
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 623 Session of
2003

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

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,
JULY 18, 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; defining the offense of
4 greyhound racing; authorizing certain racetrack gaming;
5 providing for disbursements of revenues; establishing the
6 Pennsylvania Gaming Control Board and the State Gaming Fund;
7 imposing fees; providing penalties; making appropriations;
8 and making repeals.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Section 4107(a) of Title 18 of the Pennsylvania
12 Consolidated Statutes is amended to read:

13 § 4107. Deceptive or fraudulent business practices.

14 (a) Offense defined.--A person commits an offense if, in the
15 course of business, [he] the person knowingly:

16 (1) uses or possesses for use a false weight or measure,
17 or any other device for falsely determining or recording any
18 quality or quantity;

19 (2) sells, offers or exposes for sale, or delivers less

1 than the represented quantity of any commodity or service;

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

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

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

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

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

25 (8) makes a false or misleading material statement to
26 induce an investor to invest in a business venture. The
27 offense is complete when any false or misleading material
28 statement is communicated to an investor regardless of
29 whether any investment is made. For purposes of grading, the
30 "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

1 investors, including those who have not yet been
2 solicited and those who already have been solicited but
3 have not yet made an investment;

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

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

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

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

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

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

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

23 As used in this paragraph, the term "prize" means anything of
24 value offered or purportedly offered. The term "prize
25 promotion" means an oral or written express or implied
26 representation that a person has won, has been selected to
27 receive or may be eligible to receive a prize or purported
28 prize[.]; or

29 (10) does either of the following when the person is in
30 a client relationship with a certified public accountant,

1 public accountant or public accounting firm:

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

10 (ii) fails to provide information to the certified
11 public accountant, public accountant or public accounting
12 firm which the person knows is material to the
13 performance of an attestation function and which results
14 in an attestation by the certified public accountant,
15 public accountant or public accounting firm of a
16 materially misleading financial statement, audit, review
17 or other document.

18 * * *

19 Section 1.1. Title 18 is amended by adding a section to
20 read:

21 § 7516. Greyhound racing.

22 A person who holds, conducts or operates a greyhound race for
23 public exhibition in this Commonwealth for monetary remuneration
24 commits a misdemeanor of the third degree.

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

26 CHAPTER 92

27 RACETRACK AND LICENSED GAMING

28 Sec.

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15 9218.1. Automated teller machines.

16 9218.2. Native American gaming.

17 9218.3. (Reserved).

18 9218.4. Liquor licenses at licensed ~~facility~~ FACILITIES. <—

19 9219. SOUTHWEST REGIONAL DISTRICT. <—

20 § 9200. Short title of chapter.

21 This chapter shall be known and may be cited as the

22 Pennsylvania Gaming Act of 2003.

23 § 9201. Scope.

24 This chapter deals with authorized gaming activities.

25 § 9202. Legislative intent.

26 The General Assembly hereby recognizes the following public

27 policy purposes and declares that the following objectives of

28 the Commonwealth are to be served by this chapter:

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

30 other objectives and purposes are secondary, is to protect

1 the public through the regulation and policing of all
2 activities involving gaming and other practices that are
3 unlawful except as provided by law, including this chapter.

4 (2) The authorization of limited gaming by the
5 installation and operation of slot machines as authorized in
6 this chapter is intended to enhance live horse racing,
7 entertainment and employment in this Commonwealth.

8 (3) The authorization of limited gaming is intended to
9 provide a significant source of new revenue to the
10 Commonwealth to support property tax reform, economic
11 development opportunities and other similar initiatives.

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

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

27 (6) Strictly monitored and enforced control over all
28 limited gaming authorized by this chapter shall be provided
29 through regulation, licensing and appropriate enforcement
30 actions of specified locations, persons, associations,

practices, activities, licensees and permittees.

(7) Strict financial monitoring and controls shall be established and enforced of all licensees or permittees.

(8) The public interest of the citizens of this Commonwealth and the social effect of gaming shall be taken 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 OR CONTROLLING 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

1 are not generally accessible to the public and which include,
2 but are not limited to, those facilities commonly referred to as
3 barns, track kitchen, recreation hall, stable employee quarters
4 and training track, and roadways providing access thereto. The
5 term does not include those areas of the racetrack facility
6 which are generally accessible to the public, including the
7 various buildings commonly referred to as the grandstand or the
8 racing surfaces, paddock enclosure and walking ring.

9 "Board." The Pennsylvania Gaming Control Board established
10 under section 9204 (relating to Pennsylvania Gaming Control
11 Board established).

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

14 ~~"Central monitoring computer" or "computer monitoring~~ <—
15 ~~system." A central site computer provided to and controlled by~~

16 "CENTRAL MONITORING COMPUTER," "COMPUTER MONITORING SYSTEM" <—
17 OR "CENTRAL CONTROL COMPUTER." A CENTRAL SITE COMPUTER PROVIDED
18 TO AND CONTROLLED BY the Pennsylvania Gaming Control Board to
19 which all slot machines communicate for the purpose of real-time
20 information retrieval or machine activation or the disabling of
21 slot machines.

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

- 24 (1) The result of a game.
25 (2) The amount or frequency of payment in a game.
26 (3) The value of a wagering instrument.
27 (4) The value of a wagering credit.

28 The term does not include altering for required maintenance and
29 repair.

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

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

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

6 (1) cashiers;

7 (2) change personnel;

8 (3) counting room personnel;

9 (4) slot attendants;

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

12 (6) machine mechanics;

13 (7) security personnel; and

14 (8) supervisors or managers.

15 The term does not include bartenders, cocktail servers or other
16 persons engaged solely in preparing or serving food or beverage,
17 secretarial personnel, janitorial, stage, sound and light
18 technicians and other nongaming personnel. The term also
19 includes employees of a person holding a supplier's license
20 whose duties are directly involved with the manufacture, repair
21 or distribution of slot machines and associated equipment sold
22 or provided to the licensed facility within this Commonwealth.

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

25 (1) Cash or cash equivalents paid out to patrons as a
26 result of playing a slot machine which is paid to patrons
27 either manually or paid out by the slot machine.

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

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

11 "Key employee." Any individual who is employed in a director
12 or department head capacity and who is empowered to make
13 discretionary decisions that regulate slot machine operations,
14 including the general manager and assistant general manager of
15 the licensed facility, director of slot operations, director of
16 cage and or credit operations, director of surveillance,
17 director of management information systems, director of
18 security, comptroller and any employee who supervises the
19 operations of these departments or to whom these department
20 directors report, and such other positions which the board shall
21 determine, based on detailed analyses of job descriptions as
22 provided in the internal controls of the licensee as approved by
23 the board. All other gaming employees, unless otherwise
24 designated by the board, shall be classified as nonkey gaming
25 employees.

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

1 "Licensed entity." Any licensed corporation or other person
2 holding a slot machine, manufacturer, supplier or other license
3 issued by the board pursuant to this chapter.

4 "Licensed facility." A slot machine facility licensed under
5 paragraph (1) or (2) of the definition of "slot machine
6 license."

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

13 "Manufacturer." A person who manufactures, SUPPLIES, builds, <—
14 fabricates, assembles, produces, programs, designs or otherwise
15 makes modifications to any slot machine, associated equipment
16 for use or play of slot machines or associated equipment in this
17 Commonwealth for gaming purposes.

18 "Manufacturer license." A license issued by the Pennsylvania
19 Gaming Control Board authorizing a manufacturer to manufacture, <—
20 SUPPLY or produce slot machines or associated equipment for use
21 in this Commonwealth for gaming purposes.

22 "Manufacturer licensee." A manufacturer that obtains a
23 manufacturer license.

24 "Nonprimary location." Any facility in which pari-mutuel
25 wagering is conducted by licensed corporations other than the
26 racetrack or other location.

27 "Occupation permit." A permit authorizing an individual to
28 be employed or work as a gaming employee at a licensed facility.

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

1 "Person." Any natural person, corporation, foundation,
2 organization, business trust, estate, limited liability company,
3 licensed corporation, trust, partnership, association or any
4 other legal entity.

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

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

9 "Progressive system." A computerized system linking slot
10 machines in one or more licensed facilities and offering one or
11 more common progressive jackpots.

12 "Race Horse Industry Reform Act." The act of December 17,
13 1981 (P.L.435, No.135), known as the Race Horse Industry Reform
14 Act.

15 "Slot machine." Any mechanical, electrical or other device,
16 contrivance, terminal or machine approved by the Pennsylvania
17 Gaming Control Board which, upon insertion of a coin, bill,
18 ticket, token or similar object therein or upon payment of any
19 consideration whatsoever, including the use of any electronic
20 payment system except a credit card or debit card, is available
21 to play or operate, the play or operation of which, whether by
22 reason of the skill of the operator or application of the
23 element of chance, or both, may deliver or entitle the person
24 playing or operating the machine to receive cash, tickets,
25 tokens or electronic credits to be exchanged for cash or to
26 receive merchandise or any thing of value whatsoever, whether
27 the payoff is made automatically from the machine or manually. A
28 slot machine:

29 (1) may utilize spinning reels or video displays, or
30 both;

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

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

5 The term shall include associated equipment necessary to conduct
6 the operation of slot machines.

7 "Slot machine license." Any of the following:

8 (1) A license authorizing a licensed corporation to
9 place and operate slot machines at a racetrack pursuant to
10 this chapter and the rules and regulations promulgated under
11 this chapter.

12 (2) A license authorizing a person, pursuant to this
13 chapter and the regulations promulgated under this chapter,
14 to place and operate slot machines at an establishment of any
15 type other than a racetrack located in a city of the first
16 class ~~or~~, IN a city of the second class OR IN AN AREA WHICH <—
17 INCLUDES A CITY OF THE SECOND CLASS AND WHICH IS DEFINED BY
18 THE BUREAU OF THE CENSUS AS A METROPOLITAN STATISTICAL AREA:

19 (i) where patrons may engage in slot machine gaming;

20 and

21 (ii) which provides ancillary services or
22 facilities, including restaurants, retail shops and other
23 such amenities available at resort caliber facilities.

24 "Slot machine licensee." A person that holds a slot machine
25 license.

26 "State Treasurer." The State Treasurer of the Commonwealth.

27 "Supplier." A person that sells, leases, offers or otherwise
28 provides or distributes any slot machine or associated equipment
29 for use or play of slot machines or associated equipment in this
30 Commonwealth.

1 "Supplier license." A license issued by the Pennsylvania
2 Gaming Control Board authorizing a supplier or manufacturer to
3 provide products or services related to slot machines or
4 associated equipment to slot machine licensees.

5 "Supplier licensee." A supplier or manufacturer that holds a
6 supplier license.

7 § 9204. Pennsylvania Gaming Control Board established.

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

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

15 (1) One member appointed by the Governor.

16 (2) One member appointed by each of the following
17 legislative caucus leaders:

18 (i) The President pro tempore of the Senate.

19 (ii) The Minority Leader of the Senate.

20 (iii) The Speaker of the House of Representatives.

21 (iv) The Minority Leader of the House of
22 Representatives.

23 (3) No more than three members under paragraph (2) shall
24 be from the same political party.

25 (c) Initial appointments to board.--

26 (1) The member initially appointed under subsection
27 (b)(1) shall serve a term of three years.

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

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

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

10 (1) For an appointment under subsection (b)(1), the term
11 shall be for four years and until a successor is appointed
12 and qualified.

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

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

19 (4) An appointment to fill a vacancy shall be for the
20 remainder of the unexpired term.

21 (e) Ex officio members.--The Secretary of Revenue and the
22 Secretary of Agriculture shall serve on the board as nonvoting
23 ex officio members of the board.

24 (f) Majority vote.--A qualified majority of four of the five
25 members of the board shall be required for any action, including
26 the granting of any license to be issued by the board under this
27 chapter or the making of any order or the ratification of any
28 permissible act done or order made by one or more of the
29 members.

30 (g) Background investigation.--Appointees shall be subject

1 to a background investigation conducted by the Pennsylvania
2 State Police in accordance with section 9218(a) (relating to
3 enforcement) and submitted to the appointing authority.

4 (h) Qualifications and restrictions.--

5 (1) Each member, at the time of appointment and during
6 the term of office, shall be a resident of this Commonwealth,
7 shall be not less than 25 years of age and shall have been a
8 qualified elector of this Commonwealth for a period of at
9 least one year immediately preceding appointment.

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

18 (3) No member shall hold any office or position, the
19 duties of which are incompatible with the duties of the
20 office as a member, or be engaged in any business, employment
21 or vocation for which the member shall receive any
22 remuneration, except as provided in this chapter.

23 (4) No employee, appointee or official engaged in the
24 service of or in any manner connected with the board shall
25 hold any office or position, or be engaged in any employment
26 or vocation, the duties of which are incompatible with
27 employment in the service of or in connection with the work
28 of the board.

29 (5) No member shall be paid or accept for any service
30 connected with the office any fee other than the salary and

1 expenses provided by law.

2 (6) No member shall participate in any hearing or
3 proceeding in which the member has any direct or indirect
4 pecuniary interest.

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

24 (8) Every member, and every individual or official,
25 employed or appointed to office under, in the service of or
26 in connection with the work of the board is forbidden,
27 directly or indirectly, to solicit or request from, or to
28 suggest or recommend to any licensed entity, or to any
29 officer, attorney, agent or employee thereof, the appointment
30 of any individual to any office, place or position in or the

1 employment of any individual in any capacity by such licensed
2 entity.

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

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

18 (11) No member or employee of the board shall wager or
19 be paid any prize from any wager at any slot machine at any
20 licensed facility WITHIN THIS COMMONWEALTH OR AT ANY OTHER
21 FACILITY OUTSIDE THIS COMMONWEALTH. <—

22 (i) Open proceedings and records.--The proceedings of the
23 board shall be conducted in accordance with the provisions of 65
24 Pa.C.S. Ch. 7 (relating to open meetings). The board shall be an
25 agency for purposes of the act of June 21, 1957 (P.L.390,
26 No.212), referred to as the Right-to-Know Law. Notwithstanding
27 any provision of law to the contrary, any confidential document
28 relative to personal background information provided to the
29 board pursuant to this chapter and any deliberations thereof,
30 including disciplinary proceedings, may be considered in closed

1 executive session.

