ~~license.~~

5 ~~§ 9204. Pennsylvania Gaming Control Board established.~~

6 ~~(a) Board established. There is hereby established an~~
7 ~~independent administrative board to be known as the Pennsylvania~~
8 ~~Gaming Control Board, which shall be implemented as set forth in~~
9 ~~this section.~~

10 ~~(b) Membership. The board shall consist of the following~~
11 ~~members, who shall serve a set term and may not be removed~~
12 ~~except for good cause:~~

13 ~~(1) Three members appointed by the Governor.~~

14 ~~(2) One member appointed by each of the following~~
15 ~~legislative caucus leaders:~~

16 ~~(i) The President pro tempore of the Senate.~~

17 ~~(ii) The Minority Leader of the Senate.~~

18 ~~(iii) The Speaker of the House of Representatives.~~

19 ~~(iv) The Minority Leader of the House of~~
20 ~~Representatives.~~

21 ~~No more than four members shall be from the same political~~
22 ~~party.~~

23 ~~(c) Initial appointments to board.~~

24 ~~(1) Members initially appointed by the Governor shall~~
25 ~~serve the following staggered terms, which shall be~~
26 ~~designated when the nomination is submitted to the Senate:~~

27 ~~(i) One member shall serve an initial term of four~~
28 ~~years.~~

29 ~~(ii) One member shall serve an initial term of three~~
30 ~~years.~~

~~(iii) One member shall serve an initial term of two years.~~

~~(2) Members initially appointed pursuant to subsection (b)(2) shall serve until the third Tuesday in January 2005 and until their successors are appointed and qualified.~~

~~(3) Any appointment to fill a vacancy shall be for the unexpired term. Members so appointed to fill the unexpired term of an initial appointee shall be subject to the provisions of subsection (d).~~

~~(d) Appointments after expiration of initial term or upon vacancy. Upon the expiration of a term of a member appointed under this subsection or upon the happening of a vacancy of a member appointed pursuant to subsection (c), the appointing authority shall appoint a member subject to the following:~~

~~(1) For an appointment for which the Governor is the appointing authority, the Governor shall nominate and with the advice and consent of a majority of the members elected to the Senate, appoint a member whose term shall be for four years and until a successor is appointed and qualified.~~

~~(2) Terms for members appointed pursuant to subsection (b)(2) shall expire on the third Tuesday of January of each odd numbered year but such members shall continue to serve until their successors are appointed and qualified.~~

~~(3) No member shall serve more than two successive terms.~~

~~(e) Ex officio members. The Secretary of Revenue, the Secretary of Agriculture and the State Treasurer shall serve on the board as nonvoting ex officio members of the board.~~

~~(f) Majority vote. A qualified majority of five of the seven members of the board shall be required for any action,~~

1 ~~including the granting of any license to be issued by the board~~
2 ~~under this chapter or the making of any order or the~~
3 ~~ratification of any act done or order made by one or more of the~~
4 ~~members.~~

5 ~~(g) Background investigation. Appointees shall be subject~~
6 ~~to a background investigation conducted by the Pennsylvania~~
7 ~~State Police in accordance with section 9218(a) (relating to~~
8 ~~enforcement) and submitted to the appointing authority.~~

9 ~~(h) Qualifications and restrictions.~~

10 ~~(1) Each member, at the time of appointment and during~~
11 ~~the term of office, shall be a resident of this Commonwealth,~~
12 ~~shall be not less than 25 years of age and shall have been a~~
13 ~~qualified elector of this Commonwealth for a period of at~~
14 ~~least one year immediately preceding appointment.~~

15 ~~(2) No person shall be appointed a member of the board~~
16 ~~or hold any place, position or office under it if the person~~
17 ~~holds any other appointive or elected office or party officer~~
18 ~~as defined in section 9212.3 (relating to public official~~
19 ~~financial interest) in this Commonwealth or any of its~~
20 ~~political subdivisions except ex officio members under this~~
21 ~~section. Members appointed pursuant to this section shall~~
22 ~~devote full time to their official duties.~~

23 ~~(3) No member shall hold any office or position, the~~
24 ~~duties of which are incompatible with the duties of the~~
25 ~~office as a member, or be engaged in any business, employment~~
26 ~~or vocation for which the member shall receive any~~
27 ~~remuneration, except as provided in this chapter.~~

28 ~~(4) No employee, appointee or official engaged in the~~
29 ~~service of or in any manner connected with the board shall~~
30 ~~hold any office or position, or be engaged in any employment~~

1 ~~or vocation, the duties of which are incompatible with~~
2 ~~employment in the service of or in connection with the work~~
3 ~~of the board.~~

4 ~~(5) No member shall be paid or accept for any service~~
5 ~~connected with the office any fee other than the salary and~~
6 ~~expenses provided by law.~~

7 ~~(6) No member shall participate in any hearing or~~
8 ~~proceeding in which the member has any direct or indirect~~
9 ~~pecuniary interest.~~

10 ~~(7) At the time of appointment, and any time thereafter,~~
11 ~~annually, each member shall disclose the existence of all~~
12 ~~security holdings in any licensed entity or its affiliates~~
13 ~~held by such member, his or her spouse and any minor or~~
14 ~~unemancipated children and must either divest or place in a~~
15 ~~blind trust such securities. A member may not acquire any~~
16 ~~further security holdings in any licensed entity or its~~
17 ~~affiliates during the member's tenure. As used in this~~
18 ~~section, "blind trust" means a trust over which neither a~~
19 ~~member, a member's spouse nor any minor or unemancipated~~
20 ~~child shall exercise any managerial control and from which~~
21 ~~neither the member, a member's spouse nor any minor or~~
22 ~~unemancipated child shall receive any income from the trust~~
23 ~~during the member's tenure of office. Such disclosure~~
24 ~~statement shall be filed with the executive director of the~~
25 ~~board and with the appointing authority for such member and~~
26 ~~shall be open to inspection by the public during the normal~~
27 ~~business hours of the board during the tenure of the member.~~

28 ~~(8) Every member, and every individual or official,~~
29 ~~employed or appointed to office under, in the service of or~~
30 ~~in connection with the work of the board is forbidden,~~

1 ~~directly or indirectly, to solicit or request from, or to~~
2 ~~suggest or recommend to any licensed entity, or to any~~
3 ~~officer, attorney, agent or employee thereof, the appointment~~
4 ~~of any individual to any office, place or position in or the~~
5 ~~employment of any individual in any capacity by such licensed~~
6 ~~entity.~~

7 ~~(9) Every member or employee appointed to office in the~~
8 ~~service of or in connection with the work of the board is~~
9 ~~prohibited from accepting employment with any licensed entity~~
10 ~~for a period of four years from the termination of service as~~
11 ~~a member or employee, and every member is prohibited from~~
12 ~~appearing before the board on behalf of any licensed entity~~
13 ~~or other licensee or permittee of the board for a period of~~
14 ~~three years after terminating employment or service with the~~
15 ~~board.~~

16 ~~(10) If any person employed or appointed in the service~~
17 ~~of the board violates any provision of this section, the~~
18 ~~appointing authority or the board shall forthwith remove such~~
19 ~~person from the office or employment, and such person shall~~
20 ~~be ineligible for future employment or service with the~~
21 ~~board.~~

22 ~~(11) No member or employee of the board shall wager or~~
23 ~~be paid any prize from any wager at any slot machine at any~~
24 ~~facility of a licensed corporation.~~

25 ~~(i) Open proceedings and records. The proceedings of the~~
26 ~~board shall be conducted in accordance with the provisions of 65~~
27 ~~Pa.C.S. Ch. 7 (relating to open meetings). The board shall be an~~
28 ~~agency for purposes of the act of June 21, 1957 (P.L.390,~~
29 ~~No.212), referred to as the Right to Know Law. Notwithstanding~~
30 ~~any provision of law to the contrary, confidential documentation~~

~~relative to personal background information provided to the board pursuant to this chapter and any deliberations thereof, including disciplinary proceedings, may be considered in closed executive session.~~

~~(j) Compensation. The Executive Board shall establish the compensation of the members appointed pursuant to this section. Members shall be reimbursed for all necessary and actual expenses. The Executive Board shall establish the compensation for the employees of the board in accordance with section 709 of The Administrative Code of 1929.~~

~~(k) Chairman. Immediately after all initial members have been appointed and duly qualified, and not before, the chairman shall be selected by the Governor to serve a term designated by the Governor.~~

~~(l) Appointments. The appointing authorities shall make their appointments within 60 days of the effective date of this chapter.~~

~~(m) Disclosure statements. Members and employees of the board are subject to the provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure) and the act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act.~~

~~§ 9205. Board's powers.~~

~~(a) General powers. The board shall be responsible to ensure the integrity of the acquisition and operation of slot machines and associated equipment at racetracks and shall have jurisdiction over every aspect of the authorization and operation of slot machines at racetracks. The board shall employ an executive director, deputies, secretaries, officers and agents as it may deem necessary, who shall serve at the board's~~

~~pleasure. The board shall also employ such other employees as it
deems appropriate whose duties shall be prescribed by the board.
Legal counsel for the board shall be appointed by the board. The
board shall be subject to the provisions of the act of April 9,
1929 (P.L.177, No.175), known as The Administrative Code of
1929, as to classification and compensation for all its
employees and conduct its activities consistent with the
practices and procedures of Commonwealth agencies.~~

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

~~(1) To require background investigations on prospective
or existing licensees and permittees under the jurisdiction
of the board and shall enter into an agreement with the
Pennsylvania State Police in cooperation with the Office of
Attorney General to perform such background investigations.
The agreement shall include reimbursement based on actual
costs to the Pennsylvania State Police and the Office of
Attorney General for such investigations.~~

~~(2) At its discretion, to issue, renew or deny issuance
or renewal of slot machine licenses.~~

~~(3) At its discretion, to issue, renew or deny issuance
or renewal of supplier and manufacturer licenses.~~

~~(4) At its discretion, to issue, renew or deny issuance
or renewal of occupation permits.~~

~~(5) At its discretion, to issue, renew or deny issuance
or renewal of any additional licenses or permits required by
the board under this chapter or by regulation.~~

~~(6) To require applicants for licenses and permits to
submit with their application a full set of fingerprints
which shall be submitted by the Pennsylvania State Police to~~

1 ~~the Federal Bureau of Investigation for purposes of verifying~~
2 ~~the identity of the applicants and obtaining records of~~
3 ~~criminal arrests and convictions.~~

4 ~~(7) In addition to the power of the board regarding~~
5 ~~license and permit applicants, to determine at its discretion~~
6 ~~the suitability of any person who furnishes, or seeks to~~
7 ~~furnish, to a slot machine licensee any services or property~~
8 ~~related to slot machines and associated equipment at its~~
9 ~~racetrack through any arrangements under which that person~~
10 ~~receives payment based directly or indirectly on earnings,~~
11 ~~profits or receipts from the slot machines and associated~~
12 ~~equipment. The board may require any such person to comply~~
13 ~~with the requirements of this chapter and the regulations of~~
14 ~~the board or may prohibit the person from furnishing such~~
15 ~~services or property.~~

16 ~~(8) Together with its designated officers, employees or~~
17 ~~agents, to administer oaths, examine witnesses and issue~~
18 ~~subpoenas to compel attendance of witnesses and production of~~
19 ~~all relevant and material reports, books, papers, documents~~
20 ~~and other evidence.~~

21 ~~(9) To promulgate regulations as the board deems~~
22 ~~necessary to carry out the policy and purposes of this~~
23 ~~chapter and to enhance the credibility and the integrity of~~
24 ~~the licensed operation of slot machines and associated~~
25 ~~equipment in this Commonwealth. Notwithstanding any other~~
26 ~~provision of law to the contrary and in order to facilitate~~
27 ~~the prompt implementation of this chapter, regulations~~
28 ~~promulgated by the board during the first year following the~~
29 ~~effective date of this chapter shall be deemed temporary~~
30 ~~regulations which shall expire no later than two years~~

1 following the effective date of this chapter or upon adoption
2 of regulations promulgated and adopted as generally provided
3 by law. The temporary regulations shall not be subject to:

4 (i) Sections 201 through 205 of the act of July 31,
5 1968 (P.L. 769, No. 240), referred to as the Commonwealth
6 Documents Law.

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

9 (iii) This paragraph shall expire one year from the
10 effective date of this chapter. Regulations adopted after
11 the one year period shall be promulgated, adopted and
12 published as provided by law.

13 (10) To levy and collect fees from the various
14 applicants, licensees and permittees to fund the operations
15 of the board. The fees shall be paid to the Treasury
16 Department through the Department of Revenue and deposited
17 into the State Gaming Fund. In addition to the fees set forth
18 in section 9206.1 (relating to slot machine license fee), the
19 board shall assess and collect fees as follows:

20 (i) Supplier license applicants and supplier
21 licensees shall pay a fee of \$25,000 for the issuance of
22 a license and \$10,000 for the renewal of a supplier
23 license.

24 (ii) Manufacturer license applicants and
25 manufacturer licensees shall pay a fee of \$50,000 for the
26 issuance of a license and \$20,000 for the renewal of a
27 manufacturer license.

28 (iii) Each application for a slot machine license, a
29 supplier license or a manufacturer license must be
30 accompanied by a nonrefundable fee of \$150 for each

1 ~~individual requiring a background investigation. The~~
2 ~~reasonable and necessary costs and expenses incurred in~~
3 ~~any background investigation or other investigation or~~
4 ~~proceeding concerning any applicant, licensee or~~
5 ~~permittee shall be reimbursed to the board by those~~
6 ~~persons.~~

7 ~~(11) To provide for the assessment and collection of~~
8 ~~finances and penalties for violations of this chapter. All fines~~
9 ~~and penalties shall be credited for deposit to the General~~
10 ~~Fund. Two years following enactment of this chapter, the~~
11 ~~board shall have the authority to increase each year any fee,~~
12 ~~charge, cost or administrative penalty provided in this~~
13 ~~chapter by an amount not to exceed an annual cost of living~~
14 ~~adjustment calculated by applying the percentage change in~~
15 ~~the Consumer Price Index for All Urban Consumers (CPI-U) for~~
16 ~~the Pennsylvania, New Jersey, Delaware and Maryland area, for~~
17 ~~the most recent 12 month period for which figures have been~~
18 ~~officially reported by the United States Department of Labor,~~
19 ~~Bureau of Labor Statistics, immediately prior to the date the~~
20 ~~adjustment is due to take effect.~~

21 ~~(12) To deny renewal, revoke or suspend any license or~~
22 ~~permit provided for in this chapter if the board finds by a~~
23 ~~preponderance of the evidence that a licensee or permittee~~
24 ~~under this chapter, its officers, employees or agents have~~
25 ~~failed to comply with the provisions of this chapter or the~~
26 ~~rules and regulations of the board and that it would be in~~
27 ~~the public interest to deny renewal, revoke or suspend the~~
28 ~~license or permit.~~

29 ~~(13) To restrict access to confidential information in~~
30 ~~the possession of the board which has been obtained under~~

~~this chapter and ensure that the confidentiality of information is maintained and protected. Records shall be retained for seven years.~~

~~(14) To prescribe and require periodic financial reporting and internal control requirements for all licensed entities.~~

~~(15) To require that each licensed entity provide to the board its audited annual financial statements, with such additional detail as the board, from time to time, shall determine, which information shall be submitted not later than 90 days after the end of each such licensee's fiscal year.~~

~~(16) To prescribe the procedures to be followed by slot machine licensees for any financial event that occurs in the operation of slot machines.~~

~~(17) To prescribe criteria and conditions for the operation of slot machine progressive systems.~~

~~(18) To enforce prescribed hours for the operation of slot machines so that slot machine licensees may operate slot machines on any day during the year for up to 20 consecutive hours each day provided that, in order to meet the needs of patrons or to meet competition, the board in its discretion may permit operations up to 24 hours per day.~~

~~(19) To require that each licensed corporation and slot machine licensee prohibit persons under 21 years of age from operating or using slot machines.~~

~~(20) To establish procedures for the inspection and certification of compliance of each slot machine prior to being placed into use by a slot machine licensee. No slot machine may be set to pay out less than 75% or more than 96%~~

1 ~~of all wagers on an average annual basis unless specifically~~
2 ~~approved otherwise by the board, provided the average payout~~
3 ~~during any calendar year of all slot machines at each~~
4 ~~licensed racetrack shall be not less than 87% and not more~~
5 ~~than 96%.~~

6 ~~(21) One year following the date of commencement of slot~~
7 ~~machine operation at a racetrack, to grant at its discretion,~~
8 ~~approval for a slot machine licensee to install and operate~~
9 ~~up to 2,000 additional slot machines at its racetrack, beyond~~
10 ~~those machines authorized under section 9207(c)(3) (relating~~
11 ~~to slot machine license application), upon application by the~~
12 ~~slot machine licensee. The board, in considering such an~~
13 ~~application, shall take into account the appropriateness of~~
14 ~~the physical space where the additional slot machines will be~~
15 ~~placed, the level of demand for such additional slot machines~~
16 ~~and the convenience of the public attending the facility. The~~
17 ~~board may also take into account the potential benefit to~~
18 ~~economic development and tourism, enhanced revenues to the~~
19 ~~Commonwealth and such other economic indicators it deems~~
20 ~~applicable in making its decision.~~

21 ~~(c) Reports. The following reports shall be required~~
22 ~~annually:~~

23 ~~(1) Eighteen months after the effective date of this~~
24 ~~chapter and every year on that date thereafter, the board~~
25 ~~shall issue a report to the Governor and the General Assembly~~
26 ~~on the general operation of the board and each slot machine~~
27 ~~licensee during the previous year, including, but not limited~~
28 ~~to, all taxes, fees, fines and other revenues collected and,~~
29 ~~where appropriate, disbursed, the costs of operation of the~~
30 ~~board, all hearings conducted and the results thereof and~~

~~other information that the board deems necessary and appropriate.~~

~~(2) No later than March 15 after the effective date of this chapter and every year thereafter, the Legislative Budget and Finance Committee shall issue a report to the General Assembly analyzing the impact, if any, of this chapter on the State Lottery.~~

~~§ 9205.1. Applications for license or permit.~~

~~(a) Applications. An application for a license or permit to be issued by the board shall be submitted on a form and in a manner as shall be required by the board. In reviewing applications, the board shall affirm that the applicable license or permit fees have been paid in accordance with this chapter.~~

~~(b) Completeness of applications. The board shall not consider an incomplete application and shall notify the applicant in writing if an application is incomplete. An application shall be considered incomplete if it does not include a current, at the time of filing the application, tax lien certificate issued by the department. Any unpaid taxes identified on the tax lien certificate shall be paid before the application is considered complete. A notification of incompleteness shall state the deficiencies in the application that must be corrected prior to consideration of the merits of the application.~~

~~(c) Adverse litigation. Notwithstanding any law to the contrary, neither the board nor the State Harness Racing Commission or the State Horse Racing Commission shall consider any application for a license if the applicant or any person affiliated with or directly related to the applicant is a party in any ongoing civil proceeding involving an appeal of a~~

~~decision or order of the State Harness Racing Commission or the State Horse Racing Commission, pertaining to an issuance of a license to conduct thoroughbred or harness horse race meetings respectively with pari mutuel wagering.~~

~~§ 9206. Authorized slot machine licenses.~~

~~(a) Eligibility. A licensed corporation shall be eligible to apply for a slot machine license to place and operate slot machines at its racetrack if the licensed corporation meets one of the following:~~

~~(1) (i) the licensed corporation or its predecessor owner of the licensed racetrack has conducted live horse races for no less than two years immediately preceding the effective date of this chapter; or~~

~~(ii) a licensed corporation that has not previously conducted live racing at a racetrack and will successfully conduct live racing for a minimum of 100 days within 365 days of the approval of its slot machine license for the racetrack. Failure to meet the required minimum number of days in the first year of licensure will result in immediate forfeiture of the slot machine license.~~

~~(2) Except as provided in paragraph (1)(ii), the licensed corporation must conduct live racing at the racetrack for at least 100 days per calendar year, for each license held by the licensed corporation pursuant to the Race Horse Industry Reform Act. If a racing day is canceled by a licensed corporation for reasons beyond its control, the appropriate commission shall grant the licensed corporation the right to conduct that racing day in the same or next ensuing calendar year. The purse for that racing day shall~~

1 ~~not be used for the purse of other scheduled racing days of~~
2 ~~that calendar year and must be used for the purse of such~~
3 ~~rescheduled day.~~

4 ~~(b) Limitations. The issuance of a slot machine license to~~
5 ~~a licensed corporation shall entitle the licensee to operate~~
6 ~~slot machines only in the grandstand area or a building or~~
7 ~~structure contiguous to the grandstand area of the racetrack. A~~
8 ~~contiguous building or structure is a nearby building or~~
9 ~~structure that is connected to the racetrack by a covered~~
10 ~~walkway or like structure as approved by the board. However, a~~
11 ~~licensed corporation or its predecessor owner of the licensed~~
12 ~~racetrack that has conducted live horse races for no less than~~
13 ~~two years immediately preceding the effective date of this~~
14 ~~chapter shall not be subject to this requirement for a two year~~
15 ~~period from the effective date of this chapter and may seek~~
16 ~~approval from the board to extend this period for an additional~~
17 ~~two years. The slot machine licensee shall have its slot~~
18 ~~machines operational and available for play within one year of~~
19 ~~being granted a license, unless otherwise extended, for a period~~
20 ~~not to exceed two years, by the board, for extraordinary~~
21 ~~circumstances. Authorization for a licensed corporation to~~
22 ~~continue the operation of slot machines shall be limited to~~
23 ~~those slot machine licensees that:~~

24 ~~(1) Have a written live racing agreement with a~~
25 ~~horsemen's organization representing a majority of owners and~~
26 ~~trainers at the racetrack where the licensed corporation~~
27 ~~conducts racing dates.~~

28 ~~(2) Have 95% of the total number of horse or harness~~
29 ~~racing days that were scheduled in 1986 by it or its~~
30 ~~predecessor at the racetrack where the licensed corporation~~

1 ~~conducts racing dates, or a newly licensed corporation which~~
2 ~~opens a new racetrack scheduling a minimum of 100 days of~~
3 ~~live racing in the initial year of operation shall be allowed~~
4 ~~to operate slot machines, intrastate and interstate~~
5 ~~simulcast, from the first day of the calendar year in which~~
6 ~~it has been granted racing days.~~

7 ~~(3) Subject to actions or activities beyond the control~~
8 ~~of the licensee conduct not fewer than eight live races per~~
9 ~~race date during each meet at the racetrack where the~~
10 ~~licensed corporation conducts racing dates, except for~~
11 ~~thoroughbred tracks on the day designated as breeder's cup~~
12 ~~event day, when the racetrack shall hold a minimum of five~~
13 ~~live races. The licensed corporation shall not waive or~~
14 ~~modify the provisions pertaining to the required number of~~
15 ~~racing days under paragraph (2) and races per day scheduled~~
16 ~~in this subsection without the consent of the horsemen's~~
17 ~~association representing a majority of owners and trainers at~~
18 ~~the racetrack.~~

19 ~~(4) Notwithstanding the provisions of paragraph (1), in~~
20 ~~the event that a written live racing agreement has not been~~
21 ~~entered into, permission for any licensee to operate slot~~
22 ~~machines and racetracks shall be granted provided that the~~
23 ~~licensed corporation has continued to conduct live racing in~~
24 ~~accordance with subsection (b)(2) and (3) and keeps its~~
25 ~~racetrack open to the general population of owners, trainers~~
26 ~~and horses stabled there for training and stabling on a~~
27 ~~regular basis and during such periods, when it is normally~~
28 ~~open for live racing and during such periods, and continues~~
29 ~~to comply with all provisions of the most recently expired~~
30 ~~live racing agreement, including recognition of the then~~

1 ~~existing horsemen's association at each such racetrack as the~~
2 ~~sole representative of the horsemen at that time, and pays~~
3 ~~purses as defined in the most recently expired live racing~~
4 ~~agreement plus the applicable purse revenue for operating a~~
5 ~~slot machine under this section.~~

6 ~~(c) Temporary facility. A licensed corporation which has~~
7 ~~operated a pari mutuel racing facility for at least two years~~
8 ~~before the effective date of this chapter and which has been~~
9 ~~granted a license pursuant to this section may operate the slot~~
10 ~~machines in a temporary facility consistent with subsection (b).~~
11 ~~In the case of a newly licensed corporation, the board may~~
12 ~~approve the use of a temporary facility only if the corporation~~
13 ~~has scheduled and will successfully conduct a minimum of 50 days~~
14 ~~of live racing in the initial full calendar year of operation~~
15 ~~from the first day of the full calendar year in which it is has~~
16 ~~been granted authority to conduct horse racing with pari mutuel~~
17 ~~wagering. However, an extension of up to an additional year may~~
18 ~~be granted by the board upon a showing by the licensed~~
19 ~~corporation that it has been proceeding in good faith to meet~~
20 ~~the minimum 50 day live racing agreement and that it has the~~
21 ~~consent of the horsemen's organizations representing a majority~~
22 ~~of owners and trainers at the racetrack.~~

23 ~~(d) Prohibition. No applicant, including directors, owners~~
24 ~~and key employees, that has been convicted, in any jurisdiction,~~
25 ~~of a felony, crime of moral turpitude or gambling offense may be~~
26 ~~issued a slot machine license under this chapter.~~

27 ~~(e) Credit. Slot machine licensees may not extend credit~~
28 ~~but may cash personal or bank checks in compliance with the~~
29 ~~regulations of the board. Slot machine licensees may not accept~~
30 ~~credit cards, charge cards or debit cards from a player for the~~

~~exchange or purchase of slot machine credits or for an advance of coins or currency to be utilized by a player to play slot machine games or extend credit, in any manner, to a player so as to enable the player to play a slot machine.~~

~~§ 9206.1. Slot machine license fee.~~

~~(a) Imposition. Subject to the requirements of subsection (b), the board shall impose a one time slot machine license fee to be paid by each successful applicant in an amount of \$50,000,000.~~

~~(b) Term. A slot machine license, after payment of the fee, shall be in effect unless rescinded by the board upon good cause consistent with the license requirements as provided for in this chapter. The license of a licensee in good standing shall be updated and renewed annually. As to the renewal of a license, no additional license fee pursuant to subsection (a) shall be required.~~

~~(c) Credit against tax for slot machine licensees. If the rate of tax imposed by section 9214 (relating to net slot machine revenue distribution and establishment of State Gaming Fund) is increased at any time during the term of a slot machine license, the slot machine licensee shall be entitled to a credit against the tax equal to the difference between the tax calculated at the rate when the license was issued and the tax calculated at the increased rate. This credit shall be applied on a dollar for dollar basis as and when the tax is payable as set forth in section 9214, but shall not extend beyond the ten-year period following the issuance of the license. The aggregate amount of all credits granted shall not exceed the amount of the licensing fee paid by the licensee. The department shall enter into a contract with each slot machine licensee setting forth~~

~~the terms and conditions of this credit and the provisions of subsection (d).~~

~~(d) Return of entire slot machine license fee. In the event that any specific power or membership of the board established in section 9204 (relating to Pennsylvania Gaming Control Board established) is altered in any fashion whatsoever, or the number of persons eligible to apply for and receive a slot machine license is subsequently increased beyond the number permitted in section 9206 (relating to authorized slot machine licenses) at the time of the effective date of this chapter or other gaming license or permit subsequently authorized and issued, the entire one time slot machine license fee of \$50,000,000 imposed by subsection (a) shall be returned to the licensee.~~

~~(e) Deposit of license fee. The total amount of all license fees imposed and collected by the board under this section shall be deposited in the State Gaming Fund.~~

~~(f) Change of ownership or control of a license. In the event that any slot machine license is transferred pursuant to section 9212.2 (relating to change in ownership of slot machine licensee), the transferee shall be entitled to the full remaining amount of the credit set forth in subsection (c) or the complete return of the license fee set forth in subsection (d) as if the transferee license was the original licensee.~~

~~§ 9207. Slot machine license application.~~

~~(a) Application. Any licensed corporation which meets the requirements of section 9206 (relating to authorized slot machine licenses) or that desires to install additional slot machines pursuant to section 9205(b)(24) (relating to board's powers) at its licensed racetrack shall file an application with the board in such form as shall be prescribed by the board. Only~~

~~one slot machine license shall be granted per racetrack.~~

~~(b) Requirements. The application for a slot machine license shall include, but not be limited to:~~

~~(1) The name and address of the licensed corporation, a list of all directors and owners and a list of key employees and their positions within the corporation, as well as any financial information required by the board.~~

~~(2) The proposed location of the slot machine areas pursuant to section 9206(b).~~

~~(3) The number of slot machines requested. A successful applicant shall receive approval by the board for the operation of up to 3,000 slot machines at any one racetrack, and shall be required to operate a minimum of 1,500 machines at any one racetrack within one year of operation, except as provided in section 9206.~~

~~(4) In those instances where additional slot machines are being requested, the justification and explanation for the number and location of the slot machine areas within the confines of the racetrack.~~

~~(5) The current status of the licensed corporation's Pennsylvania racing license issued pursuant to the Race Horse Industry Reform Act.~~

~~(6) Details of any slot machine or casino license granted or denied to the applicant by other jurisdictions where such form of gaming is legal.~~

~~(7) Details of any loans not obtained from a financial institution.~~

~~(8) Any other information determined to be appropriate by the board.~~

~~§ 9208. Slot machine accounting controls and audits.~~

~~(a) Approval. Except as otherwise provided by this chapter, each licensed corporation which desires to install and operate slot machines at its racetrack shall, in addition to obtaining a slot machine license, obtain approval from the board in consultation with the department of its proposed internal control systems and audit protocols prior to the installation and operation of slot machines.~~

~~(b) Minimum requirements. At a minimum, the licensed corporations proposed internal controls and audit protocols shall:~~

~~(1) Safeguard its assets and revenues, including, but not limited to, the recording of cash and evidences of indebtedness related to the slot machines.~~

~~(2) Provide for reliable records, accounts and reports of any financial event that occurs in the operation of a slot machine, including reports to the board related to the slot machines.~~

~~(3) Ensure, as provided in section 9208.1 (relating to central control computer), that all slot machines within each racetrack are directly connected to each racetrack's central computerized system which shall provide details of any financial event that occurs in the operation of a slot machine, including, but not limited to, coin in, coin out, jackpots, machine door openings and power failures.~~

~~(4) Provide for accurate and reliable financial records.~~

~~(5) Ensure any financial event that occurs in the operation of a slot machine is performed only in accordance with the management's general or specific authorization.~~

~~(6) Ensure that any financial event that occurs in the operation of a slot machine is recorded adequately to permit~~

~~proper and timely reporting of gross revenue and the
calculation thereof and of fees and taxes and to maintain
accountability for assets.~~

~~(7) Ensure that access to assets is permitted only in
accordance with management's specific authorization.~~

~~(8) Ensure that recorded accountability for assets is
compared with actual assets at reasonable intervals and
appropriate action is taken with respect to any
discrepancies.~~

~~(9) Ensure that all functions, duties and
responsibilities are appropriately segregated and performed
in accordance with sound financial practices by competent,
qualified personnel.~~

~~(c) Internal control. Each licensed corporation which
applies for a slot machine license at its racetrack shall submit
to the board, in such manner as the board shall require, a
description of its administrative and accounting procedures in
detail, including its written system of internal control. Each
written system shall include:~~

~~(1) Records of direct and indirect ownership in a
licensed corporation.~~

~~(2) An organizational chart depicting appropriate
segregation of functions and responsibilities.~~

~~(3) A description of the duties and responsibilities of
each position shown on the organizational chart.~~

~~(4) A detailed narrative description of the
administrative and accounting procedures designed to satisfy
the requirements of subsection (a).~~

~~(5) Record retention policy.~~

~~(6) Procedure to ensure that assets are safeguarded,~~

1 ~~including mandatory count procedures.~~

2 ~~(7) A statement signed by the chief financial officer of~~
3 ~~the licensed corporation and the chief executive officer of~~
4 ~~the licensed corporation attesting that they believe, in good~~
5 ~~faith, the system satisfies the requirements of this section.~~

6 ~~(8) Any other item that the board may require.~~

7 ~~§ 9208.1. Central control computer.~~

8 ~~(a) General rule. To facilitate the auditing and security~~
9 ~~programs critical to the integrity of slot machine gaming in~~
10 ~~this Commonwealth, the department shall have overall control of~~
11 ~~slot machines and all slot machine terminals shall be linked,~~
12 ~~directly and indirectly, to a central control computer under the~~
13 ~~control of the department to provide auditing program~~
14 ~~information as approved by the department and shall include real~~
15 ~~time information retrieval and terminal activation and disable~~
16 ~~programs. The central control computer system selected and~~
17 ~~employed by the department shall not limit or favor the~~
18 ~~participation of a vendor or manufacturer of a slot machine as a~~
19 ~~result of the cost or difficulty of implementing the necessary~~
20 ~~program modifications to communicate with and link to the~~
21 ~~central site computer. The central control computer system and~~
22 ~~all associated contractors shall be selected in accordance with~~
23 ~~the Commonwealth's procurement requirements and procedures. The~~
24 ~~central computer system selected and employed by the department~~
25 ~~shall provide:~~

26 ~~(1) A fully operational Statewide slot machine control~~
27 ~~system that has the capability of supporting up to 40,000~~
28 ~~slot machines as may be required, and technology upgrades~~
29 ~~necessary to maintain a fully operational and proper~~
30 ~~reporting capability for a period of ten years.~~

1 ~~(2) The employment of a widely accepted gaming industry~~
2 ~~protocol to facilitate slot machine manufacturers' ability to~~
3 ~~communicate with the system.~~

4 ~~(3) The delivery of a system that has the capability to~~
5 ~~support in house and wide area progressive slot machines as~~
6 ~~approved by the board.~~

7 ~~(4) The delivery of a system that allows the slot~~
8 ~~machine licensee to install independent player tracking~~
9 ~~systems, to include cashless technology as approved by the~~
10 ~~board.~~

11 ~~(5) The delivery of a system that does not alter the~~
12 ~~statistical awards of games, as designed by the game~~
13 ~~manufacturer and approved by the board.~~

14 ~~(b) Limited definition. For the purpose of this section,~~
15 ~~the term "central control computer" shall be a central site~~
16 ~~computer provided to and controlled by the department to which~~
17 ~~all slot machines communicate for the purpose of real time~~
18 ~~information retrieval or machine activation or the disabling of~~
19 ~~slot machines.~~

20 ~~§ 9208.2. Protocol information.~~

21 ~~The board shall provide, in advance of the operation of a~~
22 ~~central control computer, to a slot machine provider or~~
23 ~~manufacturer the protocol documentation data necessary to enable~~
24 ~~the respective slot machine provider's or manufacturer's slot~~
25 ~~machine terminals to communicate with the board's central~~
26 ~~control computer for the purpose of transmitting auditing~~
27 ~~program information and for activating and disabling of slot~~
28 ~~machine terminals.~~

29 ~~§ 9209. Supplier and manufacturer licenses.~~

30 ~~(a) Application. Any person seeking to provide slot~~

1 ~~machines or associated equipment to a slot machine licensee~~
2 ~~within this Commonwealth or to manufacture slot machines for use~~
3 ~~in this Commonwealth shall apply to the board for a supplier or~~
4 ~~manufacturer license. No applicant for, or holder of, a~~
5 ~~manufacturer license shall be eligible to apply for or hold a~~
6 ~~supplier license. Within one year of being granted a supplier~~
7 ~~license, the licensee shall establish a place of business in~~
8 ~~this Commonwealth and maintain such during the period in which~~
9 ~~the license is held. The board shall be authorized to issue up~~
10 ~~to seven supplier licenses. No licensed slot machine operator~~
11 ~~shall enter into any sale, lease, contract or any other type of~~
12 ~~agreement providing slot machines, parts or associated equipment~~
13 ~~for use or play with any person other than a supplier licensed~~
14 ~~pursuant to this section. A supplier may represent or contract~~
15 ~~with more than one manufacturer. No manufacturer may be~~
16 ~~represented by or contract with more than one supplier.~~

17 ~~(b) Requirements. The application for a supplier or~~
18 ~~manufacturer license shall include, but not be limited to:~~

19 ~~(1) The name and business address of the directors and~~
20 ~~owners and a list of employees and their positions within the~~
21 ~~business, as well as any financial information required by~~
22 ~~the board.~~

23 ~~(2) Consent to a background investigation of the~~
24 ~~applicant.~~

25 ~~(3) Details of any supplier or equivalent license~~
26 ~~granted or denied by other jurisdictions where gaming is~~
27 ~~legal.~~

28 ~~(4) The type of goods and services to be supplied or~~
29 ~~manufactured and whether those goods and services will be~~
30 ~~provided through purchase, lease, contract, or otherwise.~~

~~(5) Any other information determined by the board to be appropriate.~~

~~§ 9210. Occupation permit and applications.~~

~~(a) Application. Any person who desires to be a gaming employee shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless, and until, the person holds an appropriate occupation permit issued under this section. The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with this chapter's objectives.~~

~~(b) Requirements. The application for an occupation permit shall include, but not be limited to:~~

~~(1) The name and home address of the person.~~

~~(2) The previous employment history of the person.~~

~~(3) Any criminal history record of the person, as well as consent for the Pennsylvania State Police to conduct an investigation into the individual's criminal history record and provide the same to the board.~~

~~(4) The nature and scope of the proposed duties of the person, if known.~~

~~(5) Details of any occupation permit or similar license granted or denied to the applicant in other jurisdictions.~~

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

~~(c) Prohibition. No slot machine licensee may employ or permit any person under 18 years of age to render any service whatsoever in any area of its racetrack at which slot machines are located.~~

~~§ 9210.1. Slot machine license application character~~

requirements.

~~Every application for a slot machine license issued by the board shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence the applicant's good character, honesty and integrity. Such information, shall include, without limitation, information pertaining to family, habits, character, reputation, criminal and arrest record, business activities, financial affairs and business, professional and personal associates, covering at least the ten year period immediately preceding the filing of the application. Each applicant shall notify the board of any civil judgments obtained against any such applicant pertaining to antitrust or security regulation laws of the Federal Government, this Commonwealth or any other state, jurisdiction, province or country. In addition, each applicant shall produce a letter of reference from law enforcement agencies having jurisdiction in the applicant's place of residence and principal place of business, which letter of reference shall indicate that such law enforcement agencies do not have any pertinent information concerning the applicant or, if such law enforcement agency does have information pertaining to the applicant, shall specify what that information is. If the applicant has conducted gaming operations in a jurisdiction which permits such activity, the applicant shall produce a letter of reference from the gaming or casino enforcement or control agency which shall specify the experiences of such agency with the applicant, his associates and his gaming operation, provided, however, that if no such letters are received within 30 days of the request, the applicant may submit a statement under oath that he is or was during the period such~~

~~activities were conducted in good standing with such gaming or casino enforcement or control agency.~~

~~§ 9210.2. Slot machine license application financial fitness requirements.~~

~~(a) Applicant financial information. The board shall require each applicant for a slot machine license to produce such information, documentation and assurances concerning financial background and resources as it deems necessary to establish by a preponderance of evidence the financial stability, integrity and responsibility of the applicant, including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers. In addition, each applicant shall, in writing, authorize the examination of all bank accounts and records as may be deemed necessary by the board.~~

~~(b) Financial backer information. The board shall require each applicant for a slot machine license to produce such information, documentation and assurances as may be necessary to establish by clear and convincing evidence of the integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed. However, this section shall not apply to banking or other licensed lending institutions and institutional investors which are waived from the qualification requirements. Any such banking or lending institution or institutional investor shall, however, produce for the board upon request any document or information which bears any relation to the proposal submitted by the applicant or~~

~~applicants. The integrity of financial sources shall be judged upon the same standards as the applicant. Any such individual or entity shall produce for the board upon request any document or information which bears any relation to the application. In addition, the applicant shall produce whatever information, documentation or assurances the board requires to establish by a preponderance of evidence the adequacy of financial resources.~~

~~(c) Applicant's business experience. The board shall require each applicant for a slot machine license to produce such information, documentation and assurances as the board may require to establish by a preponderance of evidence that the applicant has sufficient business ability and experience to create and maintain a successful, efficient operation. Slot machine licensee applicants shall produce the names of all proposed key employees and a description of their respective or proposed responsibilities as they become known.~~

~~§ 9211. Additional licenses and permits; approval of agreements.~~

~~(a) Requirements. In addition to the requirements for a license or permit specifically set forth in this chapter, the board may require a license or permit, and set a fee for the same, for any key or gaming employee or any person who satisfies any of the following criteria:~~

~~(1) The person transacts business within this Commonwealth with a slot machine licensee as a ticket purveyor, a tour operator, the operator of a bus trip program or the operator of any other type of travel program or promotional business related to slot machines. The board may also review, order modification and approve, at its discretion, proposed tours, bus routes and travel programs.~~

~~(2) The person is presently not otherwise required to be licensed under this chapter and provides any goods, property or services for compensation to a slot machine licensee related to slot machines at the racetrack.~~

~~(b) Agreement. Any agreement to conduct business within this Commonwealth between a person and a slot machine licensee relating to slot machines or associated equipment is subject to the approval of the board. Every agreement shall be in writing and include a provision for its termination without liability on the part of the slot machine licensee upon a finding by the board that the agreement is not approved or that it is terminated. Failure to expressly include this condition in the agreement is not a defense in any action brought under this section relating to the termination of the agreement.~~

~~§ 9212. License or permit issuance.~~

~~(a) Issuance. Any licensed corporation, supplier, manufacturer, gaming employee or other person that the board determines is qualified to receive a license or a permit under this chapter may be issued a license or permit upon the payment of any fee required.~~

~~(b) Eligibility. A license or permit shall not be granted or renewed unless the board finds that the applicant satisfies all of the following criteria:~~

~~(1) The applicant is a person of good character, honesty and integrity. In making this determination, the board shall consider the report of any required background investigation and the applicant's criminal history record as compiled by the Pennsylvania State Police. If the applicant has been convicted, in any jurisdiction, of a felony, a crime related to the activities of gambling or a crime of moral turpitude,~~

1 ~~then the board shall not issue a license under this chapter.~~

2 ~~(2) The applicant is a person whose prior activities,~~
3 ~~criminal record, if any, reputation, habits and associations~~
4 ~~do not pose a threat to the public interest or to the~~
5 ~~effective regulation and control of slot machine operations~~
6 ~~or create or enhance the danger of unsuitable, unfair or~~
7 ~~illegal practices, methods and activities in the conduct of~~
8 ~~slot machine operations or the carrying on of the business~~
9 ~~and financial arrangements incidental to it.~~

10 ~~(3) The applicant in all other respects is found~~
11 ~~suitable consistent with the laws of this Commonwealth and is~~
12 ~~otherwise qualified to be issued a license or permit.~~

13 ~~(c) Alternate standards. The board may determine whether~~
14 ~~the licensing standards of another jurisdiction within the~~
15 ~~United States or Canada in which a slot machine license~~
16 ~~applicant is licensed are comprehensive and thorough and provide~~
17 ~~similar adequate safeguards as those required by this chapter.~~
18 ~~If the board makes that determination, it may issue a slot~~
19 ~~machine license to an applicant for any slot machine license or~~
20 ~~permit already held by the applicant in such other jurisdiction~~
21 ~~without the necessity of a full application and background~~
22 ~~investigation. In the event such slot machine applicant is~~
23 ~~licensed in another jurisdiction, the board may determine to use~~
24 ~~an abbreviated process requiring only that information~~
25 ~~determined by the board to be necessary to consider the grant of~~
26 ~~a license or permit to such an applicant. Nothing in this~~
27 ~~section shall be construed to waive any fees associated with~~
28 ~~obtaining a license through the normal application process.~~

29 ~~(d) Conditional licenses. Notwithstanding the requirements~~
30 ~~of subsections (b) and (c), the board may issue a conditional~~

1 ~~license, upon payment of the fee pursuant to section 9206.1(a)~~
2 ~~(relating to slot machine license fee), to an applicant who has~~
3 ~~been granted a license from either the State Horse Racing~~
4 ~~Commission or the State Harness Racing Commission to conduct~~
5 ~~thoroughbred or harness horse race meetings, with pari-mutuel~~
6 ~~wagering and who conducts live racing. This license may be~~
7 ~~issued prior to the completion of the background investigation~~
8 ~~and prior to full compliance by the applicant with subsection~~
9 ~~(b). An applicant shall provide the board with satisfactory~~
10 ~~evidence of suitability and financial capability of the~~
11 ~~applicant to be a slot machine licensee prior to the board~~
12 ~~granting the conditional license. Upon receipt of a conditional~~
13 ~~license the applicant shall submit all information necessary for~~
14 ~~a background investigation and comply with all the requirements~~
15 ~~of this chapter for a slot machine license as provided in~~
16 ~~subsection (b). If the holder of a conditional license does not~~
17 ~~receive board approval of a slot machine license under the~~
18 ~~standards set forth in subsection (b) within 18 months, the~~
19 ~~conditional license shall expire, unless a delay in reviewing~~
20 ~~the license application is not caused, directly or indirectly,~~
21 ~~by the license applicant. If the holder of a conditional license~~
22 ~~does not receive board approval of a slot machine license prior~~
23 ~~to expiration of the conditional license or is denied, the~~
24 ~~holder of the conditional license shall be entitled to a return~~
25 ~~of a share of its slot machine license fee in the amount of~~
26 ~~\$42,500,000. Failure to meet the requirements of this section~~
27 ~~for licensure shall cause immediate forfeiture of the license~~
28 ~~and revocation of authorization to operate slot machines at the~~
29 ~~licensed facility.~~

30 ~~(c) Information sharing. With respect to the~~

~~administration, supervision and enforcement of this chapter, the board, the Pennsylvania State Police or the Office of Attorney General may obtain or provide pertinent information regarding applicants, licensees, permittees or potential licensees or permittees with law enforcement entities or gaming authorities of the Commonwealth and other jurisdictions.~~

~~(f) Unsworn falsification to authorities. Any person submitting information required to be provided to the board under this chapter shall be subject to section 4904 (relating to unsworn falsification to authorities).~~

~~(g) Renewal. All permits and licenses, except as otherwise provided, shall be valid for a period of up to one year and upon proper application and payment of any renewal fee to the board may be renewed on an annual basis.~~

~~(h) Referral. The board shall refer any matter relating to any licensee, applicant or permittee to the Pennsylvania State Police or the Office of Attorney General as it deems appropriate.~~

~~§ 9212.1. Transferability of licenses.~~

~~A license or permit issued by the board is a grant of privilege to conduct a business in the Commonwealth. A license or permit granted or renewed pursuant to this chapter shall not be transferred or assigned to another person, nor shall a license or permit be pledged as collateral.~~

~~§ 9212.2. Change in ownership of slot machine licensee.~~

~~(a) Notification. A slot machine licensee shall notify the board of any proposed or contemplated change of ownership or control of the slot machine licensee which involves more than 5% of a slot machine licensee's voting stock or more than 5% of the voting stock of a corporation which controls the licensee or the~~

~~sale of a licensee's assets, other than those bought and sold in the ordinary course of business and all other transactions or occurrences deemed by the board to be relevant to license qualifications. In applying this notification standard, stock transactions involving institutional investors shall not be considered. In order for a license to remain in effect, board approval and payment of the fee pursuant to section 9206.1 (relating to slot machine license fee) shall be required prior to completion of any proposed change of ownership or control of a licensee.~~

~~(b) Qualification of successor slot machine licensee. The purchaser or successor of any slot machine licensee shall independently qualify for a license or permit in accordance with this chapter and pay the license fee as required by section 9206.1(a). For purposes of this section, a change in control or ownership of a licensee or corporation which controls the licensee or the sale of a licensee's assets, other than those bought and sold in the ordinary course of business, shall be determined in accordance with 15 Pa.C.S. § 2543 (relating to controlling person or group). Failure to comply with this section may void the license issued under this chapter unless the sale has been approved in advance by the board.~~

~~§ 9212.3. Public official financial interest.~~

~~(a) General rule. Except as may be provided by rule or order of the Pennsylvania Supreme Court, no executive level State employee, public official, party officer or immediate family member thereof shall have a financial interest in or be employed, directly or indirectly, by any licensed corporation, or slot machine licensee, or any holding, intermediary or subsidiary company, thereof, or any such applicant, nor solicit~~

~~or accept, directly or indirectly, any complimentary service or discount from any licensed entity which he knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstances for four years following termination of the person's status as an executive level State employee, public official or party officer. As applied to members of the General Assembly, the period shall be five years.~~

~~(b) Definitions. As used in this section, the following words and phrases shall have the meanings given to them in this subsection:~~

~~"Executive level State employee." The Governor, Lieutenant Governor, cabinet members, deputy secretaries, the Governor's office staff, any State employee with discretionary powers which may affect the outcome of a State agency's decision in relation to a private corporation or business or any executive employee who by virtue of his job function could influence the outcome of such a decision.~~

~~"Financial interest." Owning or holding stock exceeding 2% of the equity at fair market value of the licensed corporation, licensed slot machine licensee or manufacturer licensee, its holding company, subsidiary or affiliated business. A financial interest shall not include any such stock that is inherited and held in a blind trust over which the executive level State employee, public official, party officer or immediate family member thereof may not exercise any managerial control during the tenure of office and the period under subsection (a).~~

~~"Immediate family." A parent, spouse, child, brother, sister, spouse's children, niece or nephew.~~

~~"Party officer." A member of a national committee; a~~

~~chairman, vice chairman, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee; a county chairman, vice chairman, counsel, secretary or treasurer of a county committee; or a city chairman, vice chairman, counsel, secretary or treasurer of a city committee.~~

~~"Public official." Any person elected by the public or elected or appointed by a governmental body or appointed official in the executive or legislative branch of this Commonwealth or any political subdivision thereof or any governmental representative, designee or commissioner of any joint State commission or authority appointed by the Governor.~~

~~§ 9212.4. Political influence.~~

~~(a) Contribution restriction. An applicant, licensed corporation or slot machine licensee, or an entity that holds a gaming license or permit in another jurisdiction, or any holding, intermediary or subsidiary company thereof, or any officer, director, principal or key employee of an applicant or licensed entity or any holding, intermediary or subsidiary company thereof or any person or agent on behalf of any such applicant, holder, company or person, shall be prohibited from directly or indirectly contributing any money or in kind contribution to a candidate for nomination or election to any public office in this Commonwealth or to any political committee or State party in this Commonwealth, or to any group, committee or association organized in support of any such candidate, political committee or State party.~~

~~(b) Annual certification. The chief executive officer, or other appropriate individual, of each licensed entity shall annually certify, under oath, to the board and the Department of State that the applicant or licensed entity has developed and~~

~~implemented internal safeguards and policies intended to prevent a violation of this provision and that the licensed entity has conducted an internal investigation that has not revealed any violation of this provision during the past year.~~

~~(c) Penalties. The first violation of this section shall be punishable by a fine of not less than an average single day's gross revenue of the licensed entity derived from the operation, supply or manufacture of slot machines in the State; a second violation of this section, within five years of the first violation, shall be punishable by at least a one day suspension of the license held by the licensed entity and a fine not less than an average two days' gross revenue of the licensed entity; a third violation of this section within five years of the second violation shall be punishable by the immediate revocation of the license held by the licensed entity.~~

~~§ 9213. Prohibited acts and penalties.~~

~~(a) Perjury, false swearing and unsworn falsification. The provisions of sections 4902 (relating to perjury), 4903 (relating to false swearing), and 4904 (relating to unsworn falsification to authorities) shall apply to any person providing information or making any statement, whether written or oral, to the board, its agents or employees, the Pennsylvania State Police or the Office of Attorney General, as required by this chapter.~~

~~(b) Nonpayment of license fee, tax or assessment. It is unlawful for a person to willfully:~~

~~(1) fail to report, pay or truthfully account for and pay over any license fee, tax or assessment imposed under this chapter; or~~

~~(2) attempt in any manner to evade or defeat any license~~

~~fee, tax or assessment imposed under this chapter.~~

~~(c) Unlicensed persons. It is unlawful for any licensed entity, gaming employee, key employee or any other person to permit a slot machine to be operated, transported, repaired or opened on the premises of a racetrack by a person other than a person licensed or permitted by the board.~~

~~(d) Unlicensed activity. It is unlawful for a licensed entity or other person to manufacture, supply or place slot machines into play or display slot machines on the premises of a racetrack without the authority of the board.~~

~~(e) Activity under expired license. It is unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine after the person's license has expired and prior to the actual renewal of the license.~~

~~(f) Counterfeit currency.—~~

~~(1) Except as set forth in paragraph (2), it is unlawful for an individual, on the premises of a licensed racetrack, to knowingly use currency other than lawful coin or legal tender of the United States or a coin not of the same denomination as the coin intended to be used in the slot machine.~~

~~(2) In the playing of a slot machine, it is lawful for an individual to use gaming billets, tokens or similar objects issued by the slot machine licensee which are approved by the board.~~

~~(g) Illegal devices.—~~

~~(1) Except as set forth in paragraph (2), it is unlawful for an individual, on the premises of a licensed racetrack, to use or possess a cheating or thieving device.~~

1 ~~(2) An authorized employee of a licensee may possess and~~
2 ~~use a cheating or thieving device only in performance of the~~
3 ~~duties of employment.~~

4 ~~(3) As used in this subsection, the term "cheating or~~
5 ~~thieving device" means a device to facilitate the alignment~~
6 ~~of any winning combination or to remove from any slot machine~~
7 ~~money or other contents. The term includes a tool, drill,~~
8 ~~wire, coin or token attached to a string or wire and any~~
9 ~~electronic or magnetic device.~~

10 ~~(h) Unlawful entry devices.—~~

11 ~~(1) Except as set forth in paragraph (2), it is unlawful~~
12 ~~for an individual to knowingly possess or use, while on the~~
13 ~~premises of a licensed racetrack, a key or device designed~~
14 ~~for the purpose of or suitable for opening or entering any~~
15 ~~slot machine or coin box.~~

16 ~~(2) An authorized employee of a licensee or a member of~~
17 ~~the board may possess and use a device referred to in~~
18 ~~paragraph (1) only in the performance of the duties of~~
19 ~~employment.~~

20 ~~(i) Possession of illegal devices.— It is unlawful for a~~
21 ~~person or licensed entity to possess any device, equipment or~~
22 ~~material which the person or licensed entity knows has been~~
23 ~~manufactured, distributed, sold, tampered with or serviced in~~
24 ~~violation of the provisions of this chapter.~~

25 ~~(j) License or permit required.— It is unlawful for an~~
26 ~~individual to work or be employed in a position the duties of~~
27 ~~which would require licensing or permitting under the provisions~~
28 ~~of this chapter without first obtaining the requisite license or~~
29 ~~permit as provided in this chapter.~~

30 ~~(k) Employment of certain persons prohibited.— It is~~

~~unlawful for a licensed entity to employ, offer to employ or
continue to employ in a position the duties of which require a
license or permit under the provisions of this chapter:~~

~~(1) an individual not licensed or permitted under the
provisions of this chapter; or~~

~~(2) an individual who is prohibited from accepting
employment from a licensee.~~

~~(1) Board imposed sanctions.—~~

~~(1) In addition to any other penalty authorized by law,
the board may impose without limitation the following
sanctions upon any licensee or permittee:~~

~~(i) Revoke the license or permit of any person
convicted of a criminal offense under this chapter or
regulations promulgated under this chapter or committing
any other offense or violation of this chapter or
applicable law which would otherwise disqualify such
person from holding the license or permit.~~

~~(ii) Revoke the license or permit of any person
determined to have violated a provision of this chapter
or regulations promulgated under this chapter which would
otherwise disqualify such person from holding the license
or permit.~~

~~(iii) Revoke the license or permit of any person for
willfully and knowingly violating an order of the board
directed to such person.~~

~~(iv) Suspend the license or permit of any person,
pending the outcome of a hearing in any case in which
license or permit revocation could result.~~

~~(v) Suspend the license of any slot machine licensee
for violation of any provisions of this chapter or~~

1 ~~regulations promulgated hereunder relating to its slot~~
2 ~~machine operations, including, internal and accountancy~~
3 ~~controls and security.~~

4 ~~(vi) Assess administrative penalties as necessary to~~
5 ~~punish misconduct and to deter future violations.~~

6 ~~(vii) Order restitution of any moneys or property~~
7 ~~unlawfully obtained or retained by a licensee or~~
8 ~~permittee.~~

9 ~~(viii) Enter cease and desist orders which specify~~
10 ~~the conduct which is to be discontinued, altered or~~
11 ~~implemented by the licensee or permittee.~~

12 ~~(ix) Issue letters of reprimand or censure, which~~
13 ~~letters shall be made a permanent part of the file of~~
14 ~~each licensee or permittee so sanctioned.~~

15 ~~(2) If the board refuses to issue or renew a license or~~
16 ~~permit, suspends or revokes a license or permit, assesses~~
17 ~~civil penalties, orders restitution, enters a cease and~~
18 ~~desist order, or issues a letter of reprimand or censure, it~~
19 ~~shall provide the applicant or licensee or permittee with~~
20 ~~written notification of its decision, including a statement~~
21 ~~of the reasons for its decision by certified mail within five~~
22 ~~business days of the decision. Any applicant or licensee or~~
23 ~~permittee who has received notice of a refusal, suspension or~~
24 ~~revocation of a license or permit, the assessment of civil~~
25 ~~penalties, an order of restitution, the entrance of a cease~~
26 ~~and desist order, or the issuance of a letter of reprimand or~~
27 ~~censure from the board shall have the right to an~~
28 ~~administrative hearing before the board in accordance with 2~~
29 ~~Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of~~
30 ~~Commonwealth agencies) and Ch. 7 Subch. A (relating to~~

1 ~~judicial review of Commonwealth agency action).~~

2 ~~(m) Criminal penalties.—~~

3 ~~(1) Except as set forth in paragraphs (2) and (3) and~~
4 ~~subsection (n), a person that violates this section commits a~~
5 ~~misdemeanor of the first degree and shall, upon a first~~
6 ~~conviction, be sentenced to pay a fine of:~~

7 ~~(i) not less than \$25,000 if the person is an~~
8 ~~individual;~~

9 ~~(ii) not less than \$100,000 if the person is a slot~~
10 ~~machine licensee or licensed corporation; or~~

11 ~~(iii) not less than \$50,000 if the person is a~~
12 ~~licensed manufacturer or supplier.~~

13 ~~(2) Except as set forth in paragraph (3), a person that~~
14 ~~violates subsection (a) commits an offense to be graded in~~
15 ~~accordance with section 4902, 4903 or 4904, as applicable,~~
16 ~~for a first conviction and shall, upon conviction, be~~
17 ~~sentenced to pay a fine of:~~

18 ~~(i) not less than \$25,000 if the person is an~~
19 ~~individual; or~~

20 ~~(ii) not less than \$100,000 if the person is a slot~~
21 ~~machine licensee or licensed corporation.~~

22 ~~(3) Except as set forth in subsection (n), a person that~~
23 ~~is convicted of a second or subsequent violation of this~~
24 ~~section commits a felony of the second degree and shall be~~
25 ~~sentenced to pay a fine of:~~

26 ~~(i) not less than \$50,000 if the person is an~~
27 ~~individual or licensed supplier;~~

28 ~~(ii) not less than \$200,000 if the person is a slot~~
29 ~~machine licensee or licensed corporation; or~~

30 ~~(iii) not less than \$100,000 if the person is a~~

1 ~~licensed manufacturer.~~

2 ~~(n) Administrative penalty. If a person violates subsection~~
3 ~~(b), the board shall impose an administrative penalty of three~~
4 ~~times the amount of the license fee, tax or other assessment~~
5 ~~evaded and not paid, collected or paid over. This subsection is~~
6 ~~subject to 2 Pa.C.S. Ch. 5 Subch. A and Ch. 7 Subch. A.~~

7 ~~§ 9213.1. Slot machine terminal proceeds.~~

8 ~~The gross terminal revenue of a slot machine licensee shall~~
9 ~~be remitted daily to the department through the electronic~~
10 ~~transfer of funds. Each slot machine licensee shall provide the~~
11 ~~department with all information and bank authorizations required~~
12 ~~to facilitate the timely transfer of moneys to the department.~~
13 ~~Slot machine licensees shall provide the department within 30~~
14 ~~days advance notice of any proposed account changes in order to~~
15 ~~assure the uninterrupted electronic transfer of funds.~~

16 ~~§ 9213.2. Gross terminal revenue deduction.~~

17 ~~From the gross terminal revenue remitted by the licensee to~~
18 ~~the department, the department shall deduct an amount sufficient~~
19 ~~to reimburse the department for the actual costs and expenses~~
20 ~~incurred in administering this chapter at the licensed venue~~
21 ~~based on a schedule determined by the department.~~

22 ~~§ 9214. Net slot machine revenue distribution and establishment~~
23 ~~of State Gaming Fund.~~

24 ~~(a) Fund established. There is hereby established the State~~
25 ~~Gaming Fund within the State Treasury.~~

26 ~~(b) Slot machine tax. Slot machine licensees shall pay a~~
27 ~~tax of 34% of the gross terminal revenue from slot machine~~
28 ~~terminals after deduction of the amounts described in section~~
29 ~~9213.2 (relating to gross terminal revenue deduction).~~

30 ~~(c) State Gaming Fund. The department shall:~~

1 ~~(1) Transfer the slot machine tax imposed in subsection~~
2 ~~(b), and 100% of the license fees imposed under section~~
3 ~~9206.1 (relating to slot machine license fee) to the State~~
4 ~~Gaming Fund.~~

5 ~~(2) Distribute 1% of the gross terminal revenue among~~
6 ~~the municipalities hosting a racetrack at which slot machines~~
7 ~~are located on a pro rata basis determined by the percentage~~
8 ~~of contribution to the fund of a slot machine licensee~~
9 ~~located in the municipality. If the racetrack is located in~~
10 ~~two or more municipalities, the amount available shall be~~
11 ~~distributed on a pro rata basis determined by the percentage~~
12 ~~of acreage located in each municipality to the total acreage~~
13 ~~of all municipalities occupied by the racetrack. The amount~~
14 ~~allocated to the designated municipalities shall not exceed~~
15 ~~50% of their total budget for fiscal year 2003-2004, adjusted~~
16 ~~for inflation in subsequent years by an amount not to exceed~~
17 ~~an annual cost of living adjustment calculated by applying~~
18 ~~the percentage change in the Consumer Price Index for All~~
19 ~~Urban Consumers (CPI-U) for the Pennsylvania, New Jersey,~~
20 ~~Delaware and Maryland area, for the most recent 12-month~~
21 ~~period for which figures have been officially reported by the~~
22 ~~United States Department of Labor, Bureau of Labor~~
23 ~~Statistics, immediately prior to the date the adjustment is~~
24 ~~due to take effect. Any remaining moneys shall be deposited~~
25 ~~in the segregated account established pursuant to paragraph~~
26 ~~(3). Nothing in this subsection shall prevent municipalities~~
27 ~~from entering into intergovernmental cooperative agreements~~
28 ~~with other jurisdictions for sharing these moneys.~~

29 ~~(3) Transfer 1% of the gross terminal revenue to the~~
30 ~~Department of Community and Economic Development to be placed~~

1 ~~in a restricted account to exclusively provide grants to~~
2 ~~municipalities that host a racetrack and municipalities~~
3 ~~contiguous with the municipality or municipalities hosting~~
4 ~~the racetrack for purpose of funding infrastructure~~
5 ~~improvements and public safety expenses associated with the~~
6 ~~racetrack and slot machine operations. Moneys from this~~
7 ~~account shall not lapse and shall be dedicated only to the~~
8 ~~purposes provided for in this paragraph.~~

9 ~~(d) Balance of funds. There shall be established a~~
10 ~~restricted account for each licensee within the fund. The~~
11 ~~balance of gross revenues arising from the operation of the slot~~
12 ~~machines of each licensee shall be placed in such restricted~~
13 ~~accounts, and the balance of funds in each restricted account~~
14 ~~shall be immediately transmitted to the respective licensees. In~~
15 ~~the event circumstances beyond the control of the department~~
16 ~~prevent the immediate transmittal of the balance of funds in~~
17 ~~each restricted account, the transmittal may be delayed by the~~
18 ~~department for a period not to exceed 24 hours from the~~
19 ~~placement of the funds in each restricted account. Any delay~~
20 ~~beyond 24 hours shall be subjected to the payment of interest of~~
21 ~~1% on the balance of funds due to whom the balance of funds is~~
22 ~~due. The department shall promulgate regulations regarding the~~
23 ~~timing and method of receipt and remittance of the balance of~~
24 ~~funds.~~

25 ~~(e) Net terminal revenues. The net terminal revenues~~
26 ~~arising from the operation of the slot machines of the licensee~~
27 ~~shall be remitted back to the licensee and distributed in~~
28 ~~accordance with section 9215 (relating to distributions from~~
29 ~~owners' revenue receipts).~~

30 ~~(f) Definitions. As used in this section, the following~~

1 ~~words and phrases shall have the meanings given to them in this~~
2 ~~subsection:~~

3 ~~"Net terminal revenue." The net amount of the gross terminal~~
4 ~~revenue less the tax imposed by section 9214 (relating to net~~
5 ~~slot machine revenue distribution and establishment of State~~
6 ~~Gaming Fund).~~

7 ~~§ 9214.1. Responsibility and authority of department.~~

8 ~~(a) General rule. The department is authorized to~~
9 ~~administer and collect the taxes imposed under this chapter and~~
10 ~~promulgate and enforce rules and regulations in accordance with~~
11 ~~this chapter, including the collection of taxes, penalties and~~
12 ~~interest imposed by this chapter as supplemented by the rules of~~
13 ~~the board.~~

14 ~~(b) Application of rules and regulations. The department~~
15 ~~may prescribe the extent, if any, to which any rules and~~
16 ~~regulations shall be applied without retroactive effect. The~~
17 ~~department shall have authority to prescribe the forms and the~~
18 ~~system of accounting and recordkeeping to be employed, and~~
19 ~~through its representative shall, at all times, have power of~~
20 ~~access to, and examination and audit of any equipment and~~
21 ~~records relating to all aspects of the operation of slot~~
22 ~~machines under this chapter.~~

23 ~~(c) Procedure. For purposes of implementing this chapter,~~
24 ~~the department may promulgate regulations in the same manner in~~
25 ~~which the board is authorized as provided in section 9205(b)(9)~~
26 ~~(relating to board's powers).~~

27 ~~§ 9214.2. Liens and suits for taxes.~~

28 ~~The provisions of this chapter shall be subject to the~~
29 ~~provisions of sections 242 and 243 of the act of March 4, 1971~~
30 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971.~~

~~§ 9214.3. Applicants to provide certain tax information.~~

~~The provisions of section 477 of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, shall apply to all applicants for the grant, renewal or transfer of any license or permit issued by the board under this chapter.~~

~~§ 9215. Distributions from owners' revenue receipts.~~

~~The balance of the revenues remitted back to the slot machine licensees shall be distributed in the following manner:~~

~~(1) An amount not less than \$5,000,000 over a five year period, and an amount not less than \$250,000 no more than \$1,000,000 per year for five years thereafter, shall be deposited into a restricted account and used for improvement and maintenance to the backside area and related buildings and structures at the racetrack at which the licensee operates. The licensed corporation's designee and the racetrack's recognized horsemen's group's designee at each racetrack shall jointly consider the appropriate amount of the funds and how the money shall be spent at the racetrack. Disputes involving the amount and expenditure of funds under this subsection shall be resolved by the State Horse Racing Commission and the State Harness Racing Commission who shall oversee the use of these funds.~~

~~(2) An amount equal to 28.125% of the net terminal revenue shall be distributed as follows:~~

~~(i) Eighty percent to be deposited into the horsemen's account and be combined with the revenues in this account from existing purse agreements to fund purses for live races per those agreements with the advice and consent of the horsemen.~~

~~(ii) From licensees that operate at thoroughbred~~

1 ~~tracks, 16% to be deposited into the Pennsylvania~~
2 ~~Breeding Fund as defined in section 223 of the Race Horse~~
3 ~~Industry Reform Act; or from licensees that operate at~~
4 ~~standardbred tracks, 8% to be deposited in the~~
5 ~~Pennsylvania Sire Stakes Fund as defined in section 224~~
6 ~~of the Race Horse Industry Reform Act and 8% to be~~
7 ~~deposited into a restricted account in the State Racing~~
8 ~~Fund to be known as the Pennsylvania Standardbred~~
9 ~~Breeders Development Fund. The State Harness Racing~~
10 ~~Commission shall, in consultation with the Secretary of~~
11 ~~Agriculture by rule or by regulation, adopt a~~
12 ~~standardbred breeders program which will include the~~
13 ~~administration of a Pennsylvania Stallion Award,~~
14 ~~Pennsylvania Bred Award and a Pennsylvania Sired and Bred~~
15 ~~Award.~~

16 ~~(iii) Four percent to be used to fund health and~~
17 ~~pension benefits for the members of the horsemen's~~
18 ~~organizations representing the owners and trainers at the~~
19 ~~racetrack at which the licensed corporation operates for~~
20 ~~the benefit of the organization's members, their~~
21 ~~families, employees and others in accordance with the~~
22 ~~rules and eligibility requirements of the organization.~~
23 ~~Of this amount, \$250,000 shall be paid annually to the~~
24 ~~thoroughbred jockeys or standardbred drivers organization~~
25 ~~at the racetrack at which the licensed corporation~~
26 ~~operates for health insurance, life insurance or other~~
27 ~~benefits to active and disabled thoroughbred jockeys or~~
28 ~~standardbred drivers in accordance with the rules and~~
29 ~~eligibility requirements of that organization.~~

30 ~~§ 9215.1. Transfers from State Gaming Fund.~~

~~(a) Transfer for board operation and compulsive problem gambling treatment. Each year an amount sufficient to fund all of the annual operations of the board shall be appropriated by the General Assembly from the State Gaming Fund to the board. In addition, the sum of \$1,500,000 per year shall be transferred into the Compulsive Problem Gambling Treatment Fund to be annually appropriated by the General Assembly as described in section 9216 (relating to compulsive and problem gambling program).~~

~~(b) Transfer for Volunteer Fire Company Grant Program. Annually, the sum of \$25,000,000 shall be transferred from the State Gaming Fund for the operation of a Volunteer Fire Company Grant Program to be established by law.~~

~~(c) Transfer to Property Tax Relief Trust Fund. Monthly, the State Treasurer shall transfer the remaining balance in the State Gaming Fund which is not allocated in subsections (a) and (b) to a restricted account in the State Treasury to be known as the Property Tax Relief Trust Fund which is hereby established.~~
~~§ 9215.2. No eminent domain authority.~~

~~Neither the Commonwealth, any political subdivision thereof, nor any other governmental body in the Commonwealth shall have the right to acquire, with or without compensation, through the power of eminent domain, any property, easement or land use right for the siting or construction of a gaming and racetrack facility.~~

~~§ 9215.3. Local zoning authority.~~

~~Notwithstanding any other provision of this chapter to the contrary, nothing in this chapter shall be construed to supersede or otherwise nullify any local zoning ordinance as applied to newly licensed corporations or a predecessor owner of~~

~~the newly licensed racetrack that has not conducted live horse races for at least two years immediately preceding the effective date of this chapter.~~

~~§ 9215.4. Neighboring church, school or residence setback.~~

~~The board shall not issue a slot machine license for any racetrack facility proposed to be located within a city of the first class that is 13,000 feet from any church, school or residential neighborhood. This prohibition shall not apply to any racetrack facility at which live horse races have been conducted for no less than two years immediately preceding the effective date of this chapter.~~

~~§ 9215.5. Athletic event gaming.~~

~~(a) Prohibition. Nothing in this chapter shall be construed to permit the receiving, recording or the registering of bets or wagers or selling pools which may involve any professional or amateur athletic event. The board shall adopt regulations intended to prohibit any person or immediate family member with a financial stake in any professional sports franchise from being employed, directly or indirectly, or having a financial stake in any licensed entity. Nothing in this section shall be construed to prohibit staging or conducting athletic events at licensed racetracks.~~

~~(b) Definitions. As used in this section, the following words and phrases shall have the meanings given to them in this subsection:~~

~~"Financial stake." Owning or holding stock exceeding 2% of the equity at fair market value of the licensed entity or professional sports franchise, its holding company, subsidiary or affiliated business. A financial interest shall not include any such stock that is inherited and held in a blind trust over~~

~~which the person or immediate family member thereof may not exercise any managerial control during the time in which the person has a financial interest in a professional sports franchise.~~

~~"Immediate family." A parent, spouse, child, brother, sister or spouse's children.~~

~~"Professional sports franchise." An entity or entities which present sporting events and/or derive revenue therefrom in which participants are compensated for their services whether in cash, securities or otherwise that have annual revenue from all sources that exceeds \$10,000,000.~~

~~§ 9216. Compulsive and problem gambling program.~~

~~(a) Establishment of program. The Department of Health shall develop program guidelines for public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling. The program shall include:~~

~~(1) Maintenance of a compulsive gamblers assistance organization's toll free problem gambling telephone number to provide crisis counseling and referral services to families experiencing difficulty as a result of problem or compulsive gambling.~~

~~(2) The promotion of public awareness regarding the recognition and prevention of problem or compulsive gambling.~~

~~(3) Facilitation, through in service training and other means, of the availability of effective assistance programs for problem and compulsive gamblers and family members affected by problem and compulsive gambling.~~

~~(4) Conducting studies to identify adults and juveniles in this Commonwealth who are or are at risk of becoming~~

~~problem or compulsive gamblers.~~

~~(5) Providing grants to and contracting with organizations who provide services as set forth in this section.~~

~~(b) Compulsive and Problem Gambling Treatment Fund. There is hereby established in the State Treasury a special account to be known as the Compulsive and Problem Gambling Treatment Fund. All moneys in the fund shall be expended for programs for the prevention and treatment of gambling addiction and other emotional and behavior problems associated with or related to gambling and for the administration of the compulsive and problem gambling program. The fund shall consist of moneys annually allocated to it from the annual payment established under section 9205(b)(10) (relating to board's powers), moneys which may be appropriated by the General Assembly, interest earnings on moneys in the fund and any other contributions, payments or deposits which may be made to the fund.~~

~~(c) Notice of availability of assistance.~~

~~(1) Each slot machine licensee shall obtain a toll free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post signs similar to the following statement:~~

~~If you or someone you know has a gambling problem, help is available. Call (toll free telephone number).~~

~~The signs must be posted within 50 feet of each entrance and exit and within 50 feet of each credit location within the facility.~~

~~(2) Each pari mutuel facility where slot machines are operated shall print a statement on daily racing programs~~

~~provided to the general public that is similar to the following:~~

~~If you or someone you know has a gambling problem, help is available. Call (toll free telephone number).~~

~~(3) A pari mutuel racing facility which fails to post or print the warning sign in accordance with paragraph (1) or (2) shall be assessed a fine of \$1,000 a day for each day such sign is not posted or printed as provided in this subsection.~~

~~§ 9217. Declaration of exemption from Federal laws prohibiting slot machines.~~

~~(a) Declaration. Pursuant to the Gambling Devices Transportation Act of 1951 (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth declares that it is exempt from section 2 of that act.~~

~~(b) Legal shipments. All shipments of slot machines into this Commonwealth, the registering, recording and labeling of which has been effected by the supplier of those devices, in accordance with sections 5 and 7 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. §§ 1175 and 1177), shall be deemed legal shipments of slot machines into this Commonwealth.~~

~~§ 9218. Enforcement.~~

~~(a) Powers and duties. The Pennsylvania Gaming Control Board and the Pennsylvania State Police shall be responsible for the enforcement of this chapter and regulations promulgated under this chapter. The Pennsylvania State Police and civilian officers and investigators assigned by the board shall cooperate and work in conjunction with each other and shall have the following powers and duties:~~

1 ~~(1) Promptly investigate all license and permit holders~~
2 ~~as directed by the board.~~

3 ~~(2) Enforce the provisions of this chapter and~~
4 ~~regulations promulgated under this chapter.~~

5 ~~(3) Initiate proceedings for administrative violations~~
6 ~~of this chapter or regulations promulgated under this~~
7 ~~chapter.~~

8 ~~(4) Provide the board with all information necessary for~~
9 ~~all action under this chapter and for all proceedings~~
10 ~~involving enforcement of the provisions of this chapter or~~
11 ~~regulations promulgated under this chapter.~~

12 ~~(5) Investigate the circumstances surrounding any act or~~
13 ~~transaction for which board approval is required.~~

14 ~~(6) Conduct administrative inspections on the premises~~
15 ~~of a licensed racetrack or nonprimary location to ensure~~
16 ~~compliance with this chapter and the regulations of the board~~
17 ~~and, in the course of inspections, review and make copies of~~
18 ~~all documents and records required by the inspection, through~~
19 ~~on-site observation and other reasonable means to assure~~
20 ~~compliance with this chapter and regulations promulgated~~
21 ~~under this chapter.~~

22 ~~(7) Receive and take appropriate action on any referral~~
23 ~~from the board relating to any evidence of a violation.~~

24 ~~(8) Conduct audits of slot machine operations at such~~
25 ~~times, under such circumstances and to such extent as the~~
26 ~~board determines. This paragraph includes reviews of~~
27 ~~accounting, administrative and financial records, and~~
28 ~~management control systems, procedures and records utilized~~
29 ~~by a slot machine licensee.~~

30 ~~(9) Request and receive information, materials and other~~

~~data from any licensee, permittee or applicant.~~

~~(10) Refer for investigation all possible criminal violations to the Pennsylvania State Police and cooperate fully in the investigation and prosecution of a criminal violation arising under this chapter.~~

~~(b) Cooperation by licensees, permittees and applicants.~~

~~Each licensee, permittee or applicant for a license or permit under this chapter shall cooperate with the board and the Pennsylvania State Police in the performance of its duties.~~

~~(c) Inspection, seizure and warrants.~~

~~(1) The board, its employees and agents and the Pennsylvania State Police shall have the authority, without notice and without warrant, to do all of the following:~~

~~(i) Inspect and examine all premises where slot machine operations are conducted, gaming devices or equipment are manufactured, sold, distributed or serviced or records of these activities are prepared or maintained.~~

~~(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i).~~

~~(iii) Seize, summarily remove and impound equipment and supplies from premises referred to in subparagraph (i) for the purposes of examination and inspection.~~

~~(iv) Inspect, examine and audit all books, records and documents pertaining to a slot machine licensee's operation.~~

~~(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, counting room or its equipment or slot machine operations.~~

1 ~~(vi) Inspect a licensee's or permittee's person and~~
2 ~~personal effects present in a slot machine facility~~
3 ~~licensed under this chapter while that licensee or~~
4 ~~permittee is present in a licensed slot machine facility.~~