2 (j) Compensation.--The Executive Board shall establish the
3 compensation of the members appointed pursuant to this section.
4 Members shall be reimbursed for all necessary and actual
5 expenses.

6 (k) Chairman.--Immediately after all initial members have
7 been appointed and duly qualified, and not before, the chairman
8 shall be elected by a majority of the members appointed.

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

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

17 § 9205. Board's powers.

18 (a) General powers.--The board shall be responsible to
19 ensure the integrity of the acquisition and operation of slot
20 machines and associated equipment at licensed facilities and
21 shall have jurisdiction over every aspect of the authorization
22 and operation of slot machines at licensed facilities. The board
23 shall employ an executive director, deputies, secretaries,
24 officers and agents as it may deem necessary, who shall serve at
25 the board's pleasure. The board shall also employ such other
26 employees as it deems appropriate whose duties shall be
27 prescribed by the board. Legal counsel for the board shall be
28 appointed by the board. The board shall be subject to the
29 provisions of the act of April 9, 1929 (P.L.177, No.175), known
30 as The Administrative Code of 1929, as to classification and

1 compensation for its employees and conduct its activities
2 consistent with the practices and procedures of Commonwealth
3 agencies. The board shall work to enhance the representation of
4 diverse groups in the operation of slot machine facilities in
5 this Commonwealth and through the ownership and operation of
6 business enterprises associated with or utilized by slot machine
7 facility operators and through the provision of goods and
8 services utilized by slot machine licensees under this chapter.

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

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

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

21 (3) At its discretion, issue, renew or deny issuance or
22 renewal of a slot machine license under paragraph (2) of the
23 definition of "slot machine license" in section 9203
24 (relating to definitions) without regard to the applicant's
25 possession of a license under the Race Horse Industry Reform
26 Act.

27 (4) At its discretion, to issue, renew or deny issuance
28 or renewal of supplier and manufacturer licenses.

29 (5) At its discretion, to issue, renew or deny issuance
30 or renewal of occupation permits.

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

4 (7) To require applicants for licenses and permits to
5 submit with their application a full set of fingerprints
6 which shall be submitted by the Pennsylvania State Police to
7 the Federal Bureau of Investigation for purposes of verifying
8 the identity of the applicants and obtaining records of
9 criminal arrests and convictions.

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

22 (9) As a board and through its designated officers,
23 employees or agents, to administer oaths, examine witnesses
24 and issue subpoenas to compel attendance of witnesses and
25 production of all relevant and material reports, books,
26 papers, documents and other evidence.

27 (10) To promulgate regulations as the board deems
28 necessary to carry out the policy and purposes of this
29 chapter and to enhance the credibility and the integrity of
30 the licensed operation of slot machines and associated

1 equipment in this Commonwealth.

2 (i) Notwithstanding any other provision of law to
3 the contrary and in order to facilitate the prompt
4 implementation of this chapter, regulations promulgated
5 by the board during the first year following the
6 effective date of this chapter shall be deemed temporary
7 regulations which shall expire no later than two years
8 following the effective date of this chapter or upon
9 promulgation of regulations as generally provided by law.
10 The temporary regulations shall not be subject to:

11 (A) Sections 201 through 205 of the act of July
12 31, 1968 (P.L.769, No.240), referred to as the
13 Commonwealth Documents Law.

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

16 (ii) Subparagraph (i) shall expire one year from the
17 effective date of this chapter. Regulations adopted after
18 the one-year period shall be promulgated as provided by
19 law.

20 (11) To levy and collect fees from the various
21 applicants, licensees and permittees to fund the operations
22 of the board. The fees shall be paid to the Treasury
23 Department through the Department of Revenue and deposited
24 into the State Gaming Fund. In addition to the fees set forth
25 in section 9206.1 (relating to slot machine license fee), the
26 board shall assess and collect fees as follows:

27 (i) Supplier license applicants and supplier
28 licensees shall pay a fee of \$25,000 for the issuance of
29 a license and \$10,000 for the renewal of a supplier
30 license.

1 (ii) Manufacturer license applicants and
2 manufacturer licensees shall pay a fee of \$50,000 for the
3 issuance of a license and \$20,000 for the renewal of a
4 manufacturer license.

5 (iii) Each application for a slot machine license, a
6 supplier license or a manufacturer license must be
7 accompanied by a nonrefundable fee of \$150 for each
8 individual requiring a background investigation. The
9 reasonable and necessary costs and expenses incurred in
10 any background investigation or other investigation or
11 proceeding concerning any applicant, licensee or
12 permittee shall be reimbursed to the board by those
13 persons.

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

28 (13) To deny renewal, revoke or suspend any license or
29 permit provided for in this chapter if the board finds that a
30 licensee or permittee under this chapter, its officers,

1 employees or agents have failed to comply with the provisions
2 of this chapter or the rules and regulations of the board and
3 that it would be in the public interest to deny renewal,
4 revoke or suspend the license or permit.

5 (14) To restrict access to confidential information in
6 the possession of the board which has been obtained under
7 this chapter and ensure that the confidentiality of
8 information is maintained and protected. Records shall be
9 retained for seven years.

10 (15) To prescribe and require periodic financial
11 reporting and internal control requirements for all licensed
12 entities.

13 (16) To require that each licensed entity provide to the
14 board its audited annual financial statements, with such
15 additional detail as the board, from time to time, shall
16 require which information shall be submitted not later than
17 90 days after the end of the licensee's fiscal year.

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

21 (18) To prescribe criteria and conditions for the
22 operation of slot machine progressive systems.

23 (19) To enforce hours for the operation of slot machines
24 so that slot machine licensees may operate slot machines on
25 any day during the year for up to 24 hours per day.

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

29 (21) To establish procedures for the inspection and
30 certification of compliance of each slot machine prior to

1 being placed into use by a slot machine licensee. No slot
2 machine may be set to pay out less than 75% or more than 96%
3 of all wagers on an average annual basis unless specifically
4 approved otherwise by the board, provided the average payout
5 during any calendar year of all slot machines at each
6 licensed facility shall be not less than 87% and not more
7 than 96%.

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

22 (23) Require the slot machine licensee to have a
23 computer connected to all slot machines and associated
24 equipment to record and monitor the activities of the
25 devices. No slot machine shall be operated unless it is
26 online and communicating to a computer monitoring OR CONTROL <—
27 system approved by the board after consultation with the
28 department. The computer monitoring OR CONTROL system shall <—
29 provide online, real-time monitoring OR CONTROLLING and <—
30 encrypted data acquisition capability in a format and media

1 approved by the board after consultation with the department.

2 The licensee's system shall include a dedicated computer
3 monitoring OR CONTROLLING line providing computer interface <—

4 to the board and the department to allow independent
5 monitoring OR CONTROLLING, reviewing and recording of data <—

6 identical to that specified in section 9208(b)(3) (relating
7 to slot machine accounting controls and audits). Eighteen

8 months after the effective date of this chapter the board
9 shall report to the Governor and the General Assembly

10 concerning the security, integrity, effectiveness,
11 reliability and accuracy of the computer monitoring OR <—

12 CONTROLLING system together with any recommended changes
13 deemed appropriate by the board.

14 (24) To develop and implement an affirmative action plan
15 to assure that all persons are accorded equality of
16 opportunity in employment, and contracting by the board, its
17 contractors, subcontractors, assignees, lessees, agents,
18 vendors and suppliers.

19 (c) Reports.--The following reports shall be required
20 annually:

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

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

6 (3) IT IS THE INTENT AND GOAL OF THE GENERAL ASSEMBLY <—
7 THAT THE BOARD WORKS TO PROMOTE AND ENSURE DIVERSITY IN ALL
8 ASPECTS OF THE GAMING ACTIVITIES AUTHORIZED UNDER THIS
9 CHAPTER. THEREFORE, TO ENSURE THAT THE GOAL OF DIVERSITY IS
10 ACHIEVED, IN ADDITION TO ITS POWERS AND DUTIES UNDER THE ACT
11 OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE,
12 THE AUDITOR GENERAL IS AUTHORIZED TO INVESTIGATE AND CONDUCT
13 A STUDY TO ASCERTAIN WHETHER THE BOARD HAS TAKEN EFFECTIVE
14 AND MEANINGFUL ACTION WHICH HAS OR WILL ENHANCE THE
15 REPRESENTATION OF DIVERSE GROUPS IN THE OPERATION AND
16 OWNERSHIP OF SLOT MACHINE FACILITIES IN THIS COMMONWEALTH,
17 THROUGH THE OWNERSHIP AND OPERATION OF BUSINESS ENTERPRISES
18 ASSOCIATED WITH OR UTILIZED BY SLOT MACHINE LICENSEES,
19 THROUGH THE PROVISION OF GOODS AND SERVICES UTILIZED BY SLOT
20 MACHINE LICENSEES AND THROUGH EMPLOYMENT OPPORTUNITIES. THE
21 STUDY SHALL BE COMPLETED BY DECEMBER 31, 2005, AND SHALL
22 CONTAIN RECOMMENDATIONS WHICH THE AUDITOR GENERAL DETERMINES
23 APPROPRIATE. ANY EXPENSES THAT THE AUDITOR GENERAL INCURS IN
24 CARRYING OUT THE REQUIREMENTS OF THIS PARAGRAPH SHALL BE
25 REIMBURSED BY THE BOARD.

26 § 9205.1. Applications for license or permit.

27 (a) Applications.--An application for a license or permit to
28 be issued by the board shall be submitted on a form and in a
29 manner as shall be required by the board. In reviewing
30 applications, the board shall confirm that the applicable

1 license or permit fees have been paid in accordance with this
2 chapter.

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

14 (c) Adverse litigation.--Notwithstanding any law to the
15 contrary, the board, the State Harness Racing Commission and the
16 State Horse Racing Commission shall not consider any application
17 for a license if the applicant or any person affiliated with or
18 directly related to the applicant is a party in any ongoing
19 civil proceeding in which the party is seeking to overturn or
20 otherwise challenge a decision or order of the board, the State
21 Harness Racing Commission or the State Horse Racing Commission,
22 pertaining to an issuance of a license to conduct thoroughbred
23 or harness horse race meetings respectively with pari-mutuel
24 wagering.

25 § 9206. Authorized slot machine licenses.

26 (a) Eligibility.--A ~~person~~ LICENSED CORPORATION shall be
27 eligible to apply for a slot machine license and, upon approval,
28 to place and operate slot machines at a licensed facility if the
29 licensed corporation meets one of the following:

30 (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 suspension of the slot machine license, pending further board review.

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

~~(3)~~ (2) The ~~person~~ LICENSED CORPORATION is applying for a license under paragraph (2) of the definition of "slot machine license" in section 9203 (relating to definitions).

(A.1) REQUIRED RACING DAYS.--EXCEPT AS PROVIDED IN SUBSECTION (A)(1)(II), A 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

1 THE RACE HORSE INDUSTRY REFORM ACT. IF A RACING DAY IS CANCELED
2 BY A LICENSED CORPORATION FOR REASONS BEYOND ITS CONTROL, THE
3 APPROPRIATE COMMISSION SHALL GRANT THE LICENSED CORPORATION THE
4 RIGHT TO CONDUCT THAT RACING DAY IN THE SAME OR NEXT ENSUING
5 CALENDAR YEAR. THE PURSE FOR THAT RACING DAY SHALL NOT BE USED
6 FOR THE PURSE OF OTHER SCHEDULED RACING DAYS OF THAT CALENDAR
7 YEAR AND MUST BE USED FOR THE PURSE OF SUCH RESCHEDULED DAY.

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

27 (c) Authorization.--Authorization for a licensed corporation
28 to continue the operation of slot machines shall be limited to
29 those slot machine licensees that:

30 (1) Have a written live racing agreement with a

1 horsemen's organization representing a majority of owners and
2 trainers at the racetrack where the licensed corporation
3 conducts racing dates.

4 (2) Have 95% of the total number of horse or harness
5 racing days that were scheduled in 1986 by it or its
6 predecessor at the racetrack where the licensed corporation
7 conducts racing dates. A newly licensed corporation which
8 opens a new racetrack and schedules a minimum of 100 days of
9 live racing in the initial year of operation shall be allowed
10 to operate slot machines, intrastate and interstate simulcast
11 in accordance with the Race Horse Industry Reform Act, from
12 the first day of the calendar year in which it has been
13 granted racing days.

14 (3) ~~Subject~~ UNLESS THE HORSEMEN'S ORGANIZATION <—
15 REPRESENTING A MAJORITY OF THE OWNERS AND TRAINERS CONSENTS
16 TO A LOWER NUMBER OF REQUIRED RACING DAYS AT THE RACETRACK,
17 SUBJECT to actions or activities beyond the control of the
18 licensee conduct not fewer than eight live races per race
19 date during each meet at the racetrack where the licensed
20 corporation conducts racing dates, except for thoroughbred
21 tracks on the day designated as breeder's cup event day, when
22 the racetrack shall hold a minimum of five live races. The
23 licensed corporation shall not waive or modify the provisions
24 pertaining to the required number of racing days under
25 paragraph (2) and races per day scheduled in this subsection
26 without the consent of the horsemen's association
27 representing a majority of owners and trainers at the
28 racetrack.

29 (4) Notwithstanding the provisions of paragraph (1), in
30 the event that a written live racing agreement has not been

1 entered into, permission for any licensee to operate slot
2 machines and racetracks shall be granted provided that the
3 licensed corporation has continued to conduct live racing in
4 accordance with paragraphs (2) and (3) and keeps its
5 racetrack open to the general population of owners, trainers
6 and horses stabled there for training and stabling on a
7 regular basis and during such periods, when it is normally
8 open for live racing and during such periods, and continues
9 to comply with all provisions of the most recently expired
10 live racing agreement, including recognition of the then
11 existing horsemen's association at each such racetrack as the
12 sole representative of the horsemen at that time, and pays
13 purses as defined in the most recently expired live racing
14 agreement plus the applicable purse revenue for operating a
15 slot machine under this section.