5 ~~(2) The provisions of paragraph (1) shall not be deemed~~
6 ~~to limit warrantless inspections except in accordance with~~
7 ~~constitutional requirements.~~

8 ~~(3) To effectuate further the purposes of this chapter,~~
9 ~~the board, its employees and agents and the Pennsylvania~~
10 ~~State Police may obtain administrative warrants for the~~
11 ~~inspection and seizure of property possessed, controlled,~~
12 ~~bailed or otherwise held by any applicant, licensee,~~
13 ~~permittee, intermediary company or holding company.~~

14 ~~(4) The board is authorized to make administrative~~
15 ~~inspections to check for compliance by any applicant,~~
16 ~~licensee, permittee, intermediary company or holding company~~
17 ~~with the provisions of this chapter or regulations~~
18 ~~promulgated under this chapter and to investigate any~~
19 ~~violations of this chapter and the regulations promulgated~~
20 ~~under this chapter.~~

21 ~~(5) This subsection shall not be construed to prevent~~
22 ~~entries and administrative inspections, including seizures of~~
23 ~~property, without a warrant in the following circumstances:~~

24 ~~(i) With the consent of the owner, operator or agent~~
25 ~~in charge of the controlled premises.~~

26 ~~(ii) In situations presenting imminent danger to~~
27 ~~health or safety.~~

28 ~~(iii) In situations involving inspection of~~
29 ~~conveyances if there is reasonable cause to believe that~~
30 ~~the mobility of the conveyance makes it impractical to~~

~~obtain a warrant.~~

~~(iv) In any other exceptional or emergency
circumstance where time or opportunity to apply for a
warrant is lacking.~~

~~(v) In accordance with the provisions of this
chapter.~~

~~(vi) In all other situations where a warrant is not
constitutionally required.~~

~~(d) Criminal investigations and prosecutions. The
Pennsylvania State Police shall in addition to those other
duties otherwise provided perform the following functions in
carrying out the provisions of this chapter:~~

~~(1) Exchange fingerprint data with and receive national
criminal history record information from the Federal Bureau
of Investigation for use in investigating applications for
any license or permit under this chapter.~~

~~(2) Require production of any information, materials,
and other data from any applicant or holder of a license or
permit, related to an ongoing investigation.~~

~~(3) Provide the board with information necessary to
carry out its duty to issue licenses and permits under this
chapter.~~

~~(4) Upon probable cause, institute criminal proceedings
against a person believed to have been criminally liable.~~

~~(5) Arrest, in accordance with law, a person actually
engaged in a criminal violation of this chapter on the
premises of a licensed racetrack.~~

~~(e) Concurrent jurisdiction to prosecute. In addition to
the authority conferred upon the Attorney General by the act of
October 15, 1980 (P.L.950, No.164), known as the Commonwealth~~

~~Attorneys Act, the Attorney General shall have the authority to prosecute a criminal violation of this chapter or a series of violations occurring in more than one county or in another state.~~

~~§ 9218.1. Automated teller machines.~~

~~The board shall promulgate rules and regulations governing the placement of automated teller machines (ATMs) and the fees or charges assessed on transactions through ATMs. No slot machine licensee may own or lease any ATM located within any area of the racetrack facility, except for those ATMs owned and operating within the grandstand or pari mutuel wagering areas on the effective date of this chapter provided they are not moved outside of the grandstand or pari mutuel wagering area.~~

~~§ 9218.2. Native American gaming.~~

~~(a) General rule. Any compact involving Indian gaming between the Commonwealth and an Indian tribe shall be governed by acts of the General Assembly. Under no circumstances shall the Commonwealth have relations with any Indian tribe except in accordance with this section.~~

~~(b) Requirement. If the Secretary of the Interior of the United States is holding lands located within this Commonwealth in trust for the benefit of an Indian tribe which has established relations with the Commonwealth in accordance with this section, the Commonwealth may attempt, to the extent permitted or required by Federal law, to negotiate a gaming compact or agreement with the Indian tribe regarding all or any of the following:~~

~~(1) Health, safety and environmental concerns on or near the lands being held.~~

~~(2) Police and fire protection on or near the lands~~

1 ~~being held.~~

2 ~~(3) Water and mineral rights on or near the lands being~~
3 ~~held.~~

4 ~~(4) Transportation and access on or near the lands being~~
5 ~~held.~~

6 ~~(5) The applicability of State civil and criminal laws~~
7 ~~occurring on or near the lands being held.~~

8 ~~(6) Tax and financial issues.~~

9 ~~(7) Any other subject or activity which the Commonwealth~~
10 ~~is permitted or required to negotiate under Federal law.~~

11 ~~(c) Negotiations. No person shall negotiate a gaming~~
12 ~~compact or agreement on behalf of the Commonwealth with an~~
13 ~~Indian tribe unless the person has been authorized by a~~
14 ~~concurrent resolution of the General Assembly to negotiate the~~
15 ~~compact or agreement.~~

16 ~~(d) Effectiveness of compact. Prior to the effectiveness of~~
17 ~~any compact executed by a person authorized under subsection~~
18 ~~(c), the following shall be required:~~

19 ~~(1) Any person authorized pursuant to subsection (c) to~~
20 ~~negotiate a gaming compact on behalf of the Commonwealth~~
21 ~~shall conduct public hearings on the appropriateness of~~
22 ~~entering into the compact. The hearings shall occur at least~~
23 ~~60 days in advance of any submission to the General Assembly~~
24 ~~and shall specifically examine the potential scope and impact~~
25 ~~of any gaming proposal on State and local government as well~~
26 ~~as the citizens and property owners of this Commonwealth. A~~
27 ~~summary report of all findings made at a hearing shall be~~
28 ~~submitted with the proposed compact to the General Assembly~~
29 ~~before consideration.~~

30 ~~(2) The gaming compact shall be submitted to the General~~

~~Assembly for approval or rejection.~~

~~(3) If approved by the General Assembly, the gaming compact shall be submitted to the Governor.~~

~~(c) Definition. As used in this section, the term "Indian tribe" means any Indian tribe, band, nation or other organized group or community of Indians which is recognized as eligible by the Secretary of the Interior of the United States for the special programs and services provided by the United States to Indians because of their status as Indians and is recognized as possessing powers of self government.~~

~~§ 9218.3. Manufacturer market share.~~

~~No slot machine licensee shall permit more than 75% of the slot machines produced or manufactured from the same manufacturer to be placed into play at the licensee's facility at any time.~~

~~§ 9218.4. Liquor licenses at racetracks.~~

~~(a) Reapplication. Nothing in this chapter shall require an entity already licensed to sell liquor or malt or brewed beverages to reapply for the license, except in the manner set forth in the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.~~

~~(b) License extension. Notwithstanding any other provision of law, an entity holding a slot machine license which is also licensed to sell liquor or malt or brewed beverages pursuant to the Liquor Code shall be permitted to apply to the Pennsylvania Liquor Control Board to extend the licensed premises under the liquor license to encompass the entire racetrack property. The following shall apply:~~

~~(1) To obtain approval of a license extension, an application for extension of license describing the~~

~~additional premises shall be filed with the Pennsylvania Liquor Control Board on a form authorized by the Pennsylvania Liquor Control Board.~~

~~(2) The fee required by Pennsylvania Liquor Control Board regulations shall accompany an application to the Pennsylvania Liquor Control Board for extension of license. The application shall not be subject to any physical inspection or posting requirements.~~

~~(3) The applicant shall not be required to obtain approval from the municipality in which the license is issued.~~

~~(4) Absent good cause shown consistent with the purposes of this chapter, and notwithstanding any provision of the Liquor Code or the regulations under the Liquor Code to the contrary, the Pennsylvania Liquor Control Board shall approve an application for extension of license filed by an entity which also holds a slot machine license within 30 days.~~

~~(5) An entity holding a slot machine license which is also licensed to sell liquor or malt or brewed beverages pursuant to the Liquor Code shall be exempt from 40 Pa. Code § 7.21(d) (relating to inclusion of additional premises).~~

~~(c) Nonlicensees. Notwithstanding any other provision of law, an entity holding a slot machine license which is not licensed to sell liquor or malt or brewed beverages shall be entitled to apply to the Pennsylvania Liquor Control Board for a license. The following shall apply:~~

~~(1) An application for a license to sell liquor or malt or brewed beverages submitted by an applicant holding a slot machine license shall be exempt from any restrictions in the Liquor Code on the number of such licenses permitted in a~~

1 municipality.

2 ~~(2) An application for a license to sell liquor or malt~~
3 ~~or brewed beverages submitted by an applicant holding a slot~~
4 ~~machine license shall be exempt from any restrictions in the~~
5 ~~Liquor Code on the construction of facilities on the licensed~~
6 ~~premises prior to licensure.~~

7 ~~(3) The licensed premises for an application for a~~
8 ~~license to sell liquor or malt or brewed beverages submitted~~
9 ~~by an applicant holding a slot machine license shall be~~
10 ~~deemed to encompass the entire racetrack property.~~

11 ~~(4) Absent good cause shown consistent with the purposes~~
12 ~~of this chapter, and notwithstanding any provision of the~~
13 ~~Liquor Code or the regulations under the Liquor Code to the~~
14 ~~contrary, the Pennsylvania Liquor Control Board shall approve~~
15 ~~an application for the license filed by an entity which also~~
16 ~~holds a slot machine license within 30 days.~~

17 ~~(d) Inclusion of racetrack property. Notwithstanding any~~
18 ~~other provision of law, property licensed under a slot machine~~
19 ~~license which is also licensed to sell liquor or malt or brewed~~
20 ~~beverages pursuant to the Liquor Code may allow persons to~~
21 ~~transport liquor or malt or brewed beverages from the portions~~
22 ~~of the property licensed under the liquor license to the~~
23 ~~unlicensed portion of the property, so long as the liquor or~~
24 ~~malt or brewed beverages remain on the racetrack property.~~

25 ~~Section 3. The sum of \$5,000,000 is hereby appropriated to~~
26 ~~the Pennsylvania Gaming Control Board for the fiscal year July~~
27 ~~1, 2003, to June 30, 2004, to implement and administer the~~
28 ~~provisions of 18 Pa.C.S. Ch. 92. The money appropriated in this~~
29 ~~section shall be considered a loan from the General Fund and~~
30 ~~shall be repaid to the General Fund from the State Gaming Fund~~

1 ~~by June 30, 2004.~~

2 ~~Section 4. The provisions of this act are severable. If any~~
3 ~~provision of this act or its application to any person or~~
4 ~~circumstance is held invalid, the invalidity shall not affect~~
5 ~~other provisions or applications of this act which can be given~~
6 ~~effect without the invalid provision or application.~~

7 ~~Section 5. (a) The provisions of 18 Pa.C.S. § 5513(a) are~~
8 ~~repealed insofar as they are inconsistent with the addition of~~
9 ~~18 Pa.C.S. Ch. 92.~~

10 ~~(b) All other acts and parts of acts are repealed insofar as~~
11 ~~they are inconsistent with the addition of 18 Pa.C.S. Ch. 92.~~

12 ~~Section 6. This act shall take effect as follows:~~

13 ~~(1) The amendment of 18 Pa.C.S. § 4107(a) shall take~~
14 ~~effect in 60 days.~~

15 ~~(2) This section shall take effect immediately.~~

16 ~~(3) The remainder of this act shall take effect~~
17 ~~immediately.~~

18 SECTION 1. SECTION 4107(A) OF TITLE 18 OF THE PENNSYLVANIA
19 CONSOLIDATED STATUTES IS AMENDED TO READ:

20 § 4107. DECEPTIVE OR FRAUDULENT BUSINESS PRACTICES.

21 (A) OFFENSE DEFINED.--A PERSON COMMITS AN OFFENSE IF, IN THE
22 COURSE OF BUSINESS, [HE] THE PERSON KNOWINGLY:

23 (1) USES OR POSSESSES FOR USE A FALSE WEIGHT OR MEASURE,
24 OR ANY OTHER DEVICE FOR FALSELY DETERMINING OR RECORDING ANY
25 QUALITY OR QUANTITY;

26 (2) SELLS, OFFERS OR EXPOSES FOR SALE, OR DELIVERS LESS
27 THAN THE REPRESENTED QUANTITY OF ANY COMMODITY OR SERVICE;

28 (3) TAKES OR ATTEMPTS TO TAKE MORE THAN THE REPRESENTED
29 QUANTITY OF ANY COMMODITY OR SERVICE WHEN AS BUYER HE
30 FURNISHES THE WEIGHT OR MEASURE;

1 (4) SELLS, OFFERS OR EXPOSES FOR SALE ADULTERATED OR
2 MISLABELED COMMODITIES. AS USED IN THIS PARAGRAPH, THE TERM
3 "ADULTERATED" MEANS VARYING FROM THE STANDARD OF COMPOSITION
4 OR QUALITY PRESCRIBED BY OR PURSUANT TO ANY STATUTE PROVIDING
5 CRIMINAL PENALTIES FOR SUCH VARIANCE OR SET BY ESTABLISHED
6 COMMERCIAL USAGE. AS USED IN THIS PARAGRAPH, THE TERM
7 "MISLABELED" MEANS VARYING FROM THE STANDARD OF TRUST OR
8 DISCLOSURE IN LABELING PRESCRIBED BY OR PURSUANT TO ANY
9 STATUTE PROVIDING CRIMINAL PENALTIES FOR SUCH VARIANCE OR SET
10 BY ESTABLISHED COMMERCIAL USAGE;

11 (5) MAKES A FALSE OR MISLEADING STATEMENT IN ANY
12 ADVERTISEMENT ADDRESSED TO THE PUBLIC OR TO A SUBSTANTIAL
13 SEGMENT THEREOF FOR THE PURPOSE OF PROMOTING THE PURCHASE OR
14 SALE OF PROPERTY OR SERVICES;

15 (6) MAKES A FALSE OR MISLEADING WRITTEN STATEMENT FOR
16 THE PURPOSE OF OBTAINING PROPERTY OR CREDIT;

17 (7) MAKES A FALSE OR MISLEADING WRITTEN STATEMENT FOR
18 THE PURPOSE OF PROMOTING THE SALE OF SECURITIES, OR OMITTS
19 INFORMATION REQUIRED BY LAW TO BE DISCLOSED IN WRITTEN
20 DOCUMENTS RELATING TO SECURITIES;

21 (8) MAKES A FALSE OR MISLEADING MATERIAL STATEMENT TO
22 INDUCE AN INVESTOR TO INVEST IN A BUSINESS VENTURE. THE
23 OFFENSE IS COMPLETE WHEN ANY FALSE OR MISLEADING MATERIAL
24 STATEMENT IS COMMUNICATED TO AN INVESTOR REGARDLESS OF
25 WHETHER ANY INVESTMENT IS MADE. FOR PURPOSES OF GRADING, THE
26 "AMOUNT INVOLVED" IS THE AMOUNT OR VALUE OF THE INVESTMENT
27 SOLICITED OR PAID, WHICHEVER IS GREATER. AS USED IN THIS
28 PARAGRAPH, THE FOLLOWING WORDS AND PHRASES SHALL MEAN:

29 "AMOUNT" AS USED IN THE DEFINITION OF "MATERIAL STATEMENT"
30 INCLUDES CURRENCY VALUES AND COMPARATIVE EXPRESSIONS OF

1 VALUE, INCLUDING, BUT NOT LIMITED TO, PERCENTAGES OR
2 MULTIPLES. "BUSINESS VENTURE" MEANS ANY VENTURE REPRESENTED
3 TO AN INVESTOR AS ONE WHERE HE MAY RECEIVE COMPENSATION
4 EITHER FROM THE SALE OF A PRODUCT, FROM THE INVESTMENT OF
5 OTHER INVESTORS OR FROM ANY OTHER COMMERCIAL ENTERPRISE.
6 "COMPENSATION" MEANS ANYTHING OF VALUE RECEIVED OR TO BE
7 RECEIVED BY AN INVESTOR. "INVEST" MEANS TO PAY, GIVE OR LEND
8 MONEY, PROPERTY, SERVICE OR OTHER THING OF VALUE FOR THE
9 OPPORTUNITY TO RECEIVE COMPENSATION. THE TERM ALSO INCLUDES
10 PAYMENT FOR THE PURCHASE OF A PRODUCT. "INVESTMENT" MEANS THE
11 MONEY, PROPERTY, SERVICE OR OTHER THING OF VALUE PAID OR
12 GIVEN, OR TO BE PAID OR GIVEN, FOR THE OPPORTUNITY TO RECEIVE
13 COMPENSATION. "INVESTOR" MEANS ANY NATURAL PERSON,
14 PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY, BUSINESS
15 TRUST, OTHER ASSOCIATION, GOVERNMENT ENTITY, ESTATE, TRUST,
16 FOUNDATION OR OTHER ENTITY SOLICITED TO INVEST IN A BUSINESS
17 VENTURE, REGARDLESS OF WHETHER ANY INVESTMENT IS MADE.
18 "MATERIAL STATEMENT" MEANS A STATEMENT ABOUT ANY MATTER WHICH
19 COULD AFFECT AN INVESTOR'S DECISION TO INVEST IN A BUSINESS
20 VENTURE, INCLUDING, BUT NOT LIMITED TO, STATEMENTS ABOUT:

21 (I) THE EXISTENCE, VALUE, AVAILABILITY OR
22 MARKETABILITY OF A PRODUCT;

23 (II) THE NUMBER OF FORMER OR CURRENT INVESTORS, THE
24 AMOUNT OF THEIR INVESTMENTS OR THE AMOUNT OF THEIR FORMER
25 OR CURRENT COMPENSATION;

26 (III) THE AVAILABLE POOL OR NUMBER OF PROSPECTIVE
27 INVESTORS, INCLUDING THOSE WHO HAVE NOT YET BEEN
28 SOLICITED AND THOSE WHO ALREADY HAVE BEEN SOLICITED BUT
29 HAVE NOT YET MADE AN INVESTMENT;

30 (IV) REPRESENTATIONS OF FUTURE COMPENSATION TO BE

1 RECEIVED BY INVESTORS OR PROSPECTIVE INVESTORS; OR

2 (V) THE SOURCE OF FORMER, CURRENT OR FUTURE
3 COMPENSATION PAID OR TO BE PAID TO INVESTORS OR
4 PROSPECTIVE INVESTORS.

5 "PRODUCT" MEANS A GOOD, A SERVICE OR OTHER TANGIBLE OR
6 INTANGIBLE PROPERTY OF ANY KIND; [OR]

7 (9) OBTAINS OR ATTEMPTS TO OBTAIN PROPERTY OF ANOTHER BY
8 FALSE OR MISLEADING REPRESENTATIONS MADE THROUGH
9 COMMUNICATIONS CONDUCTED IN WHOLE OR IN PART BY TELEPHONE
10 INVOLVING THE FOLLOWING:

11 (I) EXPRESS OR IMPLIED CLAIMS THAT THE PERSON
12 CONTACTED HAS WON OR IS ABOUT TO WIN A PRIZE;

13 (II) EXPRESS OR IMPLIED CLAIMS THAT THE PERSON
14 CONTACTED MAY BE ABLE TO RECOVER ANY LOSSES SUFFERED IN
15 CONNECTION WITH A PRIZE PROMOTION; OR

16 (III) EXPRESS OR IMPLIED CLAIMS REGARDING THE VALUE
17 OF GOODS OR SERVICES OFFERED IN CONNECTION WITH A PRIZE
18 OR A PRIZE PROMOTION.

19 AS USED IN THIS PARAGRAPH, THE TERM "PRIZE" MEANS ANYTHING OF
20 VALUE OFFERED OR PURPORTEDLY OFFERED. THE TERM "PRIZE
21 PROMOTION" MEANS AN ORAL OR WRITTEN EXPRESS OR IMPLIED
22 REPRESENTATION THAT A PERSON HAS WON, HAS BEEN SELECTED TO
23 RECEIVE OR MAY BE ELIGIBLE TO RECEIVE A PRIZE OR PURPORTED
24 PRIZE[.]; OR

25 (10) DOES EITHER OF THE FOLLOWING WHEN THE PERSON IS IN
26 A CLIENT RELATIONSHIP WITH A CERTIFIED PUBLIC ACCOUNTANT,
27 PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTING FIRM:

28 (I) PROVIDES FALSE OR MISLEADING INFORMATION TO THE
29 CERTIFIED PUBLIC ACCOUNTANT, PUBLIC ACCOUNTANT OR PUBLIC
30 ACCOUNTING FIRM IN CONNECTION WITH PERFORMANCE OF AN

1 ATTESTATION FUNCTION FOR THE CLIENT WHICH RESULTS IN AN
2 ATTESTATION BY THE CERTIFIED PUBLIC ACCOUNTANT, PUBLIC
3 ACCOUNTANT OR PUBLIC ACCOUNTING FIRM OF A MATERIALLY
4 MISLEADING FINANCIAL STATEMENT, AUDIT, REVIEW OR OTHER
5 DOCUMENT; OR

6 (II) FAILS TO PROVIDE INFORMATION TO THE CERTIFIED
7 PUBLIC ACCOUNTANT, PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTING
8 FIRM WHICH THE PERSON KNOWS IS MATERIAL TO THE
9 PERFORMANCE OF AN ATTESTATION FUNCTION AND WHICH RESULTS
10 IN AN ATTESTATION BY THE CERTIFIED PUBLIC ACCOUNTANT,
11 PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTING FIRM OF A
12 MATERIALLY MISLEADING FINANCIAL STATEMENT, AUDIT, REVIEW
13 OR OTHER DOCUMENT.

14 * * *

15 SECTION 1.1. TITLE 18 IS AMENDED BY ADDING A SECTION TO
16 READ:

17 § 7516. GREYHOUND RACING.

18 A PERSON WHO HOLDS, CONDUCTS OR OPERATES A GREYHOUND RACE FOR
19 PUBLIC EXHIBITION IN THIS COMMONWEALTH FOR MONETARY REMUNERATION
20 COMMITTS A MISDEMEANOR OF THE THIRD DEGREE.

21 SECTION 2. TITLE 18 IS AMENDED BY ADDING A CHAPTER TO READ:

22 CHAPTER 92

23 RACETRACK AND LICENSED GAMING

24 SEC.

25 9200. SHORT TITLE OF CHAPTER.

26 9201. SCOPE.

27 9202. LEGISLATIVE INTENT.

28 9203. DEFINITIONS.

29 9204. PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED.

30 9205. BOARD'S POWERS.

1 9205.1. APPLICATIONS FOR LICENSE OR PERMIT.
2 9206. AUTHORIZED SLOT MACHINE LICENSES.
3 9206.1. SLOT MACHINE LICENSE FEE.
4 9207. SLOT MACHINE LICENSE APPLICATION.
5 9208. SLOT MACHINE ACCOUNTING CONTROLS AND AUDITS.
6 9208.1. CENTRAL MONITORING SYSTEM.
7 9208.2. PROTOCOL INFORMATION.
8 9209. SUPPLIER AND MANUFACTURER LICENSES.
9 9210. OCCUPATION PERMIT AND APPLICATIONS.
10 9210.1. SLOT MACHINE LICENSE APPLICATION CHARACTER
11 REQUIREMENTS.
12 9210.2. SLOT MACHINE LICENSE APPLICATION FINANCIAL
13 FITNESS REQUIREMENTS.
14 9211. ADDITIONAL LICENSES AND PERMITS; APPROVAL OF
15 AGREEMENTS.
16 9212. LICENSE OR PERMIT ISSUANCE.
17 9212.1. TRANSFERABILITY OF LICENSES.
18 9212.2. CHANGE IN OWNERSHIP OF SLOT MACHINE LICENSEE.
19 9212.3. PUBLIC OFFICIAL FINANCIAL INTEREST.
20 9213. PROHIBITED ACTS AND PENALTIES.
21 9213.1. SLOT MACHINE TERMINAL PROCEEDS.
22 9213.2. GROSS TERMINAL REVENUE DEDUCTION.
23 9214. NET SLOT MACHINE REVENUE DISTRIBUTION AND ESTABLISHMENT
24 OF STATE GAMING FUND.
25 9214.1. RESPONSIBILITY AND AUTHORITY OF DEPARTMENT.
26 9214.2. LIENS AND SUITS FOR TAXES.
27 9214.3. APPLICANTS TO PROVIDE CERTAIN TAX INFORMATION.
28 9215. DISTRIBUTIONS FROM OWNERS' REVENUE RECEIPTS.
29 9215.1. TRANSFERS FROM STATE GAMING FUND.
30 9215.2. NO EMINENT DOMAIN AUTHORITY.

1 9215.3. LOCAL ZONING AUTHORITY.
2 9215.4. INAPPLICABILITY OF KEYSTONE OPPORTUNITY ZONE AND
3 KEYSTONE OPPORTUNITY EXPANSION ZONE ACT.
4 9215.5. ATHLETIC EVENT GAMING.
5 9216. COMPULSIVE AND PROBLEM GAMBLING PROGRAM.
6 9216.1. HIRING PREFERENCES.
7 9217. DECLARATION OF EXEMPTION FROM FEDERAL LAWS PROHIBITING
8 SLOT MACHINES.
9 9218. ENFORCEMENT.
10 9218.1. AUTOMATED TELLER MACHINES.
11 9218.2. NATIVE AMERICAN GAMING.
12 9218.3. (RESERVED).
13 9218.4. LIQUOR LICENSES AT LICENSED FACILITY.
14 § 9200. SHORT TITLE OF CHAPTER.

15 THIS CHAPTER SHALL BE KNOWN AND MAY BE CITED AS THE
16 PENNSYLVANIA GAMING ACT OF 2003.

17 § 9201. SCOPE.

18 THIS CHAPTER DEALS WITH AUTHORIZED GAMING ACTIVITIES.

19 § 9202. LEGISLATIVE INTENT.

20 THE GENERAL ASSEMBLY HEREBY RECOGNIZES THE FOLLOWING PUBLIC
21 POLICY PURPOSES AND DECLARES THAT THE FOLLOWING OBJECTIVES OF
22 THE COMMONWEALTH ARE TO BE SERVED BY THIS CHAPTER:

23 (1) THE PRIMARY OBJECTIVE OF THIS CHAPTER, TO WHICH ALL
24 OTHER OBJECTIVES AND PURPOSES ARE SECONDARY, IS TO PROTECT
25 THE PUBLIC THROUGH THE REGULATION AND POLICING OF ALL
26 ACTIVITIES INVOLVING GAMING AND OTHER PRACTICES THAT ARE
27 UNLAWFUL EXCEPT AS PROVIDED BY LAW, INCLUDING THIS CHAPTER.

28 (2) THE AUTHORIZATION OF LIMITED GAMING BY THE
29 INSTALLATION AND OPERATION OF SLOT MACHINES AS AUTHORIZED IN
30 THIS CHAPTER IS INTENDED TO ENHANCE LIVE HORSE RACING,

1 ENTERTAINMENT AND EMPLOYMENT IN THIS COMMONWEALTH.

2 (3) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO
3 PROVIDE A SIGNIFICANT SOURCE OF NEW REVENUE TO THE
4 COMMONWEALTH TO SUPPORT PROPERTY TAX REFORM, ECONOMIC
5 DEVELOPMENT OPPORTUNITIES AND OTHER SIMILAR INITIATIVES.

6 (4) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO
7 POSITIVELY ASSIST THE COMMONWEALTH'S HORSE RACING INDUSTRY,
8 SUPPORT PROGRAMS INTENDED TO FOSTER AND PROMOTE HORSE
9 BREEDING AND TO IMPROVE THE LIVING AND WORKING CONDITIONS OF
10 PERSONNEL WHO WORK AND RESIDE IN AND AROUND THE STABLE AREAS
11 OF RACETRACKS.

12 (5) PARTICIPATION IN LIMITED GAMING AUTHORIZED UNDER
13 THIS CHAPTER BY ANY LICENSEE OR PERMITTEE SHALL BE DEEMED A
14 PRIVILEGE CONDITIONED UPON THE PROPER AND CONTINUED
15 QUALIFICATION OF THE LICENSEE OR PERMITTEE AND UPON THE
16 DISCHARGE OF THE AFFIRMATIVE RESPONSIBILITY OF EACH LICENSEE
17 TO PROVIDE THE REGULATORY AND INVESTIGATORY AUTHORITIES OF
18 THE COMMONWEALTH ASSISTANCE AND INFORMATION NECESSARY TO
19 ASSURE THAT THE POLICIES DECLARED BY THIS CHAPTER ARE
20 ACHIEVED.

21 (6) STRICTLY MONITORED AND ENFORCED CONTROL OVER ALL
22 LIMITED GAMING AUTHORIZED BY THIS CHAPTER SHALL BE PROVIDED
23 THROUGH REGULATION, LICENSING AND APPROPRIATE ENFORCEMENT
24 ACTIONS OF SPECIFIED LOCATIONS, PERSONS, ASSOCIATIONS,
25 PRACTICES, ACTIVITIES, LICENSEES AND PERMITTEES.

26 (7) STRICT FINANCIAL MONITORING AND CONTROLS SHALL BE
27 ESTABLISHED AND ENFORCED OF ALL LICENSEES OR PERMITTEES.

28 (8) THE PUBLIC INTEREST OF THE CITIZENS OF THIS
29 COMMONWEALTH AND THE SOCIAL EFFECT OF GAMING SHALL BE TAKEN
30 INTO CONSIDERATION IN ANY DECISION OR ORDER MADE PURSUANT TO

THIS CHAPTER.

(9) IT IS NECESSARY TO ENSURE THE NECESSARY INTEGRITY OF THE REGULATORY REVIEW AND LEGISLATIVE OVERSIGHT OVER THE CONDUCT AND OPERATION OF LIMITED GAMING.

§ 9203. 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:

"AFFILIATE" OR "AFFILIATED COMPANY." A PERSON THAT DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY OR IS UNDER COMMON CONTROL WITH A SPECIFIED PERSON.

"ASSOCIATED EQUIPMENT." ANY EQUIPMENT OR MECHANICAL, ELECTROMECHANICAL OR ELECTRONIC CONTRIVANCE, COMPONENT OR MACHINE USED IN CONNECTION WITH GAMING, INCLUDING LINKS WHICH CONNECT TO PROGRESSIVE SLOT MACHINES, EQUIPMENT WHICH AFFECTS THE PROPER REPORTING OF GROSS REVENUE, COMPUTERIZED SYSTEMS FOR MONITORING SLOT MACHINES AND DEVICES FOR WEIGHING OR COUNTING MONEY.

"BACKGROUND INVESTIGATION." A SECURITY, CRIMINAL, CREDIT AND SUITABILITY INVESTIGATION OF A PERSON AS PROVIDED FOR IN THIS CHAPTER. THE INVESTIGATION SHALL SHOW THE STATUS OF TAXES OWED TO THE COMMONWEALTH AND ITS POLITICAL SUBDIVISIONS.

"BACKSIDE AREA." THOSE AREAS OF THE RACETRACK FACILITY THAT ARE NOT GENERALLY ACCESSIBLE TO THE PUBLIC AND WHICH INCLUDE, BUT ARE NOT LIMITED TO, THOSE FACILITIES COMMONLY REFERRED TO AS BARNES, TRACK KITCHEN, RECREATION HALL, STABLE EMPLOYEE QUARTERS AND TRAINING TRACK, AND ROADWAYS PROVIDING ACCESS THERETO. THE TERM DOES NOT INCLUDE THOSE AREAS OF THE RACETRACK FACILITY WHICH ARE GENERALLY ACCESSIBLE TO THE PUBLIC, INCLUDING THE

1 VARIOUS BUILDINGS COMMONLY REFERRED TO AS THE GRANDSTAND OR THE
2 RACING SURFACES, PADDOCK ENCLOSURE AND WALKING RING.

3 "BOARD." THE PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED
4 UNDER SECTION 9204 (RELATING TO PENNSYLVANIA GAMING CONTROL
5 BOARD ESTABLISHED).

6 "CASH BACK." AMOUNTS PAID TO A PATRON BASED ON A PERCENTAGE
7 OF TOTAL AMOUNTS WAGERED BY THE PATRON.

8 "CENTRAL MONITORING COMPUTER" OR "COMPUTER MONITORING
9 SYSTEM." A CENTRAL SITE COMPUTER PROVIDED TO AND CONTROLLED BY
10 THE PENNSYLVANIA GAMING CONTROL BOARD TO WHICH ALL SLOT MACHINES
11 COMMUNICATE FOR THE PURPOSE OF REAL-TIME INFORMATION RETRIEVAL
12 OR MACHINE ACTIVATION OR THE DISABLING OF SLOT MACHINES.

13 "CHEAT." TO ALTER THE ELEMENTS OF CHANCE, METHOD OF
14 SELECTION OR CRITERIA WHICH DETERMINE:

- 15 (1) THE RESULT OF A GAME.
- 16 (2) THE AMOUNT OR FREQUENCY OF PAYMENT IN A GAME.
- 17 (3) THE VALUE OF A WAGERING INSTRUMENT.
- 18 (4) THE VALUE OF A WAGERING CREDIT.

19 THE TERM DOES NOT INCLUDE ALTERING FOR REQUIRED MAINTENANCE AND
20 REPAIR.

21 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

22 "FUND." THE STATE GAMING FUND ESTABLISHED UNDER SECTION 9214
23 (RELATING TO NET SLOT MACHINE REVENUE DISTRIBUTION AND
24 ESTABLISHMENT OF STATE GAMING FUND).

25 "GAMING EMPLOYEE." ANY EMPLOYEE OF A SLOT MACHINE LICENSEE,
26 INCLUDING, BUT NOT LIMITED TO:

- 27 (1) CASHIERS;
- 28 (2) CHANGE PERSONNEL;
- 29 (3) COUNTING ROOM PERSONNEL;
- 30 (4) SLOT ATTENDANTS;

(5) HOSTS OR OTHER PERSONS AUTHORIZED TO EXTEND
COMPLIMENTARY SERVICES;

(6) MACHINE MECHANICS;

(7) SECURITY PERSONNEL; AND

(8) SUPERVISORS OR MANAGERS.

THE TERM DOES NOT INCLUDE BARTENDERS, COCKTAIL SERVERS OR OTHER
PERSONS ENGAGED SOLELY IN PREPARING OR SERVING FOOD OR BEVERAGE,
SECRETARIAL PERSONNEL, JANITORIAL, STAGE, SOUND AND LIGHT
TECHNICIANS AND OTHER NONGAMING PERSONNEL. THE TERM ALSO
INCLUDES EMPLOYEES OF A PERSON HOLDING A SUPPLIER'S LICENSE
WHOSE DUTIES ARE DIRECTLY INVOLVED WITH THE MANUFACTURE, REPAIR
OR DISTRIBUTION OF SLOT MACHINES AND ASSOCIATED EQUIPMENT SOLD
OR PROVIDED TO THE LICENSED FACILITY WITHIN THIS COMMONWEALTH.

"GROSS TERMINAL REVENUE." THE TOTAL OF WAGERS RECEIVED BY A
SLOT MACHINE MINUS THE TOTAL OF:

(1) CASH OR CASH EQUIVALENTS PAID OUT TO PATRONS AS A
RESULT OF PLAYING A SLOT MACHINE WHICH IS PAID TO PATRONS
EITHER MANUALLY OR PAID OUT BY THE SLOT MACHINE.

(2) CASH PAID TO PURCHASE ANNUITIES TO FUND PRIZES
PAYABLE TO PATRONS OVER A PERIOD OF TIME AS A RESULT OF
PLAYING A SLOT MACHINE.

(3) ANY PERSONAL PROPERTY DISTRIBUTED TO A PATRON AS THE
RESULT OF PLAYING A SLOT MACHINE. THIS DOES NOT INCLUDE
TRAVEL EXPENSES, FOOD, REFRESHMENTS, LODGING OR SERVICES. THE
TERM DOES NOT INCLUDE COUNTERFEIT MONEY OR TOKENS, COINS OF
OTHER COUNTRIES WHICH ARE RECEIVED IN SLOT MACHINES, EXCEPT
TO THE EXTENT THAT THEY ARE READILY CONVERTIBLE TO UNITED
STATES CURRENCY, CASH TAKEN IN FRAUDULENT ACTS PERPETRATED
AGAINST A SLOT MACHINE LICENSEE FOR WHICH THE LICENSEE IS NOT
REIMBURSED OR CASH RECEIVED AS ENTRY FEES FOR CONTESTS OR

TOURNAMENTS IN WHICH THE PATRONS COMPETE FOR PRIZES.

"KEY EMPLOYEE." ANY INDIVIDUAL WHO IS EMPLOYED IN A DIRECTOR OR DEPARTMENT HEAD CAPACITY AND WHO IS EMPOWERED TO MAKE DISCRETIONARY DECISIONS THAT REGULATE SLOT MACHINE OPERATIONS, INCLUDING THE GENERAL MANAGER AND ASSISTANT GENERAL MANAGER OF THE LICENSED FACILITY, DIRECTOR OF SLOT OPERATIONS, DIRECTOR OF CAGE AND OR CREDIT OPERATIONS, DIRECTOR OF SURVEILLANCE, DIRECTOR OF MANAGEMENT INFORMATION SYSTEMS, DIRECTOR OF SECURITY, COMPTROLLER AND ANY EMPLOYEE WHO SUPERVISES THE OPERATIONS OF THESE DEPARTMENTS OR TO WHOM THESE DEPARTMENT DIRECTORS REPORT, AND SUCH OTHER POSITIONS WHICH THE BOARD SHALL DETERMINE, BASED ON DETAILED ANALYSES OF JOB DESCRIPTIONS AS PROVIDED IN THE INTERNAL CONTROLS OF THE LICENSEE AS APPROVED BY THE BOARD. ALL OTHER GAMING EMPLOYEES, UNLESS OTHERWISE DESIGNATED BY THE BOARD, SHALL BE CLASSIFIED AS NONKEY GAMING EMPLOYEES.

"LICENSED CORPORATIONS." LEGAL ENTITIES THAT HAVE OBTAINED A LICENSE TO CONDUCT THOROUGHBRED OR HARNESS HORSE RACE MEETINGS RESPECTIVELY WITH PARI-MUTUEL WAGERING FROM EITHER THE STATE HORSE RACING COMMISSION OR THE STATE HARNESS RACING COMMISSION PURSUANT TO THE RACE HORSE INDUSTRY REFORM ACT.

"LICENSED ENTITY." ANY LICENSED CORPORATION OR OTHER PERSON HOLDING A SLOT MACHINE, MANUFACTURER, SUPPLIER OR OTHER LICENSE ISSUED BY THE BOARD PURSUANT TO THIS CHAPTER.

"LICENSED FACILITY." A SLOT MACHINE FACILITY LICENSED UNDER PARAGRAPH (1) OR (2) OF THE DEFINITION OF "SLOT MACHINE LICENSE."

"LICENSED RACETRACK" OR "RACETRACK." THE PHYSICAL FACILITY AND GROUNDS WHERE A LICENSED CORPORATION CONDUCTS THOROUGHBRED OR HARNESS RACE MEETINGS RESPECTIVELY WITH PARI-MUTUEL WAGERING.

1 THE TERM "RACETRACK" OR "ITS RACETRACK" SHALL MEAN THE LOCATION
2 AT WHICH LIVE HORSE RACING IS CONDUCTED EVEN IF NOT OWNED BY THE
3 LICENSED CORPORATION.

4 "MANUFACTURER." A PERSON WHO MANUFACTURES, BUILDS,
5 FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR OTHERWISE
6 MAKES MODIFICATIONS TO ANY SLOT MACHINE, ASSOCIATED EQUIPMENT
7 FOR USE OR PLAY OF SLOT MACHINES OR ASSOCIATED EQUIPMENT IN THIS
8 COMMONWEALTH FOR GAMING PURPOSES.

9 "MANUFACTURER LICENSE." A LICENSE ISSUED BY THE PENNSYLVANIA
10 GAMING CONTROL BOARD AUTHORIZING A MANUFACTURER TO MANUFACTURE
11 OR PRODUCE SLOT MACHINES OR ASSOCIATED EQUIPMENT FOR USE IN THIS
12 COMMONWEALTH FOR GAMING PURPOSES.

13 "MANUFACTURER LICENSEE." A MANUFACTURER THAT OBTAINS A
14 MANUFACTURER LICENSE.

15 "NONPRIMARY LOCATION." ANY FACILITY IN WHICH PARI-MUTUEL
16 WAGERING IS CONDUCTED BY LICENSED CORPORATIONS OTHER THAN THE
17 RACETRACK OR OTHER LOCATION.

18 "OCCUPATION PERMIT." A PERMIT AUTHORIZING AN INDIVIDUAL TO
19 BE EMPLOYED OR WORK AS A GAMING EMPLOYEE AT A LICENSED FACILITY.

20 "PERMITTEE." HOLDER OF A PERMIT ISSUED PURSUANT TO THIS
21 CHAPTER.

22 "PERSON." ANY NATURAL PERSON, CORPORATION, FOUNDATION,
23 ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY,
24 LICENSED CORPORATION, TRUST, PARTNERSHIP, ASSOCIATION OR ANY
25 OTHER LEGAL ENTITY.

26 "PROGRESSIVE JACKPOT." A SLOT MACHINE WAGER PAYOUT THAT
27 INCREASES IN A MONETARY AMOUNT.

28 "PROGRESSIVE SLOT MACHINE." A SLOT MACHINE THAT IS CONNECTED
29 TO A PROGRESSIVE SYSTEM.

30 "PROGRESSIVE SYSTEM." A COMPUTERIZED SYSTEM LINKING SLOT

1 MACHINES IN ONE OR MORE LICENSED FACILITIES AND OFFERING ONE OR
2 MORE COMMON PROGRESSIVE JACKPOTS.

3 "RACE HORSE INDUSTRY REFORM ACT." THE ACT OF DECEMBER 17,
4 1981 (P.L.435, NO.135), KNOWN AS THE RACE HORSE INDUSTRY REFORM
5 ACT.

6 "SLOT MACHINE." ANY MECHANICAL, ELECTRICAL OR OTHER DEVICE,
7 CONTRIVANCE, TERMINAL OR MACHINE APPROVED BY THE PENNSYLVANIA
8 GAMING CONTROL BOARD WHICH, UPON INSERTION OF A COIN, BILL,
9 TICKET, TOKEN OR SIMILAR OBJECT THEREIN OR UPON PAYMENT OF ANY
10 CONSIDERATION WHATSOEVER, INCLUDING THE USE OF ANY ELECTRONIC
11 PAYMENT SYSTEM EXCEPT A CREDIT CARD OR DEBIT CARD, IS AVAILABLE
12 TO PLAY OR OPERATE, THE PLAY OR OPERATION OF WHICH, WHETHER BY
13 REASON OF THE SKILL OF THE OPERATOR OR APPLICATION OF THE
14 ELEMENT OF CHANCE, OR BOTH, MAY DELIVER OR ENTITLE THE PERSON
15 PLAYING OR OPERATING THE MACHINE TO RECEIVE CASH, TICKETS,
16 TOKENS OR ELECTRONIC CREDITS TO BE EXCHANGED FOR CASH OR TO
17 RECEIVE MERCHANDISE OR ANY THING OF VALUE WHATSOEVER, WHETHER
18 THE PAYOFF IS MADE AUTOMATICALLY FROM THE MACHINE OR MANUALLY. A
19 SLOT MACHINE:

20 (1) MAY UTILIZE SPINNING REELS OR VIDEO DISPLAYS, OR
21 BOTH;

22 (2) MAY OR MAY NOT DISPENSE COINS, TICKETS OR TOKENS TO
23 WINNING PATRONS; AND

24 (3) MAY USE AN ELECTRONIC CREDIT SYSTEM FOR RECEIVING
25 WAGERS AND MAKING PAYOUTS.

26 THE TERM SHALL INCLUDE ASSOCIATED EQUIPMENT NECESSARY TO CONDUCT
27 THE OPERATION OF SLOT MACHINES.

28 "SLOT MACHINE LICENSE." ANY OF THE FOLLOWING:

29 (1) A LICENSE AUTHORIZING A LICENSED CORPORATION TO
30 PLACE AND OPERATE SLOT MACHINES AT A RACETRACK PURSUANT TO

1 THIS CHAPTER AND THE RULES AND REGULATIONS PROMULGATED UNDER
2 THIS CHAPTER.

3 (2) A LICENSE AUTHORIZING A PERSON, PURSUANT TO THIS
4 CHAPTER AND THE REGULATIONS PROMULGATED UNDER THIS CHAPTER,
5 TO PLACE AND OPERATE SLOT MACHINES AT AN ESTABLISHMENT OF ANY
6 TYPE OTHER THAN A RACETRACK LOCATED IN A CITY OF THE FIRST
7 CLASS OR A CITY OF THE SECOND CLASS:

8 (I) WHERE PATRONS MAY ENGAGE IN SLOT MACHINE GAMING;

9 AND

10 (II) WHICH PROVIDES ANCILLARY SERVICES OR
11 FACILITIES, INCLUDING RESTAURANTS, RETAIL SHOPS AND OTHER
12 SUCH AMENITIES AVAILABLE AT RESORT CALIBER FACILITIES.

13 "SLOT MACHINE LICENSEE." A PERSON THAT HOLDS A SLOT MACHINE
14 LICENSE.

15 "STATE TREASURER." THE STATE TREASURER OF THE COMMONWEALTH.

16 "SUPPLIER." A PERSON THAT SELLS, LEASES, OFFERS OR OTHERWISE
17 PROVIDES OR DISTRIBUTES ANY SLOT MACHINE OR ASSOCIATED EQUIPMENT
18 FOR USE OR PLAY OF SLOT MACHINES OR ASSOCIATED EQUIPMENT IN THIS
19 COMMONWEALTH.

20 "SUPPLIER LICENSE." A LICENSE ISSUED BY THE PENNSYLVANIA
21 GAMING CONTROL BOARD AUTHORIZING A SUPPLIER OR MANUFACTURER TO
22 PROVIDE PRODUCTS OR SERVICES RELATED TO SLOT MACHINES OR
23 ASSOCIATED EQUIPMENT TO SLOT MACHINE LICENSEES.

24 "SUPPLIER LICENSEE." A SUPPLIER OR MANUFACTURER THAT HOLDS A
25 SUPPLIER LICENSE.

26 § 9204. PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED.

27 (A) BOARD ESTABLISHED.--THERE IS HEREBY ESTABLISHED AN
28 INDEPENDENT ADMINISTRATIVE BOARD TO BE KNOWN AS THE PENNSYLVANIA
29 GAMING CONTROL BOARD, WHICH SHALL BE IMPLEMENTED AS SET FORTH IN
30 THIS SECTION.

1 (B) MEMBERSHIP.--THE BOARD SHALL CONSIST OF THE FOLLOWING
2 MEMBERS, WHO SHALL SERVE A SET TERM AND MAY NOT BE REMOVED
3 EXCEPT FOR GOOD CAUSE:

4 (1) ONE MEMBER APPOINTED BY THE GOVERNOR.

5 (2) ONE MEMBER APPOINTED BY EACH OF THE FOLLOWING
6 LEGISLATIVE CAUCUS LEADERS:

7 (I) THE PRESIDENT PRO TEMPORE OF THE SENATE.

8 (II) THE MINORITY LEADER OF THE SENATE.

9 (III) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

10 (IV) THE MINORITY LEADER OF THE HOUSE OF
11 REPRESENTATIVES.

12 (3) NO MORE THAN THREE MEMBERS UNDER PARAGRAPH (2) SHALL
13 BE FROM THE SAME POLITICAL PARTY.

14 (C) INITIAL APPOINTMENTS TO BOARD.--

15 (1) THE MEMBER INITIALLY APPOINTED UNDER SUBSECTION
16 (B)(1) SHALL SERVE A TERM OF THREE YEARS.

17 (2) MEMBERS INITIALLY APPOINTED PURSUANT TO SUBSECTION
18 (B)(2) SHALL SERVE UNTIL THE THIRD TUESDAY IN JANUARY 2005
19 AND UNTIL THEIR SUCCESSORS ARE APPOINTED AND QUALIFIED.

20 (3) ANY APPOINTMENT TO FILL A VACANCY SHALL BE FOR THE
21 UNEXPIRED TERM. MEMBERS SO APPOINTED TO FILL THE UNEXPIRED
22 TERM OF AN INITIAL APPOINTEE SHALL BE SUBJECT TO THE
23 PROVISIONS OF SUBSECTION (D).

24 (D) APPOINTMENTS AFTER EXPIRATION OF INITIAL TERM OR UPON
25 VACANCY.--UPON THE EXPIRATION OF A TERM OF A MEMBER APPOINTED
26 UNDER THIS SUBSECTION OR UPON THE HAPPENING OF A VACANCY OF A
27 MEMBER APPOINTED PURSUANT TO SUBSECTION (C), THE APPOINTING
28 AUTHORITY SHALL APPOINT A MEMBER SUBJECT TO THE FOLLOWING:

29 (1) FOR AN APPOINTMENT UNDER SUBSECTION (B)(1), THE TERM
30 SHALL BE FOR FOUR YEARS AND UNTIL A SUCCESSOR IS APPOINTED

1 AND QUALIFIED.

2 (2) TERMS FOR MEMBERS APPOINTED PURSUANT TO SUBSECTION
3 (B)(2) SHALL EXPIRE ON THE THIRD TUESDAY OF JANUARY OF EACH
4 ODD-NUMBERED YEAR BUT SUCH MEMBERS SHALL CONTINUE TO SERVE
5 UNTIL THEIR SUCCESSORS ARE APPOINTED AND QUALIFIED.

6 (3) NO MEMBER SHALL SERVE MORE THAN TWO SUCCESSIVE
7 TERMS.

8 (4) AN APPOINTMENT TO FILL A VACANCY SHALL BE FOR THE
9 REMAINDER OF THE UNEXPIRED TERM.

10 (E) EX OFFICIO MEMBERS.--THE SECRETARY OF REVENUE AND THE
11 SECRETARY OF AGRICULTURE SHALL SERVE ON THE BOARD AS NONVOTING
12 EX OFFICIO MEMBERS OF THE BOARD.

13 (F) MAJORITY VOTE.--A QUALIFIED MAJORITY OF FOUR OF THE FIVE
14 MEMBERS OF THE BOARD SHALL BE REQUIRED FOR ANY ACTION, INCLUDING
15 THE GRANTING OF ANY LICENSE TO BE ISSUED BY THE BOARD UNDER THIS
16 CHAPTER OR THE MAKING OF ANY ORDER OR THE RATIFICATION OF ANY
17 PERMISSIBLE ACT DONE OR ORDER MADE BY ONE OR MORE OF THE
18 MEMBERS.

19 (G) BACKGROUND INVESTIGATION.--APPOINTEES SHALL BE SUBJECT
20 TO A BACKGROUND INVESTIGATION CONDUCTED BY THE PENNSYLVANIA
21 STATE POLICE IN ACCORDANCE WITH SECTION 9218(A) (RELATING TO
22 ENFORCEMENT) AND SUBMITTED TO THE APPOINTING AUTHORITY.

23 (H) QUALIFICATIONS AND RESTRICTIONS.--

24 (1) EACH MEMBER, AT THE TIME OF APPOINTMENT AND DURING
25 THE TERM OF OFFICE, SHALL BE A RESIDENT OF THIS COMMONWEALTH,
26 SHALL BE NOT LESS THAN 25 YEARS OF AGE AND SHALL HAVE BEEN A
27 QUALIFIED ELECTOR OF THIS COMMONWEALTH FOR A PERIOD OF AT
28 LEAST ONE YEAR IMMEDIATELY PRECEDING APPOINTMENT.

29 (2) NO PERSON SHALL BE APPOINTED A MEMBER OF THE BOARD
30 OR HOLD ANY PLACE, POSITION OR OFFICE UNDER IT IF THE PERSON

1 HOLDS ANY OTHER APPOINTIVE OR ELECTED OFFICE OR PARTY OFFICE
2 AS DEFINED IN SECTION 9212.3 (RELATING TO PUBLIC OFFICIAL
3 FINANCIAL INTEREST) IN THIS COMMONWEALTH OR ANY OF ITS
4 POLITICAL SUBDIVISIONS EXCEPT EX OFFICIO MEMBERS UNDER THIS
5 SECTION. MEMBERS APPOINTED PURSUANT TO THIS SECTION SHALL
6 DEVOTE FULL TIME TO THEIR OFFICIAL DUTIES.

7 (3) NO MEMBER SHALL HOLD ANY OFFICE OR POSITION, THE
8 DUTIES OF WHICH ARE INCOMPATIBLE WITH THE DUTIES OF THE
9 OFFICE AS A MEMBER, OR BE ENGAGED IN ANY BUSINESS, EMPLOYMENT
10 OR VOCATION FOR WHICH THE MEMBER SHALL RECEIVE ANY
11 REMUNERATION, EXCEPT AS PROVIDED IN THIS CHAPTER.

12 (4) NO EMPLOYEE, APPOINTEE OR OFFICIAL ENGAGED IN THE
13 SERVICE OF OR IN ANY MANNER CONNECTED WITH THE BOARD SHALL
14 HOLD ANY OFFICE OR POSITION, OR BE ENGAGED IN ANY EMPLOYMENT
15 OR VOCATION, THE DUTIES OF WHICH ARE INCOMPATIBLE WITH
16 EMPLOYMENT IN THE SERVICE OF OR IN CONNECTION WITH THE WORK
17 OF THE BOARD.

18 (5) NO MEMBER SHALL BE PAID OR ACCEPT FOR ANY SERVICE
19 CONNECTED WITH THE OFFICE ANY FEE OTHER THAN THE SALARY AND
20 EXPENSES PROVIDED BY LAW.

21 (6) NO MEMBER SHALL PARTICIPATE IN ANY HEARING OR
22 PROCEEDING IN WHICH THE MEMBER HAS ANY DIRECT OR INDIRECT
23 PECUNIARY INTEREST.

24 (7) AT THE TIME OF APPOINTMENT, AND ANNUALLY THEREAFTER,
25 EACH MEMBER SHALL DISCLOSE THE EXISTENCE OF ALL SECURITY
26 HOLDINGS IN ANY LICENSED ENTITY OR ITS AFFILIATES HELD BY
27 SUCH MEMBER, HIS OR HER SPOUSE AND ANY MINOR OR UNEMANCIPATED
28 CHILDREN AND MUST EITHER DIVEST OR PLACE IN A BLIND TRUST
29 SUCH SECURITIES. A MEMBER MAY NOT ACQUIRE ANY FURTHER
30 SECURITY HOLDINGS IN ANY LICENSED ENTITY OR ITS AFFILIATES

1 DURING THE MEMBER'S TENURE. AS USED IN THIS SECTION, "BLIND
2 TRUST" MEANS A TRUST OVER WHICH NEITHER A MEMBER, A MEMBER'S
3 SPOUSE NOR ANY MINOR OR UNEMANCIPATED CHILD SHALL EXERCISE
4 ANY MANAGERIAL CONTROL AND FROM WHICH NEITHER THE MEMBER, A
5 MEMBER'S SPOUSE NOR ANY MINOR OR UNEMANCIPATED CHILD SHALL
6 RECEIVE ANY INCOME FROM THE TRUST DURING THE MEMBER'S TENURE
7 OF OFFICE. SUCH DISCLOSURE STATEMENT SHALL BE FILED WITH THE
8 EXECUTIVE DIRECTOR OF THE BOARD AND WITH THE APPOINTING
9 AUTHORITY FOR SUCH MEMBER AND SHALL BE OPEN TO INSPECTION BY
10 THE PUBLIC AT THE OFFICE OF THE BOARD DURING THE NORMAL
11 BUSINESS HOURS OF THE BOARD DURING THE TENURE OF THE MEMBER
12 AND FOR TWO YEARS AFTER THE MEMBER LEAVES OFFICE.

13 (8) EVERY MEMBER, AND EVERY INDIVIDUAL OR OFFICIAL,
14 EMPLOYED OR APPOINTED TO OFFICE UNDER, IN THE SERVICE OF OR
15 IN CONNECTION WITH THE WORK OF THE BOARD IS FORBIDDEN,
16 DIRECTLY OR INDIRECTLY, TO SOLICIT OR REQUEST FROM, OR TO
17 SUGGEST OR RECOMMEND TO ANY LICENSED ENTITY, OR TO ANY
18 OFFICER, ATTORNEY, AGENT OR EMPLOYEE THEREOF, THE APPOINTMENT
19 OF ANY INDIVIDUAL TO ANY OFFICE, PLACE OR POSITION IN OR THE
20 EMPLOYMENT OF ANY INDIVIDUAL IN ANY CAPACITY BY SUCH LICENSED
21 ENTITY.

22 (9) EVERY MEMBER OR EMPLOYEE APPOINTED TO OFFICE IN THE
23 SERVICE OF OR IN CONNECTION WITH THE WORK OF THE BOARD IS
24 PROHIBITED FROM ACCEPTING EMPLOYMENT WITH ANY LICENSED ENTITY
25 FOR A PERIOD OF TWO YEARS FROM THE TERMINATION OF SERVICE AS
26 A MEMBER OR EMPLOYEE, AND EVERY MEMBER IS PROHIBITED FROM
27 APPEARING BEFORE THE BOARD ON BEHALF OF ANY LICENSED ENTITY
28 OR OTHER LICENSEE OR PERMITTEE OF THE BOARD FOR A PERIOD OF
29 TWO YEARS AFTER TERMINATING EMPLOYMENT OR SERVICE WITH THE
30 BOARD.

(10) IF ANY PERSON EMPLOYED OR APPOINTED IN THE SERVICE OF THE BOARD VIOLATES ANY PROVISION OF THIS SECTION, THE APPOINTING AUTHORITY OR THE BOARD SHALL FORTHWITH REMOVE SUCH PERSON FROM THE OFFICE OR EMPLOYMENT, AND SUCH PERSON SHALL BE INELIGIBLE FOR FUTURE EMPLOYMENT OR SERVICE WITH THE BOARD.

(11) NO MEMBER OR EMPLOYEE OF THE BOARD SHALL WAGER OR BE PAID ANY PRIZE FROM ANY WAGER AT ANY SLOT MACHINE AT ANY LICENSED FACILITY.

(I) OPEN PROCEEDINGS AND RECORDS.--THE PROCEEDINGS OF THE BOARD SHALL BE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS). THE BOARD SHALL BE AN AGENCY FOR PURPOSES OF THE ACT OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED TO AS THE RIGHT-TO-KNOW LAW. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, ANY CONFIDENTIAL DOCUMENT RELATIVE TO PERSONAL BACKGROUND INFORMATION PROVIDED TO THE BOARD PURSUANT TO THIS CHAPTER AND ANY DELIBERATIONS THEREOF, INCLUDING DISCIPLINARY PROCEEDINGS, MAY BE CONSIDERED IN CLOSED EXECUTIVE SESSION.

(J) COMPENSATION.--THE EXECUTIVE BOARD SHALL ESTABLISH THE COMPENSATION OF THE MEMBERS APPOINTED PURSUANT TO THIS SECTION. MEMBERS SHALL BE REIMBURSED FOR ALL NECESSARY AND ACTUAL EXPENSES.

(K) CHAIRMAN.--IMMEDIATELY AFTER ALL INITIAL MEMBERS HAVE BEEN APPOINTED AND DULY QUALIFIED, AND NOT BEFORE, THE CHAIRMAN SHALL BE ELECTED BY A MAJORITY OF THE MEMBERS APPOINTED.

(L) APPOINTMENTS.--THE APPOINTING AUTHORITIES SHALL MAKE THEIR APPOINTMENTS WITHIN 60 DAYS OF THE EFFECTIVE DATE OF THIS CHAPTER.

(M) DISCLOSURE STATEMENTS.--MEMBERS AND EMPLOYEES OF THE

1 BOARD ARE SUBJECT TO THE PROVISIONS OF 65 PA.C.S. CH. 11
2 (RELATING TO ETHICS STANDARDS AND FINANCIAL DISCLOSURE) AND THE
3 ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS THE STATE
4 ADVERSE INTEREST ACT.

5 § 9205. BOARD'S POWERS.

6 (A) GENERAL POWERS.--THE BOARD SHALL BE RESPONSIBLE TO
7 ENSURE THE INTEGRITY OF THE ACQUISITION AND OPERATION OF SLOT
8 MACHINES AND ASSOCIATED EQUIPMENT AT LICENSED FACILITIES AND
9 SHALL HAVE JURISDICTION OVER EVERY ASPECT OF THE AUTHORIZATION
10 AND OPERATION OF SLOT MACHINES AT LICENSED FACILITIES. THE BOARD
11 SHALL EMPLOY AN EXECUTIVE DIRECTOR, DEPUTIES, SECRETARIES,
12 OFFICERS AND AGENTS AS IT MAY DEEM NECESSARY, WHO SHALL SERVE AT
13 THE BOARD'S PLEASURE. THE BOARD SHALL ALSO EMPLOY SUCH OTHER
14 EMPLOYEES AS IT DEEMS APPROPRIATE WHOSE DUTIES SHALL BE
15 PRESCRIBED BY THE BOARD. LEGAL COUNSEL FOR THE BOARD SHALL BE
16 APPOINTED BY THE BOARD. THE BOARD SHALL BE SUBJECT TO THE
17 PROVISIONS OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN
18 AS THE ADMINISTRATIVE CODE OF 1929, AS TO CLASSIFICATION AND
19 COMPENSATION FOR ITS EMPLOYEES AND CONDUCT ITS ACTIVITIES
20 CONSISTENT WITH THE PRACTICES AND PROCEDURES OF COMMONWEALTH
21 AGENCIES. THE BOARD SHALL WORK TO ENHANCE THE REPRESENTATION OF
22 DIVERSE GROUPS IN THE OPERATION OF SLOT MACHINE FACILITIES IN
23 THIS COMMONWEALTH AND THROUGH THE OWNERSHIP AND OPERATION OF
24 BUSINESS ENTERPRISES ASSOCIATED WITH OR UTILIZED BY SLOT MACHINE
25 FACILITY OPERATORS AND THROUGH THE PROVISION OF GOODS AND
26 SERVICES UTILIZED BY SLOT MACHINE LICENSEES UNDER THIS CHAPTER.

27 (B) SPECIFIC POWERS.--THE BOARD SHALL HAVE THE SPECIFIC
28 POWER AND DUTY:

29 (1) TO REQUIRE BACKGROUND INVESTIGATIONS ON PROSPECTIVE
30 OR EXISTING LICENSEES AND PERMITTEES UNDER THE JURISDICTION

1 OF THE BOARD AND SHALL ENTER INTO AN AGREEMENT WITH THE
2 PENNSYLVANIA STATE POLICE IN COOPERATION WITH THE OFFICE OF
3 ATTORNEY GENERAL TO PERFORM SUCH BACKGROUND INVESTIGATIONS.
4 THE AGREEMENT SHALL INCLUDE REIMBURSEMENT BASED ON ACTUAL
5 COSTS TO THE PENNSYLVANIA STATE POLICE AND THE OFFICE OF
6 ATTORNEY GENERAL FOR SUCH INVESTIGATIONS.

7 (2) AT ITS DISCRETION, TO ISSUE, RENEW OR DENY ISSUANCE
8 OR RENEWAL OF SLOT MACHINE LICENSES.

9 (3) AT ITS DISCRETION, ISSUE, RENEW OR DENY ISSUANCE OR
10 RENEWAL OF A SLOT MACHINE LICENSE UNDER PARAGRAPH (2) OF THE
11 DEFINITION OF "SLOT MACHINE LICENSE" IN SECTION 9203
12 (RELATING TO DEFINITIONS) WITHOUT REGARD TO THE APPLICANT'S
13 POSSESSION OF A LICENSE UNDER THE RACE HORSE INDUSTRY REFORM
14 ACT.

15 (4) AT ITS DISCRETION, TO ISSUE, RENEW OR DENY ISSUANCE
16 OR RENEWAL OF SUPPLIER AND MANUFACTURER LICENSES.

17 (5) AT ITS DISCRETION, TO ISSUE, RENEW OR DENY ISSUANCE
18 OR RENEWAL OF OCCUPATION PERMITS.

19 (6) AT ITS DISCRETION, TO ISSUE, RENEW OR DENY ISSUANCE
20 OR RENEWAL OF ANY ADDITIONAL LICENSES OR PERMITS REQUIRED BY
21 THE BOARD UNDER THIS CHAPTER OR BY REGULATION.

22 (7) TO REQUIRE APPLICANTS FOR LICENSES AND PERMITS TO
23 SUBMIT WITH THEIR APPLICATION A FULL SET OF FINGERPRINTS
24 WHICH SHALL BE SUBMITTED BY THE PENNSYLVANIA STATE POLICE TO
25 THE FEDERAL BUREAU OF INVESTIGATION FOR PURPOSES OF VERIFYING
26 THE IDENTITY OF THE APPLICANTS AND OBTAINING RECORDS OF
27 CRIMINAL ARRESTS AND CONVICTIONS.

28 (8) IN ADDITION TO THE POWER OF THE BOARD REGARDING
29 LICENSE AND PERMIT APPLICANTS, TO DETERMINE AT ITS DISCRETION
30 THE SUITABILITY OF ANY PERSON WHO FURNISHES, OR SEEKS TO

1 FURNISH, TO A SLOT MACHINE LICENSEE ANY SERVICES OR PROPERTY
2 RELATED TO SLOT MACHINES AND ASSOCIATED EQUIPMENT AT ITS
3 LICENSED FACILITY OR THROUGH ANY ARRANGEMENTS UNDER WHICH
4 THAT PERSON RECEIVES PAYMENT BASED DIRECTLY OR INDIRECTLY ON
5 EARNINGS, PROFITS OR RECEIPTS FROM THE SLOT MACHINES AND
6 ASSOCIATED EQUIPMENT. THE BOARD MAY REQUIRE ANY SUCH PERSON
7 TO COMPLY WITH THE REQUIREMENTS OF THIS CHAPTER AND THE
8 REGULATIONS OF THE BOARD OR MAY PROHIBIT THE PERSON FROM
9 FURNISHING SUCH SERVICES OR PROPERTY.

10 (9) AS A BOARD AND THROUGH ITS DESIGNATED OFFICERS,
11 EMPLOYEES OR AGENTS, TO ADMINISTER OATHS, EXAMINE WITNESSES
12 AND ISSUE SUBPOENAS TO COMPEL ATTENDANCE OF WITNESSES AND
13 PRODUCTION OF ALL RELEVANT AND MATERIAL REPORTS, BOOKS,
14 PAPERS, DOCUMENTS AND OTHER EVIDENCE.

15 (10) TO PROMULGATE REGULATIONS AS THE BOARD DEEMS
16 NECESSARY TO CARRY OUT THE POLICY AND PURPOSES OF THIS
17 CHAPTER AND TO ENHANCE THE CREDIBILITY AND THE INTEGRITY OF
18 THE LICENSED OPERATION OF SLOT MACHINES AND ASSOCIATED
19 EQUIPMENT IN THIS COMMONWEALTH.

20 (I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO
21 THE CONTRARY AND IN ORDER TO FACILITATE THE PROMPT
22 IMPLEMENTATION OF THIS CHAPTER, REGULATIONS PROMULGATED
23 BY THE BOARD DURING THE FIRST YEAR FOLLOWING THE
24 EFFECTIVE DATE OF THIS CHAPTER SHALL BE DEEMED TEMPORARY
25 REGULATIONS WHICH SHALL EXPIRE NO LATER THEN TWO YEARS
26 FOLLOWING THE EFFECTIVE DATE OF THIS CHAPTER OR UPON
27 PROMULGATION OF REGULATIONS AS GENERALLY PROVIDED BY LAW.
28 THE TEMPORARY REGULATIONS SHALL NOT BE SUBJECT TO:

29 (A) SECTIONS 201 THROUGH 205 OF THE ACT OF JULY
30 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE

1 COMMONWEALTH DOCUMENTS LAW.

2 (B) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
3 KNOWN AS THE REGULATORY REVIEW ACT.

4 (II) SUBPARAGRAPH (I) SHALL EXPIRE ONE YEAR FROM THE
5 EFFECTIVE DATE OF THIS CHAPTER. REGULATIONS ADOPTED AFTER
6 THE ONE-YEAR PERIOD SHALL BE PROMULGATED AS PROVIDED BY
7 LAW.

8 (11) TO LEVY AND COLLECT FEES FROM THE VARIOUS
9 APPLICANTS, LICENSEES AND PERMITTEES TO FUND THE OPERATIONS
10 OF THE BOARD. THE FEES SHALL BE PAID TO THE TREASURY
11 DEPARTMENT THROUGH THE DEPARTMENT OF REVENUE AND DEPOSITED
12 INTO THE STATE GAMING FUND. IN ADDITION TO THE FEES SET FORTH
13 IN SECTION 9206.1 (RELATING TO SLOT MACHINE LICENSE FEE), THE
14 BOARD SHALL ASSESS AND COLLECT FEES AS FOLLOWS:

15 (I) SUPPLIER LICENSE APPLICANTS AND SUPPLIER
16 LICENSEES SHALL PAY A FEE OF \$25,000 FOR THE ISSUANCE OF
17 A LICENSE AND \$10,000 FOR THE RENEWAL OF A SUPPLIER
18 LICENSE.

19 (II) MANUFACTURER LICENSE APPLICANTS AND
20 MANUFACTURER LICENSEES SHALL PAY A FEE OF \$50,000 FOR THE
21 ISSUANCE OF A LICENSE AND \$20,000 FOR THE RENEWAL OF A
22 MANUFACTURER LICENSE.

23 (III) EACH APPLICATION FOR A SLOT MACHINE LICENSE, A
24 SUPPLIER LICENSE OR A MANUFACTURER LICENSE MUST BE
25 ACCOMPANIED BY A NONREFUNDABLE FEE OF \$150 FOR EACH
26 INDIVIDUAL REQUIRING A BACKGROUND INVESTIGATION. THE
27 REASONABLE AND NECESSARY COSTS AND EXPENSES INCURRED IN
28 ANY BACKGROUND INVESTIGATION OR OTHER INVESTIGATION OR
29 PROCEEDING CONCERNING ANY APPLICANT, LICENSEE OR
30 PERMITTEE SHALL BE REIMBURSED TO THE BOARD BY THOSE

1 PERSONS.

2 (12) TO PROVIDE FOR THE ASSESSMENT AND COLLECTION OF
3 FINES AND PENALTIES FOR VIOLATIONS OF THIS CHAPTER. ALL FINES
4 AND PENALTIES SHALL BE CREDITED FOR DEPOSIT TO THE GENERAL
5 FUND. TWO YEARS FOLLOWING ENACTMENT OF THIS CHAPTER, THE
6 BOARD SHALL HAVE THE AUTHORITY TO INCREASE EACH YEAR ANY FEE,
7 CHARGE, COST OR ADMINISTRATIVE PENALTY PROVIDED IN THIS
8 CHAPTER BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
9 ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN
10 THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR
11 THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA, FOR
12 THE MOST RECENT 12-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN
13 OFFICIALLY REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR,
14 BUREAU OF LABOR STATISTICS, IMMEDIATELY PRIOR TO THE DATE THE
15 ADJUSTMENT IS DUE TO TAKE EFFECT.

16 (13) TO DENY RENEWAL, REVOKE OR SUSPEND ANY LICENSE OR
17 PERMIT PROVIDED FOR IN THIS CHAPTER IF THE BOARD FINDS THAT A
18 LICENSEE OR PERMITTEE UNDER THIS CHAPTER, ITS OFFICERS,
19 EMPLOYEES OR AGENTS HAVE FAILED TO COMPLY WITH THE PROVISIONS
20 OF THIS CHAPTER OR THE RULES AND REGULATIONS OF THE BOARD AND
21 THAT IT WOULD BE IN THE PUBLIC INTEREST TO DENY RENEWAL,
22 REVOKE OR SUSPEND THE LICENSE OR PERMIT.

23 (14) TO RESTRICT ACCESS TO CONFIDENTIAL INFORMATION IN
24 THE POSSESSION OF THE BOARD WHICH HAS BEEN OBTAINED UNDER
25 THIS CHAPTER AND ENSURE THAT THE CONFIDENTIALITY OF
26 INFORMATION IS MAINTAINED AND PROTECTED. RECORDS SHALL BE
27 RETAINED FOR SEVEN YEARS.

28 (15) TO PRESCRIBE AND REQUIRE PERIODIC FINANCIAL
29 REPORTING AND INTERNAL CONTROL REQUIREMENTS FOR ALL LICENSED
30 ENTITIES.

1 (16) TO REQUIRE THAT EACH LICENSED ENTITY PROVIDE TO THE
2 BOARD ITS AUDITED ANNUAL FINANCIAL STATEMENTS, WITH SUCH
3 ADDITIONAL DETAIL AS THE BOARD, FROM TIME TO TIME, SHALL
4 REQUIRE WHICH INFORMATION SHALL BE SUBMITTED NOT LATER THAN
5 90 DAYS AFTER THE END OF THE LICENSEE'S FISCAL YEAR.

6 (17) TO PRESCRIBE THE PROCEDURES TO BE FOLLOWED BY SLOT
7 MACHINE LICENSEES FOR ANY FINANCIAL EVENT THAT OCCURS IN THE
8 OPERATION OF SLOT MACHINES.

9 (18) TO PRESCRIBE CRITERIA AND CONDITIONS FOR THE
10 OPERATION OF SLOT MACHINE PROGRESSIVE SYSTEMS.

11 (19) TO ENFORCE HOURS FOR THE OPERATION OF SLOT MACHINES
12 SO THAT SLOT MACHINE LICENSEES MAY OPERATE SLOT MACHINES ON
13 ANY DAY DURING THE YEAR FOR UP TO 24 HOURS PER DAY.

14 (20) TO REQUIRE THAT EACH LICENSED CORPORATION AND SLOT
15 MACHINE LICENSEE PROHIBIT PERSONS UNDER 21 YEARS OF AGE FROM
16 OPERATING OR USING SLOT MACHINES.

17 (21) TO ESTABLISH PROCEDURES FOR THE INSPECTION AND
18 CERTIFICATION OF COMPLIANCE OF EACH SLOT MACHINE PRIOR TO
19 BEING PLACED INTO USE BY A SLOT MACHINE LICENSEE. NO SLOT
20 MACHINE MAY BE SET TO PAY OUT LESS THAN 75% OR MORE THAN 96%
21 OF ALL WAGERS ON AN AVERAGE ANNUAL BASIS UNLESS SPECIFICALLY
22 APPROVED OTHERWISE BY THE BOARD, PROVIDED THE AVERAGE PAYOUT
23 DURING ANY CALENDAR YEAR OF ALL SLOT MACHINES AT EACH
24 LICENSED FACILITY SHALL BE NOT LESS THAN 87% AND NOT MORE
25 THAN 96%.

26 (22) TO GRANT AT ITS DISCRETION, APPROVAL FOR A SLOT
27 MACHINE LICENSEE TO INSTALL AND OPERATE UP TO 2,000
28 ADDITIONAL SLOT MACHINES AT ITS LICENSED FACILITY, BEYOND
29 THOSE MACHINES AUTHORIZED UNDER SECTION 9207(B)(3) (RELATING
30 TO SLOT MACHINE LICENSE APPLICATION), UPON APPLICATION BY THE

1 SLOT MACHINE LICENSEE. THE BOARD, IN CONSIDERING SUCH AN
2 APPLICATION, SHALL TAKE INTO ACCOUNT THE APPROPRIATENESS OF
3 THE PHYSICAL SPACE WHERE THE ADDITIONAL SLOT MACHINES WILL BE
4 PLACED, THE LEVEL OF DEMAND FOR SUCH ADDITIONAL SLOT MACHINES
5 AND THE CONVENIENCE OF THE PUBLIC ATTENDING THE FACILITY. THE
6 BOARD MAY ALSO TAKE INTO ACCOUNT THE POTENTIAL BENEFIT TO
7 ECONOMIC DEVELOPMENT AND TOURISM, ENHANCED REVENUES TO THE
8 COMMONWEALTH AND SUCH OTHER ECONOMIC INDICATORS IT DEEMS
9 APPLICABLE IN MAKING ITS DECISION.

10 (23) REQUIRE THE SLOT MACHINE LICENSEE TO HAVE A
11 COMPUTER CONNECTED TO ALL SLOT MACHINES AND ASSOCIATED
12 EQUIPMENT TO RECORD AND MONITOR THE ACTIVITIES OF THE
13 DEVICES. NO SLOT MACHINE SHALL BE OPERATED UNLESS IT IS
14 ONLINE AND COMMUNICATING TO A COMPUTER MONITORING SYSTEM
15 APPROVED BY THE BOARD AFTER CONSULTATION WITH THE DEPARTMENT.
16 THE COMPUTER MONITORING SYSTEM SHALL PROVIDE ONLINE, REAL-
17 TIME MONITORING AND ENCRYPTED DATA ACQUISITION CAPABILITY IN
18 A FORMAT AND MEDIA APPROVED BY THE BOARD AFTER CONSULTATION
19 WITH THE DEPARTMENT. THE LICENSEE'S SYSTEM SHALL INCLUDE A
20 DEDICATED COMPUTER MONITORING LINE PROVIDING COMPUTER
21 INTERFACE TO THE BOARD AND THE DEPARTMENT TO ALLOW
22 INDEPENDENT MONITORING, REVIEWING AND RECORDING OF DATA
23 IDENTICAL TO THAT SPECIFIED IN SECTION 9208(B)(3) (RELATING
24 TO SLOT MACHINE ACCOUNTING CONTROLS AND AUDITS). EIGHTEEN
25 MONTHS AFTER THE EFFECTIVE DATE OF THIS CHAPTER THE BOARD
26 SHALL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY
27 CONCERNING THE SECURITY, INTEGRITY, EFFECTIVENESS,
28 RELIABILITY AND ACCURACY OF THE COMPUTER MONITORING SYSTEM
29 TOGETHER WITH ANY RECOMMENDED CHANGES DEEMED APPROPRIATE BY
30 THE BOARD.

1 (24) TO DEVELOP AND IMPLEMENT AN AFFIRMATIVE ACTION PLAN
2 TO ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY OF
3 OPPORTUNITY IN EMPLOYMENT, AND CONTRACTING BY THE BOARD, ITS
4 CONTRACTORS, SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS,
5 VENDORS AND SUPPLIERS.

6 (C) REPORTS.--THE FOLLOWING REPORTS SHALL BE REQUIRED
7 ANNUALLY:

8 (1) EIGHTEEN MONTHS AFTER THE EFFECTIVE DATE OF THIS
9 CHAPTER AND EVERY YEAR ON THAT DATE THEREAFTER, THE BOARD
10 SHALL ISSUE A REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY
11 ON THE GENERAL OPERATION OF THE BOARD AND EACH SLOT MACHINE
12 LICENSEE DURING THE PREVIOUS YEAR, INCLUDING, BUT NOT LIMITED
13 TO, ALL TAXES, FEES, FINES AND OTHER REVENUES COLLECTED AND,
14 WHERE APPROPRIATE, DISBURSED, THE COSTS OF OPERATION OF THE
15 BOARD, ALL HEARINGS CONDUCTED AND THE RESULTS THEREOF AND
16 OTHER INFORMATION THAT THE BOARD DEEMS NECESSARY AND
17 APPROPRIATE.