16 (d) Temporary facility.--A licensed corporation which has
17 operated a pari-mutuel racing facility for at least two years
18 before the effective date of this chapter and which has been
19 granted a license pursuant to this section may operate the slot
20 machines in a temporary facility consistent with subsection (b).
21 In the case of a newly licensed corporation, the board may
22 approve the use of a temporary facility only if the licensed
23 corporation has scheduled and will successfully conduct a
24 minimum of 50 days of live racing in the initial full calendar
25 year of operation from the first day of the full calendar year
26 in which it has been granted authority to conduct horse racing
27 with pari-mutuel wagering. However, an extension of up to an
28 additional two years may be granted by the board upon a showing
29 by the licensed corporation that it has been proceeding in good
30 faith to meet the minimum 50-day live racing agreement and that

1 it has the consent of the horsemen's organizations representing
2 a majority of owners and trainers at the racetrack.

3 (e) Prohibition.--No applicant, including directors, owners
4 and key employees, that has been convicted, in any jurisdiction,
5 of a felony, crime of moral turpitude or gambling offense may be
6 issued a slot machine license under this chapter.

7 (f) Credit.--Slot machine licensees may not extend credit
8 but may cash personal or bank checks in compliance with the
9 regulations of the board. Slot machine licensees may not accept
10 credit cards, charge cards or debit cards from a player for the
11 exchange or purchase of slot machine credits or for an advance
12 of coins or currency to be utilized by a player to play slot
13 machine games or extend credit, in any manner, to a player so as
14 to enable the player to play a slot machine.

15 (g) Additional condition for grant of slot machine license
16 to licensed corporation.--The following shall apply:

17 ~~(1) No slot machine license shall be issued to any~~ <—
18 ~~licensed corporation if:~~

19 ~~(i) more than one licensed corporation has conducted~~
20 ~~at any time during the two years prior to the effective~~
21 ~~date of this chapter live horse racing with pari-mutuel~~
22 ~~wagering at the racetrack where the licensed corporation~~
23 ~~conducts races; or~~

24 ~~(ii) the licensed corporations conducting races at~~
25 ~~the racetrack possess, in the aggregate, more than one~~
26 ~~license to conduct live horse racing with pari-mutuel~~
27 ~~wagering.~~

28 ~~(2)~~ (1) As a mandatory condition for eligibility to <—
29 receive a slot machine license to place and operate slot
30 machines at a racetrack where races have been conducted under

multiple live horse racing licenses at any time during the two years prior to the effective date of this chapter, the licensed corporations which have conducted the races at that racetrack shall immediately return all licenses to conduct such racing, in excess of one license as determined by the affected licensed corporations at that racetrack, to the State Horse Racing Commission or the State Harness Racing Commission, as applicable, within 60 days after the effective date of this chapter, unless otherwise extended by the board for good cause shown, but in no event for more than six months.

~~(3)~~ (2) Notwithstanding the provisions of the Race Horse Industry Reform Act, the return of any license pursuant to paragraph ~~(2)~~ (1) shall not reduce:

(i) The number of authorized racing days in any calendar year WHICH ARE OR MAY BE allocated to the racetrack by virtue of the returned license.

(ii) The number of nonprimary locations for pari-mutuel wagering available to the racetrack by virtue of the returned licenses.

~~(4)~~ (3) All rights and privileges, including the ownership and operation of nonprimary facilities and all contractual rights and obligations of all types, shall be and become, by operation of law and without further act, deed, order or finding by the State Horse Racing Commission or the State Harness Racing Commission, the rights and privileges of the corporation owning the license remaining at the racetrack.

~~(5)~~ (4) Compliance with the live racing provisions of this section by the licensee holding the remaining license

1 shall be deemed to be compliance by the remaining license and
2 the returned license with the live racing requirements of
3 sections 216(a), 218 and 234 of the Race Horse Industry
4 Reform Act.

5 ~~(6)~~ (5) The State Horse Racing Commission or the State <—
6 Harness Racing Commission shall permanently retire the first
7 two thoroughbred licenses returned to either commission
8 pursuant to this subsection as of the date of the return. If
9 the State Horse Racing Commission or the State Harness Racing
10 Commission subsequently receives any additional licenses from
11 a licensed corporation following the return of the first two
12 licenses retired pursuant to this subsection, the applicable
13 commission may reissue such licenses.

14 (h) Issuance of license.--The issuance of a license under
15 paragraph (2) of the definition of "slot machine license" in
16 section 9203 to a licensed corporation or other person shall
17 entitle the licensee to operate slot machines ~~in~~, AS DETERMINED <—
18 BY THE BOARD, AT a single location in a city of the first class
19 ~~or~~, AT a single location in a city of the second class, ~~as~~ <—
20 ~~determined by the board.~~ OR AT A SINGLE LOCATION IN AN AREA <—
21 WHICH INCLUDES A CITY OF THE SECOND CLASS AND WHICH IS DEFINED
22 BY THE BUREAU OF THE CENSUS AS A METROPOLITAN STATISTICAL AREA.

23 The following apply:

24 (1) Except as set forth in paragraph (2), a licensee
25 under this paragraph shall have its slot machines operational
26 and available for play within two years of being granted a
27 license.

28 (2) The board may for good cause extend the time period
29 under paragraph (1) for a period not to exceed two years.

30 (i) Maximum number of slot machine licenses.--The board may

1 issue 11 slot machine licenses pursuant to this chapter. Under
2 no circumstances shall any additional slot machine licenses be
3 issued or permitted under this chapter or any other provision of
4 law.

5 § 9206.1. Slot machine license fee.

6 (a) Imposition.--Subject to the requirements of subsection
7 (b), the board shall impose a one-time slot machine license fee
8 to be paid by each successful applicant in an amount of
9 \$50,000,000.

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

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

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

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

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

13 § 9207. Slot machine license application.

14 (a) Application.--Any person which meets the requirements of
15 section 9206 (relating to authorized slot machine licenses) or
16 that desires to install additional slot machines pursuant to
17 section 9205(b)(25) (relating to board's powers) at its licensed
18 facility shall file an application with the board in such form
19 as shall be prescribed by the board. Only one slot machine
20 license shall be granted per licensed facility.

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

23 (1) The name and address of the applicant, a list of all
24 directors and owners and a list of key employees and their
25 positions within the corporation or organization, as well as
26 any financial information required by the board.

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

29 (3) The number of slot machines requested. A successful
30 applicant shall receive approval by the board for the

1 operation of up to 3,000 slot machines at any one licensed
2 facility, and shall be required to operate a minimum of 1,500
3 machines at any one licensed facility within one year of
4 operation, except as provided in section 9206.

5 (4) In those instances where additional slot machines
6 are being requested, the justification and explanation for
7 the number and location of the slot machine areas within the
8 confines of the licensed facility.

9 (5) The current status of the licensed corporation's
10 Pennsylvania racing license issued pursuant to the Race Horse
11 Industry Reform Act, if any.

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

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

17 (8) A statement that the applicant has complied with
18 the requirements of section 9206(g).

19 (9) Any other information determined to be appropriate
20 by the board.

21 § 9208. Slot machine accounting controls and audits.

22 (a) Approval.--Except as otherwise provided by this chapter,
23 each applicant which desires to install and operate slot
24 machines at its licensed facility shall, in addition to
25 obtaining a slot machine license, obtain approval from the board
26 in consultation with the department of its proposed internal
27 control systems and audit protocols prior to the installation
28 and operation of slot machines.

29 (b) Minimum requirements.--At a minimum, the applicant's or
30 person's proposed internal controls and audit protocols shall:

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

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

8 (3) Ensure, as provided in section 9208.1 (relating to
9 central monitoring system), that all slot machines within
10 each licensed facility are directly connected to each
11 licensed facility's computer SITE system which shall provide
12 details of any financial event that occurs in the operation
13 of a slot machine, including, but not limited to, coin in,
14 coin out, jackpots, machine door openings and power failures.

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

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

19 (6) Ensure that any financial event that occurs in the
20 operation of a slot machine is recorded adequately to permit
21 proper and timely reporting of gross revenue and the
22 calculation thereof and of fees and taxes and to maintain
23 accountability for assets.

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

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

30 (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 person that applies for a slot machine license at its licensed facility 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 or other person.

(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, including mandatory count procedures.

(7) A statement signed by the chief financial officer of the licensed corporation or other person and the chief executive officer of the licensed corporation or other person attesting that the officer believes, in good faith, that the system satisfies the requirements of this section.

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

§ 9208.1. Central monitoring system OR CENTRAL CONTROL SYSTEM. <—

(a) General rule.--To facilitate the auditing and security programs critical to the integrity of slot machine gaming in

1 this Commonwealth, the board shall have overall control of slot
2 machines and all slot machine terminals shall be linked to a
3 computer monitoring OR CONTROL system under the control of the <—
4 board to provide auditing program information as approved by the
5 board and shall include real time information retrieval and
6 terminal activation and disable programs. The computer
7 monitoring OR CONTROL system selected and employed by the board <—
8 shall not limit or favor the participation of a vendor or
9 manufacturer of a slot machine as a result of the cost or
10 difficulty of implementing the necessary program modifications
11 to communicate with and link to the computer monitoring OR <—
12 CONTROL system. The computer monitoring OR CONTROL system and <—
13 all associated contractors shall be selected in accordance with
14 the Commonwealth's procurement requirements and procedures. The
15 computer monitoring system selected and employed by the board
16 shall provide:

17 (1) A fully operational Statewide slot machine control
18 system that has the capability of supporting up to 55,000
19 slot machines as may be required, and technology upgrades
20 necessary to maintain a fully operational and proper
21 reporting capability for a period of ten years.

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

25 (3) The delivery of a system that has the capability to
26 support in-house and wide area progressive slot machines as
27 approved by the board.

28 (4) The delivery of a system that allows the slot
29 machine licensee to install independent player tracking
30 systems, to include cashless technology as approved by the

1 board.

2 (5) The delivery of a system that does not alter the
3 statistical awards of games, as designed by the game
4 manufacturer and approved by the board.

5 (6) Any other capabilities as determined by the board.

6 (b) Personal information.--Neither the central monitoring
7 computer OR CENTRAL CONTROL SYSTEM nor a central site computer <—
8 at a licensed facility shall provide for the monitoring or
9 reading of personal or financial information concerning a patron
10 of a slot machine facility.

11 (c) Solicitation of multiple bids.--Notwithstanding any
12 other provision of law to the contrary and in order to
13 facilitate the prompt implementation of this chapter, for
14 initial contracts entered into by the board or department for a
15 computer monitoring OR CONTROL system, including any necessary <—
16 computer hardware, software, licenses or related services shall
17 not be subject to the provisions of 62 Pa.C.S. (relating to
18 procurement). The board and the department shall solicit
19 multiple bids. The board and department shall provide written
20 justification for the selection of successful vendors. Contracts
21 made pursuant to the provisions of this section shall not exceed
22 five years.

23 (D) PROHIBITION.--A SUPPLIER AND/OR MANUFACTURER IS <—
24 PROHIBITED FROM BIDDING, PARTICIPATING OR ACTING IN ANY MANNER
25 WITH RESPECT TO THE CENTRAL MONITORING SYSTEM.

26 § 9208.2. Protocol information.

27 The board shall provide, in advance of the operation of a
28 monitoring OR CONTROL system, to a slot machine supplier or <—
29 manufacturer the protocol documentation data necessary to enable
30 the respective slot machine supplier's or manufacturer's slot

1 machine terminals to communicate with the board's monitoring OR <—
2 CONTROL system for the purpose of transmitting auditing program
3 information and for activating and disabling of slot machine
4 terminals.

5 § 9209. Supplier and manufacturer licenses.

6 (a) Application.--Any person seeking to provide slot
7 machines or associated equipment to a slot machine licensee
8 within this Commonwealth or to manufacture slot machines for use
9 in this Commonwealth shall apply to the board for either a
10 supplier or manufacturer license. No slot machine licensee shall
11 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 or
14 manufacturer licensed pursuant to this section.

15 (b) Requirements.--The application for a supplier or
16 manufacturer license shall include, but not be limited to:

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

21 (2) Consent to a background investigation of the
22 applicant.

23 (3) Details of any equivalent license granted or denied
24 by other jurisdictions where gaming activities are permitted.

25 (4) The type of goods and services to be supplied or
26 manufactured and whether those goods and services will be
27 provided through purchase, lease, contract, or otherwise.

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

30 § 9210. Occupation permit and applications.

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

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

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

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

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

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

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

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

23 (c) Prohibition.--No slot machine licensee may employ or
24 permit any person under 18 years of age to render any service
25 whatsoever in any area of its licensed facility at which slot
26 machines are located.

27 § 9210.1. Slot machine license application character
28 requirements.

29 Every application for a slot machine license issued by the
30 board shall include such information, documentation and

1 assurances as may be required to establish by clear and
2 convincing evidence the applicant's good character, honesty and
3 integrity. Such information, shall include, without limitation,
4 information pertaining to family, habits, character, reputation,
5 criminal and arrest record, business activities, financial
6 affairs and business, professional and personal associates,
7 covering at least the ten-year period immediately preceding the
8 filing of the application. Each applicant shall notify the board
9 of any civil judgments obtained against any such applicant
10 pertaining to antitrust or security regulation laws of the
11 Federal Government, this Commonwealth or any other state,
12 jurisdiction, province or country. In addition, each applicant
13 shall produce a letter of reference from law enforcement
14 agencies having jurisdiction in the applicant's place of
15 residence and principal place of business, which letter of
16 reference shall indicate that such law enforcement agencies do
17 not have any pertinent information concerning the applicant or,
18 if such law enforcement agency does have information pertaining
19 to the applicant, shall specify what that information is. If the
20 applicant has held a gaming license in a jurisdiction where
21 gaming activities are permitted, the applicant shall produce a
22 letter of reference from the gaming or casino enforcement or
23 control agency which shall specify the experiences of such
24 agency with the applicant, his associates and his gaming
25 operation, provided, however, that if no such letters are
26 received within 30 days of the request, the applicant may submit
27 a statement under oath that he is or was during the period such
28 activities were conducted in good standing with such gaming or
29 casino enforcement or control agency.

30 § 9210.2. Slot machine license application financial fitness

1 requirements.