18 (2) NO LATER THAN MARCH 15 AFTER THE EFFECTIVE DATE OF
19 THIS CHAPTER AND EVERY YEAR THEREAFTER, THE LEGISLATIVE
20 BUDGET AND FINANCE COMMITTEE SHALL ISSUE A REPORT TO THE
21 GENERAL ASSEMBLY ANALYZING THE IMPACT, IF ANY, OF THIS
22 CHAPTER ON THE STATE LOTTERY.

23 § 9205.1. APPLICATIONS FOR LICENSE OR PERMIT.

24 (A) APPLICATIONS.--AN APPLICATION FOR A LICENSE OR PERMIT TO
25 BE ISSUED BY THE BOARD SHALL BE SUBMITTED ON A FORM AND IN A
26 MANNER AS SHALL BE REQUIRED BY THE BOARD. IN REVIEWING
27 APPLICATIONS, THE BOARD SHALL CONFIRM THAT THE APPLICABLE
28 LICENSE OR PERMIT FEES HAVE BEEN PAID IN ACCORDANCE WITH THIS
29 CHAPTER.

30 (B) COMPLETENESS OF APPLICATIONS.--THE BOARD SHALL NOT

1 CONSIDER AN INCOMPLETE APPLICATION AND SHALL NOTIFY THE
2 APPLICANT IN WRITING IF AN APPLICATION IS INCOMPLETE. AN
3 APPLICATION SHALL BE CONSIDERED INCOMPLETE IF IT DOES NOT
4 INCLUDE A CURRENT, AT THE TIME OF FILING THE APPLICATION, TAX
5 LIEN CERTIFICATE ISSUED BY THE DEPARTMENT. ANY UNPAID TAXES
6 IDENTIFIED ON THE TAX LIEN CERTIFICATE SHALL BE PAID BEFORE THE
7 APPLICATION IS CONSIDERED COMPLETE. A NOTIFICATION OF
8 INCOMPLETENESS SHALL STATE THE DEFICIENCIES IN THE APPLICATION
9 THAT MUST BE CORRECTED PRIOR TO CONSIDERATION OF THE MERITS OF
10 THE APPLICATION.

11 (C) ADVERSE LITIGATION.--NOTWITHSTANDING ANY LAW TO THE
12 CONTRARY, THE BOARD, THE STATE HARNESS RACING COMMISSION AND THE
13 STATE HORSE RACING COMMISSION SHALL NOT CONSIDER ANY APPLICATION
14 FOR A LICENSE IF THE APPLICANT OR ANY PERSON AFFILIATED WITH OR
15 DIRECTLY RELATED TO THE APPLICANT IS A PARTY IN ANY ONGOING
16 CIVIL PROCEEDING IN WHICH THE PARTY IS SEEKING TO OVERTURN OR
17 OTHERWISE CHALLENGE A DECISION OR ORDER OF THE BOARD, THE STATE
18 HARNESS RACING COMMISSION OR THE STATE HORSE RACING COMMISSION,
19 PERTAINING TO AN ISSUANCE OF A LICENSE TO CONDUCT THOROUGHBRED
20 OR HARNESS HORSE RACE MEETINGS RESPECTIVELY WITH PARI-MUTUEL
21 WAGERING.

22 § 9206. AUTHORIZED SLOT MACHINE LICENSES.

23 (A) ELIGIBILITY.--A PERSON SHALL BE ELIGIBLE TO APPLY FOR A
24 SLOT MACHINE LICENSE AND, UPON APPROVAL, TO PLACE AND OPERATE
25 SLOT MACHINES AT A LICENSED FACILITY IF THE LICENSED CORPORATION
26 MEETS ONE OF THE FOLLOWING:

27 (1) (I) THE LICENSED CORPORATION OR ITS PREDECESSOR
28 OWNER OF THE LICENSED RACETRACK HAS CONDUCTED LIVE HORSE
29 RACES FOR NO LESS THAN TWO YEARS IMMEDIATELY PRECEDING
30 THE EFFECTIVE DATE OF THIS CHAPTER; OR

1 (II) A LICENSED CORPORATION THAT HAS NOT PREVIOUSLY
2 CONDUCTED LIVE RACING AT A RACETRACK AND WILL
3 SUCCESSFULLY CONDUCT LIVE RACING FOR A MINIMUM OF 100
4 DAYS WITHIN 365 DAYS OF THE APPROVAL OF ITS SLOT MACHINE
5 LICENSE FOR THE RACETRACK. FAILURE TO MEET THE REQUIRED
6 MINIMUM NUMBER OF DAYS IN THE FIRST YEAR OF LICENSURE
7 WILL RESULT IN IMMEDIATE SUSPENSION OF THE SLOT MACHINE
8 LICENSE, PENDING FURTHER BOARD REVIEW.

9 (2) EXCEPT AS PROVIDED IN PARAGRAPH (1)(II), THE
10 LICENSED CORPORATION MUST CONDUCT LIVE RACING AT THE
11 RACETRACK FOR AT LEAST 100 DAYS PER CALENDAR YEAR, FOR EACH
12 LICENSE HELD BY THE LICENSED CORPORATION PURSUANT TO THE RACE
13 HORSE INDUSTRY REFORM ACT. IF A RACING DAY IS CANCELED BY A
14 LICENSED CORPORATION FOR REASONS BEYOND ITS CONTROL, THE
15 APPROPRIATE COMMISSION SHALL GRANT THE LICENSED CORPORATION
16 THE RIGHT TO CONDUCT THAT RACING DAY IN THE SAME OR NEXT
17 ENSUING CALENDAR YEAR. THE PURSE FOR THAT RACING DAY SHALL
18 NOT BE USED FOR THE PURSE OF OTHER SCHEDULED RACING DAYS OF
19 THAT CALENDAR YEAR AND MUST BE USED FOR THE PURSE OF SUCH
20 RESCHEDULED DAY.

21 (3) THE PERSON IS APPLYING FOR A LICENSE UNDER PARAGRAPH
22 (2) OF THE DEFINITION OF "SLOT MACHINE LICENSE" IN SECTION
23 9203 (RELATING TO DEFINITIONS).

24 (B) LIMITATIONS.--THE ISSUANCE OF A SLOT MACHINE LICENSE TO
25 A LICENSED CORPORATION SHALL ENTITLE THE LICENSEE TO OPERATE
26 SLOT MACHINES ONLY IN THE GRANDSTAND AREA OR A BUILDING OR
27 STRUCTURE CONTIGUOUS TO THE GRANDSTAND AREA OF THE RACETRACK. A
28 CONTIGUOUS BUILDING OR STRUCTURE IS A NEARBY BUILDING OR
29 STRUCTURE CONNECTED TO THE RACETRACK BY A COVERED WALKWAY OR
30 LIKE STRUCTURE AS APPROVED BY THE BOARD. HOWEVER, WHEN A

1 LICENSED CORPORATION OR ITS PREDECESSOR OWNER OF THE LICENSED
2 RACETRACK HAS CONDUCTED LIVE HORSE RACES FOR NO LESS THAN TWO
3 YEARS IMMEDIATELY PRECEDING THE EFFECTIVE DATE OF THIS CHAPTER,
4 THE LICENSED CORPORATION OR ITS PREDECESSOR OWNER OF THE
5 LICENSED RACETRACK SHALL NOT BE SUBJECT TO THIS REQUIREMENT FOR
6 A TWO-YEAR PERIOD FROM THE EFFECTIVE DATE OF THIS CHAPTER AND
7 MAY SEEK APPROVAL FROM THE BOARD TO EXTEND THIS PERIOD FOR AN
8 ADDITIONAL TWO YEARS. THE SLOT MACHINE LICENSEE SHALL HAVE ITS
9 SLOT MACHINES OPERATIONAL AND AVAILABLE FOR PLAY WITHIN ONE YEAR
10 OF BEING GRANTED A LICENSE, UNLESS OTHERWISE EXTENDED, FOR A
11 PERIOD NOT TO EXCEED TWO YEARS, BY THE BOARD, FOR EXTRAORDINARY
12 CIRCUMSTANCES.

13 (C) AUTHORIZATION.--AUTHORIZATION FOR A LICENSED CORPORATION
14 TO CONTINUE THE OPERATION OF SLOT MACHINES SHALL BE LIMITED TO
15 THOSE SLOT MACHINE LICENSEES THAT:

16 (1) HAVE A WRITTEN LIVE RACING AGREEMENT WITH A
17 HORSEMEN'S ORGANIZATION REPRESENTING A MAJORITY OF OWNERS AND
18 TRAINERS AT THE RACETRACK WHERE THE LICENSED CORPORATION
19 CONDUCTS RACING DATES.

20 (2) HAVE 95% OF THE TOTAL NUMBER OF HORSE OR HARNESS
21 RACING DAYS THAT WERE SCHEDULED IN 1986 BY IT OR ITS
22 PREDECESSOR AT THE RACETRACK WHERE THE LICENSED CORPORATION
23 CONDUCTS RACING DATES. A NEWLY LICENSED CORPORATION WHICH
24 OPENS A NEW RACETRACK AND SCHEDULES A MINIMUM OF 100 DAYS OF
25 LIVE RACING IN THE INITIAL YEAR OF OPERATION SHALL BE ALLOWED
26 TO OPERATE SLOT MACHINES, INTRASTATE AND INTERSTATE SIMULCAST
27 IN ACCORDANCE WITH THE RACE HORSE INDUSTRY REFORM ACT, FROM
28 THE FIRST DAY OF THE CALENDAR YEAR IN WHICH IT HAS BEEN
29 GRANTED RACING DAYS.

30 (3) SUBJECT TO ACTIONS OR ACTIVITIES BEYOND THE CONTROL

1 OF THE LICENSEE CONDUCT NOT FEWER THAN EIGHT LIVE RACES PER
2 RACE DATE DURING EACH MEET AT THE RACETRACK WHERE THE
3 LICENSED CORPORATION CONDUCTS RACING DATES, EXCEPT FOR
4 THOROUGHBRED TRACKS ON THE DAY DESIGNATED AS BREEDER'S CUP
5 EVENT DAY, WHEN THE RACETRACK SHALL HOLD A MINIMUM OF FIVE
6 LIVE RACES. THE LICENSED CORPORATION SHALL NOT WAIVE OR
7 MODIFY THE PROVISIONS PERTAINING TO THE REQUIRED NUMBER OF
8 RACING DAYS UNDER PARAGRAPH (2) AND RACES PER DAY SCHEDULED
9 IN THIS SUBSECTION WITHOUT THE CONSENT OF THE HORSEMEN'S
10 ASSOCIATION REPRESENTING A MAJORITY OF OWNERS AND TRAINERS AT
11 THE RACETRACK.

12 (4) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1), IN
13 THE EVENT THAT A WRITTEN LIVE RACING AGREEMENT HAS NOT BEEN
14 ENTERED INTO, PERMISSION FOR ANY LICENSEE TO OPERATE SLOT
15 MACHINES AND RACETRACKS SHALL BE GRANTED PROVIDED THAT THE
16 LICENSED CORPORATION HAS CONTINUED TO CONDUCT LIVE RACING IN
17 ACCORDANCE WITH PARAGRAPHS (2) AND (3) AND KEEPS ITS
18 RACETRACK OPEN TO THE GENERAL POPULATION OF OWNERS, TRAINERS
19 AND HORSES STABLED THERE FOR TRAINING AND STABLING ON A
20 REGULAR BASIS AND DURING SUCH PERIODS, WHEN IT IS NORMALLY
21 OPEN FOR LIVE RACING AND DURING SUCH PERIODS, AND CONTINUES
22 TO COMPLY WITH ALL PROVISIONS OF THE MOST RECENTLY EXPIRED
23 LIVE RACING AGREEMENT, INCLUDING RECOGNITION OF THE THEN
24 EXISTING HORSEMEN'S ASSOCIATION AT EACH SUCH RACETRACK AS THE
25 SOLE REPRESENTATIVE OF THE HORSEMEN AT THAT TIME, AND PAYS
26 PURSES AS DEFINED IN THE MOST RECENTLY EXPIRED LIVE RACING
27 AGREEMENT PLUS THE APPLICABLE PURSE REVENUE FOR OPERATING A
28 SLOT MACHINE UNDER THIS SECTION.

29 (D) TEMPORARY FACILITY.--A LICENSED CORPORATION WHICH HAS
30 OPERATED A PARI-MUTUEL RACING FACILITY FOR AT LEAST TWO YEARS

1 BEFORE THE EFFECTIVE DATE OF THIS CHAPTER AND WHICH HAS BEEN
2 GRANTED A LICENSE PURSUANT TO THIS SECTION MAY OPERATE THE SLOT
3 MACHINES IN A TEMPORARY FACILITY CONSISTENT WITH SUBSECTION (B).
4 IN THE CASE OF A NEWLY LICENSED CORPORATION, THE BOARD MAY
5 APPROVE THE USE OF A TEMPORARY FACILITY ONLY IF THE LICENSED
6 CORPORATION HAS SCHEDULED AND WILL SUCCESSFULLY CONDUCT A
7 MINIMUM OF 50 DAYS OF LIVE RACING IN THE INITIAL FULL CALENDAR
8 YEAR OF OPERATION FROM THE FIRST DAY OF THE FULL CALENDAR YEAR
9 IN WHICH IT HAS BEEN GRANTED AUTHORITY TO CONDUCT HORSE RACING
10 WITH PARI-MUTUEL WAGERING. HOWEVER, AN EXTENSION OF UP TO AN
11 ADDITIONAL TWO YEARS MAY BE GRANTED BY THE BOARD UPON A SHOWING
12 BY THE LICENSED CORPORATION THAT IT HAS BEEN PROCEEDING IN GOOD
13 FAITH TO MEET THE MINIMUM 50-DAY LIVE RACING AGREEMENT AND THAT
14 IT HAS THE CONSENT OF THE HORSEMEN'S ORGANIZATIONS REPRESENTING
15 A MAJORITY OF OWNERS AND TRAINERS AT THE RACETRACK.

16 (E) PROHIBITION.--NO APPLICANT, INCLUDING DIRECTORS, OWNERS
17 AND KEY EMPLOYEES, THAT HAS BEEN CONVICTED, IN ANY JURISDICTION,
18 OF A FELONY, CRIME OF MORAL TURPITUDE OR GAMBLING OFFENSE MAY BE
19 ISSUED A SLOT MACHINE LICENSE UNDER THIS CHAPTER.

20 (F) CREDIT.--SLOT MACHINE LICENSEES MAY NOT EXTEND CREDIT
21 BUT MAY CASH PERSONAL OR BANK CHECKS IN COMPLIANCE WITH THE
22 REGULATIONS OF THE BOARD. SLOT MACHINE LICENSEES MAY NOT ACCEPT
23 CREDIT CARDS, CHARGE CARDS OR DEBIT CARDS FROM A PLAYER FOR THE
24 EXCHANGE OR PURCHASE OF SLOT MACHINE CREDITS OR FOR AN ADVANCE
25 OF COINS OR CURRENCY TO BE UTILIZED BY A PLAYER TO PLAY SLOT
26 MACHINE GAMES OR EXTEND CREDIT, IN ANY MANNER, TO A PLAYER SO AS
27 TO ENABLE THE PLAYER TO PLAY A SLOT MACHINE.

28 (G) ADDITIONAL CONDITION FOR GRANT OF SLOT MACHINE LICENSE
29 TO LICENSED CORPORATION.--THE FOLLOWING SHALL APPLY:

30 (1) NO SLOT MACHINE LICENSE SHALL BE ISSUED TO ANY

1 LICENSED CORPORATION IF:

2 (I) MORE THAN ONE LICENSED CORPORATION HAS CONDUCTED
3 AT ANY TIME DURING THE TWO YEARS PRIOR TO THE EFFECTIVE
4 DATE OF THIS CHAPTER LIVE HORSE RACING WITH PARI-MUTUEL
5 WAGERING AT THE RACETRACK WHERE THE LICENSED CORPORATION
6 CONDUCTS RACES; OR

7 (II) THE LICENSED CORPORATIONS CONDUCTING RACES AT
8 THE RACETRACK POSSESS, IN THE AGGREGATE, MORE THAN ONE
9 LICENSE TO CONDUCT LIVE HORSE RACING WITH PARI-MUTUEL
10 WAGERING.

11 (2) AS A MANDATORY CONDITION FOR ELIGIBILITY TO RECEIVE
12 A SLOT MACHINE LICENSE TO PLACE AND OPERATE SLOT MACHINES AT
13 A RACETRACK WHERE RACES HAVE BEEN CONDUCTED UNDER MULTIPLE
14 LIVE HORSE RACING LICENSES AT ANY TIME DURING THE TWO YEARS
15 PRIOR TO THE EFFECTIVE DATE OF THIS CHAPTER, THE LICENSED
16 CORPORATIONS WHICH HAVE CONDUCTED THE RACES AT THAT RACETRACK
17 SHALL IMMEDIATELY RETURN ALL LICENSES TO CONDUCT SUCH RACING,
18 IN EXCESS OF ONE LICENSE AS DETERMINED BY THE AFFECTED
19 LICENSED CORPORATIONS AT THAT RACETRACK, TO THE STATE HORSE
20 RACING COMMISSION OR THE STATE HARNESS RACING COMMISSION, AS
21 APPLICABLE, WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS
22 CHAPTER, UNLESS OTHERWISE EXTENDED BY THE BOARD FOR GOOD
23 CAUSE SHOWN, BUT IN NO EVENT FOR MORE THAN SIX MONTHS.

24 (3) NOTWITHSTANDING THE PROVISIONS OF THE RACE HORSE
25 INDUSTRY REFORM ACT, THE RETURN OF ANY LICENSE PURSUANT TO
26 PARAGRAPH (2) SHALL NOT REDUCE:

27 (I) THE NUMBER OF AUTHORIZED RACING DAYS IN ANY
28 CALENDAR YEAR ALLOCATED TO THE RACETRACK BY VIRTUE OF THE
29 RETURNED LICENSE.

30 (II) THE NUMBER OF NONPRIMARY LOCATIONS FOR PARI-

1 MUTUEL WAGERING AVAILABLE TO THE RACETRACK BY VIRTUE OF
2 THE RETURNED LICENSES.

3 (4) ALL RIGHTS AND PRIVILEGES, INCLUDING THE OWNERSHIP
4 AND OPERATION OF NONPRIMARY FACILITIES AND ALL CONTRACTUAL
5 RIGHTS AND OBLIGATIONS OF ALL TYPES, SHALL BE AND BECOME, BY
6 OPERATION OF LAW AND WITHOUT FURTHER ACT, DEED, ORDER OR
7 FINDING BY THE STATE HORSE RACING COMMISSION OR THE STATE
8 HARNESS RACING COMMISSION, THE RIGHTS AND PRIVILEGES OF THE
9 CORPORATION OWNING THE LICENSE REMAINING AT THE RACETRACK.

10 (5) COMPLIANCE WITH THE LIVE RACING PROVISIONS OF THIS
11 SECTION BY THE LICENSEE HOLDING THE REMAINING LICENSE SHALL
12 BE DEEMED TO BE COMPLIANCE BY THE REMAINING LICENSE AND THE
13 RETURNED LICENSE WITH THE LIVE RACING REQUIREMENTS OF
14 SECTIONS 216(A), 218 AND 234 OF THE RACE HORSE INDUSTRY
15 REFORM ACT.

16 (6) THE STATE HORSE RACING COMMISSION OR THE STATE
17 HARNESS RACING COMMISSION SHALL PERMANENTLY RETIRE THE FIRST
18 TWO THOROUGHBRED LICENSES RETURNED TO EITHER COMMISSION
19 PURSUANT TO THIS SUBSECTION AS OF THE DATE OF THE RETURN. IF
20 THE STATE HORSE RACING COMMISSION OR THE STATE HARNESS RACING
21 COMMISSION SUBSEQUENTLY RECEIVES ANY ADDITIONAL LICENSES FROM
22 A LICENSED CORPORATION FOLLOWING THE RETURN OF THE FIRST TWO
23 LICENSES RETIRED PURSUANT TO THIS SUBSECTION, THE APPLICABLE
24 COMMISSION MAY REISSUE SUCH LICENSES.

25 (H) ISSUANCE OF LICENSE.--THE ISSUANCE OF A LICENSE UNDER
26 PARAGRAPH (2) OF THE DEFINITION OF "SLOT MACHINE LICENSE" IN
27 SECTION 9203 TO A LICENSED CORPORATION OR OTHER PERSON SHALL
28 ENTITLE THE LICENSEE TO OPERATE SLOT MACHINES IN A SINGLE
29 LOCATION IN A CITY OF THE FIRST CLASS OR A SINGLE LOCATION IN A
30 CITY OF THE SECOND CLASS, AS DETERMINED BY THE BOARD. THE

1 FOLLOWING APPLY:

2 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2), A LICENSEE
3 UNDER THIS PARAGRAPH SHALL HAVE ITS SLOT MACHINES OPERATIONAL
4 AND AVAILABLE FOR PLAY WITHIN TWO YEARS OF BEING GRANTED A
5 LICENSE.

6 (2) THE BOARD MAY FOR GOOD CAUSE EXTEND THE TIME PERIOD
7 UNDER PARAGRAPH (1) FOR A PERIOD NOT TO EXCEED TWO YEARS.

8 (I) MAXIMUM NUMBER OF SLOT MACHINE LICENSES.--THE BOARD MAY
9 ISSUE 11 SLOT MACHINE LICENSES PURSUANT TO THIS CHAPTER. UNDER
10 NO CIRCUMSTANCES SHALL ANY ADDITIONAL SLOT MACHINE LICENSES BE
11 ISSUED OR PERMITTED UNDER THIS CHAPTER OR ANY OTHER PROVISION OF
12 LAW.

13 § 9206.1. SLOT MACHINE LICENSE FEE.

14 (A) IMPOSITION.--SUBJECT TO THE REQUIREMENTS OF SUBSECTION
15 (B), THE BOARD SHALL IMPOSE A ONE-TIME SLOT MACHINE LICENSE FEE
16 TO BE PAID BY EACH SUCCESSFUL APPLICANT IN AN AMOUNT OF
17 \$50,000,000.

18 (B) TERM.--A SLOT MACHINE LICENSE, AFTER PAYMENT OF THE FEE,
19 SHALL BE IN EFFECT UNLESS RESCINDED BY THE BOARD UPON GOOD CAUSE
20 CONSISTENT WITH THE LICENSE REQUIREMENTS AS PROVIDED FOR IN THIS
21 CHAPTER. THE LICENSE OF A LICENSEE IN GOOD STANDING SHALL BE
22 UPDATED AND RENEWED ANNUALLY. AS TO THE RENEWAL OF A LICENSE, NO
23 ADDITIONAL LICENSE FEE PURSUANT TO SUBSECTION (A) SHALL BE
24 REQUIRED.

25 (C) CREDIT AGAINST TAX FOR SLOT MACHINE LICENSEES.--IF THE
26 RATE OF TAX IMPOSED BY SECTION 9214 (RELATING TO NET SLOT
27 MACHINE REVENUE DISTRIBUTION AND ESTABLISHMENT OF STATE GAMING
28 FUND) IS INCREASED AT ANY TIME DURING THE TERM OF A SLOT MACHINE
29 LICENSE, THE SLOT MACHINE LICENSEE SHALL BE ENTITLED TO A CREDIT
30 AGAINST THE TAX EQUAL TO THE DIFFERENCE BETWEEN THE TAX

1 CALCULATED AT THE RATE WHEN THE LICENSE WAS ISSUED AND THE TAX
2 CALCULATED AT THE INCREASED RATE. THIS CREDIT SHALL BE APPLIED
3 ON A DOLLAR-FOR-DOLLAR BASIS AS AND WHEN THE TAX IS PAYABLE AS
4 SET FORTH IN SECTION 9214, BUT SHALL NOT EXTEND BEYOND THE TEN-
5 YEAR PERIOD FOLLOWING THE ISSUANCE OF THE LICENSE. THE AGGREGATE
6 AMOUNT OF ALL CREDITS GRANTED SHALL NOT EXCEED THE AMOUNT OF THE
7 LICENSING FEE PAID BY THE LICENSEE. THE DEPARTMENT SHALL ENTER
8 INTO A CONTRACT WITH EACH SLOT MACHINE LICENSEE SETTING FORTH
9 THE TERMS AND CONDITIONS OF THIS CREDIT AND THE PROVISIONS OF
10 SUBSECTION (D).

11 (D) DEPOSIT OF LICENSE FEE.--THE TOTAL AMOUNT OF ALL LICENSE
12 FEES IMPOSED AND COLLECTED BY THE BOARD UNDER THIS SECTION SHALL
13 BE DEPOSITED IN THE STATE GAMING FUND.

14 (E) CHANGE OF OWNERSHIP OR CONTROL OF A LICENSE.--IN THE
15 EVENT THAT ANY SLOT MACHINE LICENSE IS TRANSFERRED PURSUANT TO
16 SECTION 9212.2 (RELATING TO CHANGE IN OWNERSHIP OF SLOT MACHINE
17 LICENSEE), THE TRANSFEREE SHALL BE ENTITLED TO THE FULL
18 REMAINING AMOUNT OF THE CREDIT SET FORTH IN SUBSECTION (C) OR
19 THE COMPLETE RETURN OF THE LICENSE FEE SET FORTH IN SUBSECTION
20 (D) AS IF THE TRANSFEREE LICENSE WAS THE ORIGINAL LICENSEE.

21 § 9207. SLOT MACHINE LICENSE APPLICATION.

22 (A) APPLICATION.--ANY PERSON WHICH MEETS THE REQUIREMENTS OF
23 SECTION 9206 (RELATING TO AUTHORIZED SLOT MACHINE LICENSES) OR
24 THAT DESIRES TO INSTALL ADDITIONAL SLOT MACHINES PURSUANT TO
25 SECTION 9205(B)(25) (RELATING TO BOARD'S POWERS) AT ITS LICENSED
26 FACILITY SHALL FILE AN APPLICATION WITH THE BOARD IN SUCH FORM
27 AS SHALL BE PRESCRIBED BY THE BOARD. ONLY ONE SLOT MACHINE
28 LICENSE SHALL BE GRANTED PER LICENSED FACILITY.

29 (B) REQUIREMENTS.--THE APPLICATION FOR A SLOT MACHINE
30 LICENSE SHALL INCLUDE, BUT NOT BE LIMITED TO:

1 (1) THE NAME AND ADDRESS OF THE APPLICANT, A LIST OF ALL
2 DIRECTORS AND OWNERS AND A LIST OF KEY EMPLOYEES AND THEIR
3 POSITIONS WITHIN THE CORPORATION OR ORGANIZATION, AS WELL AS
4 ANY FINANCIAL INFORMATION REQUIRED BY THE BOARD.

5 (2) THE PROPOSED LOCATION OF THE SLOT MACHINE AREAS
6 PURSUANT TO SECTION 9206(B).

7 (3) THE NUMBER OF SLOT MACHINES REQUESTED. A SUCCESSFUL
8 APPLICANT SHALL RECEIVE APPROVAL BY THE BOARD FOR THE
9 OPERATION OF UP TO 3,000 SLOT MACHINES AT ANY ONE LICENSED
10 FACILITY, AND SHALL BE REQUIRED TO OPERATE A MINIMUM OF 1,500
11 MACHINES AT ANY ONE LICENSED FACILITY WITHIN ONE YEAR OF
12 OPERATION, EXCEPT AS PROVIDED IN SECTION 9206.

13 (4) IN THOSE INSTANCES WHERE ADDITIONAL SLOT MACHINES
14 ARE BEING REQUESTED, THE JUSTIFICATION AND EXPLANATION FOR
15 THE NUMBER AND LOCATION OF THE SLOT MACHINE AREAS WITHIN THE
16 CONFINES OF THE LICENSED FACILITY.

17 (5) THE CURRENT STATUS OF THE LICENSED CORPORATION'S
18 PENNSYLVANIA RACING LICENSE ISSUED PURSUANT TO THE RACE HORSE
19 INDUSTRY REFORM ACT, IF ANY.

20 (6) DETAILS OF ANY SLOT MACHINE OR CASINO LICENSE
21 GRANTED OR DENIED TO THE APPLICANT BY OTHER JURISDICTIONS
22 WHERE SUCH FORM OF GAMING IS LEGAL.

23 (7) DETAILS OF ANY LOANS NOT OBTAINED FROM A FINANCIAL
24 INSTITUTION.

25 (8) A STATEMENT THAT THE APPLICANT HAS COMPLIED WITH
26 THE REQUIREMENTS OF SECTION 9206(G).

27 (9) ANY OTHER INFORMATION DETERMINED TO BE APPROPRIATE
28 BY THE BOARD.

29 § 9208. SLOT MACHINE ACCOUNTING CONTROLS AND AUDITS.

30 (A) APPROVAL.--EXCEPT AS OTHERWISE PROVIDED BY THIS CHAPTER,

1 EACH APPLICANT WHICH DESIRES TO INSTALL AND OPERATE SLOT
2 MACHINES AT ITS LICENSED FACILITY SHALL, IN ADDITION TO
3 OBTAINING A SLOT MACHINE LICENSE, OBTAIN APPROVAL FROM THE BOARD
4 IN CONSULTATION WITH THE DEPARTMENT OF ITS PROPOSED INTERNAL
5 CONTROL SYSTEMS AND AUDIT PROTOCOLS PRIOR TO THE INSTALLATION
6 AND OPERATION OF SLOT MACHINES.

7 (B) MINIMUM REQUIREMENTS.--AT A MINIMUM, THE APPLICANT'S OR
8 PERSON'S PROPOSED INTERNAL CONTROLS AND AUDIT PROTOCOLS SHALL:

9 (1) SAFEGUARD ITS ASSETS AND REVENUES, INCLUDING, BUT
10 NOT LIMITED TO, THE RECORDING OF CASH AND EVIDENCES OF
11 INDEBTEDNESS RELATED TO THE SLOT MACHINES.

12 (2) PROVIDE FOR RELIABLE RECORDS, ACCOUNTS AND REPORTS
13 OF ANY FINANCIAL EVENT THAT OCCURS IN THE OPERATION OF A SLOT
14 MACHINE, INCLUDING REPORTS TO THE BOARD RELATED TO THE SLOT
15 MACHINES.

16 (3) ENSURE, AS PROVIDED IN SECTION 9208.1 (RELATING TO
17 CENTRAL MONITORING SYSTEM), THAT ALL SLOT MACHINES WITHIN
18 EACH LICENSED FACILITY ARE DIRECTLY CONNECTED TO EACH
19 LICENSED FACILITY'S COMPUTER SYSTEM WHICH SHALL PROVIDE
20 DETAILS OF ANY FINANCIAL EVENT THAT OCCURS IN THE OPERATION
21 OF A SLOT MACHINE, INCLUDING, BUT NOT LIMITED TO, COIN IN,
22 COIN OUT, JACKPOTS, MACHINE DOOR OPENINGS AND POWER FAILURES.

23 (4) PROVIDE FOR ACCURATE AND RELIABLE FINANCIAL RECORDS.

24 (5) ENSURE ANY FINANCIAL EVENT THAT OCCURS IN THE
25 OPERATION OF A SLOT MACHINE IS PERFORMED ONLY IN ACCORDANCE
26 WITH THE MANAGEMENT'S GENERAL OR SPECIFIC AUTHORIZATION.

27 (6) ENSURE THAT ANY FINANCIAL EVENT THAT OCCURS IN THE
28 OPERATION OF A SLOT MACHINE IS RECORDED ADEQUATELY TO PERMIT
29 PROPER AND TIMELY REPORTING OF GROSS REVENUE AND THE
30 CALCULATION THEREOF AND OF FEES AND TAXES AND TO MAINTAIN

1 ACCOUNTABILITY FOR ASSETS.

2 (7) ENSURE THAT ACCESS TO ASSETS IS PERMITTED ONLY IN
3 ACCORDANCE WITH MANAGEMENT'S SPECIFIC AUTHORIZATION.

4 (8) ENSURE THAT RECORDED ACCOUNTABILITY FOR ASSETS IS
5 COMPARED WITH ACTUAL ASSETS AT REASONABLE INTERVALS AND
6 APPROPRIATE ACTION IS TAKEN WITH RESPECT TO ANY
7 DISCREPANCIES.

8 (9) ENSURE THAT ALL FUNCTIONS, DUTIES AND
9 RESPONSIBILITIES ARE APPROPRIATELY SEGREGATED AND PERFORMED
10 IN ACCORDANCE WITH SOUND FINANCIAL PRACTICES BY COMPETENT,
11 QUALIFIED PERSONNEL.

12 (C) INTERNAL CONTROL.--EACH PERSON THAT APPLIES FOR A SLOT
13 MACHINE LICENSE AT ITS LICENSED FACILITY SHALL SUBMIT TO THE
14 BOARD, IN SUCH MANNER AS THE BOARD SHALL REQUIRE, A DESCRIPTION
15 OF ITS ADMINISTRATIVE AND ACCOUNTING PROCEDURES IN DETAIL,
16 INCLUDING ITS WRITTEN SYSTEM OF INTERNAL CONTROL. EACH WRITTEN
17 SYSTEM SHALL INCLUDE:

18 (1) RECORDS OF DIRECT AND INDIRECT OWNERSHIP IN A
19 LICENSED CORPORATION OR OTHER PERSON.

20 (2) AN ORGANIZATIONAL CHART DEPICTING APPROPRIATE
21 SEGREGATION OF FUNCTIONS AND RESPONSIBILITIES.

22 (3) A DESCRIPTION OF THE DUTIES AND RESPONSIBILITIES OF
23 EACH POSITION SHOWN ON THE ORGANIZATIONAL CHART.

24 (4) A DETAILED NARRATIVE DESCRIPTION OF THE
25 ADMINISTRATIVE AND ACCOUNTING PROCEDURES DESIGNED TO SATISFY
26 THE REQUIREMENTS OF SUBSECTION (A).

27 (5) RECORD RETENTION POLICY.

28 (6) PROCEDURE TO ENSURE THAT ASSETS ARE SAFEGUARDED,
29 INCLUDING MANDATORY COUNT PROCEDURES.

30 (7) A STATEMENT SIGNED BY THE CHIEF FINANCIAL OFFICER OF

1 THE LICENSED CORPORATION OR OTHER PERSON AND THE CHIEF
2 EXECUTIVE OFFICER OF THE LICENSED CORPORATION OR OTHER PERSON
3 ATTESTING THAT THE OFFICER BELIEVES, IN GOOD FAITH, THAT THE
4 SYSTEM SATISFIES THE REQUIREMENTS OF THIS SECTION.

5 (8) ANY OTHER ITEM THAT THE BOARD MAY REQUIRE.

6 § 9208.1. CENTRAL MONITORING SYSTEM.

7 (A) GENERAL RULE.--TO FACILITATE THE AUDITING AND SECURITY
8 PROGRAMS CRITICAL TO THE INTEGRITY OF SLOT MACHINE GAMING IN
9 THIS COMMONWEALTH, THE BOARD SHALL HAVE OVERALL CONTROL OF SLOT
10 MACHINES AND ALL SLOT MACHINE TERMINALS SHALL BE LINKED TO A
11 COMPUTER MONITORING SYSTEM UNDER THE CONTROL OF THE BOARD TO
12 PROVIDE AUDITING PROGRAM INFORMATION AS APPROVED BY THE BOARD
13 AND SHALL INCLUDE REAL TIME INFORMATION RETRIEVAL AND TERMINAL
14 ACTIVATION AND DISABLE PROGRAMS. THE COMPUTER MONITORING SYSTEM
15 SELECTED AND EMPLOYED BY THE BOARD SHALL NOT LIMIT OR FAVOR THE
16 PARTICIPATION OF A VENDOR OR MANUFACTURER OF A SLOT MACHINE AS A
17 RESULT OF THE COST OR DIFFICULTY OF IMPLEMENTING THE NECESSARY
18 PROGRAM MODIFICATIONS TO COMMUNICATE WITH AND LINK TO THE
19 COMPUTER MONITORING SYSTEM. THE COMPUTER MONITORING SYSTEM AND
20 ALL ASSOCIATED CONTRACTORS SHALL BE SELECTED IN ACCORDANCE WITH
21 THE COMMONWEALTH'S PROCUREMENT REQUIREMENTS AND PROCEDURES. THE
22 COMPUTER MONITORING SYSTEM SELECTED AND EMPLOYED BY THE BOARD
23 SHALL PROVIDE:

24 (1) A FULLY OPERATIONAL STATEWIDE SLOT MACHINE CONTROL
25 SYSTEM THAT HAS THE CAPABILITY OF SUPPORTING UP TO 55,000
26 SLOT MACHINES AS MAY BE REQUIRED, AND TECHNOLOGY UPGRADES
27 NECESSARY TO MAINTAIN A FULLY OPERATIONAL AND PROPER
28 REPORTING CAPABILITY FOR A PERIOD OF TEN YEARS.

29 (2) THE EMPLOYMENT OF A WIDELY ACCEPTED GAMING INDUSTRY
30 PROTOCOL TO FACILITATE SLOT MACHINE MANUFACTURERS' ABILITY TO

1 COMMUNICATE WITH THE SYSTEM.

2 (3) THE DELIVERY OF A SYSTEM THAT HAS THE CAPABILITY TO
3 SUPPORT IN-HOUSE AND WIDE AREA PROGRESSIVE SLOT MACHINES AS
4 APPROVED BY THE BOARD.

5 (4) THE DELIVERY OF A SYSTEM THAT ALLOWS THE SLOT
6 MACHINE LICENSEE TO INSTALL INDEPENDENT PLAYER TRACKING
7 SYSTEMS, TO INCLUDE CASHLESS TECHNOLOGY AS APPROVED BY THE
8 BOARD.

9 (5) THE DELIVERY OF A SYSTEM THAT DOES NOT ALTER THE
10 STATISTICAL AWARDS OF GAMES, AS DESIGNED BY THE GAME
11 MANUFACTURER AND APPROVED BY THE BOARD.

12 (6) ANY OTHER CAPABILITIES AS DETERMINED BY THE BOARD.

13 (B) PERSONAL INFORMATION.--NEITHER THE CENTRAL MONITORING
14 COMPUTER NOR A CENTRAL SITE COMPUTER AT A LICENSED FACILITY
15 SHALL PROVIDE FOR THE MONITORING OR READING OF PERSONAL OR
16 FINANCIAL INFORMATION CONCERNING A PATRON OF A SLOT MACHINE
17 FACILITY.

18 (C) SOLICITATION OF MULTIPLE BIDS.--NOTWITHSTANDING ANY
19 OTHER PROVISION OF LAW TO THE CONTRARY AND IN ORDER TO
20 FACILITATE THE PROMPT IMPLEMENTATION OF THIS CHAPTER, FOR
21 INITIAL CONTRACTS ENTERED INTO BY THE BOARD OR DEPARTMENT FOR A
22 COMPUTER MONITORING SYSTEM, INCLUDING ANY NECESSARY COMPUTER
23 HARDWARE, SOFTWARE, LICENSES OR RELATED SERVICES SHALL NOT BE
24 SUBJECT TO THE PROVISIONS OF 62 PA.C.S. (RELATING TO
25 PROCUREMENT). THE BOARD AND THE DEPARTMENT SHALL SOLICIT
26 MULTIPLE BIDS. THE BOARD AND DEPARTMENT SHALL PROVIDE WRITTEN
27 JUSTIFICATION FOR THE SELECTION OF SUCCESSFUL VENDORS. CONTRACTS
28 MADE PURSUANT TO THE PROVISIONS OF THIS SECTION SHALL NOT EXCEED
29 FIVE YEARS.