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

15 (b) Financial backer information.--The board shall require
16 each applicant for a slot machine license to produce such
17 information, documentation and assurances as may be necessary to
18 establish by clear and convincing evidence of the integrity of
19 all financial backers, investors, mortgagees, bondholders, and
20 holders of indentures, notes or other evidences of indebtedness,
21 either in effect or proposed. However, this section shall not
22 apply to banking or other licensed lending institutions and
23 institutional investors which are waived from the qualification
24 requirements. Any such banking or lending institution or
25 institutional investor shall, however, produce for the board
26 upon request any document or information which bears any
27 relation to the proposal submitted by the applicant or
28 applicants. The integrity of financial sources shall be judged
29 upon the same standards as the applicant. Any such individual or
30 entity shall produce for the board upon request any document or

1 information which bears any relation to the application. In
2 addition, the applicant shall produce whatever information,
3 documentation or assurances the board requires to establish by a
4 preponderance of evidence the adequacy of financial resources.

5 (c) Applicant's business experience.--The board shall
6 require each applicant for a slot machine license to produce
7 such information, documentation and assurances as the board may
8 require to establish by a preponderance of evidence that the
9 applicant has sufficient business ability and experience to
10 create and maintain a successful, efficient operation.
11 Applicants shall produce the names of all proposed key employees
12 and a description of their respective or proposed
13 responsibilities as they become known.

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

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

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

28 (2) The person is presently not otherwise required to be
29 licensed under this chapter and provides any goods, property
30 or services for compensation to a slot machine licensee

1 related to slot machines at the licensed facility.

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

12 § 9212. License or permit issuance.

13 (a) Issuance.--Any licensed corporation, supplier,
14 manufacturer, gaming employee or other person that the board
15 determines is qualified to receive a license or a permit under
16 this chapter may be issued a license or permit upon the payment
17 of any fee required. Nothing contained in this chapter is
18 intended or shall be construed to create an entitlement to a
19 license by any licensed corporation or person. The board shall,
20 in its sole discretion, grant or deny a slot machine license
21 based upon the requirements of this chapter, whether the
22 issuance of a license will enhance tourism, economic
23 development, job creation, is in the best interests of the
24 Commonwealth and advances the purposes of this act.

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

28 (1) The applicant is a person of good character, honesty
29 and integrity. In making this determination, the board shall
30 consider the report of any required background investigation

1 and the applicant's criminal history record as compiled by
2 the Pennsylvania State Police. If the applicant has been
3 convicted, in any jurisdiction, of a felony, a crime related
4 to the activities of gaming or a crime of moral turpitude,
5 then the board shall not issue a license under this chapter.

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

14 (3) The applicant has developed and implemented or
15 agreed to develop and implement an affirmative action plan to
16 assure that all persons are accorded equality of opportunity
17 in employment and contracting by the applicant, its
18 contractors, subcontractors, assignees, lessees, agents,
19 vendors and suppliers.

20 (4) The applicant in all other respects is found
21 suitable consistent with the laws of this Commonwealth and is
22 otherwise qualified to be issued a license or permit.

23 (b.1) Additional requirements.--In addition to the
24 eligibility requirements provided in subsection (b), the board
25 may also take into account the following factors when
26 considering an application for a license:

27 (1) The location and quality of the proposed facility.

28 (2) The potential for new job creation and economic
29 development which will result from granting a license to an
30 applicant.

1 (3) The applicant's good faith plan to recruit, train
2 and upgrade diversity in all employment classifications in
3 the facility.

4 (4) The applicant's good faith plan for enhancing the
5 representation of diverse groups in the operation of its
6 facility through the ownership and operation of business
7 enterprises associated with or utilized by its facility or
8 through the provision of goods or services utilized by its
9 facility.

10 (5) The applicant's good faith effort to assure that all
11 persons are accorded equality of opportunity in employment
12 and contracting by it and any contractors, subcontractors,
13 assignees, lessees, agents, vendors and suppliers it may
14 employ directly or indirectly.

15 (6) The history and success of the applicant in
16 developing tourism facilities ancillary to gaming
17 development, if applicable to the applicant.

18 (7) The degree to which the applicant presents a plan
19 for the project which will likely lead to the creation of
20 quality, living-wage jobs and full-time permanent jobs for
21 residents of this Commonwealth generally, and for residents
22 of the host political subdivision in particular.

23 (8) The record of the applicant and its developer in
24 meeting commitments to local agencies, community-based
25 organizations and employees in other locations.

26 (9) The degree to which potential adverse effects which
27 might result from the project, including costs of meeting the
28 increased demand for public health care, child care, public
29 transportation, affordable housing and social services, will
30 be mitigated.

1 (10) The record of the applicant and its developer
2 regarding compliance with:

3 (i) Federal, State and local discrimination, wage
4 and hour, disability and occupational and environmental
5 health and safety laws; and

6 (ii) State and local labor relations and employment
7 laws.

8 (11) The applicant's record in dealing with its
9 employees and their representatives at other locations.

10 (12) The degree of risk of labor strife which would
11 jeopardize the State government's financial interest in
12 revenue and other projected benefits from the project and the
13 plans of the applicant and its developer to eliminate or
14 mitigate the risk.

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

1 to waive any fees associated with obtaining a license through
2 the normal application process.

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

1 of this section for licensure shall cause immediate forfeiture
2 of the license and revocation of authorization to operate slot
3 machines at the licensed facility, except that, in the event
4 that a conditional license is not approved by the board based on
5 a finding that an individual, who is a principal or has an
6 interest in the entity holding the conditional license, does not
7 meet the character requirements of section 9210.1 (relating to
8 slot machine license application character requirements) or any
9 of the eligibility requirements under this chapter, the board
10 shall afford the individual the opportunity to divest his
11 interest in the entity holding the conditional license and,
12 after such divestiture, reconsider the entity's suitability for
13 licensure in an expedited proceeding and may, after such
14 proceeding, issue the entity a license to operate slot machines.
15 Notwithstanding any other provision of law to the contrary, the
16 person's divestiture shall be limited to the amount of capital the
17 person invested in the entity and no property right or value of
18 any kind shall be attributed to the license.

19 (e) Information sharing.--With respect to the
20 administration, supervision and enforcement of this chapter, the
21 board, the Pennsylvania State Police or the Office of Attorney
22 General may obtain or provide pertinent information regarding
23 applicants, licensees, permittees or potential licensees or
24 permittees with law enforcement entities or gaming authorities
25 of the Commonwealth and other jurisdictions.

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

30 (g) Renewal.--All permits and licenses, except as otherwise

1 provided, shall be valid for a period of up to one year and upon
2 proper application and payment of any renewal fee to the board
3 may be renewed on an annual basis.

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

8 § 9212.1. Transferability of licenses.

9 A license or permit issued by the board is a grant of
10 privilege to conduct a business in this Commonwealth. A license
11 or permit granted or renewed pursuant to this chapter shall not
12 be transferred or assigned to another person, nor shall a
13 license or permit be pledged as collateral. Nothing contained in
14 this chapter is intended or shall be construed to create in any
15 licensed corporation or person an entitlement to a license. ~~The~~ <—
16 BECAUSE THE board has the sole discretion to grant or deny THE <—
17 ISSUANCE OF a slot machine license based upon the requirements
18 of this chapter and whether the issuance of the license:

- 19 (1) will enhance tourism and economic development;
20 (2) will create jobs;
21 (3) is in the best interests of this Commonwealth; and
22 (4) advances the purposes of this chapter.

23 § 9212.2. Change in ownership of slot machine licensee.

24 (a) Notification.--A slot machine licensee shall notify the
25 board of any proposed or contemplated change of ownership or
26 control of the slot machine licensee which involves more than 5%
27 of a slot machine licensee's voting stock or more than 5% of the
28 voting stock of a corporation which controls the licensee or the
29 sale of a licensee's assets, other than those bought and sold in
30 the ordinary course of business and all other transactions or

1 occurrences deemed by the board to be relevant to license
2 qualifications. In applying this notification standard, stock
3 transactions involving institutional investors shall not be
4 considered. In order for a license to remain in effect, board
5 approval and payment of the fee pursuant to section 9206.1
6 (relating to slot machine license fee) shall be required prior
7 to completion of any proposed change of ownership or control of
8 a licensee that meets the criteria of subsection (b).

9 Notification of the board but no board approval or license fee
10 under section 9206.1 shall be required in the case of transfers
11 of equity interests between existing equity owners. No
12 notification, board approval or license fee pursuant to section
13 9206.1 shall be required for transfers of publicly traded stock
14 or other publicly traded equity interests of a company which:

15 (1) is listed on the New York Stock Exchange or another
16 national securities exchange; and

17 (2) owns an indirect interest in a licensee.

18 (b) Qualification of successor slot machine licensee.--The
19 purchaser or successor of any slot machine licensee shall
20 independently qualify for a license in accordance with this
21 chapter and pay the license fee as required by section
22 9206.1(a). For purposes of this section, a change in control or
23 ownership of a licensee or corporation which controls the
24 licensee or the sale of a licensee's assets, other than those
25 bought and sold in the ordinary course of business, shall be
26 determined in accordance with 15 Pa.C.S. § 2543 (relating to
27 controlling person or group). The board has the discretion on
28 whether to apply this subsection to a change of ownership,
29 control or sale of assets of a licensee to an heir upon the
30 death of an owning or controlling party. Failure to comply with

1 this section may void the license issued under this chapter
2 unless the change in control or ownership or sale of assets has
3 been approved in advance by the board.

4 § 9212.3. Public official financial interest.

5 (a) General rule.--No executive-level State employee, public
6 official, party officer or immediate family member thereof shall
7 have a financial interest in or be employed, directly or
8 indirectly, by any licensed corporation, or slot machine
9 licensee, or any holding, intermediary or subsidiary company,
10 thereof, or an applicant for a license, nor solicit or accept,
11 directly or indirectly, any complimentary service or discount
12 from any licensed entity which he knows or has reason to know is
13 other than a service or discount that is offered to members of
14 the general public in like circumstances for two years following
15 termination of the person's status as an executive-level State
16 employee, public official or party officer. As applied to
17 members of the General Assembly, the period shall be two years.

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

21 "Executive-level State employee." The Governor, Lieutenant
22 Governor, Attorney General, Auditor General, State Treasurer,
23 cabinet members, deputy secretaries, the Governor's office
24 staff, any State employee with discretionary powers which may
25 affect the outcome of a State agency's decision in relation to a
26 private corporation or business or any executive employee who by
27 virtue of his job function could influence the outcome of a
28 decision.

29 "Financial interest." Owning or holding stock exceeding 2%
30 of the equity at fair market value of the licensed corporation,

1 slot machine licensee or manufacturer licensee, its holding
2 company, subsidiary or affiliated business. A financial interest
3 shall not include any such stock that is inherited and held in a
4 blind trust over which the executive-level State employee,
5 public official, party officer or immediate family member
6 thereof may not exercise any managerial control during the
7 tenure of office and the period of two years thereafter.

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

10 "Party officer." The following members and officers of a
11 political party: a member of a national committee; a chairman,
12 vice chairman, secretary, treasurer or counsel of a State
13 committee or member of the executive committee of a State
14 committee; a chairman, vice chairman, counsel, secretary or
15 treasurer of a county committee; or a chairman, vice chairman,
16 counsel, secretary or treasurer of a city committee.

17 "Public official." Any person elected by the public or
18 elected or appointed by a governmental body or appointed
19 official in the executive or legislative branch of this
20 Commonwealth or any political subdivision thereof.

21 § 9213. Prohibited acts and penalties.

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

30 (b) Nonpayment of license fee, tax or assessment.--It is

1 unlawful for a person to willfully:

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

5 (2) attempt in any manner to evade or defeat any license
6 fee, tax or assessment imposed under this chapter.

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

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

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

21 (f) Counterfeit currency.--

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

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

1 (g) Illegal devices.--

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

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

8 (3) As used in this subsection, the term "cheating or
9 thieving device" includes, but is not limited to, a device to
10 facilitate the alignment of any winning combination or to
11 remove from any slot machine money or other contents. The
12 term includes a tool, drill, wire, coin or token attached to
13 a string or wire and any electronic or magnetic device.

14 (h) Unlawful entry devices.--

15 (1) Except as set forth in paragraph (2), it is unlawful
16 for an individual to knowingly possess or use, while on the
17 premises of a licensed facility, a key or device designed for
18 the purpose of or suitable for opening or entering any slot
19 machine or coin box.

20 (2) An authorized employee of a licensee or a member of
21 the board may possess and use a device referred to in
22 paragraph (1) only in the performance of the duties of
23 employment.

24 (i) Possession of illegal devices.--It is unlawful for a
25 person or licensed entity to possess any device, equipment or
26 material which the person or licensed entity knows has been
27 manufactured, distributed, sold, tampered with or serviced in
28 violation of the provisions of this chapter.

29 (j) License or permit required.--It is unlawful for an
30 individual to work or be employed in a position the duties of

1 which would require licensing or permitting under the provisions
2 of this chapter without first obtaining the requisite license or
3 permit as provided in this chapter.

4 (k) Employment of certain persons prohibited.--It is
5 unlawful for a licensed entity to employ, offer to employ or
6 continue to employ in a position the duties of which require a
7 license or permit under the provisions of this chapter:

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

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

12 (l) Board-imposed sanctions.--

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

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

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

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

30 (iv) Suspend the license or permit of any person,

1 pending the outcome of a hearing in any case in which
2 license or permit revocation could result.

3 (v) Suspend the license of any slot machine licensee
4 for violation of any provisions of this chapter or
5 regulations promulgated hereunder relating to its slot
6 machine operations, including, internal and accountancy
7 controls and security.

8 (vi) Assess administrative penalties as necessary to
9 punish misconduct and to deter future violations.

10 (vii) Order restitution of any moneys or property
11 unlawfully obtained or retained by a licensee or
12 permittee.

13 (viii) Enter cease and desist orders which specify
14 the conduct which is to be discontinued, altered or
15 implemented by the licensee or permittee.

16 (ix) Issue letters of reprimand or censure, which
17 letters shall be made a permanent part of the file of
18 each licensee or permittee so sanctioned.

19 (2) If the board refuses to issue or renew a license or
20 permit, suspends or revokes a license or permit, assesses
21 civil penalties, orders restitution, enters a cease and
22 desist order, or issues a letter of reprimand or censure, it
23 shall provide the applicant or licensee or permittee with
24 written notification of its decision, including a statement
25 of the reasons for its decision by certified mail within five
26 business days of the decision. Any applicant or licensee or
27 permittee who has received notice of a refusal, suspension or
28 revocation of a license or permit, the assessment of civil
29 penalties, an order of restitution, the entrance of a cease
30 and desist order, or the issuance of a letter of reprimand or

1 censure from the board shall have the right to an
2 administrative hearing before the board in accordance with 2
3 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of
4 Commonwealth agencies) and Ch. 7 Subch. A (relating to
5 judicial review of Commonwealth agency action).

6 (m) Criminal penalties.--

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

11 (i) not less than \$25,000 if the person is an
12 individual;

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

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

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

22 (i) not less than \$25,000 if the person is an
23 individual; or

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

26 (3) Except as set forth in subsection (n), a person that
27 is convicted of a second or subsequent violation of this
28 section commits a felony of the second degree and shall be
29 sentenced to pay a fine of:

30 (i) not less than \$50,000 if the person is an

individual or licensed supplier;

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

(iii) not less than \$100,000 if the person is a licensed manufacturer.

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

§ 9213.1. Slot machine terminal proceeds.

The gross terminal revenue of a slot machine licensee shall be remitted each business day to the department through the electronic transfer of funds. Each slot machine licensee shall provide the department with all information and bank authorizations required to facilitate the timely transfer of moneys to the department. Slot machine licensees shall provide the department within 30 days advance notice of any proposed account changes in order to assure the uninterrupted electronic transfer of funds.

§ 9213.2. Gross terminal revenue deduction.

From the gross terminal revenue remitted by the licensee to the department, the department shall deduct an amount sufficient to reimburse the department for the actual costs and reasonable expenses incurred in administering this chapter at the licensed 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.

1 (b) Slot machine tax.--Slot machine licensees shall pay a
2 tax of 34% of the gross terminal revenue from slot machine
3 terminals after deduction of the amounts described in section
4 9213.2 (relating to gross terminal revenue deduction).

5 (c) Transfers and distributions.--The department shall:

6 (1) Transfer the slot machine tax imposed in subsection
7 (b), and 100% of the license fees imposed under section
8 9206.1 (relating to slot machine license fee) to the State
9 Gaming Fund.

10 (2) Distribute 2% of the gross terminal revenue among
11 the municipalities hosting a licensed facility at which slot
12 machines are located on a pro rata basis determined by the
13 percentage of contribution to the fund of BY a slot machine <—
14 licensee located in the municipality. If the licensed
15 facility is located in two or more municipalities, the amount
16 available shall be distributed on a pro rata basis determined
17 by the percentage of acreage located in each municipality to
18 the total acreage of all municipalities occupied by the
19 licensed facility. Nothing in this subsection shall prevent
20 municipalities from entering into intergovernmental
21 cooperative agreements with other jurisdictions for sharing
22 these moneys.

23 ~~(3) Transfer 1% of the gross terminal revenue to the~~ <—
24 ~~board to be placed in a restricted account exclusively to~~
25 ~~provide grants to municipalities that host a licensed~~
26 ~~facility and municipalities within a county within 15 miles~~
27 ~~of the municipality or municipalities hosting the licensed~~
28 ~~facility, or the county that hosts the licensed facility, for~~
29 ~~purpose of funding infrastructure improvements and public~~
30 ~~safety expenses associated with the licensed facility and~~

1 ~~slot machine operations. Moneys from this account shall not~~
2 ~~lapse and shall be dedicated only to the purposes provided~~
3 ~~for in this paragraph.~~

4 (3) EXCEPT WITH RESPECT TO COUNTIES AND MUNICIPALITIES <—
5 LOCATED IN THE PITTSBURGH METROPOLITAN STATISTICAL AREA AND
6 GROSS TERMINAL REVENUES EMANATING FROM SLOT MACHINE LICENSEES
7 HOSTED BY COUNTIES LOCATED IN THE PITTSBURGH METROPOLITAN
8 STATISTICAL AREA, TRANSFER 1% OF THE GROSS TERMINAL REVENUE
9 TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO BE
10 PLACED IN A RESTRICTED ACCOUNT EXCLUSIVELY TO PROVIDE GRANTS
11 TO MUNICIPALITIES WHICH HOST LICENSED FACILITIES,
12 MUNICIPALITIES WHICH ARE CONTIGUOUS TO SUCH MUNICIPALITIES,
13 COUNTIES WHICH HOST LICENSED FACILITIES, COUNTIES CONTIGUOUS
14 TO SUCH COUNTIES AND REGIONAL AUTHORITIES. GRANTS MADE UNDER
15 THIS PARAGRAPH SHALL BE FOR THE PURPOSE OF DEFRAYING THE COST
16 OF HUMAN SERVICES, INFRASTRUCTURE IMPROVEMENTS, FACILITIES,
17 EMERGENCY SERVICES AND ANY OTHER PUBLIC IMPROVEMENT OR
18 COMMUNITY SERVICE PROJECTS. MONEY FROM THIS ACCOUNT SHALL NOT
19 LAPSE AND SHALL BE DEDICATED ONLY TO THE PURPOSES PROVIDED
20 FOR IN THIS PARAGRAPH.

21 (4) ~~Distribute~~ EXCEPT WITH RESPECT TO COUNTIES AND <—
22 MUNICIPALITIES LOCATED IN THE PITTSBURGH METROPOLITAN
23 STATISTICAL AREA AND GROSS TERMINAL REVENUES EMANATING FROM
24 SLOT MACHINE LICENSEES HOSTED BY COUNTIES LOCATED IN THE
25 PITTSBURGH METROPOLITAN STATISTICAL AREA, DISTRIBUTE 1% of
26 the gross terminal revenue to the board to be placed in a
27 restricted account to exclusively provide grants to counties
28 that host a licensed facility for expenses resulting from
29 granting a license. Distribution shall be made on a pro rata
30 basis determined by the percentage of contribution to the

1 fund of BY a slot machine licensee located in the host <—
2 county.

3 (5) For a licensed entity that is not a licensed
4 corporation, transfer 25% of the net terminal revenue from
5 such licensed entity for distribution pursuant to section
6 9215(a)(2). Such distribution shall be calculated by dividing
7 the number of scheduled race days at the licensed
8 corporations who have conducted live racing in the previous
9 365 days by the total number of scheduled race days in this
10 Commonwealth for distribution to the horsemen pursuant to
11 section 9215(a)(2) in addition to the individual licensed
12 corporation's distribution to the horsemen pursuant to
13 section 9215(a)(2).

14 (6) DISTRIBUTE 2% OF GROSS TERMINAL REVENUE EMANATING <—
15 FROM SLOT MACHINE LICENSEES HOSTED BY COUNTIES LOCATED IN THE
16 PITTSBURGH METROPOLITAN STATISTICAL AREA TO THE SOUTHWEST
17 REGIONAL DISTRICT ESTABLISHED IN ACCORDANCE WITH SECTION 9219
18 (RELATING TO SOUTHWEST REGIONAL DISTRICT).

19 (d) Balance of funds.--There shall be established a
20 restricted account for each licensee within the fund. The
21 balance of net terminal revenues arising from the operation of
22 the slot machines of each licensee shall be placed in such
23 restricted accounts, and the balance of funds in each restricted
24 account shall be immediately transmitted to the respective
25 licensees. In the event circumstances beyond the control of the
26 department prevent the immediate transmittal of the balance of
27 funds in each restricted account, the transmittal may be delayed
28 by the department for a period not to exceed ~~24 hours~~ THREE DAYS <—
29 from the placement of the funds in each restricted account. Any
30 delay beyond ~~24 hours~~ THREE DAYS shall be subjected to the <—

1 payment of interest of 1% per annum on the balance of funds due
2 to whom the balance of funds is due, except in extraordinary
3 circumstances. The department shall promulgate regulations
4 regarding the timing and method of receipt and remittance of the
5 balance of funds.

6 (e) Net terminal revenues.--The net terminal revenues
7 arising from the operation of the slot machines of the licensee
8 shall be remitted back to the licensee and distributed in
9 accordance with section 9215 (relating to distributions from
10 owners' revenue receipts).

11 (f) Definitions.--As used in this section, the following
12 words and phrases shall have the meanings given to them in this
13 subsection:

14 "Net terminal revenue." The net amount of the gross terminal
15 revenue less the tax and distributions imposed by sections
16 9213.2 (relating to gross terminal revenue deduction) and this
17 section.

18 § 9214.1. Responsibility and authority of department.

19 (a) General rule.--The department is authorized to
20 administer and collect the taxes imposed under this chapter and
21 promulgate and enforce rules and regulations in accordance with
22 this chapter, including the collection of taxes, penalties and
23 interest imposed by this chapter as supplemented by the rules of
24 the board.

25 (b) Application of rules and regulations.--The department
26 may prescribe the extent, if any, to which any rules and
27 regulations shall be applied without retroactive effect. The
28 department shall have authority to prescribe the forms and the
29 system of accounting and recordkeeping to be employed, and
30 through its representative shall, at all times, have power of

1 access to, and examination and audit of any equipment and
2 records relating to all aspects of the operation of slot
3 machines under this chapter.

4 (c) Procedure.--For purposes of implementing this chapter,
5 the department may promulgate regulations in the same manner in
6 which the board is authorized as provided in section 9205(b)(10)
7 (relating to board's powers).

8 § 9214.2. Liens and suits for taxes.

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

12 § 9214.3. Applicants to provide certain tax information.

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

17 § 9214.4. PAYMENT OF HOST MUNICIPALITY FEE.

<—

18 A LICENSED CORPORATION THAT HOLDS A SLOT MACHINE LICENSE AND
19 OPERATES AN OFF-TRACK WAGERING FACILITY SHALL PAY A HOST
20 MUNICIPALITY FEE ANNUALLY IN THE AMOUNT OF \$100,000 TO THE
21 MUNICIPALITY THAT HOSTS THE OFF-TRACK WAGERING FACILITY. IF THE
22 OFF-TRACK WAGERING FACILITY IS LOCATED IN TWO OR MORE
23 MUNICIPALITIES, THE PAYMENT SHALL BE DISTRIBUTED ON A PRO RATA
24 BASIS DETERMINED BY THE PERCENTAGE OF ACREAGE LOCATED IN EACH
25 MUNICIPALITY TO THE TOTAL ACREAGE OF ALL MUNICIPALITIES OCCUPIED
26 BY THE OFF-TRACK WAGERING FACILITY.

27 § 9215. Distributions from owners' revenue receipts.

28 (a) Distributions.--The balance of the revenues remitted
29 back to the slot machine licensees THAT HAVE LICENSES UNDER
30 PARAGRAPH (1) OF THE DEFINITION OF SLOT MACHINE LICENSEE IN

<—

SECTION 9203 (RELATING TO DEFINITIONS) 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 nor 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. Notwithstanding the foregoing, a licensed corporation that has not previously conducted live racing and is constructing a new racetrack, backside area and related buildings and structures that can establish to the satisfaction of the board that the licensed corporation has spent no less than \$5,000,000 in the construction of the new racetrack's backside area, related buildings and structures shall not be subject to the expenditures required by this paragraph.

(2) An amount equal to 25% 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 tracks, 16% to be deposited into the Pennsylvania Breeding Fund as defined in section 223 of the Race Horse Industry Reform Act; or from licensees that operate at standardbred 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

1 disabled thoroughbred jockeys or standardbred drivers in
2 accordance with the rules and eligibility requirements of
3 that organization.

4 (b) Guidelines.--The board shall establish guidelines that
5 ensure that funds allocated to the horsemen's organization are
6 used to finance the programs to benefit all horsemen of this
7 Commonwealth and that administrative and overhead costs are
8 reasonably related to such programs.

9 (c) Eligible recipients.-- Funds allocated to the horsemen's
10 organization by statute must be used to benefit all horsemen of
11 this Commonwealth. Membership in the horsemen's organization
12 shall not be a condition for receiving benefits. Funds acquired
13 from other sources other than statutory allocation must be kept
14 separate and apart from funds obtained from the statutory
15 allocation.

16 (d) Reasonableness.--Funding for benevolent programs,
17 including, but not limited to, pension plans, health and
18 insurance plans, will be considered reasonable if such program
19 funding on an annual basis is at least 85% of the total
20 statutory allocation.

21 (e) Filing of audit.--All horsemen's organizations that
22 receive funds under this provision shall file annually with the
23 appropriate commission and the board an audit prepared by a
24 certified public accountant of all funds received. Such filings
25 shall be open to public review. The horsemen's organizations
26 shall maintain adequate records concerning receipt and
27 distribution of funds allocated to them.

28 (f) Contracts.--All health and pension benefits contracts
29 shall be reviewed and approved by the board.

30 (g) Penalty.--Any violation of the provisions of this

1 section may subject the organization to a fine not to exceed
2 \$10,000 per violation.

3 § 9215.1. Transfers from State Gaming Fund.

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

13 (b) Transfer for Volunteer Fire Company Grant Program.--
14 Annually, beginning with the 2004-2005 fiscal year, the sum of
15 \$25,000,000 shall be transferred from the State Gaming Fund for
16 the operation of a Volunteer Fire Company Grant Program to be
17 established by law.

18 (c) Debt service payments.--Annually, the State Treasurer
19 shall distribute moneys in the State Gaming Fund for the purpose
20 of reimbursing both the Commonwealth and the city of the first
21 class for debt service payments made by the Commonwealth and by
22 any city of the first class for the expansion of the
23 Pennsylvania Convention Center in accordance with the following
24 standard: no more than \$10,000,000 from the fund shall be
25 distributed to a city of the first class to the extent that it
26 has made such debt service payments, and \$10,000,000 shall be
27 transferred to the General Fund of the Commonwealth to the
28 extent that the Commonwealth has made such debt service
29 payments.

30 (d) Pennsylvania Convention Center expenses.--Annually, no

1 more than \$7,000,000 shall be distributed from the fund to a
2 city of the first class to reimburse the city for payments made
3 by the city for the operational expenses of the Pennsylvania
4 Convention Center during the preceding calendar year. No
5 distribution shall be made under this subsection that exceeds
6 the actual amount expended by the city for this purpose during
7 the preceding calendar year.