30 § 9208.2. PROTOCOL INFORMATION.

1 THE BOARD SHALL PROVIDE, IN ADVANCE OF THE OPERATION OF A
2 MONITORING SYSTEM, TO A SLOT MACHINE SUPPLIER OR MANUFACTURER
3 THE PROTOCOL DOCUMENTATION DATA NECESSARY TO ENABLE THE
4 RESPECTIVE SLOT MACHINE SUPPLIER'S OR MANUFACTURER'S SLOT
5 MACHINE TERMINALS TO COMMUNICATE WITH THE BOARD'S MONITORING
6 SYSTEM FOR THE PURPOSE OF TRANSMITTING AUDITING PROGRAM
7 INFORMATION AND FOR ACTIVATING AND DISABLING OF SLOT MACHINE
8 TERMINALS.

9 § 9209. SUPPLIER AND MANUFACTURER LICENSES.

10 (A) APPLICATION.--ANY PERSON SEEKING TO PROVIDE SLOT
11 MACHINES OR ASSOCIATED EQUIPMENT TO A SLOT MACHINE LICENSEE
12 WITHIN THIS COMMONWEALTH OR TO MANUFACTURE SLOT MACHINES FOR USE
13 IN THIS COMMONWEALTH SHALL APPLY TO THE BOARD FOR EITHER A
14 SUPPLIER OR MANUFACTURER LICENSE. NO SLOT MACHINE LICENSEE SHALL
15 ENTER INTO ANY SALE, LEASE, CONTRACT OR ANY OTHER TYPE OF
16 AGREEMENT PROVIDING SLOT MACHINES, PARTS OR ASSOCIATED EQUIPMENT
17 FOR USE OR PLAY WITH ANY PERSON OTHER THAN A SUPPLIER OR
18 MANUFACTURER LICENSED PURSUANT TO THIS SECTION.

19 (B) REQUIREMENTS.--THE APPLICATION FOR A SUPPLIER OR
20 MANUFACTURER LICENSE SHALL INCLUDE, BUT NOT BE LIMITED TO:

21 (1) THE NAME AND BUSINESS ADDRESS OF THE DIRECTORS AND
22 OWNERS AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN THE
23 BUSINESS, AS WELL AS ANY FINANCIAL INFORMATION REQUIRED BY
24 THE BOARD.

25 (2) CONSENT TO A BACKGROUND INVESTIGATION OF THE
26 APPLICANT.

27 (3) DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR DENIED
28 BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES ARE PERMITTED.

29 (4) THE TYPE OF GOODS AND SERVICES TO BE SUPPLIED OR
30 MANUFACTURED AND WHETHER THOSE GOODS AND SERVICES WILL BE

1 PROVIDED THROUGH PURCHASE, LEASE, CONTRACT, OR OTHERWISE.

2 (5) ANY OTHER INFORMATION DETERMINED BY THE BOARD TO BE
3 APPROPRIATE.

4 § 9210. OCCUPATION PERMIT AND APPLICATIONS.

5 (A) APPLICATION.--ANY PERSON WHO DESIRES TO BE A GAMING
6 EMPLOYEE SHALL APPLY TO THE BOARD FOR AN OCCUPATION PERMIT. A
7 PERSON MAY NOT BE EMPLOYED AS A GAMING EMPLOYEE UNLESS, AND
8 UNTIL, THE PERSON HOLDS AN APPROPRIATE OCCUPATION PERMIT ISSUED
9 UNDER THIS SECTION. THE BOARD MAY PROMULGATE REGULATIONS TO
10 RECLASSIFY A CATEGORY OF NONGAMING EMPLOYEES OR GAMING EMPLOYEES
11 UPON A FINDING THAT THE RECLASSIFICATION IS IN THE PUBLIC
12 INTEREST AND CONSISTENT WITH THIS CHAPTER'S OBJECTIVES.

13 (B) REQUIREMENTS.--THE APPLICATION FOR AN OCCUPATION PERMIT
14 SHALL INCLUDE, BUT NOT BE LIMITED TO:

15 (1) THE NAME AND HOME ADDRESS OF THE PERSON.

16 (2) THE PREVIOUS EMPLOYMENT HISTORY OF THE PERSON.

17 (3) ANY CRIMINAL HISTORY RECORD OF THE PERSON, AS WELL
18 AS CONSENT FOR THE PENNSYLVANIA STATE POLICE TO CONDUCT AN
19 INVESTIGATION INTO THE INDIVIDUAL'S CRIMINAL HISTORY RECORD
20 AND PROVIDE THE SAME TO THE BOARD.

21 (4) THE NATURE AND SCOPE OF THE PROPOSED DUTIES OF THE
22 PERSON, IF KNOWN.

23 (5) DETAILS OF ANY OCCUPATION PERMIT OR SIMILAR LICENSE
24 GRANTED OR DENIED TO THE APPLICANT IN OTHER JURISDICTIONS.

25 (6) ANY OTHER INFORMATION DETERMINED BY THE BOARD TO BE
26 APPROPRIATE.

27 (C) PROHIBITION.--NO SLOT MACHINE LICENSEE MAY EMPLOY OR
28 PERMIT ANY PERSON UNDER 18 YEARS OF AGE TO RENDER ANY SERVICE
29 WHATSOEVER IN ANY AREA OF ITS LICENSED FACILITY AT WHICH SLOT
30 MACHINES ARE LOCATED.

1 § 9210.1. SLOT MACHINE LICENSE APPLICATION CHARACTER
2 REQUIREMENTS.

3 EVERY APPLICATION FOR A SLOT MACHINE LICENSE ISSUED BY THE
4 BOARD SHALL INCLUDE SUCH INFORMATION, DOCUMENTATION AND
5 ASSURANCES AS MAY BE REQUIRED TO ESTABLISH BY CLEAR AND
6 CONVINCING EVIDENCE THE APPLICANT'S GOOD CHARACTER, HONESTY AND
7 INTEGRITY. SUCH INFORMATION, SHALL INCLUDE, WITHOUT LIMITATION,
8 INFORMATION PERTAINING TO FAMILY, HABITS, CHARACTER, REPUTATION,
9 CRIMINAL AND ARREST RECORD, BUSINESS ACTIVITIES, FINANCIAL
10 AFFAIRS AND BUSINESS, PROFESSIONAL AND PERSONAL ASSOCIATES,
11 COVERING AT LEAST THE TEN-YEAR PERIOD IMMEDIATELY PRECEDING THE
12 FILING OF THE APPLICATION. EACH APPLICANT SHALL NOTIFY THE BOARD
13 OF ANY CIVIL JUDGMENTS OBTAINED AGAINST ANY SUCH APPLICANT
14 PERTAINING TO ANTITRUST OR SECURITY REGULATION LAWS OF THE
15 FEDERAL GOVERNMENT, THIS COMMONWEALTH OR ANY OTHER STATE,
16 JURISDICTION, PROVINCE OR COUNTRY. IN ADDITION, EACH APPLICANT
17 SHALL PRODUCE A LETTER OF REFERENCE FROM LAW ENFORCEMENT
18 AGENCIES HAVING JURISDICTION IN THE APPLICANT'S PLACE OF
19 RESIDENCE AND PRINCIPAL PLACE OF BUSINESS, WHICH LETTER OF
20 REFERENCE SHALL INDICATE THAT SUCH LAW ENFORCEMENT AGENCIES DO
21 NOT HAVE ANY PERTINENT INFORMATION CONCERNING THE APPLICANT OR,
22 IF SUCH LAW ENFORCEMENT AGENCY DOES HAVE INFORMATION PERTAINING
23 TO THE APPLICANT, SHALL SPECIFY WHAT THAT INFORMATION IS. IF THE
24 APPLICANT HAS HELD A GAMING LICENSE IN A JURISDICTION WHERE
25 GAMING ACTIVITIES ARE PERMITTED, THE APPLICANT SHALL PRODUCE A
26 LETTER OF REFERENCE FROM THE GAMING OR CASINO ENFORCEMENT OR
27 CONTROL AGENCY WHICH SHALL SPECIFY THE EXPERIENCES OF SUCH
28 AGENCY WITH THE APPLICANT, HIS ASSOCIATES AND HIS GAMING
29 OPERATION, PROVIDED, HOWEVER, THAT IF NO SUCH LETTERS ARE
30 RECEIVED WITHIN 30 DAYS OF THE REQUEST, THE APPLICANT MAY SUBMIT

1 A STATEMENT UNDER OATH THAT HE IS OR WAS DURING THE PERIOD SUCH
2 ACTIVITIES WERE CONDUCTED IN GOOD STANDING WITH SUCH GAMING OR
3 CASINO ENFORCEMENT OR CONTROL AGENCY.

4 § 9210.2. SLOT MACHINE LICENSE APPLICATION FINANCIAL FITNESS
5 REQUIREMENTS.

6 (A) APPLICANT FINANCIAL INFORMATION.--THE BOARD SHALL
7 REQUIRE EACH APPLICANT FOR A SLOT MACHINE LICENSE TO PRODUCE
8 SUCH INFORMATION, DOCUMENTATION AND ASSURANCES CONCERNING
9 FINANCIAL BACKGROUND AND RESOURCES AS IT DEEMS NECESSARY TO
10 ESTABLISH BY A PREPONDERANCE OF EVIDENCE THE FINANCIAL
11 STABILITY, INTEGRITY AND RESPONSIBILITY OF THE APPLICANT,
12 INCLUDING, BUT NOT LIMITED TO, BANK REFERENCES, BUSINESS AND
13 PERSONAL INCOME AND DISBURSEMENT SCHEDULES, TAX RETURNS AND
14 OTHER REPORTS FILED WITH GOVERNMENTAL AGENCIES, AND BUSINESS AND
15 PERSONAL ACCOUNTING AND CHECK RECORDS AND LEDGERS. IN ADDITION,
16 EACH APPLICANT SHALL, IN WRITING, AUTHORIZE THE EXAMINATION OF
17 ALL BANK ACCOUNTS AND RECORDS AS MAY BE DEEMED NECESSARY BY THE
18 BOARD.

19 (B) FINANCIAL BACKER INFORMATION.--THE BOARD SHALL REQUIRE
20 EACH APPLICANT FOR A SLOT MACHINE LICENSE TO PRODUCE SUCH
21 INFORMATION, DOCUMENTATION AND ASSURANCES AS MAY BE NECESSARY TO
22 ESTABLISH BY CLEAR AND CONVINCING EVIDENCE OF THE INTEGRITY OF
23 ALL FINANCIAL BACKERS, INVESTORS, MORTGAGEES, BONDHOLDERS, AND
24 HOLDERS OF INDENTURES, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS,
25 EITHER IN EFFECT OR PROPOSED. HOWEVER, THIS SECTION SHALL NOT
26 APPLY TO BANKING OR OTHER LICENSED LENDING INSTITUTIONS AND
27 INSTITUTIONAL INVESTORS WHICH ARE WAIVED FROM THE QUALIFICATION
28 REQUIREMENTS. ANY SUCH BANKING OR LENDING INSTITUTION OR
29 INSTITUTIONAL INVESTOR SHALL, HOWEVER, PRODUCE FOR THE BOARD
30 UPON REQUEST ANY DOCUMENT OR INFORMATION WHICH BEARS ANY

1 RELATION TO THE PROPOSAL SUBMITTED BY THE APPLICANT OR
2 APPLICANTS. THE INTEGRITY OF FINANCIAL SOURCES SHALL BE JUDGED
3 UPON THE SAME STANDARDS AS THE APPLICANT. ANY SUCH INDIVIDUAL OR
4 ENTITY SHALL PRODUCE FOR THE BOARD UPON REQUEST ANY DOCUMENT OR
5 INFORMATION WHICH BEARS ANY RELATION TO THE APPLICATION. IN
6 ADDITION, THE APPLICANT SHALL PRODUCE WHATEVER INFORMATION,
7 DOCUMENTATION OR ASSURANCES THE BOARD REQUIRES TO ESTABLISH BY A
8 PREPONDERANCE OF EVIDENCE THE ADEQUACY OF FINANCIAL RESOURCES.

9 (C) APPLICANT'S BUSINESS EXPERIENCE.--THE BOARD SHALL
10 REQUIRE EACH APPLICANT FOR A SLOT MACHINE LICENSE TO PRODUCE
11 SUCH INFORMATION, DOCUMENTATION AND ASSURANCES AS THE BOARD MAY
12 REQUIRE TO ESTABLISH BY A PREPONDERANCE OF EVIDENCE THAT THE
13 APPLICANT HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE TO
14 CREATE AND MAINTAIN A SUCCESSFUL, EFFICIENT OPERATION.
15 APPLICANTS SHALL PRODUCE THE NAMES OF ALL PROPOSED KEY EMPLOYEES
16 AND A DESCRIPTION OF THEIR RESPECTIVE OR PROPOSED
17 RESPONSIBILITIES AS THEY BECOME KNOWN.

18 § 9211. ADDITIONAL LICENSES AND PERMITS; APPROVAL OF
19 AGREEMENTS.

20 (A) REQUIREMENTS.--IN ADDITION TO THE REQUIREMENTS FOR A
21 LICENSE OR PERMIT SPECIFICALLY SET FORTH IN THIS CHAPTER, THE
22 BOARD MAY REQUIRE A LICENSE OR PERMIT, AND SET A FEE FOR THE
23 SAME, FOR ANY KEY OR GAMING EMPLOYEE OR ANY PERSON WHO SATISFIES
24 ANY OF THE FOLLOWING CRITERIA:

25 (1) THE PERSON TRANSACTS BUSINESS WITHIN THIS
26 COMMONWEALTH WITH A SLOT MACHINE LICENSEE AS A TICKET
27 PURVEYOR, TOUR OPERATOR, OPERATOR OF A BUS TRIP PROGRAM OR
28 OPERATOR OF ANY OTHER TYPE OF TRAVEL PROGRAM OR PROMOTIONAL
29 BUSINESS RELATED TO SLOT MACHINES. THE BOARD MAY ALSO REVIEW,
30 ORDER MODIFICATION AND APPROVE, AT ITS DISCRETION, PROPOSED

TOURS, BUS ROUTES AND TRAVEL PROGRAMS.

(2) THE PERSON IS PRESENTLY NOT OTHERWISE REQUIRED TO BE LICENSED UNDER THIS CHAPTER AND PROVIDES ANY GOODS, PROPERTY OR SERVICES FOR COMPENSATION TO A SLOT MACHINE LICENSEE RELATED TO SLOT MACHINES AT THE LICENSED FACILITY.

(B) AGREEMENT.--ANY AGREEMENT TO CONDUCT BUSINESS WITHIN THIS COMMONWEALTH BETWEEN A PERSON AND A SLOT MACHINE LICENSEE RELATING TO SLOT MACHINES OR ASSOCIATED EQUIPMENT IS SUBJECT TO THE APPROVAL OF THE BOARD. EVERY AGREEMENT SHALL BE IN WRITING AND INCLUDE A PROVISION FOR ITS TERMINATION WITHOUT LIABILITY ON THE PART OF THE SLOT MACHINE LICENSEE UPON A FINDING BY THE BOARD THAT THE AGREEMENT IS NOT APPROVED OR THAT IT IS TERMINATED. FAILURE TO EXPRESSLY INCLUDE THIS CONDITION IN THE AGREEMENT IS NOT A DEFENSE IN ANY ACTION BROUGHT UNDER THIS SECTION RELATING TO THE TERMINATION OF THE AGREEMENT.

§ 9212. LICENSE OR PERMIT ISSUANCE.

(A) ISSUANCE.--ANY LICENSED CORPORATION, SUPPLIER, MANUFACTURER, GAMING EMPLOYEE OR OTHER PERSON THAT THE BOARD DETERMINES IS QUALIFIED TO RECEIVE A LICENSE OR A PERMIT UNDER THIS CHAPTER MAY BE ISSUED A LICENSE OR PERMIT UPON THE PAYMENT OF ANY FEE REQUIRED. NOTHING CONTAINED IN THIS CHAPTER IS INTENDED OR SHALL BE CONSTRUED TO CREATE AN ENTITLEMENT TO A LICENSE BY ANY LICENSED CORPORATION OR PERSON. THE BOARD SHALL, IN ITS SOLE DISCRETION, GRANT OR DENY A SLOT MACHINE LICENSE BASED UPON THE REQUIREMENTS OF THIS CHAPTER, WHETHER THE ISSUANCE OF A LICENSE WILL ENHANCE TOURISM, ECONOMIC DEVELOPMENT, JOB CREATION, IS IN THE BEST INTERESTS OF THE COMMONWEALTH AND ADVANCES THE PURPOSES OF THIS ACT.

(B) ELIGIBILITY.--A LICENSE OR PERMIT SHALL NOT BE GRANTED OR RENEWED UNLESS THE BOARD FINDS THAT THE APPLICANT SATISFIES

1 ALL OF THE FOLLOWING CRITERIA:

2 (1) THE APPLICANT IS A PERSON OF GOOD CHARACTER, HONESTY
3 AND INTEGRITY. IN MAKING THIS DETERMINATION, THE BOARD SHALL
4 CONSIDER THE REPORT OF ANY REQUIRED BACKGROUND INVESTIGATION
5 AND THE APPLICANT'S CRIMINAL HISTORY RECORD AS COMPILED BY
6 THE PENNSYLVANIA STATE POLICE. IF THE APPLICANT HAS BEEN
7 CONVICTED, IN ANY JURISDICTION, OF A FELONY, A CRIME RELATED
8 TO THE ACTIVITIES OF GAMING OR A CRIME OF MORAL TURPITUDE,
9 THEN THE BOARD SHALL NOT ISSUE A LICENSE UNDER THIS CHAPTER.

10 (2) THE APPLICANT IS A PERSON WHOSE PRIOR ACTIVITIES,
11 CRIMINAL RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS
12 DO NOT POSE A THREAT TO THE PUBLIC INTEREST OR TO THE
13 EFFECTIVE REGULATION AND CONTROL OF SLOT MACHINE OPERATIONS
14 OR CREATE OR ENHANCE THE DANGER OF UNSUITABLE, UNFAIR OR
15 ILLEGAL PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF
16 SLOT MACHINE OPERATIONS OR THE CARRYING ON OF THE BUSINESS
17 AND FINANCIAL ARRANGEMENTS INCIDENTAL TO IT.

18 (3) THE APPLICANT HAS DEVELOPED AND IMPLEMENTED OR
19 AGREED TO DEVELOP AND IMPLEMENT AN AFFIRMATIVE ACTION PLAN TO
20 ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY OF OPPORTUNITY
21 IN EMPLOYMENT AND CONTRACTING BY THE APPLICANT, ITS
22 CONTRACTORS, SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS,
23 VENDORS AND SUPPLIERS.

24 (4) THE APPLICANT IN ALL OTHER RESPECTS IS FOUND
25 SUITABLE CONSISTENT WITH THE LAWS OF THIS COMMONWEALTH AND IS
26 OTHERWISE QUALIFIED TO BE ISSUED A LICENSE OR PERMIT.

27 (B.1) ADDITIONAL REQUIREMENTS.--IN ADDITION TO THE
28 ELIGIBILITY REQUIREMENTS PROVIDED IN SUBSECTION (B), THE BOARD
29 MAY ALSO TAKE INTO ACCOUNT THE FOLLOWING FACTORS WHEN
30 CONSIDERING AN APPLICATION FOR A LICENSE:

1 (1) THE LOCATION AND QUALITY OF THE PROPOSED FACILITY.

2 (2) THE POTENTIAL FOR NEW JOB CREATION AND ECONOMIC
3 DEVELOPMENT WHICH WILL RESULT FROM GRANTING A LICENSE TO AN
4 APPLICANT.

5 (3) THE APPLICANT'S GOOD FAITH PLAN TO RECRUIT, TRAIN
6 AND UPGRADE DIVERSITY IN ALL EMPLOYMENT CLASSIFICATIONS IN
7 THE FACILITY.

8 (4) THE APPLICANT'S GOOD FAITH PLAN FOR ENHANCING THE
9 REPRESENTATION OF DIVERSE GROUPS IN THE OPERATION OF ITS
10 FACILITY THROUGH THE OWNERSHIP AND OPERATION OF BUSINESS
11 ENTERPRISES ASSOCIATED WITH OR UTILIZED BY ITS FACILITY OR
12 THROUGH THE PROVISION OF GOODS OR SERVICES UTILIZED BY ITS
13 FACILITY.

14 (5) THE APPLICANT'S GOOD FAITH EFFORT TO ASSURE THAT ALL
15 PERSONS ARE ACCORDED EQUALITY OF OPPORTUNITY IN EMPLOYMENT
16 AND CONTRACTING BY IT AND ANY CONTRACTORS, SUBCONTRACTORS,
17 ASSIGNEES, LESSEES, AGENTS, VENDORS AND SUPPLIERS IT MAY
18 EMPLOY DIRECTLY OR INDIRECTLY.

19 (6) THE HISTORY AND SUCCESS OF THE APPLICANT IN
20 DEVELOPING TOURISM FACILITIES ANCILLARY TO GAMING
21 DEVELOPMENT, IF APPLICABLE TO THE APPLICANT.

22 (7) THE DEGREE TO WHICH THE APPLICANT PRESENTS A PLAN
23 FOR THE PROJECT WHICH WILL LIKELY LEAD TO THE CREATION OF
24 QUALITY, LIVING-WAGE JOBS AND FULL-TIME PERMANENT JOBS FOR
25 RESIDENTS OF THIS COMMONWEALTH GENERALLY, AND FOR RESIDENTS
26 OF THE HOST POLITICAL SUBDIVISION IN PARTICULAR.

27 (8) THE RECORD OF THE APPLICANT AND ITS DEVELOPER IN
28 MEETING COMMITMENTS TO LOCAL AGENCIES, COMMUNITY-BASED
29 ORGANIZATIONS AND EMPLOYEES IN OTHER LOCATIONS.

30 (9) THE DEGREE TO WHICH POTENTIAL ADVERSE EFFECTS WHICH

1 MIGHT RESULT FROM THE PROJECT, INCLUDING COSTS OF MEETING THE
2 INCREASED DEMAND FOR PUBLIC HEALTH CARE, CHILD CARE, PUBLIC
3 TRANSPORTATION, AFFORDABLE HOUSING AND SOCIAL SERVICES, WILL
4 BE MITIGATED.

5 (10) THE RECORD OF THE APPLICANT AND ITS DEVELOPER
6 REGARDING COMPLIANCE WITH:

7 (I) FEDERAL, STATE AND LOCAL DISCRIMINATION, WAGE
8 AND HOUR, DISABILITY AND OCCUPATIONAL AND ENVIRONMENTAL
9 HEALTH AND SAFETY LAWS; AND

10 (II) STATE AND LOCAL LABOR RELATIONS AND EMPLOYMENT
11 LAWS.

12 (11) THE APPLICANT'S RECORD IN DEALING WITH ITS
13 EMPLOYEES AND THEIR REPRESENTATIVES AT OTHER LOCATIONS.

14 (12) THE DEGREE OF RISK OF LABOR STRIFE WHICH WOULD
15 JEOPARDIZE THE STATE GOVERNMENT'S FINANCIAL INTEREST IN
16 REVENUE AND OTHER PROJECTED BENEFITS FROM THE PROJECT AND THE
17 PLANS OF THE APPLICANT AND ITS DEVELOPER TO ELIMINATE OR
18 MITIGATE THE RISK.

19 (C) ALTERNATE STANDARDS.--THE BOARD MAY DETERMINE WHETHER
20 THE LICENSING STANDARDS OF ANOTHER JURISDICTION WITHIN THE
21 UNITED STATES OR CANADA IN WHICH AN APPLICANT FOR A SLOT MACHINE
22 LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE APPLICANT IS
23 LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR
24 ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS CHAPTER. IF THE
25 BOARD MAKES THAT DETERMINATION, IT MAY ISSUE A SLOT MACHINE
26 LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE TO AN
27 APPLICANT WHO HOLDS A SIMILAR LICENSE IN SUCH OTHER JURISDICTION
28 WITHOUT THE NECESSITY OF A FULL APPLICATION AND BACKGROUND
29 INVESTIGATION. IN THE EVENT AN APPLICANT FOR A SLOT MACHINE
30 LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE IS LICENSED IN

1 ANOTHER JURISDICTION, THE BOARD MAY DETERMINE TO USE AN
2 ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED
3 BY THE BOARD TO BE NECESSARY TO CONSIDER THE GRANT OF A LICENSE
4 TO SUCH AN APPLICANT. NOTHING IN THIS SECTION SHALL BE CONSTRUED
5 TO WAIVE ANY FEES ASSOCIATED WITH OBTAINING A LICENSE THROUGH
6 THE NORMAL APPLICATION PROCESS.

7 (D) CONDITIONAL LICENSES.--NOTWITHSTANDING THE REQUIREMENTS
8 OF SUBSECTIONS (B) AND (C), THE BOARD MAY ISSUE A CONDITIONAL
9 LICENSE, UPON PAYMENT OF THE FEE PURSUANT TO SECTION 9206.1(A)
10 (RELATING TO SLOT MACHINE LICENSE FEE). THE BOARD MAY TAKE INTO
11 CONSIDERATION AN APPLICANT WHO HAS BEEN GRANTED A LICENSE FROM
12 EITHER THE STATE HORSE RACING COMMISSION OR THE STATE HARNESS
13 RACING COMMISSION TO CONDUCT THOROUGHBRED OR HARNESS HORSE RACE
14 MEETINGS WITH PARI-MUTUEL WAGERING AND WHO CONDUCTS LIVE RACING.
15 THIS LICENSE MAY BE ISSUED PRIOR TO THE COMPLETION OF THE
16 BACKGROUND INVESTIGATION AND PRIOR TO FULL COMPLIANCE BY THE
17 APPLICANT WITH SUBSECTION (B). AN APPLICANT SHALL PROVIDE THE
18 BOARD WITH SATISFACTORY EVIDENCE OF SUITABILITY AND FINANCIAL
19 CAPABILITY OF THE APPLICANT TO BE A SLOT MACHINE LICENSEE PRIOR
20 TO THE BOARD GRANTING THE CONDITIONAL LICENSE. UPON RECEIPT OF A
21 CONDITIONAL LICENSE THE APPLICANT SHALL SUBMIT ALL INFORMATION
22 NECESSARY FOR A BACKGROUND INVESTIGATION AND COMPLY WITH ALL THE
23 REQUIREMENTS OF THIS CHAPTER FOR A SLOT MACHINE LICENSE AS
24 PROVIDED IN SUBSECTION (B). IF THE HOLDER OF A CONDITIONAL
25 LICENSE DOES NOT RECEIVE BOARD APPROVAL OF A SLOT MACHINE
26 LICENSE UNDER THE STANDARDS SET FORTH IN SUBSECTION (B) WITHIN
27 18 MONTHS, THE CONDITIONAL LICENSE SHALL EXPIRE, UNLESS A DELAY
28 IN REVIEWING THE LICENSE APPLICATION IS NOT CAUSED, DIRECTLY OR
29 INDIRECTLY, BY THE LICENSE APPLICANT. IF THE HOLDER OF A
30 CONDITIONAL LICENSE DOES NOT RECEIVE BOARD APPROVAL OF A SLOT

1 MACHINE LICENSE PRIOR TO EXPIRATION OF THE CONDITIONAL LICENSE
2 OR IS DENIED, THE HOLDER OF THE CONDITIONAL LICENSE SHALL BE
3 ENTITLED TO A RETURN OF A SHARE OF ITS SLOT MACHINE LICENSE FEE
4 IN THE AMOUNT OF \$42,500,000. FAILURE TO MEET THE REQUIREMENTS
5 OF THIS SECTION FOR LICENSURE SHALL CAUSE IMMEDIATE FORFEITURE
6 OF THE LICENSE AND REVOCATION OF AUTHORIZATION TO OPERATE SLOT
7 MACHINES AT THE LICENSED FACILITY, EXCEPT THAT, IN THE EVENT
8 THAT A CONDITIONAL LICENSE IS NOT APPROVED BY THE BOARD BASED ON
9 A FINDING THAT AN INDIVIDUAL, WHO IS A PRINCIPAL OR HAS AN
10 INTEREST IN THE ENTITY HOLDING THE CONDITIONAL LICENSE, DOES NOT
11 MEET THE CHARACTER REQUIREMENTS OF SECTION 9210.1 (RELATING TO
12 SLOT MACHINE LICENSE APPLICATION CHARACTER REQUIREMENTS) OR ANY
13 OF THE ELIGIBILITY REQUIREMENTS UNDER THIS CHAPTER, THE BOARD
14 SHALL AFFORD THE INDIVIDUAL THE OPPORTUNITY TO DIVEST HIS
15 INTEREST IN THE ENTITY HOLDING THE CONDITIONAL LICENSE AND,
16 AFTER SUCH DIVESTURE, RECONSIDER THE ENTITY'S SUITABILITY FOR
17 LICENSURE IN AN EXPEDITED PROCEEDING AND MAY, AFTER SUCH
18 PROCEEDING, ISSUE THE ENTITY A LICENSE TO OPERATE SLOT MACHINES.
19 NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE
20 PERSON'S DIVESTURE SHALL BE LIMITED TO THE AMOUNT OF CAPITAL THE
21 PERSON INVESTED IN THE ENTITY AND NO PROPERTY RIGHT OR VALUE OF
22 ANY KIND SHALL BE ATTRIBUTED TO THE LICENSE.

23 (E) INFORMATION SHARING.--WITH RESPECT TO THE
24 ADMINISTRATION, SUPERVISION AND ENFORCEMENT OF THIS CHAPTER, THE
25 BOARD, THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF ATTORNEY
26 GENERAL MAY OBTAIN OR PROVIDE PERTINENT INFORMATION REGARDING
27 APPLICANTS, LICENSEES, PERMITTEES OR POTENTIAL LICENSEES OR
28 PERMITTEES WITH LAW ENFORCEMENT ENTITIES OR GAMING AUTHORITIES
29 OF THE COMMONWEALTH AND OTHER JURISDICTIONS.

30 (F) UNSWORN FALSIFICATION TO AUTHORITIES.--ANY PERSON

1 SUBMITTING INFORMATION REQUIRED TO BE PROVIDED TO THE BOARD
2 UNDER THIS CHAPTER SHALL BE SUBJECT TO SECTION 4904 (RELATING TO
3 UNSWORN FALSIFICATION TO AUTHORITIES).

4 (G) RENEWAL.--ALL PERMITS AND LICENSES, EXCEPT AS OTHERWISE
5 PROVIDED, SHALL BE VALID FOR A PERIOD OF UP TO ONE YEAR AND UPON
6 PROPER APPLICATION AND PAYMENT OF ANY RENEWAL FEE TO THE BOARD
7 MAY BE RENEWED ON AN ANNUAL BASIS.

8 (H) REFERRAL.--THE BOARD SHALL REFER ANY MATTER RELATING TO
9 ANY LICENSEE, APPLICANT OR PERMITTEE TO THE PENNSYLVANIA STATE
10 POLICE OR THE OFFICE OF ATTORNEY GENERAL AS IT DEEMS
11 APPROPRIATE.

12 § 9212.1. TRANSFERABILITY OF LICENSES.

13 A LICENSE OR PERMIT ISSUED BY THE BOARD IS A GRANT OF
14 PRIVILEGE TO CONDUCT A BUSINESS IN THIS COMMONWEALTH. A LICENSE
15 OR PERMIT GRANTED OR RENEWED PURSUANT TO THIS CHAPTER SHALL NOT
16 BE TRANSFERRED OR ASSIGNED TO ANOTHER PERSON, NOR SHALL A
17 LICENSE OR PERMIT BE PLEDGED AS COLLATERAL. NOTHING CONTAINED IN
18 THIS CHAPTER IS INTENDED OR SHALL BE CONSTRUED TO CREATE IN ANY
19 LICENSED CORPORATION OR PERSON AN ENTITLEMENT TO A LICENSE. THE
20 BOARD HAS THE SOLE DISCRETION TO GRANT OR DENY A SLOT MACHINE
21 LICENSE BASED UPON THE REQUIREMENTS OF THIS CHAPTER AND WHETHER
22 THE ISSUANCE OF THE LICENSE:

- 23 (1) WILL ENHANCE TOURISM AND ECONOMIC DEVELOPMENT;
24 (2) WILL CREATE JOBS;
25 (3) IS IN THE BEST INTERESTS OF THIS COMMONWEALTH; AND
26 (4) ADVANCES THE PURPOSES OF THIS CHAPTER.

27 § 9212.2. CHANGE IN OWNERSHIP OF SLOT MACHINE LICENSEE.

28 (A) NOTIFICATION.--A SLOT MACHINE LICENSEE SHALL NOTIFY THE
29 BOARD OF ANY PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP OR
30 CONTROL OF THE SLOT MACHINE LICENSEE WHICH INVOLVES MORE THAN 5%

1 OF A SLOT MACHINE LICENSEE'S VOTING STOCK OR MORE THAN 5% OF THE
2 VOTING STOCK OF A CORPORATION WHICH CONTROLS THE LICENSEE OR THE
3 SALE OF A LICENSEE'S ASSETS, OTHER THAN THOSE BOUGHT AND SOLD IN
4 THE ORDINARY COURSE OF BUSINESS AND ALL OTHER TRANSACTIONS OR
5 OCCURRENCES DEEMED BY THE BOARD TO BE RELEVANT TO LICENSE
6 QUALIFICATIONS. IN APPLYING THIS NOTIFICATION STANDARD, STOCK
7 TRANSACTIONS INVOLVING INSTITUTIONAL INVESTORS SHALL NOT BE
8 CONSIDERED. IN ORDER FOR A LICENSE TO REMAIN IN EFFECT, BOARD
9 APPROVAL AND PAYMENT OF THE FEE PURSUANT TO SECTION 9206.1
10 (RELATING TO SLOT MACHINE LICENSE FEE) SHALL BE REQUIRED PRIOR
11 TO COMPLETION OF ANY PROPOSED CHANGE OF OWNERSHIP OR CONTROL OF
12 A LICENSEE THAT MEETS THE CRITERIA OF SUBSECTION (B).
13 NOTIFICATION OF THE BOARD BUT NO BOARD APPROVAL OR LICENSE FEE
14 UNDER SECTION 9206.1 SHALL BE REQUIRED IN THE CASE OF TRANSFERS
15 OF EQUITY INTERESTS BETWEEN EXISTING EQUITY OWNERS. NO
16 NOTIFICATION, BOARD APPROVAL OR LICENSE FEE PURSUANT TO SECTION
17 9206.1 SHALL BE REQUIRED FOR TRANSFERS OF PUBLICLY TRADED STOCK
18 OR OTHER PUBLICLY TRADED EQUITY INTERESTS OF A COMPANY WHICH:
19 (1) IS LISTED ON THE NEW YORK STOCK EXCHANGE OR ANOTHER
20 NATIONAL SECURITIES EXCHANGE; AND
21 (2) OWNS AN INDIRECT INTEREST IN A LICENSEE.
22 (B) QUALIFICATION OF SUCCESSOR SLOT MACHINE LICENSEE.--THE
23 PURCHASER OR SUCCESSOR OF ANY SLOT MACHINE LICENSEE SHALL
24 INDEPENDENTLY QUALIFY FOR A LICENSE IN ACCORDANCE WITH THIS
25 CHAPTER AND PAY THE LICENSE FEE AS REQUIRED BY SECTION
26 9206.1(A). FOR PURPOSES OF THIS SECTION, A CHANGE IN CONTROL OR
27 OWNERSHIP OF A LICENSEE OR CORPORATION WHICH CONTROLS THE
28 LICENSEE OR THE SALE OF A LICENSEE'S ASSETS, OTHER THAN THOSE
29 BOUGHT AND SOLD IN THE ORDINARY COURSE OF BUSINESS, SHALL BE
30 DETERMINED IN ACCORDANCE WITH 15 PA.C.S. § 2543 (RELATING TO

1 CONTROLLING PERSON OR GROUP). THE BOARD HAS THE DISCRETION ON
2 WHETHER TO APPLY THIS SUBSECTION TO A CHANGE OF OWNERSHIP,
3 CONTROL OR SALE OF ASSETS OF A LICENSEE TO AN HEIR UPON THE
4 DEATH OF AN OWNING OR CONTROLLING PARTY. FAILURE TO COMPLY WITH
5 THIS SECTION MAY VOID THE LICENSE ISSUED UNDER THIS CHAPTER
6 UNLESS THE CHANGE IN CONTROL OR OWNERSHIP OR SALE OF ASSETS HAS
7 BEEN APPROVED IN ADVANCE BY THE BOARD.

8 § 9212.3. PUBLIC OFFICIAL FINANCIAL INTEREST.

9 (A) GENERAL RULE.--NO EXECUTIVE-LEVEL STATE EMPLOYEE, PUBLIC
10 OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY MEMBER THEREOF SHALL
11 HAVE A FINANCIAL INTEREST IN OR BE EMPLOYED, DIRECTLY OR
12 INDIRECTLY, BY ANY LICENSED CORPORATION, OR SLOT MACHINE
13 LICENSEE, OR ANY HOLDING, INTERMEDIARY OR SUBSIDIARY COMPANY,
14 THEREOF, OR AN APPLICANT FOR A LICENSE, NOR SOLICIT OR ACCEPT,
15 DIRECTLY OR INDIRECTLY, ANY COMPLIMENTARY SERVICE OR DISCOUNT
16 FROM ANY LICENSED ENTITY WHICH HE KNOWS OR HAS REASON TO KNOW IS
17 OTHER THAN A SERVICE OR DISCOUNT THAT IS OFFERED TO MEMBERS OF
18 THE GENERAL PUBLIC IN LIKE CIRCUMSTANCES FOR TWO YEARS FOLLOWING
19 TERMINATION OF THE PERSON'S STATUS AS AN EXECUTIVE-LEVEL STATE
20 EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER. AS APPLIED TO
21 MEMBERS OF THE GENERAL ASSEMBLY, THE PERIOD SHALL BE TWO YEARS.

22 (B) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
23 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
24 SUBSECTION:

25 "EXECUTIVE-LEVEL STATE EMPLOYEE." THE GOVERNOR, LIEUTENANT
26 GOVERNOR, ATTORNEY GENERAL, AUDITOR GENERAL, STATE TREASURER,
27 CABINET MEMBERS, DEPUTY SECRETARIES, THE GOVERNOR'S OFFICE
28 STAFF, ANY STATE EMPLOYEE WITH DISCRETIONARY POWERS WHICH MAY
29 AFFECT THE OUTCOME OF A STATE AGENCY'S DECISION IN RELATION TO A
30 PRIVATE CORPORATION OR BUSINESS OR ANY EXECUTIVE EMPLOYEE WHO BY

1 VIRTUE OF HIS JOB FUNCTION COULD INFLUENCE THE OUTCOME OF A
2 DECISION.

3 "FINANCIAL INTEREST." OWNING OR HOLDING STOCK EXCEEDING 2%
4 OF THE EQUITY AT FAIR MARKET VALUE OF THE LICENSED CORPORATION,
5 SLOT MACHINE LICENSEE OR MANUFACTURER LICENSEE, ITS HOLDING
6 COMPANY, SUBSIDIARY OR AFFILIATED BUSINESS. A FINANCIAL INTEREST
7 SHALL NOT INCLUDE ANY SUCH STOCK THAT IS INHERITED AND HELD IN A
8 BLIND TRUST OVER WHICH THE EXECUTIVE-LEVEL STATE EMPLOYEE,
9 PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY MEMBER
10 THEREOF MAY NOT EXERCISE ANY MANAGERIAL CONTROL DURING THE
11 TENURE OF OFFICE AND THE PERIOD OF TWO YEARS THEREAFTER.