8 (e) Second class counties.--Annually, ~~no more than~~ <—
9 ~~\$7,000,000~~ \$15,000,000 shall be distributed from the fund to the <—
10 public authority formed under Article XXV-A of the act of July
11 28, 1953 (P.L.723, No.230), known as the Second Class County
12 Code, that operates a convention center which contains a minimum
13 of 250,000 square feet of exhibit space to be used by the public
14 authority. Money distributed under this subsection shall be for
15 the funding or financing of costs related to the development,
16 construction, maintenance or operations of ~~structures or any~~ <—
17 ~~structure~~ ANY STRUCTURES appropriate for large public <—
18 assemblies, the holding of conventions, sporting tournaments,
19 athletic contests and exhibitions, musical and dramatic
20 performances and other business, social, cultural, scientific
21 and recreational events, and all necessary or incident
22 facilities, including provisions for adequate off-street
23 parking, PUBLIC OPEN SPACE and for hotels or other overnight <—
24 lodging facilities to the extent that the lodging facility is
25 located on property owned by the public authority and physically
26 connected to the main structure.

27 (f) Transfer to Property Tax Relief Fund.--Monthly, the
28 State Treasurer shall transfer the remaining balance in the
29 State Gaming Fund which is not allocated in subsections (a),
30 (b), (c), (d) and (e) to a fund in the State Treasury to be

1 known as the Property Tax Relief Fund which is hereby
2 established.

3 § 9215.2. No eminent domain authority.

4 Neither the Commonwealth nor any political subdivision
5 thereof shall have the right to acquire, with or without
6 compensation, through the power of eminent domain, any property,
7 easement or land use right for the siting or construction of a
8 gaming or racetrack facility.

9 § 9215.3. Local zoning authority.

10 Notwithstanding any other provision of this chapter to the
11 contrary, nothing in this chapter shall be construed to
12 supersede or otherwise nullify any local zoning ordinance as
13 applied to newly licensed corporations or a predecessor owner of
14 the newly licensed racetrack that has not conducted live horse
15 races for at least two years immediately preceding the effective
16 date of this chapter.

17 § 9215.4. Inapplicability of Keystone Opportunity Zone and
18 Keystone Opportunity Expansion Zone Act.

19 The provisions of the act of October 6, 1998 (P.L.705,
20 No.92), known as the Keystone Opportunity Zone and Keystone
21 Opportunity Expansion Zone Act, shall not apply to any real
22 property which is licensed for the purpose of operating slot
23 machines pursuant to this chapter or for the purpose of
24 conducting pari-mutuel wagering.

25 § 9215.5. Athletic event gaming.

26 Nothing in this chapter shall be construed to permit the
27 receiving, recording or the registering of bets or wagers or
28 selling pools which may involve any professional or amateur
29 athletic event. Nothing in this chapter shall be construed to
30 prohibit staging or conducting athletic events at licensed

1 facilities.

2 § 9216. Compulsive and problem gambling program.

3 (a) Establishment of program.--The Department of Health, in
4 consultation with the Mid-Atlantic Addiction Training Institute
5 and other similar organizations, shall develop program
6 guidelines for public education, awareness and training
7 regarding compulsive and problem gambling and the treatment and
8 prevention of compulsive and problem gambling. The program shall
9 include:

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

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

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

21 (4) Conducting studies to identify adults and juveniles
22 in this Commonwealth who are or are at risk of becoming
23 problem or compulsive gamblers.

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

27 (6) Providing reimbursement for organizations for
28 reasonable expenses in assisting the Department of Health in
29 carrying out the purposes of this section.

30 (b) Compulsive and Problem Gambling Treatment Fund.--There

1 is hereby established in the State Treasury a special account to
2 be known as the Compulsive and Problem Gambling Treatment Fund.
3 All moneys in the fund shall be expended for programs for the
4 prevention and treatment of gambling addiction and other
5 emotional and behavior problems associated with or related to
6 gambling and for the administration of the compulsive and
7 problem gambling program. The fund shall consist of moneys
8 annually allocated to it from the annual payment established
9 under section 9205(b)(11) (relating to board's powers), moneys
10 which may be appropriated by the General Assembly, interest
11 earnings on moneys in the fund and any other contributions,
12 payments or deposits which may be made to the fund.

13 (c) Notice of availability of assistance.--

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

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

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

24 (2) Each pari-mutuel facility where slot machines are
25 operated shall print a statement on daily racing programs
26 provided to the general public that is similar to the
27 following:

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

30 (3) A licensed 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.

§ 9216.1. Hiring preferences.

All current employees of a racetrack who meet the employment qualifications, if applicable, within this chapter and all those covered by a collective bargaining agent as defined in the National Labor Relations Act (49 Stat. 449, 29 U.S.C. § 151 et seq.) where the licensed corporation conducts racing shall be given a one-time preference of an offer of employment for a similar position at the licensed facility in a manner consistent with Federal law. If a similar position does not exist at the slot facility, the employee or person covered by a collective bargaining agent shall have a one-time preference of an offer of a position at a comparable level at the slot facility. All current employees and all those covered by a collective bargaining agent shall have a period of 30 days from the issuance of a slot machine license to request employment at the slot facility under this section. No current employee covered by this section shall suffer a reduction of salary, benefits or status as a result of an acceptance of new employment in the new facility.

§ 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

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

6 § 9218. Enforcement.

7 (a) Powers and duties.--The Pennsylvania Gaming Control
8 Board and the Pennsylvania State Police shall be responsible for
9 the enforcement of this chapter and regulations promulgated
10 under this chapter. The Pennsylvania State Police and civilian
11 officers and investigators assigned by the board shall cooperate
12 and work in conjunction with each other as directed by the board
13 and shall have the following powers and duties:

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

16 (2) Enforce the provisions of this chapter and
17 regulations promulgated under this chapter.

18 (3) Initiate proceedings for administrative violations
19 of this chapter or regulations promulgated under this
20 chapter.

21 (4) Provide the board with all information necessary for
22 all action under this chapter and for all proceedings
23 involving enforcement of the provisions of this chapter or
24 regulations promulgated under this chapter.

25 (5) Investigate the circumstances surrounding any act or
26 transaction for which board approval is required.

27 (6) Conduct administrative inspections on the premises
28 of a licensed racetrack or nonprimary location or licensed
29 facility to ensure compliance with this chapter and the
30 regulations of the board and, in the course of inspections,

1 review and make copies of all documents and records required
2 by the inspection, through on-site observation and other
3 reasonable means to assure compliance with this chapter and
4 regulations promulgated under this chapter.

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

7 (8) Conduct audits of slot machine operations at such
8 times, under such circumstances and to such extent as the
9 board determines. This paragraph includes reviews of
10 accounting, administrative and financial records, and
11 management control systems, procedures and records utilized
12 by a slot machine licensee.

13 (9) Request and receive information, materials and other
14 data from any licensee, permittee or applicant.

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

19 (b) Cooperation by licensees, permittees and applicants.--
20 Each licensee, permittee or applicant for a license or permit
21 under this chapter shall cooperate with the board and the
22 Pennsylvania State Police in the performance of its duties.

23 (c) Inspection, seizure and warrants.--

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

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

1 maintained.

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

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

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

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

14 (vi) Inspect, through law enforcement officers, a
15 license's or permittee's person and personal effects
16 present in a slot machine facility licensed under this
17 chapter while that licensee or permittee is present in a
18 licensed slot machine facility.

19 (2) The provisions of paragraph (1) shall not be deemed
20 to limit warrantless inspections except in accordance with
21 constitutional requirements.

22 (3) To effectuate further the purposes of this chapter,
23 the board, its employees and agents and the Pennsylvania
24 State Police may obtain administrative warrants for the
25 inspection and seizure of property possessed, controlled,
26 bailed or otherwise held by any applicant, licensee,
27 permittee, intermediary company or holding company.

28 (4) The board is authorized to make administrative
29 inspections to check for compliance by any applicant,
30 licensee, permittee, intermediary company or holding company

1 with the provisions of this chapter or regulations
2 promulgated under this chapter and to investigate any
3 violations of this chapter and the regulations promulgated
4 under this chapter.

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

8 (i) With the consent of the owner, operator or agent
9 in charge of the controlled premises.

10 (ii) In situations presenting imminent danger to
11 health or safety.

12 (iii) In situations involving inspection of
13 conveyances if there is reasonable cause to believe that
14 the mobility of the conveyance makes it impractical to
15 obtain a warrant.

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

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

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

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

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

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

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

7 (4) Upon probable cause, institute criminal proceedings.

8 (5) Arrest, in accordance with law, a person engaged in
9 a criminal violation of this chapter.

10 (e) Concurrent jurisdiction to prosecute.--In addition to
11 the authority conferred upon the Attorney General by the act of
12 October 15, 1980 (P.L.950, No.164), known as the Commonwealth
13 Attorneys Act, the Attorney General shall have the authority to
14 prosecute a criminal violation of this chapter or a series of
15 violations occurring in more than one county or in another
16 state.

17 § 9218.1. Automated teller machines.

18 The board shall promulgate rules and regulations governing
19 the placement of automated teller machines (ATMs) and the fees
20 or charges assessed on transactions through ATMs. No slot
21 machine licensee may own or lease any ATM located within any
22 area of the licensed racetrack, except for those ATMs owned and
23 operating within the grandstand or pari-mutuel wagering areas on
24 the effective date of this chapter provided they are not moved
25 outside of the grandstand or pari-mutuel wagering area. A
26 licensed corporation that has not previously conducted live
27 racing and is constructing a new racetrack, or a holder of a
28 slot machine license pursuant to paragraph (2) of the definition
29 of "slot machine license" in section 9203, shall be permitted to
30 operate ATMs within the grandstand, pari-mutuel or other areas

1 of the facility in such number and in such locations as the
2 board shall approve.

3 § 9218.2. Native American gaming.

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

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

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

19 (2) Police and fire protection on or near the lands
20 being held.

21 (3) Water and mineral rights on or near the lands being
22 held.

23 (4) Transportation and access on or near the lands being
24 held.

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

27 (6) Tax and financial issues.

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

30 (c) Effectiveness of compact.--Prior to the effectiveness of

1 any compact executed pursuant to this section, the following
2 shall be required:

3 (1) Any person authorized to negotiate a gaming compact
4 on behalf of the Commonwealth shall conduct public hearings
5 on the appropriateness of entering into the compact. The
6 hearings shall occur at least 60 days in advance of any
7 submission to the General Assembly and shall specifically
8 examine the potential scope and impact of any gaming proposal
9 on State and local government as well as the citizens and
10 property owners of this Commonwealth. A summary report of all
11 findings made at a hearing shall be submitted with the
12 proposed compact to the General Assembly before
13 consideration.

14 (2) The gaming compact shall be submitted to the General
15 Assembly for approval or rejection.

16 (3) If approved by the General Assembly, the gaming
17 compact shall be presented to the Governor pursuant to
18 section 9 of Article III of the Constitution of Pennsylvania.

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

26 § 9218.3. (Reserved).

27 § 9218.4. Liquor licenses at licensed ~~facility~~ FACILITIES. <—

28 (a) Reapplication.--Nothing in this chapter shall require an
29 entity already licensed to sell liquor or malt or brewed
30 beverages to reapply for the license, except in the manner set

1 forth in the act of April 12, 1951 (P.L.90, No.21), known as the
2 Liquor Code.

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

10 (1) To obtain approval of a license extension, an
11 application for extension of license describing the
12 additional premises shall be filed with the Pennsylvania
13 Liquor Control Board on a form authorized by the Pennsylvania
14 Liquor Control Board.

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

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

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

29 (5) An entity holding a slot machine license which is
30 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 municipality.

(2) 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 construction of facilities on the licensed premises prior to licensure.

(3) The licensed premises for an application for a license to sell liquor or malt or brewed beverages submitted by an applicant holding a slot machine license shall be deemed to encompass the entire licensed facility.

(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 the license filed by an entity which also holds a slot machine license within 30 days.

(d) Inclusion of licensed facility.--Notwithstanding any other provision of law, property licensed under a slot machine license which is also licensed to sell liquor or malt or brewed

1 beverages pursuant to the Liquor Code may allow persons to
2 transport liquor or malt or brewed beverages from the portions
3 of the property licensed under the liquor license to the
4 unlicensed portion of the property, so long as the liquor or
5 malt or brewed beverages remain on the licensed facility.

6 (e) Limitation on provision of beverages.--Notwithstanding
7 any provision of the Liquor Code to the contrary, a licensee
8 that has obtained a license to conduct thoroughbred or harness
9 horse race meetings respectively with pari-mutuel wagering from
10 either the State Horse Racing Commission or the State Harness
11 Racing Commission pursuant to the Race Horse Industry Reform
12 Act, and that has obtained a slot machine license, or any
13 employee, servant or agent of such licensee may give away free
14 of charge one drink per person, per day and shall not charge
15 below cost any liquor or malt or brewed beverage.

16 § 9219. SOUTHWEST REGIONAL DISTRICT.

<—

17 (A) DISTRICT CREATED.--

18 (1) A BODY CORPORATE AND POLITIC TO BE KNOWN AS THE
19 SOUTHWEST REGIONAL DISTRICT IS HEREBY AUTHORIZED TO BE
20 CREATED AS A SPECIAL PURPOSE AREAWIDE UNIT OF LOCAL
21 GOVERNMENT PURSUANT TO SECTION 7 OF ARTICLE IX OF THE
22 CONSTITUTION OF PENNSYLVANIA, EXERCISING POWERS AS A UNIT OF
23 LOCAL GOVERNMENT UNDER THIS SECTION. THE EXERCISE BY THE
24 DISTRICT OF THE POWERS CONFERRED BY THIS SECTION IS HEREBY
25 DECLARED TO BE, AND SHALL FOR ALL PURPOSES BE DEEMED AND HELD
26 TO BE, THE PERFORMANCE OF AN ESSENTIAL PUBLIC FUNCTION.

27 (2) THE DISTRICT SHALL BE DEEMED TO BE CREATED UPON THE
28 ADOPTION OF AN ORDINANCE BY ANY COUNTY SITUATE IN THE
29 PITTSBURGH METROPOLITAN STATISTICAL AREA TO PARTICIPATE IN
30 THE DISTRICT.

1 (3) THE ORDINANCE TO PARTICIPATE IN THE DISTRICT SHALL
2 INCLUDE THE FOLLOWING:

3 (I) THAT THE COUNTY IS WITHIN THE FIELD OF
4 MEMBERSHIP OF THE DISTRICT.

5 (II) THAT THE COUNTY ELECTS TO BE A MEMBER COUNTY OF
6 THE DISTRICT.

7 (III) THAT THE GOVERNING BODY WILL APPOINT
8 INDIVIDUALS TO SERVE ON THE DISTRICT BOARD OR ADVISORY
9 COMMITTEE, AS APPROPRIATE.

10 (4) ONCE ESTABLISHED THE DISTRICT SHALL CONTINUE IN
11 EXISTENCE PERPETUALLY.

12 (5) MEMBERS OF THE BOARD SHALL NOT BE LIABLE PERSONALLY
13 FOR OBLIGATIONS OF THE DISTRICT, AND THE RIGHTS OF CREDITORS
14 SHALL BE SOLELY AGAINST THE DISTRICT. THE DISTRICT, ITSELF OR
15 BY CONTRACT, SHALL DEFEND BOARD MEMBERS, AND THE DISTRICT
16 SHALL INDEMNIFY AND HOLD HARMLESS BOARD MEMBERS, WHETHER
17 CURRENTLY EMPLOYED BY THE DISTRICT OR NOT, AGAINST AND FROM
18 ANY AND ALL PERSONAL LIABILITY, ACTIONS, CAUSES OF ACTION AND
19 ANY AND ALL CLAIMS MADE AGAINST THEM FOR WHATEVER ACTIONS
20 THEY PERFORM WITHIN THE SCOPE OF THEIR DUTIES AS BOARD
21 MEMBERS.

22 (B) GOVERNING BOARD.--

23 (1) THE POWERS AND DUTIES OF THE DISTRICT SHALL BE
24 EXERCISED BY A BOARD COMPOSED OF TWO MEMBERS APPOINTED BY
25 EACH MEMBER COUNTY HOSTING A RACETRACK OR OTHER LOCATION AT
26 WHICH SLOT MACHINES ARE LOCATED.

27 (2) THE BOARD MEMBERS SHALL BE APPOINTED, FOR COUNTIES
28 GOVERNED BY A BOARD OF COUNTY COMMISSIONERS, AS FOLLOWS:

29 (I) THE PRESIDENT OR CHAIR OF THE BOARD OF COUNTY
30 COMMISSIONERS SHALL NOMINATE A PERSON REGISTERED IN THE

1 MAJORITY PARTY.

2 (II) THE MINORITY MEMBER OF THE BOARD OF COUNTY
3 COMMISSIONERS SHALL NOMINATE A PERSON REGISTERED IN A
4 PARTY OTHER THAN THE MAJORITY PARTY.

5 (III) IN THE EVENT THAT ALL COMMISSIONERS ARE OF THE
6 SAME PARTY, THE PRESIDENT OR CHAIR OF THE BOARD OF COUNTY
7 COMMISSIONERS SHALL NOMINATE ONE PERSON REGISTERED IN THE
8 MAJORITY PARTY AND ONE PERSON REGISTERED IN A PARTY OTHER
9 THAN THAT OF THE COMMISSIONERS WHICH HAS THE HIGHEST
10 TOTAL OF VOTER REGISTRATION IN THE COUNTY.

11 (IV) THOSE NOMINATED IN ACCORDANCE WITH
12 SUBPARAGRAPHS (I), (II) AND (III) SHALL BE SUBJECT TO
13 APPOINTMENT BY THE BOARD OF COUNTY COMMISSIONERS.

14 (V) IN THE EVENT THAT THE BOARD OF COUNTY
15 COMMISSIONERS DECLINES TO CONFIRM A NOMINEE, THE
16 COMMISSIONER WHO NOMINATED THE UNCONFIRMED NOMINEE SHALL
17 MAKE ANOTHER NOMINATION OF A PERSON REGISTERED IN THE
18 SAME PARTY AS THE UNCONFIRMED NOMINEE.

19 (3) THE BOARD MEMBERS SHALL BE APPOINTED, FOR COUNTIES
20 THAT HAVE ELECTED A HOME RULE FORM OF GOVERNMENT FOR WHICH
21 THE GOVERNING BODY IS NOT A THREE-MEMBER BOARD OF
22 COMMISSIONERS, AS FOLLOWS:

23 (I) THE GOVERNING BODY SHALL APPOINT ONE PERSON
24 REGISTERED IN THE PARTY THAT SHARES THE REGISTRATION WITH
25 A MAJORITY OF ELECTED MEMBERS OF THE COUNTY'S LEGISLATIVE
26 BODY.

27 (II) THE GOVERNING BODY SHALL APPOINT ONE PERSON
28 REGISTERED IN A PARTY OTHER THAN THAT OF A MAJORITY OF
29 ELECTED MEMBERS OF THE COUNTY'S LEGISLATIVE BODY WHICH
30 HAS THE HIGHEST TOTAL OF VOTER REGISTRATION IN THE

COUNTY.

(4) THE TERM OF OFFICE OF THESE BOARD MEMBERS SHALL BE FOUR YEARS WITH THE TERM OF OFFICE OF THE APPOINTING AUTHORITY AND UNTIL THEIR SUCCESSORS ARE APPOINTED.

(5) THE GOVERNING BODY OF THE FIRST COUNTY TO ADOPT AN ORDINANCE TO PARTICIPATE IN THE DISTRICT SHALL, WITHIN 30 DAYS OF THE EFFECTIVE DATE OF ITS ORDINANCE, SET A DATE, TIME AND PLACE FOR THE INITIAL ORGANIZATIONAL MEETING OF THE BOARD AND PROVIDE FOR PUBLIC NOTICE OF THIS MEETING PURSUANT TO 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS). NOT LATER THAN 30 DAYS PRIOR TO THE INITIAL MEETING, NOTICE SHALL ALSO BE PROVIDED BY REGISTERED MAIL TO THE GOVERNING BODIES OF OTHER COUNTIES IN THE PITTSBURGH METROPOLITAN STATISTICAL AREA. THE MEMBERS SHALL ELECT FROM AMONG THEMSELVES A CHAIRMAN, VICE CHAIRMAN, SECRETARY, TREASURER AND SUCH OTHER OFFICERS AS THEY MAY DETERMINE. A MEMBER MAY HOLD MORE THAN ONE OFFICE OF THE BOARD AT ANY TIME. MEMBERS MAY SERVE SUCCESSIVE TERMS AS OFFICERS OF THE BOARD.

(6) THE BOARD SHALL MEET AS FREQUENTLY AS IT DEEMS APPROPRIATE. IN ADDITION, A MEETING OF THE BOARD SHALL BE CALLED BY THE CHAIRMAN IF A REQUEST FOR A MEETING IS SUBMITTED TO THE CHAIRMAN BY AT LEAST TWO MEMBERS OF THE BOARD. A MAJORITY OF THE MEMBERS APPOINTED TO THE BOARD SHALL CONSTITUTE A QUORUM FOR THE PURPOSE OF CONDUCTING THE BUSINESS OF THE BOARD AND FOR ALL OTHER PURPOSES. HOWEVER, AN AFFIRMATIVE VOTE OF AT LEAST 70% OF THE BOARD SHALL BE REQUIRED FOR ALL DECISIONS. THE PROVISIONS OF 65 PA.C.S. CH. 7 SHALL APPLY TO THE BOARD.

(7) GOVERNING BOARD MEMBERS SHALL NOT BE COMPENSATED. THE DISTRICT MAY, HOWEVER, REIMBURSE REASONABLE EXPENSES TO

1 GOVERNING BOARD MEMBERS IN THE EVENT THAT SUCH EXPENSES ARE
2 ASSOCIATED WITH THE SERVICE OF GOVERNING BOARD MEMBERS.

3 (C) POWERS AND DUTIES.--

4 (1) THE FOLLOWING APPLY:

5 (I) THE DISTRICT SHALL HAVE THE POWER TO SUPPORT
6 ECONOMIC DEVELOPMENT, CULTURAL, RECREATIONAL, CIVIC,
7 EDUCATION, PUBLIC SAFETY AND PUBLIC IMPROVEMENT PROJECTS
8 EITHER DIRECTLY OR IN ASSISTANCE TO NONPROFIT ENTITIES,
9 MEMBER COUNTIES, OR POLITICAL SUBDIVISIONS IN MEMBER
10 COUNTIES.

11 (II) THE ENUMERATION OF PURPOSES IN SUBPARAGRAPH (I)
12 SHALL NOT BE CONSTRUED TO LIMIT THE POWERS GRANTED TO THE
13 DISTRICT UNDER THIS SECTION.

14 (2) THE DISTRICT IS GRANTED ALL POWERS NECESSARY OR
15 CONVENIENT FOR THE CARRYING OUT OF ITS PURPOSES, INCLUDING
16 THE FOLLOWING:

17 (I) TO HAVE CONTINUING SUCCESSION.

18 (II) TO SUE AND BE SUED, IMPEAD AND BE IMPEADED,
19 COMPLAIN AND DEFEND IN ALL COURTS.

20 (III) TO ADOPT, USE AND ALTER AT WILL A CORPORATE
21 SEAL.

22 (IV) TO MAKE, ENTER INTO AND AWARD CONTRACTS WITH
23 ANY PERSON, ASSOCIATION, PARTNERSHIP OR CORPORATION FOR
24 THE DEVELOPMENT, DESIGN, FINANCING, CONSTRUCTION,
25 IMPROVEMENT, MAINTENANCE, OPERATION, FURNISHING,
26 FIXTURING, EQUIPPING AND REPAIR OF PROJECTS OR PARTS OF
27 PROJECTS.

28 (V) TO MAKE BYLAWS FOR THE REGULATION OF ITS AFFAIRS
29 AND TO PROMULGATE RULES, REGULATIONS AND POLICIES IN
30 CONNECTION WITH THE PERFORMANCE OF ITS FUNCTIONS AND

1 DUTIES.

2 (VI) TO MAKE, ENTER INTO AND AWARD CONTRACTS OF
3 EVERY NAME AND NATURE AND TO EXECUTE ALL INSTRUMENTS
4 NECESSARY OR CONVENIENT FOR THE CARRYING OUT OF ITS
5 BUSINESS.

6 (VII) TO BORROW MONEY AND ACCEPT GRANTS AND TO ENTER
7 INTO CONTRACTS, LEASES, SUBLEASES, LICENSES OR OTHER
8 TRANSACTIONS WITH ANY FEDERAL AGENCY, STATE PUBLIC BODY,
9 POLITICAL SUBDIVISION, PERSON, ASSOCIATION, PARTNERSHIP
10 OR CORPORATION.

11 (VIII) TO PLEDGE, HYPOTHECATE OR OTHERWISE ENCUMBER
12 ANY OF ITS PROPERTY, REAL, PERSONAL OR MIXED, TANGIBLE OR
13 INTANGIBLE, AND ITS REVENUES OR RECEIPTS, INCLUDING, BUT
14 NOT LIMITED TO, ANY INTEREST THE DISTRICT MAY HAVE IN ANY
15 LEASE OR SUBLEASE OF PROJECTS OR PARTS OF PROJECTS.

16 (IX) TO PROCURE INSURANCE CONTAINING COVERAGE,
17 INCLUDING, WITHOUT LIMITATION, INSURANCE COVERING THE
18 TIMELY PAYMENT IN FULL OF PRINCIPAL AND INTEREST ON BONDS
19 OF THE DISTRICT, IN AMOUNTS FROM INSURERS AS THE DISTRICT
20 MAY DETERMINE TO BE NECESSARY OR DESIRABLE FOR ITS
21 PURPOSES.

22 (X) TO INVEST ITS MONEY.

23 (XI) TO COOPERATE WITH ANY FEDERAL AGENCY, STATE
24 PUBLIC BODY OR POLITICAL SUBDIVISION.

25 (XII) TO INVEST ANY FUNDS NOT REQUIRED FOR IMMEDIATE
26 DISBURSEMENT IN RESERVE OR SINKING FUNDS.

27 (XIII) TO APPOINT ALL OFFICERS, AGENTS AND EMPLOYEES
28 REQUIRED FOR THE PERFORMANCE OF ITS DUTIES AND FIX AND
29 DETERMINE THEIR QUALIFICATIONS, DUTIES AND COMPENSATION
30 AND RETAIN OR EMPLOY OTHER AGENTS OR CONSULTANTS. THE

1 BOARD SHALL DEVELOP, IMPLEMENT AND EVALUATE PLANS AND
2 PROCESS TO ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY
3 OF OPPORTUNITY IN EMPLOYMENT AND CONTRACTING BY THE
4 BOARD.

5 (XIV) TO ENROLL ITS EMPLOYEES IN A RETIREMENT
6 SYSTEM, INCLUDING AN EXISTING RETIREMENT SYSTEM OF THE
7 STATE, COUNTY, CITY OR OTHER GOVERNMENTAL ENTITY.

8 (XV) TO APPOINT AND FIX THE COMPENSATION OF LEGAL
9 COUNSEL, WHO SHALL NOT BE REQUIRED TO BE EMPLOYEES OF THE
10 DISTRICT, TO PROVIDE IT WITH LEGAL ASSISTANCE.

11 NOTWITHSTANDING THE PROVISIONS OF 42 PA.C.S. § 8525
12 (RELATING TO LEGAL ASSISTANCE), THE AUTHORITY THROUGH ITS
13 COUNSEL SHALL DEFEND ACTIONS BROUGHT AGAINST THE
14 AUTHORITY AND ITS OFFICERS AND EMPLOYEES WHEN ACTING
15 WITHIN THE SCOPE OF THEIR OFFICIAL DUTIES.

16 (XVI) TO MAINTAIN AN OFFICE IN THE DISTRICT.

17 (XVII) TO ASSIST IN THE DEVELOPMENT AND EXPANSION OF
18 MINORITY BUSINESS ENTERPRISES AND WOMEN'S BUSINESS
19 ENTERPRISES.