12 "IMMEDIATE FAMILY." A PARENT, SPOUSE, CHILD, BROTHER, SISTER
13 OR SPOUSE'S CHILDREN.

14 "PARTY OFFICER." THE FOLLOWING MEMBERS AND OFFICERS OF A
15 POLITICAL PARTY: A MEMBER OF A NATIONAL COMMITTEE; A CHAIRMAN,
16 VICE CHAIRMAN, SECRETARY, TREASURER OR COUNSEL OF A STATE
17 COMMITTEE OR MEMBER OF THE EXECUTIVE COMMITTEE OF A STATE
18 COMMITTEE; A CHAIRMAN, VICE CHAIRMAN, COUNSEL, SECRETARY OR
19 TREASURER OF A COUNTY COMMITTEE; OR A CHAIRMAN, VICE CHAIRMAN,
20 COUNSEL, SECRETARY OR TREASURER OF A CITY COMMITTEE.

21 "PUBLIC OFFICIAL." ANY PERSON ELECTED BY THE PUBLIC OR
22 ELECTED OR APPOINTED BY A GOVERNMENTAL BODY OR APPOINTED
23 OFFICIAL IN THE EXECUTIVE OR LEGISLATIVE BRANCH OF THIS
24 COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF.

25 § 9213. PROHIBITED ACTS AND PENALTIES.

26 (A) PERJURY, FALSE SWEARING AND UNSWORN FALSIFICATION.--THE
27 PROVISIONS OF SECTIONS 4902 (RELATING TO PERJURY), 4903
28 (RELATING TO FALSE SWEARING), AND 4904 (RELATING TO UNSWORN
29 FALSIFICATION TO AUTHORITIES) SHALL APPLY TO ANY PERSON
30 PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER WRITTEN

1 OR ORAL, TO THE BOARD, ITS AGENTS OR EMPLOYEES, THE PENNSYLVANIA
2 STATE POLICE OR THE OFFICE OF ATTORNEY GENERAL, AS REQUIRED BY
3 THIS CHAPTER.

4 (B) NONPAYMENT OF LICENSE FEE, TAX OR ASSESSMENT.--IT IS
5 UNLAWFUL FOR A PERSON TO WILLFULLY:

6 (1) FAIL TO REPORT, PAY OR TRUTHFULLY ACCOUNT FOR AND
7 PAY OVER ANY LICENSE FEE, TAX OR ASSESSMENT IMPOSED UNDER
8 THIS CHAPTER; OR

9 (2) ATTEMPT IN ANY MANNER TO EVADE OR DEFEAT ANY LICENSE
10 FEE, TAX OR ASSESSMENT IMPOSED UNDER THIS CHAPTER.

11 (C) UNLICENSED PERSONS.--IT IS UNLAWFUL FOR ANY LICENSED
12 ENTITY, GAMING EMPLOYEE, KEY EMPLOYEE OR ANY OTHER PERSON TO
13 PERMIT A SLOT MACHINE TO BE OPERATED, TRANSPORTED, REPAIRED OR
14 OPENED ON THE PREMISES OF A LICENSED FACILITY BY A PERSON OTHER
15 THAN A PERSON LICENSED OR PERMITTED BY THE BOARD.

16 (D) UNLICENSED ACTIVITY.--IT IS UNLAWFUL FOR A LICENSED
17 ENTITY OR OTHER PERSON TO MANUFACTURE, SUPPLY OR PLACE SLOT
18 MACHINES INTO PLAY OR DISPLAY SLOT MACHINES ON THE PREMISES OF A
19 LICENSED FACILITY WITHOUT THE AUTHORITY OF THE BOARD.

20 (E) ACTIVITY UNDER EXPIRED LICENSE.--IT IS UNLAWFUL FOR A
21 LICENSED ENTITY OR OTHER PERSON TO MANUFACTURE, SUPPLY, OPERATE,
22 CARRY ON OR EXPOSE FOR PLAY ANY SLOT MACHINE AFTER THE PERSON'S
23 LICENSE HAS EXPIRED AND PRIOR TO THE ACTUAL RENEWAL OF THE
24 LICENSE.

25 (F) COUNTERFEIT CURRENCY.--

26 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2), IT IS UNLAWFUL
27 FOR AN INDIVIDUAL, ON THE PREMISES OF A LICENSED FACILITY, TO
28 KNOWINGLY USE CURRENCY OTHER THAN LAWFUL COIN OR LEGAL TENDER
29 OF THE UNITED STATES OR A COIN NOT OF THE SAME DENOMINATION
30 AS THE COIN INTENDED TO BE USED IN THE SLOT MACHINE.

1 (2) IN THE PLAYING OF A SLOT MACHINE, IT IS LAWFUL FOR
2 AN INDIVIDUAL TO USE GAMING BILLETS, TOKENS OR SIMILAR
3 OBJECTS ISSUED BY THE SLOT MACHINE LICENSEE WHICH ARE
4 APPROVED BY THE BOARD.

5 (G) ILLEGAL DEVICES.--

6 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2), IT IS UNLAWFUL
7 FOR AN INDIVIDUAL, ON THE PREMISES OF A LICENSED FACILITY, TO
8 USE OR POSSESS A CHEATING OR THIEVING DEVICE.

9 (2) AN AUTHORIZED EMPLOYEE OF A LICENSEE MAY POSSESS AND
10 USE A CHEATING OR THIEVING DEVICE ONLY IN PERFORMANCE OF THE
11 DUTIES OF EMPLOYMENT.

12 (3) AS USED IN THIS SUBSECTION, THE TERM "CHEATING OR
13 THIEVING DEVICE" INCLUDES, BUT IS NOT LIMITED TO, A DEVICE TO
14 FACILITATE THE ALIGNMENT OF ANY WINNING COMBINATION OR TO
15 REMOVE FROM ANY SLOT MACHINE MONEY OR OTHER CONTENTS. THE
16 TERM INCLUDES A TOOL, DRILL, WIRE, COIN OR TOKEN ATTACHED TO
17 A STRING OR WIRE AND ANY ELECTRONIC OR MAGNETIC DEVICE.

18 (H) UNLAWFUL ENTRY DEVICES.--

19 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2), IT IS UNLAWFUL
20 FOR AN INDIVIDUAL TO KNOWINGLY POSSESS OR USE, WHILE ON THE
21 PREMISES OF A LICENSED FACILITY, A KEY OR DEVICE DESIGNED FOR
22 THE PURPOSE OF OR SUITABLE FOR OPENING OR ENTERING ANY SLOT
23 MACHINE OR COIN BOX.

24 (2) AN AUTHORIZED EMPLOYEE OF A LICENSEE OR A MEMBER OF
25 THE BOARD MAY POSSESS AND USE A DEVICE REFERRED TO IN
26 PARAGRAPH (1) ONLY IN THE PERFORMANCE OF THE DUTIES OF
27 EMPLOYMENT.

28 (I) POSSESSION OF ILLEGAL DEVICES.--IT IS UNLAWFUL FOR A
29 PERSON OR LICENSED ENTITY TO POSSESS ANY DEVICE, EQUIPMENT OR
30 MATERIAL WHICH THE PERSON OR LICENSED ENTITY KNOWS HAS BEEN

1 MANUFACTURED, DISTRIBUTED, SOLD, TAMPERED WITH OR SERVICED IN
2 VIOLATION OF THE PROVISIONS OF THIS CHAPTER.

3 (J) LICENSE OR PERMIT REQUIRED.--IT IS UNLAWFUL FOR AN
4 INDIVIDUAL TO WORK OR BE EMPLOYED IN A POSITION THE DUTIES OF
5 WHICH WOULD REQUIRE LICENSING OR PERMITTING UNDER THE PROVISIONS
6 OF THIS CHAPTER WITHOUT FIRST OBTAINING THE REQUISITE LICENSE OR
7 PERMIT AS PROVIDED IN THIS CHAPTER.

8 (K) EMPLOYMENT OF CERTAIN PERSONS PROHIBITED.--IT IS
9 UNLAWFUL FOR A LICENSED ENTITY TO EMPLOY, OFFER TO EMPLOY OR
10 CONTINUE TO EMPLOY IN A POSITION THE DUTIES OF WHICH REQUIRE A
11 LICENSE OR PERMIT UNDER THE PROVISIONS OF THIS CHAPTER:

12 (1) AN INDIVIDUAL NOT LICENSED OR PERMITTED UNDER THE
13 PROVISIONS OF THIS CHAPTER; OR

14 (2) AN INDIVIDUAL WHO IS PROHIBITED FROM ACCEPTING
15 EMPLOYMENT FROM A LICENSEE.

16 (L) BOARD-IMPOSED SANCTIONS.--

17 (1) IN ADDITION TO ANY OTHER PENALTY AUTHORIZED BY LAW,
18 THE BOARD MAY IMPOSE WITHOUT LIMITATION THE FOLLOWING
19 SANCTIONS UPON ANY LICENSEE OR PERMITTEE:

20 (I) REVOKE THE LICENSE OR PERMIT OF ANY PERSON
21 CONVICTED OF A CRIMINAL OFFENSE UNDER THIS CHAPTER OR
22 REGULATIONS PROMULGATED UNDER THIS CHAPTER OR COMMITTING
23 ANY OTHER OFFENSE OR VIOLATION OF THIS CHAPTER OR
24 APPLICABLE LAW WHICH WOULD OTHERWISE DISQUALIFY SUCH
25 PERSON FROM HOLDING THE LICENSE OR PERMIT.

26 (II) REVOKE THE LICENSE OR PERMIT OF ANY PERSON
27 DETERMINED TO HAVE VIOLATED A PROVISION OF THIS CHAPTER
28 OR REGULATIONS PROMULGATED UNDER THIS CHAPTER WHICH WOULD
29 OTHERWISE DISQUALIFY SUCH PERSON FROM HOLDING THE LICENSE
30 OR PERMIT.

1 (III) REVOKE THE LICENSE OR PERMIT OF ANY PERSON FOR
2 WILLFULLY AND KNOWINGLY VIOLATING AN ORDER OF THE BOARD
3 DIRECTED TO SUCH PERSON.

4 (IV) SUSPEND THE LICENSE OR PERMIT OF ANY PERSON,
5 PENDING THE OUTCOME OF A HEARING IN ANY CASE IN WHICH
6 LICENSE OR PERMIT REVOCATION COULD RESULT.

7 (V) SUSPEND THE LICENSE OF ANY SLOT MACHINE LICENSEE
8 FOR VIOLATION OF ANY PROVISIONS OF THIS CHAPTER OR
9 REGULATIONS PROMULGATED HEREUNDER RELATING TO ITS SLOT
10 MACHINE OPERATIONS, INCLUDING, INTERNAL AND ACCOUNTANCY
11 CONTROLS AND SECURITY.

12 (VI) ASSESS ADMINISTRATIVE PENALTIES AS NECESSARY TO
13 PUNISH MISCONDUCT AND TO DETER FUTURE VIOLATIONS.

14 (VII) ORDER RESTITUTION OF ANY MONEYS OR PROPERTY
15 UNLAWFULLY OBTAINED OR RETAINED BY A LICENSEE OR
16 PERMITTEE.

17 (VIII) ENTER CEASE AND DESIST ORDERS WHICH SPECIFY
18 THE CONDUCT WHICH IS TO BE DISCONTINUED, ALTERED OR
19 IMPLEMENTED BY THE LICENSEE OR PERMITTEE.

20 (IX) ISSUE LETTERS OF REPRIMAND OR CENSURE, WHICH
21 LETTERS SHALL BE MADE A PERMANENT PART OF THE FILE OF
22 EACH LICENSEE OR PERMITTEE SO SANCTIONED.

23 (2) IF THE BOARD REFUSES TO ISSUE OR RENEW A LICENSE OR
24 PERMIT, SUSPENDS OR REVOKES A LICENSE OR PERMIT, ASSESSES
25 CIVIL PENALTIES, ORDERS RESTITUTION, ENTERS A CEASE AND
26 DESIST ORDER, OR ISSUES A LETTER OF REPRIMAND OR CENSURE, IT
27 SHALL PROVIDE THE APPLICANT OR LICENSEE OR PERMITTEE WITH
28 WRITTEN NOTIFICATION OF ITS DECISION, INCLUDING A STATEMENT
29 OF THE REASONS FOR ITS DECISION BY CERTIFIED MAIL WITHIN FIVE
30 BUSINESS DAYS OF THE DECISION. ANY APPLICANT OR LICENSEE OR

1 PERMITTEE WHO HAS RECEIVED NOTICE OF A REFUSAL, SUSPENSION OR
2 REVOCATION OF A LICENSE OR PERMIT, THE ASSESSMENT OF CIVIL
3 PENALTIES, AN ORDER OF RESTITUTION, THE ENTRANCE OF A CEASE
4 AND DESIST ORDER, OR THE ISSUANCE OF A LETTER OF REPRIMAND OR
5 CENSURE FROM THE BOARD SHALL HAVE THE RIGHT TO AN
6 ADMINISTRATIVE HEARING BEFORE THE BOARD IN ACCORDANCE WITH 2
7 PA.C.S. CH. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF
8 COMMONWEALTH AGENCIES) AND CH. 7 SUBCH. A (RELATING TO
9 JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

10 (M) CRIMINAL PENALTIES.--

11 (1) EXCEPT AS SET FORTH IN PARAGRAPHS (2) AND (3) AND
12 SUBSECTION (N), A PERSON THAT VIOLATES THIS SECTION COMMITS A
13 MISDEMEANOR OF THE FIRST DEGREE AND SHALL, UPON A FIRST
14 CONVICTION, BE SENTENCED TO PAY A FINE OF:

15 (I) NOT LESS THAN \$25,000 IF THE PERSON IS AN
16 INDIVIDUAL;

17 (II) NOT LESS THAN \$100,000 IF THE PERSON IS A SLOT
18 MACHINE LICENSEE OR LICENSED CORPORATION; OR

19 (III) NOT LESS THAN \$50,000 IF THE PERSON IS A
20 LICENSED MANUFACTURER OR SUPPLIER.

21 (2) EXCEPT AS SET FORTH IN PARAGRAPH (3), A PERSON THAT
22 VIOLATES SUBSECTION (A) COMMITS AN OFFENSE TO BE GRADED IN
23 ACCORDANCE WITH SECTION 4902, 4903 OR 4904, AS APPLICABLE,
24 FOR A FIRST CONVICTION AND SHALL, UPON CONVICTION, BE
25 SENTENCED TO PAY A FINE OF:

26 (I) NOT LESS THAN \$25,000 IF THE PERSON IS AN
27 INDIVIDUAL; OR

28 (II) NOT LESS THAN \$100,000 IF THE PERSON IS A SLOT
29 MACHINE LICENSEE OR LICENSED CORPORATION.

30 (3) EXCEPT AS SET FORTH IN SUBSECTION (N), A PERSON THAT

1 IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF THIS
2 SECTION COMMITS A FELONY OF THE SECOND DEGREE AND SHALL BE
3 SENTENCED TO PAY A FINE OF:

4 (I) NOT LESS THAN \$50,000 IF THE PERSON IS AN
5 INDIVIDUAL OR LICENSED SUPPLIER;

6 (II) NOT LESS THAN \$200,000 IF THE PERSON IS A SLOT
7 MACHINE LICENSEE OR LICENSED CORPORATION; OR

8 (III) NOT LESS THAN \$100,000 IF THE PERSON IS A
9 LICENSED MANUFACTURER.

10 (N) ADMINISTRATIVE PENALTY.--IF A PERSON VIOLATES SUBSECTION
11 (B), THE BOARD SHALL IMPOSE AN ADMINISTRATIVE PENALTY OF THREE
12 TIMES THE AMOUNT OF THE LICENSE FEE, TAX OR OTHER ASSESSMENT
13 EVADED AND NOT PAID, COLLECTED OR PAID OVER. THIS SUBSECTION IS
14 SUBJECT TO 2 PA.C.S. CH. 5 SUBCH. A AND CH. 7 SUBCH. A.

15 § 9213.1. SLOT MACHINE TERMINAL PROCEEDS.

16 THE GROSS TERMINAL REVENUE OF A SLOT MACHINE LICENSEE SHALL
17 BE REMITTED EACH BUSINESS DAY TO THE DEPARTMENT THROUGH THE
18 ELECTRONIC TRANSFER OF FUNDS. EACH SLOT MACHINE LICENSEE SHALL
19 PROVIDE THE DEPARTMENT WITH ALL INFORMATION AND BANK
20 AUTHORIZATIONS REQUIRED TO FACILITATE THE TIMELY TRANSFER OF
21 MONEYS TO THE DEPARTMENT. SLOT MACHINE LICENSEES SHALL PROVIDE
22 THE DEPARTMENT WITHIN 30 DAYS ADVANCE NOTICE OF ANY PROPOSED
23 ACCOUNT CHANGES IN ORDER TO ASSURE THE UNINTERRUPTED ELECTRONIC
24 TRANSFER OF FUNDS.

25 § 9213.2. GROSS TERMINAL REVENUE DEDUCTION.

26 FROM THE GROSS TERMINAL REVENUE REMITTED BY THE LICENSEE TO
27 THE DEPARTMENT, THE DEPARTMENT SHALL DEDUCT AN AMOUNT SUFFICIENT
28 TO REIMBURSE THE DEPARTMENT FOR THE ACTUAL COSTS AND REASONABLE
29 EXPENSES INCURRED IN ADMINISTERING THIS CHAPTER AT THE LICENSED
30 VENUE BASED ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

§ 9214. NET SLOT MACHINE REVENUE DISTRIBUTION AND ESTABLISHMENT
OF STATE GAMING FUND.

(A) FUND ESTABLISHED.--THERE IS HEREBY ESTABLISHED THE STATE
GAMING FUND WITHIN THE STATE TREASURY.

(B) SLOT MACHINE TAX.--SLOT MACHINE LICENSEES SHALL PAY A
TAX OF 34% OF THE GROSS TERMINAL REVENUE FROM SLOT MACHINE
TERMINALS AFTER DEDUCTION OF THE AMOUNTS DESCRIBED IN SECTION
9213.2 (RELATING TO GROSS TERMINAL REVENUE DEDUCTION).

(C) TRANSFERS AND DISTRIBUTIONS.--THE DEPARTMENT SHALL:

(1) TRANSFER THE SLOT MACHINE TAX IMPOSED IN SUBSECTION
(B), AND 100% OF THE LICENSE FEES IMPOSED UNDER SECTION
9206.1 (RELATING TO SLOT MACHINE LICENSE FEE) TO THE STATE
GAMING FUND.

(2) DISTRIBUTE 2% OF THE GROSS TERMINAL REVENUE AMONG
THE MUNICIPALITIES HOSTING A LICENSED FACILITY AT WHICH SLOT
MACHINES ARE LOCATED ON A PRO RATA BASIS DETERMINED BY THE
PERCENTAGE OF CONTRIBUTION TO THE FUND OF A SLOT MACHINE
LICENSEE LOCATED IN THE MUNICIPALITY. IF THE LICENSED
FACILITY IS LOCATED IN TWO OR MORE MUNICIPALITIES, THE AMOUNT
AVAILABLE SHALL BE DISTRIBUTED ON A PRO RATA BASIS DETERMINED
BY THE PERCENTAGE OF ACREAGE LOCATED IN EACH MUNICIPALITY TO
THE TOTAL ACREAGE OF ALL MUNICIPALITIES OCCUPIED BY THE
LICENSED FACILITY. NOTHING IN THIS SUBSECTION SHALL PREVENT
MUNICIPALITIES FROM ENTERING INTO INTERGOVERNMENTAL
COOPERATIVE AGREEMENTS WITH OTHER JURISDICTIONS FOR SHARING
THESE MONEYS.

(3) TRANSFER 1% OF THE GROSS TERMINAL REVENUE TO THE
BOARD TO BE PLACED IN A RESTRICTED ACCOUNT EXCLUSIVELY TO
PROVIDE GRANTS TO MUNICIPALITIES THAT HOST A LICENSED
FACILITY AND MUNICIPALITIES WITHIN A COUNTY WITHIN 15 MILES

1 OF THE MUNICIPALITY OR MUNICIPALITIES HOSTING THE LICENSED
2 FACILITY, OR THE COUNTY THAT HOSTS THE LICENSED FACILITY, FOR
3 PURPOSE OF FUNDING INFRASTRUCTURE IMPROVEMENTS AND PUBLIC
4 SAFETY EXPENSES ASSOCIATED WITH THE LICENSED FACILITY AND
5 SLOT MACHINE OPERATIONS. MONEYS FROM THIS ACCOUNT SHALL NOT
6 LAPSE AND SHALL BE DEDICATED ONLY TO THE PURPOSES PROVIDED
7 FOR IN THIS PARAGRAPH.

8 (4) DISTRIBUTE 1% OF THE GROSS TERMINAL REVENUE TO THE
9 BOARD TO BE PLACED IN A RESTRICTED ACCOUNT TO EXCLUSIVELY
10 PROVIDE GRANTS TO COUNTIES THAT HOST A LICENSED FACILITY FOR
11 EXPENSES RESULTING FROM GRANTING A LICENSE. DISTRIBUTION
12 SHALL BE MADE ON A PRO RATA BASIS DETERMINED BY THE
13 PERCENTAGE OF CONTRIBUTION TO THE FUND OF A SLOT MACHINE
14 LICENSEE LOCATED IN THE HOST COUNTY.

15 (5) FOR A LICENSED ENTITY THAT IS NOT A LICENSED
16 CORPORATION, TRANSFER 25% OF THE NET TERMINAL REVENUE FROM
17 SUCH LICENSED ENTITY FOR DISTRIBUTION PURSUANT TO SECTION
18 9215(A)(2). SUCH DISTRIBUTION SHALL BE CALCULATED BY DIVIDING
19 THE NUMBER OF SCHEDULED RACE DAYS AT THE LICENSED
20 CORPORATIONS WHO HAVE CONDUCTED LIVE RACING IN THE PREVIOUS
21 365 DAYS BY THE TOTAL NUMBER OF SCHEDULED RACE DAYS IN THIS
22 COMMONWEALTH FOR DISTRIBUTION TO THE HORSEMEN PURSUANT TO
23 SECTION 9215(A)(2) IN ADDITION TO THE INDIVIDUAL LICENSED
24 CORPORATION'S DISTRIBUTION TO THE HORSEMEN PURSUANT TO
25 SECTION 9215(A)(2).

26 (D) BALANCE OF FUNDS.--THERE SHALL BE ESTABLISHED A
27 RESTRICTED ACCOUNT FOR EACH LICENSEE WITHIN THE FUND. THE
28 BALANCE OF NET TERMINAL REVENUES ARISING FROM THE OPERATION OF
29 THE SLOT MACHINES OF EACH LICENSEE SHALL BE PLACED IN SUCH
30 RESTRICTED ACCOUNTS, AND THE BALANCE OF FUNDS IN EACH RESTRICTED

1 ACCOUNT SHALL BE IMMEDIATELY TRANSMITTED TO THE RESPECTIVE
2 LICENSEES. IN THE EVENT CIRCUMSTANCES BEYOND THE CONTROL OF THE
3 DEPARTMENT PREVENT THE IMMEDIATE TRANSMITTAL OF THE BALANCE OF
4 FUNDS IN EACH RESTRICTED ACCOUNT, THE TRANSMITTAL MAY BE DELAYED
5 BY THE DEPARTMENT FOR A PERIOD NOT TO EXCEED 24 HOURS FROM THE
6 PLACEMENT OF THE FUNDS IN EACH RESTRICTED ACCOUNT. ANY DELAY
7 BEYOND 24 HOURS SHALL BE SUBJECTED TO THE PAYMENT OF INTEREST OF
8 1% PER ANNUM ON THE BALANCE OF FUNDS DUE TO WHOM THE BALANCE OF
9 FUNDS IS DUE, EXCEPT IN EXTRAORDINARY CIRCUMSTANCES. THE
10 DEPARTMENT SHALL PROMULGATE REGULATIONS REGARDING THE TIMING AND
11 METHOD OF RECEIPT AND REMITTANCE OF THE BALANCE OF FUNDS.

12 (E) NET TERMINAL REVENUES.--THE NET TERMINAL REVENUES
13 ARISING FROM THE OPERATION OF THE SLOT MACHINES OF THE LICENSEE
14 SHALL BE REMITTED BACK TO THE LICENSEE AND DISTRIBUTED IN
15 ACCORDANCE WITH SECTION 9215 (RELATING TO DISTRIBUTIONS FROM
16 OWNERS' REVENUE RECEIPTS).

17 (F) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
18 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
19 SUBSECTION:

20 "NET TERMINAL REVENUE." THE NET AMOUNT OF THE GROSS TERMINAL
21 REVENUE LESS THE TAX AND DISTRIBUTIONS IMPOSED BY SECTIONS
22 9213.2 (RELATING TO GROSS TERMINAL REVENUE DEDUCTION) AND THIS
23 SECTION.

24 § 9214.1. RESPONSIBILITY AND AUTHORITY OF DEPARTMENT.

25 (A) GENERAL RULE.--THE DEPARTMENT IS AUTHORIZED TO
26 ADMINISTER AND COLLECT THE TAXES IMPOSED UNDER THIS CHAPTER AND
27 PROMULGATE AND ENFORCE RULES AND REGULATIONS IN ACCORDANCE WITH
28 THIS CHAPTER, INCLUDING THE COLLECTION OF TAXES, PENALTIES AND
29 INTEREST IMPOSED BY THIS CHAPTER AS SUPPLEMENTED BY THE RULES OF
30 THE BOARD.

1 (B) APPLICATION OF RULES AND REGULATIONS.--THE DEPARTMENT
2 MAY PRESCRIBE THE EXTENT, IF ANY, TO WHICH ANY RULES AND
3 REGULATIONS SHALL BE APPLIED WITHOUT RETROACTIVE EFFECT. THE
4 DEPARTMENT SHALL HAVE AUTHORITY TO PRESCRIBE THE FORMS AND THE
5 SYSTEM OF ACCOUNTING AND RECORDKEEPING TO BE EMPLOYED, AND
6 THROUGH ITS REPRESENTATIVE SHALL, AT ALL TIMES, HAVE POWER OF
7 ACCESS TO, AND EXAMINATION AND AUDIT OF ANY EQUIPMENT AND
8 RECORDS RELATING TO ALL ASPECTS OF THE OPERATION OF SLOT
9 MACHINES UNDER THIS CHAPTER.

10 (C) PROCEDURE.--FOR PURPOSES OF IMPLEMENTING THIS CHAPTER,
11 THE DEPARTMENT MAY PROMULGATE REGULATIONS IN THE SAME MANNER IN
12 WHICH THE BOARD IS AUTHORIZED AS PROVIDED IN SECTION 9205(B)(10)
13 (RELATING TO BOARD'S POWERS).

14 § 9214.2. LIENS AND SUITS FOR TAXES.

15 THE PROVISIONS OF THIS CHAPTER SHALL BE SUBJECT TO THE
16 PROVISIONS OF SECTIONS 242 AND 243 OF THE ACT OF MARCH 4, 1971
17 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

18 § 9214.3. APPLICANTS TO PROVIDE CERTAIN TAX INFORMATION.

19 THE PROVISIONS OF SECTION 477 OF THE ACT OF APRIL 12, 1951
20 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, SHALL APPLY TO ALL
21 APPLICANTS FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE OR
22 PERMIT ISSUED BY THE BOARD UNDER THIS CHAPTER.

23 § 9215. DISTRIBUTIONS FROM OWNERS' REVENUE RECEIPTS.

24 (A) DISTRIBUTIONS.--THE BALANCE OF THE REVENUES REMITTED
25 BACK TO THE SLOT MACHINE LICENSEES SHALL BE DISTRIBUTED IN THE
26 FOLLOWING MANNER:

27 (1) AN AMOUNT NOT LESS THAN \$5,000,000 OVER A FIVE-YEAR
28 PERIOD, AND AN AMOUNT NOT LESS THAN \$250,000 NOR MORE THAN
29 \$1,000,000 PER YEAR FOR FIVE YEARS THEREAFTER, SHALL BE
30 DEPOSITED INTO A RESTRICTED ACCOUNT AND USED FOR IMPROVEMENT

1 AND MAINTENANCE TO THE BACKSIDE AREA AND RELATED BUILDINGS
2 AND STRUCTURES AT THE RACETRACK AT WHICH THE LICENSEE
3 OPERATES. THE LICENSED CORPORATION'S DESIGNEE AND THE
4 RACETRACK'S RECOGNIZED HORSEMEN'S GROUP'S DESIGNEE AT EACH
5 RACETRACK SHALL JOINTLY CONSIDER THE APPROPRIATE AMOUNT OF
6 THE FUNDS AND HOW THE MONEY SHALL BE SPENT AT THE RACETRACK.
7 DISPUTES INVOLVING THE AMOUNT AND EXPENDITURE OF FUNDS UNDER
8 THIS SUBSECTION SHALL BE RESOLVED BY THE STATE HORSE RACING
9 COMMISSION AND THE STATE HARNESS RACING COMMISSION WHO SHALL
10 OVERSEE THE USE OF THESE FUNDS. NOTWITHSTANDING THE
11 FOREGOING, A LICENSED CORPORATION THAT HAS NOT PREVIOUSLY
12 CONDUCTED LIVE RACING AND IS CONSTRUCTING A NEW RACETRACK,
13 BACKSIDE AREA AND RELATED BUILDINGS AND STRUCTURES THAT CAN
14 ESTABLISH TO THE SATISFACTION OF THE BOARD THAT THE LICENSED
15 CORPORATION HAS SPENT NO LESS THAN \$5,000,000 IN THE
16 CONSTRUCTION OF THE NEW RACETRACK'S BACKSIDE AREA, RELATED
17 BUILDINGS AND STRUCTURES SHALL NOT BE SUBJECT TO THE
18 EXPENDITURES REQUIRED BY THIS PARAGRAPH.

19 (2) AN AMOUNT EQUAL TO 25% OF THE NET TERMINAL REVENUE
20 SHALL BE DISTRIBUTED AS FOLLOWS:

21 (I) EIGHTY PERCENT TO BE DEPOSITED INTO THE
22 HORSEMEN'S ACCOUNT AND BE COMBINED WITH THE REVENUES IN
23 THIS ACCOUNT FROM EXISTING PURSE AGREEMENTS TO FUND
24 PURSES FOR LIVE RACES PER THOSE AGREEMENTS WITH THE
25 ADVICE AND CONSENT OF THE HORSEMEN.

26 (II) FROM LICENSEES THAT OPERATE AT THOROUGHBRED
27 TRACKS, 16% TO BE DEPOSITED INTO THE PENNSYLVANIA
28 BREEDING FUND AS DEFINED IN SECTION 223 OF THE RACE HORSE
29 INDUSTRY REFORM ACT; OR FROM LICENSEES THAT OPERATE AT
30 STANDARD BRED TRACKS, 8% TO BE DEPOSITED IN THE

PENNSYLVANIA SIRE STAKES FUND AS DEFINED IN SECTION 224
OF THE RACE HORSE INDUSTRY REFORM ACT AND 8% TO BE
DEPOSITED INTO A RESTRICTED ACCOUNT IN THE STATE RACING
FUND TO BE KNOWN AS THE PENNSYLVANIA STANDARDBRED
BREEDERS DEVELOPMENT FUND. THE STATE HARNESS RACING
COMMISSION SHALL, IN CONSULTATION WITH THE SECRETARY OF
AGRICULTURE BY RULE OR BY REGULATION, ADOPT A
STANDARDBRED BREEDERS PROGRAM WHICH WILL INCLUDE THE
ADMINISTRATION OF A PENNSYLVANIA STALLION AWARD,
PENNSYLVANIA BRED AWARD AND A PENNSYLVANIA SIRED AND BRED
AWARD.

(III) FOUR PERCENT TO BE USED TO FUND HEALTH AND
PENSION BENEFITS FOR THE MEMBERS OF THE HORSEMEN'S
ORGANIZATIONS REPRESENTING THE OWNERS AND TRAINERS AT THE
RACETRACK AT WHICH THE LICENSED CORPORATION OPERATES FOR
THE BENEFIT OF THE ORGANIZATION'S MEMBERS, THEIR
FAMILIES, EMPLOYEES AND OTHERS IN ACCORDANCE WITH THE
RULES AND ELIGIBILITY REQUIREMENTS OF THE ORGANIZATION,
AS APPROVED BY THE STATE HORSE RACING COMMISSION OR THE
STATE HARNESS RACING COMMISSION. OF THIS AMOUNT, \$250,000
SHALL BE PAID ANNUALLY TO THE THOROUGHBRED JOCKEYS OR
STANDARDBRED DRIVERS ORGANIZATION AT THE RACETRACK AT
WHICH THE LICENSED CORPORATION OPERATES FOR HEALTH
INSURANCE, LIFE INSURANCE OR OTHER BENEFITS TO ACTIVE AND
DISABLED THOROUGHBRED JOCKEYS OR STANDARDBRED DRIVERS IN
ACCORDANCE WITH THE RULES AND ELIGIBILITY REQUIREMENTS OF
THAT ORGANIZATION.

(B) GUIDELINES.--THE BOARD SHALL ESTABLISH GUIDELINES THAT
ENSURE THAT FUNDS ALLOCATED TO THE HORSEMEN'S ORGANIZATION ARE
USED TO FINANCE THE PROGRAMS TO BENEFIT ALL HORSEMEN OF THIS

1 COMMONWEALTH AND THAT ADMINISTRATIVE AND OVERHEAD COSTS ARE
2 REASONABLY RELATED TO SUCH PROGRAMS.

3 (C) ELIGIBLE RECIPIENTS.-- FUNDS ALLOCATED TO THE HORSEMEN'S
4 ORGANIZATION BY STATUTE MUST BE USED TO BENEFIT ALL HORSEMEN OF
5 THIS COMMONWEALTH. MEMBERSHIP IN THE HORSEMEN'S ORGANIZATION
6 SHALL NOT BE A CONDITION FOR RECEIVING BENEFITS. FUNDS ACQUIRED
7 FROM OTHER SOURCES OTHER THAN STATUTORY ALLOCATION MUST BE KEPT
8 SEPARATE AND APART FROM FUNDS OBTAINED FROM THE STATUTORY
9 ALLOCATION.

10 (D) REASONABLENESS.--FUNDING FOR BENEVOLENT PROGRAMS,
11 INCLUDING, BUT NOT LIMITED TO, PENSION PLANS, HEALTH AND
12 INSURANCE PLANS, WILL BE CONSIDERED REASONABLE IF SUCH PROGRAM
13 FUNDING ON AN ANNUAL BASIS IS AT LEAST 85% OF THE TOTAL
14 STATUTORY ALLOCATION.

15 (E) FILING OF AUDIT.--ALL HORSEMEN'S ORGANIZATIONS THAT
16 RECEIVE FUNDS UNDER THIS PROVISION SHALL FILE ANNUALLY WITH THE
17 APPROPRIATE COMMISSION AND THE BOARD AN AUDIT PREPARED BY A
18 CERTIFIED PUBLIC ACCOUNTANT OF ALL FUNDS RECEIVED. SUCH FILINGS
19 SHALL BE OPEN TO PUBLIC REVIEW. THE HORSEMEN'S ORGANIZATIONS
20 SHALL MAINTAIN ADEQUATE RECORDS CONCERNING RECEIPT AND
21 DISTRIBUTION OF FUNDS ALLOCATED TO THEM.

22 (F) CONTRACTS.--ALL HEALTH AND PENSION BENEFITS CONTRACTS
23 SHALL BE REVIEWED AND APPROVED BY THE BOARD.

24 (G) PENALTY.--ANY VIOLATION OF THE PROVISIONS OF THIS
25 SECTION MAY SUBJECT THE ORGANIZATION TO A FINE NOT TO EXCEED
26 \$10,000 PER VIOLATION.

27 § 9215.1. TRANSFERS FROM STATE GAMING FUND.

28 (A) TRANSFER FOR BOARD OPERATION AND COMPULSIVE PROBLEM
29 GAMBLING TREATMENT.--EACH YEAR AN AMOUNT SUFFICIENT TO FUND ALL
30 OF THE ANNUAL OPERATIONS OF THE BOARD SHALL BE APPROPRIATED BY

1 THE GENERAL ASSEMBLY FROM THE STATE GAMING FUND TO THE BOARD. IN
2 ADDITION, THE SUM OF \$1,500,000 PER YEAR SHALL BE TRANSFERRED
3 INTO THE COMPULSIVE PROBLEM GAMBLING TREATMENT FUND TO BE
4 ANNUALLY APPROPRIATED BY THE GENERAL ASSEMBLY AS DESCRIBED IN
5 SECTION 9216 (RELATING TO COMPULSIVE AND PROBLEM GAMBLING
6 PROGRAM).

7 (B) TRANSFER FOR VOLUNTEER FIRE COMPANY GRANT PROGRAM.--
8 ANNUALLY, BEGINNING WITH THE 2004-2005 FISCAL YEAR, THE SUM OF
9 \$25,000,000 SHALL BE TRANSFERRED FROM THE STATE GAMING FUND FOR
10 THE OPERATION OF A VOLUNTEER FIRE COMPANY GRANT PROGRAM TO BE
11 ESTABLISHED BY LAW.

12 (C) DEBT SERVICE PAYMENTS.--ANNUALLY, THE STATE TREASURER
13 SHALL DISTRIBUTE MONEYS IN THE STATE GAMING FUND FOR THE PURPOSE
14 OF REIMBURSING BOTH THE COMMONWEALTH AND THE CITY OF THE FIRST
15 CLASS FOR DEBT SERVICE PAYMENTS MADE BY THE COMMONWEALTH AND BY
16 ANY CITY OF THE FIRST CLASS FOR THE EXPANSION OF THE
17 PENNSYLVANIA CONVENTION CENTER IN ACCORDANCE WITH THE FOLLOWING
18 STANDARD: NO MORE THAN \$10,000,000 FROM THE FUND SHALL BE
19 DISTRIBUTED TO A CITY OF THE FIRST CLASS TO THE EXTENT THAT IT
20 HAS MADE SUCH DEBT SERVICE PAYMENTS, AND \$10,000,000 SHALL BE
21 TRANSFERRED TO THE GENERAL FUND OF THE COMMONWEALTH TO THE
22 EXTENT THAT THE COMMONWEALTH HAS MADE SUCH DEBT SERVICE
23 PAYMENTS.

24 (D) PENNSYLVANIA CONVENTION CENTER EXPENSES.--ANNUALLY, NO
25 MORE THAN \$7,000,000 SHALL BE DISTRIBUTED FROM THE FUND TO A
26 CITY OF THE FIRST CLASS TO REIMBURSE THE CITY FOR PAYMENTS MADE
27 BY THE CITY FOR THE OPERATIONAL EXPENSES OF THE PENNSYLVANIA
28 CONVENTION CENTER DURING THE PRECEDING CALENDAR YEAR. NO
29 DISTRIBUTION SHALL BE MADE UNDER THIS SUBSECTION THAT EXCEEDS
30 THE ACTUAL AMOUNT EXPENDED BY THE CITY FOR THIS PURPOSE DURING

1 THE PRECEDING CALENDAR YEAR.

2 (E) SECOND CLASS COUNTIES.--ANNUALLY, NO MORE THAN
3 \$7,000,000 SHALL BE DISTRIBUTED FROM THE FUND TO THE PUBLIC
4 AUTHORITY FORMED UNDER ARTICLE XXV-A OF THE ACT OF JULY 28, 1953
5 (P.L.723, NO.230), KNOWN AS THE SECOND CLASS COUNTY CODE, THAT
6 OPERATES A CONVENTION CENTER WHICH CONTAINS A MINIMUM OF 250,000
7 SQUARE FEET OF EXHIBIT SPACE TO BE USED BY THE PUBLIC AUTHORITY.
8 MONEY DISTRIBUTED UNDER THIS SUBSECTION SHALL BE FOR THE FUNDING
9 OR FINANCING OF COSTS RELATED TO THE DEVELOPMENT, CONSTRUCTION,
10 MAINTENANCE OR OPERATIONS OF STRUCTURES OR ANY STRUCTURE
11 APPROPRIATE FOR LARGE PUBLIC ASSEMBLIES, THE HOLDING OF
12 CONVENTIONS, SPORTING TOURNAMENTS, ATHLETIC CONTESTS AND
13 EXHIBITIONS, MUSICAL AND DRAMATIC PERFORMANCES AND OTHER
14 BUSINESS, SOCIAL, CULTURAL, SCIENTIFIC AND RECREATIONAL EVENTS,
15 AND ALL NECESSARY OR INCIDENT FACILITIES, INCLUDING PROVISIONS
16 FOR ADEQUATE OFF-STREET PARKING AND FOR HOTELS OR OTHER
17 OVERNIGHT LODGING FACILITIES TO THE EXTENT THAT THE LODGING
18 FACILITY IS LOCATED ON PROPERTY OWNED BY THE PUBLIC AUTHORITY
19 AND PHYSICALLY CONNECTED TO THE MAIN STRUCTURE.

20 (F) TRANSFER TO PROPERTY TAX RELIEF FUND.--MONTHLY, THE
21 STATE TREASURER SHALL TRANSFER THE REMAINING BALANCE IN THE
22 STATE GAMING FUND WHICH IS NOT ALLOCATED IN SUBSECTIONS (A),
23 (B), (C), (D) AND (E) TO A FUND IN THE STATE TREASURY TO BE
24 KNOWN AS THE PROPERTY TAX RELIEF FUND WHICH IS HEREBY
25 ESTABLISHED.

26 § 9215.2. NO EMINENT DOMAIN AUTHORITY.

27 NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION
28 THEREOF SHALL HAVE THE RIGHT TO ACQUIRE, WITH OR WITHOUT
29 COMPENSATION, THROUGH THE POWER OF EMINENT DOMAIN, ANY PROPERTY,
30 EASEMENT OR LAND USE RIGHT FOR THE SITING OR CONSTRUCTION OF A

1 GAMING OR RACETRACK FACILITY.

2 § 9215.3. LOCAL ZONING AUTHORITY.

3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER TO THE
4 CONTRARY, NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO
5 SUPERSEDE OR OTHERWISE NULLIFY ANY LOCAL ZONING ORDINANCE AS
6 APPLIED TO NEWLY LICENSED CORPORATIONS OR A PREDECESSOR OWNER OF
7 THE NEWLY LICENSED RACETRACK THAT HAS NOT CONDUCTED LIVE HORSE
8 RACES FOR AT LEAST TWO YEARS IMMEDIATELY PRECEDING THE EFFECTIVE
9 DATE OF THIS CHAPTER.

10 § 9215.4. INAPPLICABILITY OF KEYSTONE OPPORTUNITY ZONE AND
11 KEYSTONE OPPORTUNITY EXPANSION ZONE ACT.

12 THE PROVISIONS OF THE ACT OF OCTOBER 6, 1998 (P.L.705,
13 NO.92), KNOWN AS THE KEYSTONE OPPORTUNITY ZONE AND KEYSTONE
14 OPPORTUNITY EXPANSION ZONE ACT, SHALL NOT APPLY TO ANY REAL
15 PROPERTY WHICH IS LICENSED FOR THE PURPOSE OF OPERATING SLOT
16 MACHINES PURSUANT TO THIS CHAPTER OR FOR THE PURPOSE OF
17 CONDUCTING PARI-MUTUEL WAGERING.

18 § 9215.5. ATHLETIC EVENT GAMING.

19 NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO PERMIT THE
20 RECEIVING, RECORDING OR THE REGISTERING OF BETS OR WAGERS OR
21 SELLING POOLS WHICH MAY INVOLVE ANY PROFESSIONAL OR AMATEUR
22 ATHLETIC EVENT. NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO
23 PROHIBIT STAGING OR CONDUCTING ATHLETIC EVENTS AT LICENSED
24 FACILITIES.

25 § 9216. COMPULSIVE AND PROBLEM GAMBLING PROGRAM.

26 (A) ESTABLISHMENT OF PROGRAM.--THE DEPARTMENT OF HEALTH, IN
27 CONSULTATION WITH THE MID-ATLANTIC ADDICTION TRAINING INSTITUTE
28 AND OTHER SIMILAR ORGANIZATIONS, SHALL DEVELOP PROGRAM
29 GUIDELINES FOR PUBLIC EDUCATION, AWARENESS AND TRAINING
30 REGARDING COMPULSIVE AND PROBLEM GAMBLING AND THE TREATMENT AND

1 PREVENTION OF COMPULSIVE AND PROBLEM GAMBLING. THE PROGRAM SHALL
2 INCLUDE:

3 (1) MAINTENANCE OF A COMPULSIVE GAMBLERS ASSISTANCE
4 ORGANIZATION'S TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER TO
5 PROVIDE CRISIS COUNSELING AND REFERRAL SERVICES TO FAMILIES
6 EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE
7 GAMBLING.

8 (2) THE PROMOTION OF PUBLIC AWARENESS REGARDING THE
9 RECOGNITION AND PREVENTION OF PROBLEM OR COMPULSIVE GAMBLING.

10 (3) FACILITATION, THROUGH IN-SERVICE TRAINING AND OTHER
11 MEANS, OF THE AVAILABILITY OF EFFECTIVE ASSISTANCE PROGRAMS
12 FOR PROBLEM AND COMPULSIVE GAMBLERS AND FAMILY MEMBERS
13 AFFECTED BY PROBLEM AND COMPULSIVE GAMBLING.

14 (4) CONDUCTING STUDIES TO IDENTIFY ADULTS AND JUVENILES
15 IN THIS COMMONWEALTH WHO ARE OR ARE AT RISK OF BECOMING
16 PROBLEM OR COMPULSIVE GAMBLERS.

17 (5) PROVIDING GRANTS TO AND CONTRACTING WITH
18 ORGANIZATIONS WHO PROVIDE SERVICES AS SET FORTH IN THIS
19 SECTION.

20 (6) PROVIDING REIMBURSEMENT FOR ORGANIZATIONS FOR
21 REASONABLE EXPENSES IN ASSISTING THE DEPARTMENT OF HEALTH IN
22 CARRYING OUT THE PURPOSES OF THIS SECTION.

23 (B) COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND.--THERE
24 IS HEREBY ESTABLISHED IN THE STATE TREASURY A SPECIAL ACCOUNT TO
25 BE KNOWN AS THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND.
26 ALL MONEYS IN THE FUND SHALL BE EXPENDED FOR PROGRAMS FOR THE
27 PREVENTION AND TREATMENT OF GAMBLING ADDICTION AND OTHER
28 EMOTIONAL AND BEHAVIOR PROBLEMS ASSOCIATED WITH OR RELATED TO
29 GAMBLING AND FOR THE ADMINISTRATION OF THE COMPULSIVE AND
30 PROBLEM GAMBLING PROGRAM. THE FUND SHALL CONSIST OF MONEYS

1 ANNUALLY ALLOCATED TO IT FROM THE ANNUAL PAYMENT ESTABLISHED
2 UNDER SECTION 9205(B)(11) (RELATING TO BOARD'S POWERS), MONEYS
3 WHICH MAY BE APPROPRIATED BY THE GENERAL ASSEMBLY, INTEREST
4 EARNINGS ON MONEYS IN THE FUND AND ANY OTHER CONTRIBUTIONS,
5 PAYMENTS OR DEPOSITS WHICH MAY BE MADE TO THE FUND.

6 (C) NOTICE OF AVAILABILITY OF ASSISTANCE.--

7 (1) EACH SLOT MACHINE LICENSEE SHALL OBTAIN A TOLL-FREE
8 TELEPHONE NUMBER TO BE USED TO PROVIDE PERSONS WITH
9 INFORMATION ON ASSISTANCE FOR COMPULSIVE OR PROBLEM GAMBLING.
10 EACH LICENSEE SHALL CONSPICUOUSLY POST SIGNS SIMILAR TO THE
11 FOLLOWING STATEMENT:

12 IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP
13 IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).

14 THE SIGNS MUST BE POSTED WITHIN 50 FEET OF EACH ENTRANCE AND
15 EXIT AND WITHIN 50 FEET OF EACH CREDIT LOCATION WITHIN THE
16 FACILITY.

17 (2) EACH PARI-MUTUEL FACILITY WHERE SLOT MACHINES ARE
18 OPERATED SHALL PRINT A STATEMENT ON DAILY RACING PROGRAMS
19 PROVIDED TO THE GENERAL PUBLIC THAT IS SIMILAR TO THE
20 FOLLOWING:

21 IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP
22 IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).

23 (3) A LICENSED FACILITY WHICH FAILS TO POST OR PRINT THE
24 WARNING SIGN IN ACCORDANCE WITH PARAGRAPH (1) OR (2) SHALL BE
25 ASSESSED A FINE OF \$1,000 A DAY FOR EACH DAY SUCH SIGN IS NOT
26 POSTED OR PRINTED AS PROVIDED IN THIS SUBSECTION.

27 § 9216.1. HIRING PREFERENCES.

28 ALL CURRENT EMPLOYEES OF A RACETRACK WHO MEET THE EMPLOYMENT
29 QUALIFICATIONS, IF APPLICABLE, WITHIN THIS CHAPTER AND ALL THOSE
30 COVERED BY A COLLECTIVE BARGAINING AGENT AS DEFINED IN THE

1 NATIONAL LABOR RELATIONS ACT (49 STAT. 449, 29 U.S.C. § 151 ET
2 SEQ.) WHERE THE LICENSED CORPORATION CONDUCTS RACING SHALL BE
3 GIVEN A ONE-TIME PREFERENCE OF AN OFFER OF EMPLOYMENT FOR A
4 SIMILAR POSITION AT THE LICENSED FACILITY IN A MANNER CONSISTENT
5 WITH FEDERAL LAW. IF A SIMILAR POSITION DOES NOT EXIST AT THE
6 SLOT FACILITY, THE EMPLOYEE OR PERSON COVERED BY A COLLECTIVE
7 BARGAINING AGENT SHALL HAVE A ONE-TIME PREFERENCE OF AN OFFER OF
8 A POSITION AT A COMPARABLE LEVEL AT THE SLOT FACILITY. ALL
9 CURRENT EMPLOYEES AND ALL THOSE COVERED BY A COLLECTIVE
10 BARGAINING AGENT SHALL HAVE A PERIOD OF 30 DAYS FROM THE
11 ISSUANCE OF A SLOT MACHINE LICENSE TO REQUEST EMPLOYMENT AT THE
12 SLOT FACILITY UNDER THIS SECTION. NO CURRENT EMPLOYEE COVERED BY
13 THIS SECTION SHALL SUFFER A REDUCTION OF SALARY, BENEFITS OR
14 STATUS AS A RESULT OF AN ACCEPTANCE OF NEW EMPLOYMENT IN THE NEW
15 FACILITY.

16 § 9217. DECLARATION OF EXEMPTION FROM FEDERAL LAWS PROHIBITING
17 SLOT MACHINES.

18 (A) DECLARATION.--PURSUANT TO THE GAMBLING DEVICES
19 TRANSPORTATION ACT OF 1951 (64 STAT. 1134, 15 U.S.C. § 1171 ET
20 SEQ.), THE COMMONWEALTH DECLARES THAT IT IS EXEMPT FROM SECTION
21 2 OF THAT ACT.

22 (B) LEGAL SHIPMENTS.--ALL SHIPMENTS OF SLOT MACHINES INTO
23 THIS COMMONWEALTH, THE REGISTERING, RECORDING AND LABELING OF
24 WHICH HAS BEEN EFFECTED BY THE SUPPLIER OF THOSE DEVICES, IN
25 ACCORDANCE WITH SECTIONS 5 AND 7 OF THE GAMBLING DEVICES
26 TRANSPORTATION ACT (64 STAT. 1134, 15 U.S.C. §§ 1175 AND 1177),
27 SHALL BE DEEMED LEGAL SHIPMENTS OF SLOT MACHINES INTO THIS
28 COMMONWEALTH.

29 § 9218. ENFORCEMENT.

30 (A) POWERS AND DUTIES.--THE PENNSYLVANIA GAMING CONTROL

1 BOARD AND THE PENNSYLVANIA STATE POLICE SHALL BE RESPONSIBLE FOR
2 THE ENFORCEMENT OF THIS CHAPTER AND REGULATIONS PROMULGATED
3 UNDER THIS CHAPTER. THE PENNSYLVANIA STATE POLICE AND CIVILIAN
4 OFFICERS AND INVESTIGATORS ASSIGNED BY THE BOARD SHALL COOPERATE
5 AND WORK IN CONJUNCTION WITH EACH OTHER AS DIRECTED BY THE BOARD
6 AND SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

7 (1) PROMPTLY INVESTIGATE ALL LICENSE AND PERMIT HOLDERS
8 AS DIRECTED BY THE BOARD.

9 (2) ENFORCE THE PROVISIONS OF THIS CHAPTER AND
10 REGULATIONS PROMULGATED UNDER THIS CHAPTER.

11 (3) INITIATE PROCEEDINGS FOR ADMINISTRATIVE VIOLATIONS
12 OF THIS CHAPTER OR REGULATIONS PROMULGATED UNDER THIS
13 CHAPTER.

14 (4) PROVIDE THE BOARD WITH ALL INFORMATION NECESSARY FOR
15 ALL ACTION UNDER THIS CHAPTER AND FOR ALL PROCEEDINGS
16 INVOLVING ENFORCEMENT OF THE PROVISIONS OF THIS CHAPTER OR
17 REGULATIONS PROMULGATED UNDER THIS CHAPTER.

18 (5) INVESTIGATE THE CIRCUMSTANCES SURROUNDING ANY ACT OR
19 TRANSACTION FOR WHICH BOARD APPROVAL IS REQUIRED.

20 (6) CONDUCT ADMINISTRATIVE INSPECTIONS ON THE PREMISES
21 OF A LICENSED RACETRACK OR NONPRIMARY LOCATION OR LICENSED
22 FACILITY TO ENSURE COMPLIANCE WITH THIS CHAPTER AND THE
23 REGULATIONS OF THE BOARD AND, IN THE COURSE OF INSPECTIONS,
24 REVIEW AND MAKE COPIES OF ALL DOCUMENTS AND RECORDS REQUIRED
25 BY THE INSPECTION, THROUGH ON-SITE OBSERVATION AND OTHER
26 REASONABLE MEANS TO ASSURE COMPLIANCE WITH THIS CHAPTER AND
27 REGULATIONS PROMULGATED UNDER THIS CHAPTER.

28 (7) RECEIVE AND TAKE APPROPRIATE ACTION ON ANY REFERRAL
29 FROM THE BOARD RELATING TO ANY EVIDENCE OF A VIOLATION.

30 (8) CONDUCT AUDITS OF SLOT MACHINE OPERATIONS AT SUCH

1 TIMES, UNDER SUCH CIRCUMSTANCES AND TO SUCH EXTENT AS THE
2 BOARD DETERMINES. THIS PARAGRAPH INCLUDES REVIEWS OF
3 ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS, AND
4 MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND RECORDS UTILIZED
5 BY A SLOT MACHINE LICENSEE.

6 (9) REQUEST AND RECEIVE INFORMATION, MATERIALS AND OTHER
7 DATA FROM ANY LICENSEE, PERMITTEE OR APPLICANT.

8 (10) REFER FOR INVESTIGATION ALL POSSIBLE CRIMINAL
9 VIOLATIONS TO THE PENNSYLVANIA STATE POLICE AND COOPERATE
10 FULLY IN THE INVESTIGATION AND PROSECUTION OF A CRIMINAL
11 VIOLATION ARISING UNDER THIS CHAPTER.

12 (B) COOPERATION BY LICENSEES, PERMITTEES AND APPLICANTS.--
13 EACH LICENSEE, PERMITTEE OR APPLICANT FOR A LICENSE OR PERMIT
14 UNDER THIS CHAPTER SHALL COOPERATE WITH THE BOARD AND THE
15 PENNSYLVANIA STATE POLICE IN THE PERFORMANCE OF ITS DUTIES.

16 (C) INSPECTION, SEIZURE AND WARRANTS.--

17 (1) THE BOARD, ITS EMPLOYEES AND AGENTS AND THE
18 PENNSYLVANIA STATE POLICE SHALL HAVE THE AUTHORITY, WITHOUT
19 NOTICE AND WITHOUT WARRANT, TO DO ALL OF THE FOLLOWING:

20 (I) INSPECT AND EXAMINE ALL PREMISES WHERE SLOT
21 MACHINE OPERATIONS ARE CONDUCTED, GAMING DEVICES OR
22 EQUIPMENT ARE MANUFACTURED, SOLD, DISTRIBUTED OR SERVICED
23 OR RECORDS OF THESE ACTIVITIES ARE PREPARED OR
24 MAINTAINED.

25 (II) INSPECT ALL EQUIPMENT AND SUPPLIES IN, ABOUT,
26 UPON OR AROUND PREMISES REFERRED TO IN SUBPARAGRAPH (I).

27 (III) SEIZE, SUMMARILY REMOVE AND IMPOUND EQUIPMENT
28 AND SUPPLIES FROM PREMISES REFERRED TO IN SUBPARAGRAPH

29 (I) FOR THE PURPOSES OF EXAMINATION AND INSPECTION.

30 (IV) INSPECT, EXAMINE AND AUDIT ALL BOOKS, RECORDS

1 AND DOCUMENTS PERTAINING TO A SLOT MACHINE LICENSEE'S
2 OPERATION.

3 (V) SEIZE, IMPOUND OR ASSUME PHYSICAL CONTROL OF ANY
4 BOOK, RECORD, LEDGER, GAME, DEVICE, CASH BOX AND ITS
5 CONTENTS, COUNTING ROOM OR ITS EQUIPMENT OR SLOT MACHINE
6 OPERATIONS.

7 (VI) INSPECT, THROUGH LAW ENFORCEMENT OFFICERS, A
8 LICENSE'S OR PERMITTEE'S PERSON AND PERSONAL EFFECTS
9 PRESENT IN A SLOT MACHINE FACILITY LICENSED UNDER THIS
10 CHAPTER WHILE THAT LICENSEE OR PERMITTEE IS PRESENT IN A
11 LICENSED SLOT MACHINE FACILITY.

12 (2) THE PROVISIONS OF PARAGRAPH (1) SHALL NOT BE DEEMED
13 TO LIMIT WARRANTLESS INSPECTIONS EXCEPT IN ACCORDANCE WITH
14 CONSTITUTIONAL REQUIREMENTS.

15 (3) TO EFFECTUATE FURTHER THE PURPOSES OF THIS CHAPTER,
16 THE BOARD, ITS EMPLOYEES AND AGENTS AND THE PENNSYLVANIA
17 STATE POLICE MAY OBTAIN ADMINISTRATIVE WARRANTS FOR THE
18 INSPECTION AND SEIZURE OF PROPERTY POSSESSED, CONTROLLED,
19 BAILED OR OTHERWISE HELD BY ANY APPLICANT, LICENSEE,
20 PERMITTEE, INTERMEDIARY COMPANY OR HOLDING COMPANY.

21 (4) THE BOARD IS AUTHORIZED TO MAKE ADMINISTRATIVE
22 INSPECTIONS TO CHECK FOR COMPLIANCE BY ANY APPLICANT,
23 LICENSEE, PERMITTEE, INTERMEDIARY COMPANY OR HOLDING COMPANY
24 WITH THE PROVISIONS OF THIS CHAPTER OR REGULATIONS
25 PROMULGATED UNDER THIS CHAPTER AND TO INVESTIGATE ANY
26 VIOLATIONS OF THIS CHAPTER AND THE REGULATIONS PROMULGATED
27 UNDER THIS CHAPTER.

28 (5) THIS SUBSECTION SHALL NOT BE CONSTRUED TO PREVENT
29 ENTRIES AND ADMINISTRATIVE INSPECTIONS, INCLUDING SEIZURES OF
30 PROPERTY, WITHOUT A WARRANT IN THE FOLLOWING CIRCUMSTANCES:

1 (I) WITH THE CONSENT OF THE OWNER, OPERATOR OR AGENT
2 IN CHARGE OF THE CONTROLLED PREMISES.

3 (II) IN SITUATIONS PRESENTING IMMINENT DANGER TO
4 HEALTH OR SAFETY.

5 (III) IN SITUATIONS INVOLVING INSPECTION OF
6 CONVEYANCES IF THERE IS REASONABLE CAUSE TO BELIEVE THAT
7 THE MOBILITY OF THE CONVEYANCE MAKES IT IMPRACTICAL TO
8 OBTAIN A WARRANT.

9 (IV) IN ANY OTHER EXCEPTIONAL OR EMERGENCY
10 CIRCUMSTANCE WHERE TIME OR OPPORTUNITY TO APPLY FOR A
11 WARRANT IS LACKING.

12 (V) IN ACCORDANCE WITH THE PROVISIONS OF THIS
13 CHAPTER.

14 (VI) IN ALL OTHER SITUATIONS WHERE A WARRANT IS NOT
15 CONSTITUTIONALLY REQUIRED.

16 (D) CRIMINAL INVESTIGATIONS AND PROSECUTIONS.--THE
17 PENNSYLVANIA STATE POLICE SHALL IN ADDITION TO THOSE OTHER
18 DUTIES OTHERWISE PROVIDED PERFORM THE FOLLOWING FUNCTIONS IN
19 CARRYING OUT THE PROVISIONS OF THIS CHAPTER:

20 (1) EXCHANGE FINGERPRINT DATA WITH AND RECEIVE NATIONAL
21 CRIMINAL HISTORY RECORD INFORMATION FROM THE FEDERAL BUREAU
22 OF INVESTIGATION FOR USE IN INVESTIGATING APPLICATIONS FOR
23 ANY LICENSE OR PERMIT UNDER THIS CHAPTER.

24 (2) REQUIRE PRODUCTION OF ANY INFORMATION, MATERIALS,
25 AND OTHER DATA FROM ANY APPLICANT OR HOLDER OF A LICENSE OR
26 PERMIT, RELATED TO AN ONGOING INVESTIGATION.

27 (3) PROVIDE THE BOARD WITH INFORMATION NECESSARY TO
28 CARRY OUT ITS DUTY TO ISSUE LICENSES AND PERMITS UNDER THIS
29 CHAPTER.

30 (4) UPON PROBABLE CAUSE, INSTITUTE CRIMINAL PROCEEDINGS.

(5) ARREST, IN ACCORDANCE WITH LAW, A PERSON ENGAGED IN
A CRIMINAL VIOLATION OF THIS CHAPTER.

(E) CONCURRENT JURISDICTION TO PROSECUTE.--IN ADDITION TO
THE AUTHORITY CONFERRED UPON THE ATTORNEY GENERAL BY THE ACT OF
OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH
ATTORNEYS ACT, THE ATTORNEY GENERAL SHALL HAVE THE AUTHORITY TO
PROSECUTE A CRIMINAL VIOLATION OF THIS CHAPTER OR A SERIES OF
VIOLATIONS OCCURRING IN MORE THAN ONE COUNTY OR IN ANOTHER
STATE.

§ 9218.1. AUTOMATED TELLER MACHINES.

THE BOARD SHALL PROMULGATE RULES AND REGULATIONS GOVERNING
THE PLACEMENT OF AUTOMATED TELLER MACHINES (ATMS) AND THE FEES
OR CHARGES ASSESSED ON TRANSACTIONS THROUGH ATMS. NO SLOT
MACHINE LICENSEE MAY OWN OR LEASE ANY ATM LOCATED WITHIN ANY
AREA OF THE LICENSED RACETRACK, EXCEPT FOR THOSE ATMS OWNED AND
OPERATING WITHIN THE GRANDSTAND OR PARI-MUTUEL WAGERING AREAS ON
THE EFFECTIVE DATE OF THIS CHAPTER PROVIDED THEY ARE NOT MOVED
OUTSIDE OF THE GRANDSTAND OR PARI-MUTUEL WAGERING AREA. A
LICENSED CORPORATION THAT HAS NOT PREVIOUSLY CONDUCTED LIVE
RACING AND IS CONSTRUCTING A NEW RACETRACK, OR A HOLDER OF A
SLOT MACHINE LICENSE PURSUANT TO PARAGRAPH (2) OF THE DEFINITION
OF "SLOT MACHINE LICENSE" IN SECTION 9203, SHALL BE PERMITTED TO
OPERATE ATMS WITHIN THE GRANDSTAND, PARI-MUTUEL OR OTHER AREAS
OF THE FACILITY IN SUCH NUMBER AND IN SUCH LOCATIONS AS THE
BOARD SHALL APPROVE.

§ 9218.2. NATIVE AMERICAN GAMING.

(A) GENERAL RULE.--ANY COMPACT INVOLVING INDIAN GAMING
BETWEEN THE COMMONWEALTH AND AN INDIAN TRIBE SHALL BE GOVERNED
BY ACTS OF THE GENERAL ASSEMBLY. UNDER NO CIRCUMSTANCES SHALL
THE COMMONWEALTH HAVE RELATIONS WITH ANY INDIAN TRIBE EXCEPT IN

1 ACCORDANCE WITH THIS SECTION.

2 (B) REQUIREMENT.--IF THE SECRETARY OF THE INTERIOR OF THE
3 UNITED STATES IS HOLDING LANDS LOCATED WITHIN THIS COMMONWEALTH
4 IN TRUST FOR THE BENEFIT OF AN INDIAN TRIBE WHICH HAS
5 ESTABLISHED RELATIONS WITH THE COMMONWEALTH IN ACCORDANCE WITH
6 THIS SECTION, THE COMMONWEALTH MAY ATTEMPT, TO THE EXTENT
7 PERMITTED OR REQUIRED BY FEDERAL LAW, TO NEGOTIATE A GAMING
8 COMPACT OR AGREEMENT WITH THE INDIAN TRIBE REGARDING ALL OR ANY
9 OF THE FOLLOWING:

10 (1) HEALTH, SAFETY AND ENVIRONMENTAL CONCERNS ON OR NEAR
11 THE LANDS BEING HELD.

12 (2) POLICE AND FIRE PROTECTION ON OR NEAR THE LANDS
13 BEING HELD.

14 (3) WATER AND MINERAL RIGHTS ON OR NEAR THE LANDS BEING
15 HELD.

16 (4) TRANSPORTATION AND ACCESS ON OR NEAR THE LANDS BEING
17 HELD.

18 (5) THE APPLICABILITY OF STATE CIVIL AND CRIMINAL LAWS
19 OCCURRING ON OR NEAR THE LANDS BEING HELD.

20 (6) TAX AND FINANCIAL ISSUES.

21 (7) ANY OTHER SUBJECT OR ACTIVITY WHICH THE COMMONWEALTH
22 IS PERMITTED OR REQUIRED TO NEGOTIATE UNDER FEDERAL LAW.

23 (C) EFFECTIVENESS OF COMPACT.--PRIOR TO THE EFFECTIVENESS OF
24 ANY COMPACT EXECUTED PURSUANT TO THIS SECTION, THE FOLLOWING
25 SHALL BE REQUIRED:

26 (1) ANY PERSON AUTHORIZED TO NEGOTIATE A GAMING COMPACT
27 ON BEHALF OF THE COMMONWEALTH SHALL CONDUCT PUBLIC HEARINGS
28 ON THE APPROPRIATENESS OF ENTERING INTO THE COMPACT. THE
29 HEARINGS SHALL OCCUR AT LEAST 60 DAYS IN ADVANCE OF ANY
30 SUBMISSION TO THE GENERAL ASSEMBLY AND SHALL SPECIFICALLY

1 EXAMINE THE POTENTIAL SCOPE AND IMPACT OF ANY GAMING PROPOSAL
2 ON STATE AND LOCAL GOVERNMENT AS WELL AS THE CITIZENS AND
3 PROPERTY OWNERS OF THIS COMMONWEALTH. A SUMMARY REPORT OF ALL
4 FINDINGS MADE AT A HEARING SHALL BE SUBMITTED WITH THE
5 PROPOSED COMPACT TO THE GENERAL ASSEMBLY BEFORE
6 CONSIDERATION.

7 (2) THE GAMING COMPACT SHALL BE SUBMITTED TO THE GENERAL
8 ASSEMBLY FOR APPROVAL OR REJECTION.

9 (3) IF APPROVED BY THE GENERAL ASSEMBLY, THE GAMING
10 COMPACT SHALL BE PRESENTED TO THE GOVERNOR PURSUANT TO
11 SECTION 9 OF ARTICLE III OF THE CONSTITUTION OF PENNSYLVANIA.

12 (D) DEFINITION.--AS USED IN THIS SECTION, THE TERM "INDIAN
13 TRIBE" MEANS ANY INDIAN TRIBE, BAND, NATION OR OTHER ORGANIZED
14 GROUP OR COMMUNITY OF INDIANS WHICH IS RECOGNIZED AS ELIGIBLE BY
15 THE SECRETARY OF THE INTERIOR OF THE UNITED STATES FOR THE
16 SPECIAL PROGRAMS AND SERVICES PROVIDED BY THE UNITED STATES TO
17 INDIANS BECAUSE OF THEIR STATUS AS INDIANS AND IS RECOGNIZED AS
18 POSSESSING POWERS OF SELF-GOVERNMENT.

19 § 9218.3. (RESERVED).

20 § 9218.4. LIQUOR LICENSES AT LICENSED FACILITY.

21 (A) REAPPLICATION.--NOTHING IN THIS CHAPTER SHALL REQUIRE AN
22 ENTITY ALREADY LICENSED TO SELL LIQUOR OR MALT OR BREWED
23 BEVERAGES TO REAPPLY FOR THE LICENSE, EXCEPT IN THE MANNER SET
24 FORTH IN THE ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE
25 LIQUOR CODE.

26 (B) LICENSE EXTENSION.--NOTWITHSTANDING ANY OTHER PROVISION
27 OF LAW, AN ENTITY HOLDING A SLOT MACHINE LICENSE WHICH IS ALSO
28 LICENSED TO SELL LIQUOR OR MALT OR BREWED BEVERAGES PURSUANT TO
29 THE LIQUOR CODE SHALL BE PERMITTED TO APPLY TO THE PENNSYLVANIA
30 LIQUOR CONTROL BOARD TO EXTEND THE LICENSED PREMISES UNDER THE

LIQUOR LICENSE TO ENCOMPASS THE ENTIRE LICENSED FACILITY. THE
FOLLOWING SHALL APPLY:

(1) TO OBTAIN APPROVAL OF A LICENSE EXTENSION, AN
APPLICATION FOR EXTENSION OF LICENSE DESCRIBING THE
ADDITIONAL PREMISES SHALL BE FILED WITH THE PENNSYLVANIA
LIQUOR CONTROL BOARD ON A FORM AUTHORIZED BY THE PENNSYLVANIA
LIQUOR CONTROL BOARD.

(2) THE FEE REQUIRED BY PENNSYLVANIA LIQUOR CONTROL
BOARD REGULATIONS SHALL ACCOMPANY AN APPLICATION TO THE
PENNSYLVANIA LIQUOR CONTROL BOARD FOR EXTENSION OF LICENSE.
THE APPLICATION SHALL NOT BE SUBJECT TO ANY PHYSICAL
INSPECTION OR POSTING REQUIREMENTS.

(3) THE APPLICANT SHALL NOT BE REQUIRED TO OBTAIN
APPROVAL FROM THE MUNICIPALITY IN WHICH THE LICENSE IS
ISSUED.

(4) ABSENT GOOD CAUSE SHOWN CONSISTENT WITH THE PURPOSES
OF THIS CHAPTER, AND NOTWITHSTANDING ANY PROVISION OF THE
LIQUOR CODE OR THE REGULATIONS UNDER THE LIQUOR CODE TO THE
CONTRARY, THE PENNSYLVANIA LIQUOR CONTROL BOARD SHALL APPROVE
AN APPLICATION FOR EXTENSION OF LICENSE FILED BY AN ENTITY
WHICH ALSO HOLDS A SLOT MACHINE LICENSE WITHIN 30 DAYS.

(5) AN ENTITY HOLDING A SLOT MACHINE LICENSE WHICH IS
ALSO LICENSED TO SELL LIQUOR OR MALT OR BREWED BEVERAGES
PURSUANT TO THE LIQUOR CODE SHALL BE EXEMPT FROM 40 PA. CODE
§ 7.21(D) (RELATING TO INCLUSION OF ADDITIONAL PREMISES).

(C) NONLICENSEES.--NOTWITHSTANDING ANY OTHER PROVISION OF
LAW, AN ENTITY HOLDING A SLOT MACHINE LICENSE WHICH IS NOT
LICENSED TO SELL LIQUOR OR MALT OR BREWED BEVERAGES SHALL BE
ENTITLED TO APPLY TO THE PENNSYLVANIA LIQUOR CONTROL BOARD FOR A
LICENSE. THE FOLLOWING SHALL APPLY:

1 (1) AN APPLICATION FOR A LICENSE TO SELL LIQUOR OR MALT
2 OR BREWED BEVERAGES SUBMITTED BY AN APPLICANT HOLDING A SLOT
3 MACHINE LICENSE SHALL BE EXEMPT FROM ANY RESTRICTIONS IN THE
4 LIQUOR CODE ON THE NUMBER OF SUCH LICENSES PERMITTED IN A
5 MUNICIPALITY.

6 (2) AN APPLICATION FOR A LICENSE TO SELL LIQUOR OR MALT
7 OR BREWED BEVERAGES SUBMITTED BY AN APPLICANT HOLDING A SLOT
8 MACHINE LICENSE SHALL BE EXEMPT FROM ANY RESTRICTIONS IN THE
9 LIQUOR CODE ON THE CONSTRUCTION OF FACILITIES ON THE LICENSED
10 PREMISES PRIOR TO LICENSURE.

11 (3) THE LICENSED PREMISES FOR AN APPLICATION FOR A
12 LICENSE TO SELL LIQUOR OR MALT OR BREWED BEVERAGES SUBMITTED
13 BY AN APPLICANT HOLDING A SLOT MACHINE LICENSE SHALL BE
14 DEEMED TO ENCOMPASS THE ENTIRE LICENSED FACILITY.

15 (4) ABSENT GOOD CAUSE SHOWN CONSISTENT WITH THE PURPOSES
16 OF THIS CHAPTER, AND NOTWITHSTANDING ANY PROVISION OF THE
17 LIQUOR CODE OR THE REGULATIONS UNDER THE LIQUOR CODE TO THE
18 CONTRARY, THE PENNSYLVANIA LIQUOR CONTROL BOARD SHALL APPROVE
19 AN APPLICATION FOR THE LICENSE FILED BY AN ENTITY WHICH ALSO
20 HOLDS A SLOT MACHINE LICENSE WITHIN 30 DAYS.

21 (D) INCLUSION OF LICENSED FACILITY.--NOTWITHSTANDING ANY
22 OTHER PROVISION OF LAW, PROPERTY LICENSED UNDER A SLOT MACHINE
23 LICENSE WHICH IS ALSO LICENSED TO SELL LIQUOR OR MALT OR BREWED
24 BEVERAGES PURSUANT TO THE LIQUOR CODE MAY ALLOW PERSONS TO
25 TRANSPORT LIQUOR OR MALT OR BREWED BEVERAGES FROM THE PORTIONS
26 OF THE PROPERTY LICENSED UNDER THE LIQUOR LICENSE TO THE
27 UNLICENSED PORTION OF THE PROPERTY, SO LONG AS THE LIQUOR OR
28 MALT OR BREWED BEVERAGES REMAIN ON THE LICENSED FACILITY.

29 (E) LIMITATION ON PROVISION OF BEVERAGES.--NOTWITHSTANDING
30 ANY PROVISION OF THE LIQUOR CODE TO THE CONTRARY, A LICENSEE

1 THAT HAS OBTAINED A LICENSE TO CONDUCT THOROUGHBRED OR HARNESS
2 HORSE RACE MEETINGS RESPECTIVELY WITH PARI-MUTUEL WAGERING FROM
3 EITHER THE STATE HORSE RACING COMMISSION OR THE STATE HARNESS
4 RACING COMMISSION PURSUANT TO THE RACE HORSE INDUSTRY REFORM
5 ACT, AND THAT HAS OBTAINED A SLOT MACHINE LICENSE, OR ANY
6 EMPLOYEE, SERVANT OR AGENT OF SUCH LICENSEE MAY GIVE AWAY FREE
7 OF CHARGE ONE DRINK PER PERSON, PER DAY AND SHALL NOT CHARGE
8 BELOW COST ANY LIQUOR OR MALT OR BREWED BEVERAGE.

9 SECTION 3. THE SUM OF \$5,000,000 IS HEREBY APPROPRIATED TO
10 THE PENNSYLVANIA GAMING CONTROL BOARD FOR THE FISCAL YEAR JULY
11 1, 2003, TO JUNE 30, 2004, TO IMPLEMENT AND ADMINISTER THE
12 PROVISIONS OF 18 PA.C.S. CH. 92. THE MONEY APPROPRIATED IN THIS
13 SECTION SHALL BE CONSIDERED A LOAN FROM THE GENERAL FUND AND
14 SHALL BE REPAID TO THE GENERAL FUND FROM THE STATE GAMING FUND
15 BY JUNE 30, 2004.

16 SECTION 4. THE PROVISIONS OF THIS ACT ARE SEVERABLE. IF ANY
17 PROVISION OF THIS ACT OR ITS APPLICATION TO ANY PERSON OR
18 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY SHALL NOT AFFECT
19 OTHER PROVISIONS OR APPLICATIONS OF THIS ACT WHICH CAN BE GIVEN
20 EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION.

21 SECTION 5. (A) THE FOLLOWING ACTS AND PARTS OF ACTS ARE
22 REPEALED TO THE EXTENT SPECIFIED:

23 SECTION 493(29) OF THE ACT OF APRIL 12, 1951 (P.L.90, NO.21),
24 KNOWN AS THE LIQUOR CODE, ABSOLUTELY.

25 THE PROVISIONS OF 18 PA.C.S. § 5513(A) INsofar AS THEY ARE
26 INCONSISTENT WITH THE ADDITION OF 18 PA.C.S CH. 92.

27 (B) ALL OTHER ACTS AND PARTS OF ACTS ARE REPEALED INsofar AS
28 THEY ARE INCONSISTENT WITH THE ADDITION OF 18 PA.C.S. CH. 92.

29 SECTION 6. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

30 (1) THE AMENDMENT OR ADDITION OF 18 PA.C.S. §§ 4107(A)

1 AND 7516 SHALL TAKE EFFECT IN 60 DAYS.

2 (2) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

3 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
4 IMMEDIATELY.