20 (XVIII) TO DO ALL ACTS AND THINGS NECESSARY OR
21 CONVENIENT FOR THE PROMOTION OF ITS PURPOSES AND THE
22 GENERAL WELFARE OF THE DISTRICT AND TO CARRY OUT THE
23 POWERS GRANTED TO IT BY THIS SECTION OR ANY OTHER ACTS.

24 (3) NOTWITHSTANDING ANY PURPOSE OF THE DISTRICT OR A
25 GENERAL OR SPECIFIC POWER GRANTED BY THIS SECTION OR ANY
26 OTHER ACT, WHETHER EXPRESS OR IMPLIED, THE FOLLOWING
27 LIMITATIONS AND CONDITIONS SHALL APPLY TO THE OPERATIONS OF
28 THE DISTRICT:

29 (I) THE DISTRICT SHALL HAVE NO POWER TO PLEDGE THE
30 CREDIT OR TAXING POWERS OF THE COMMONWEALTH OR ANY OTHER

1 GOVERNMENT AGENCY EXCEPT THE CREDIT OF THE DISTRICT NOR
2 SHALL ANY OF THE BONDS OF THE DISTRICT BE DEEMED A DEBT
3 OR LIABILITY OF THE COMMONWEALTH OR OF ANY OTHER
4 GOVERNMENT AGENCY, EXCEPT AS OTHERWISE AGREED BY THE
5 COMMONWEALTH OR A GOVERNMENT AGENCY.

6 (II) NEITHER THE COMMONWEALTH NOR ANY GOVERNMENT
7 AGENCY EXCEPT THE DISTRICT SHALL BE LIABLE FOR PAYMENT OF
8 THE PRINCIPAL, INTEREST OR PREMIUM ON ANY OF THE
9 DISTRICT'S BONDS, EXCEPT AS OTHERWISE AGREED BY THE
10 COMMONWEALTH OR A GOVERNMENT AGENCY.

11 (III) NOTWITHSTANDING ANY PROVISION OF THIS SECTION
12 OR ANY OTHER ACT TO THE CONTRARY OR OF ANY IMPLICATION
13 THAT MAY BE DRAWN FROM THIS SECTION OR ANY OTHER ACT, THE
14 COMMONWEALTH AND ALL OTHER GOVERNMENT AGENCIES, EXCEPT
15 THE DISTRICT, SHALL HAVE NO LEGAL OR MORAL OBLIGATION FOR
16 THE PAYMENT OF ANY EXPENSES OR OBLIGATIONS OF THE
17 DISTRICT, INCLUDING, BUT NOT LIMITED TO, BOND PRINCIPAL
18 AND INTEREST, THE FUNDING OR REFUNDING OF ANY RESERVE AND
19 ANY ADMINISTRATIVE OR OPERATING EXPENSES WHATSOEVER,
20 EXCEPT AS OTHERWISE AGREED TO BY THE COMMONWEALTH OR
21 ANOTHER GOVERNMENT AGENCY.

22 (IV) BONDS OF THE DISTRICT SHALL CONTAIN A PROMINENT
23 STATEMENT OF THE LIMITATIONS SET FORTH IN THIS SUBSECTION
24 AND SHALL FURTHER RECITE THAT OBLIGEEES OF THE DISTRICT
25 SHALL HAVE NO RECOURSE, EITHER LEGAL OR MORAL, TO THE
26 COMMONWEALTH OR TO ANY OTHER GOVERNMENT AGENCY FOR
27 PAYMENT OF THE BONDS, EXCEPT AS OTHERWISE AGREED TO BY
28 THE COMMONWEALTH OR ANOTHER GOVERNMENT AGENCY.

29 (V) THE DISTRICT SHALL NOT ASSUME THE RESPONSIBILITY
30 OF EMPLOYING PERSONNEL DIRECTLY ENGAGED IN THE OPERATION

1 OF REGIONAL ASSETS BUT MAY ENTER INTO CONTRACTS WITH
2 MEMBER COUNTIES, POLITICAL SUBDIVISIONS SITUATE IN MEMBER
3 COUNTIES AND OTHER PUBLIC AND PRIVATE ORGANIZATIONS FOR
4 THE OPERATION AND FINANCING OF REGIONAL ASSETS.

5 (4) EACH MEMBER COUNTY THAT DOES NOT APPOINT MEMBERS TO
6 THE GOVERNING BOARD SHALL APPOINT ONE INDIVIDUAL TO THE
7 DISTRICT ADVISORY COMMITTEE BY ACTION OF THE GOVERNING BODY
8 OF SUCH MEMBER COUNTY. THE ADVISORY BOARD SHALL SERVE TO
9 ADVISE THE BOARD IN THE ADMINISTRATION OF THE SECTION. EACH
10 MEMBER OF THE ADVISORY BOARD SHALL SERVE AT THE PLEASURE OF
11 THE APPOINTING GOVERNING BODY BUT FOR NO LONGER THAN FOUR
12 YEARS WITHOUT REAPPOINTMENT. ADVISORY BOARD MEMBERS MAY SERVE
13 SUCCESSIVE TERMS.

14 (D) FISCAL YEAR.--THE FISCAL YEAR OF THE DISTRICT SHALL
15 CONCLUDE ON DECEMBER 31 OF EACH YEAR, EXCEPT AS OTHERWISE
16 PROVIDED BY THE BOARD.

17 (E) OPERATING BUDGET.--AT LEAST 90 DAYS BEFORE COMMENCEMENT
18 OF THE ENSUING FISCAL YEAR OF THE DISTRICT, THE BOARD SHALL
19 CAUSE TO BE PREPARED AND SUBMITTED TO IT A RECOMMENDED OPERATING
20 BUDGET. THE OPERATING BUDGET SHALL SET FORTH THE ESTIMATED
21 RECEIPTS AND REVENUES OF THE DISTRICT DURING THE NEXT FISCAL
22 YEAR. THE BOARD SHALL, AT LEAST 30 DAYS BEFORE THE END OF THE
23 FISCAL YEAR, ADOPT, BY A MAJORITY VOTE OF ITS MEMBERS, AN
24 OPERATING BUDGET FOR THE NEXT FISCAL YEAR. THE BOARD MAY AMEND
25 THE DISTRICT'S BUDGET DURING THE COURSE OF ANY FISCAL YEAR AS
26 DEEMED NECESSARY BY THE BOARD. DURING ITS INITIAL FISCAL YEAR,
27 THE BOARD WILL NOT BE SUBJECT TO THE TIMING SPECIFIED IN THIS
28 SECTION FOR ADOPTION OF A BUDGET BUT SHALL INSTEAD ADOPT AN
29 INITIAL BUDGET WITHIN THREE MONTHS OF INCEPTION.

30 (F) ANNUAL REPORT.--THE BOARD OF THE DISTRICT SHALL, NO

1 LATER THAN JULY 1 OF EACH YEAR, PREPARE A COMPREHENSIVE ANNUAL
2 REPORT OF ITS ACTIVITIES AND OPERATIONS FOR THE PREVIOUS YEAR,
3 PROVIDE A COPY TO MEMBER COUNTIES AND MAKE THE REPORT A MATTER
4 OF PUBLIC RECORD AVAILABLE TO OTHER POLITICAL SUBDIVISIONS AND
5 OTHER INTERESTED GROUPS AND ORGANIZATIONS.

6 (G) EXTERNAL AUDIT.--THE BOARD SHALL PROVIDE FOR AN ANNUAL
7 AUDIT OF DISTRICT FINANCIAL STATEMENTS CONDUCTED IN ACCORDANCE
8 WITH GENERALLY ACCEPTED AUDITING STANDARDS BY AN INDEPENDENT
9 CERTIFIED PUBLIC ACCOUNTING FIRM.

10 (H) GOVERNMENTAL IMMUNITY.--IT IS HEREBY DECLARED TO BE THE
11 INTENT OF THE GENERAL ASSEMBLY THAT THE DISTRICT CREATED UNDER
12 THIS SECTION AND ITS OFFICERS, OFFICIALS AND EMPLOYEES SHALL
13 ENJOY GOVERNMENTAL IMMUNITY EXCEPT AS PROVIDED BY AND SUBJECT TO
14 THE PROVISIONS OF 42 PA.C.S. CH. 85 SUBCHS. A (RELATING TO
15 GENERAL PROVISIONS) AND C (RELATING TO ACTIONS AGAINST LOCAL
16 PARTIES).

17 (I) FUNDS OF DISTRICT.--ALL MONEY OF THE DISTRICT FROM
18 WHATEVER SOURCE DERIVED SHALL BE PAID TO THE TREASURER OF THE
19 DISTRICT OR THE TREASURER'S DESIGNEE AND INVESTED IN THE SAME
20 MANNER AS IS PROVIDED FOR IN 53 PA.C.S. § 5913 (A) THROUGH (D)
21 (RELATING TO MONEYS OF AUTHORITY).

22 (J) TRANSFER OF FUNDS.--

23 (1) THE FOLLOWING APPLY:

24 (I) ANY MEMBER COUNTY MAY AND IS HEREBY AUTHORIZED
25 TO MAKE GRANTS FROM CURRENT REVENUES TO THE DISTRICT AND
26 TO ASSIST IN DEFRAYING THE COSTS OF MANAGING, OPERATING,
27 MAINTAINING, FINANCING AND SERVICING THE DEBT OF
28 PROJECTS, TO ENTER INTO LONG-TERM AGREEMENTS PROVIDING
29 FOR PAYMENT OF THE COSTS AND TO ENTER INTO LONG-TERM
30 LEASES OR SUBLEASES AS LESSEE OR SUBLESSEE OF ALL OR PART

1 OF A REGIONAL ASSET.

2 (II) OBLIGATIONS OF A MEMBER COUNTY TO MAKE GRANTS
3 OR LEASE OR SUBLEASE PAYMENTS TO THE DISTRICT SHALL NOT,
4 EVEN IF BASED ON DEBT OBLIGATIONS OF THE DISTRICT,
5 CONSTITUTE DEBTS OF THE MEMBER COUNTY WITHIN THE MEANING
6 OF ANY CONSTITUTIONAL OR STATUTORY PROVISION AND SHALL BE
7 PAYABLE ONLY TO THE EXTENT THAT CURRENT REVENUES OF THE
8 MEMBER COUNTY ARE AVAILABLE.

9 (III) ANY MEMBER COUNTY MAY ISSUE GENERAL OBLIGATION
10 BONDS FOR THE PURPOSE OF OBTAINING FUNDS FOR THE
11 ACQUISITION OR IMPROVEMENT OF REGIONAL ASSETS OR PARTS OF
12 REGIONAL ASSETS.

13 (2) THE COMMONWEALTH MAY CONTRIBUTE TO THE CAPITAL COSTS
14 OF CONSTRUCTING PROJECTS BY THE ISSUANCE OF COMMONWEALTH
15 BONDS AND NOTES UNDER CHAPTER 3 OF THE ACT OF FEBRUARY 9,
16 1999 (P.L.1, NO.1), KNOWN AS THE CAPITAL FACILITIES DEBT
17 ENABLING ACT. A PROJECT UNDERTAKEN BY THE DISTRICT IS HEREBY
18 DEEMED TO BE A REDEVELOPMENT ASSISTANCE PROJECT UNDER WHICH
19 CAPITAL FUNDS OF THE COMMONWEALTH MAY BE EXPENDED UNDER THE
20 PROVISIONS OF THE ACT OF MAY 20, 1949 (P.L.1633, NO.493),
21 KNOWN AS THE HOUSING AND REDEVELOPMENT ASSISTANCE LAW, AND,
22 NOTWITHSTANDING ANY PROVISIONS OF THE HOUSING AND
23 REDEVELOPMENT ASSISTANCE LAW, THE DEPARTMENT OF COMMUNITY AND
24 ECONOMIC DEVELOPMENT IS HEREBY AUTHORIZED TO MAKE CAPITAL
25 GRANTS DIRECTLY TO THE DISTRICT UNDER THIS SECTION.

26 (K) PLEDGE OF REVENUES BY DISTRICT AND COMMONWEALTH.--THE
27 DISTRICT IS EXPRESSLY AUTHORIZED TO PLEDGE ALL OR ANY PART OF
28 THE NET REVENUES IN CONNECTION WITH THE ISSUANCE OF BONDS OR THE
29 INCURRING OF OBLIGATIONS UNDER LEASES IN ORDER TO SECURE THE
30 PAYMENT OF THE BONDS AND OBLIGATIONS. THE COMMONWEALTH, WITH THE

1 SIGNATURE OF THE GOVERNOR AND THE STATE TREASURER, MAY ALSO
2 PLEDGE THE REVENUES IN SUPPORT OF OR IN CONNECTION WITH THE
3 ISSUANCE OF BONDS OR THE INCURRING OF OBLIGATIONS UNDER LEASES
4 BY THE DISTRICT IN ORDER TO FURTHER SECURE THE PAYMENT OF THE
5 BONDS AND OBLIGATIONS.

6 (L) FUND.--THERE IS ESTABLISHED THE SOUTHWEST REGIONAL
7 DISTRICT FUND AS A SEPARATE FUND IN THE STATE TREASURY. THE
8 STATE TREASURER SHALL BE CUSTODIAN OF THE FUND WHICH SHALL BE
9 SUBJECT TO THE PROVISIONS OF LAW APPLICABLE TO FUNDS LISTED IN
10 SECTION 302 OF THE FISCAL CODE. ALL MONEY IN THE FUND,
11 INCLUDING, BUT NOT LIMITED TO, MONEY CREDITED TO THE FUND UNDER
12 THIS CHAPTER, PRIOR YEAR ENCUMBRANCES AND THE INTEREST EARNED
13 THEREON, SHALL NOT LAPSE, BUT SHALL REMAIN IN THE FUND AND MUST
14 BE USED EXCLUSIVELY AS PROVIDED IN THIS SECTION. PENDING THEIR
15 DISBURSEMENT, MONEYS RECEIVED ON BEHALF OF OR DEPOSITED INTO THE
16 FUND SHALL BE INVESTED OR REINVESTED AS ARE OTHER MONEYS IN THE
17 CUSTODY OF THE STATE TREASURER IN THE MANNER PROVIDED BY LAW.
18 ALL EARNINGS RECEIVED FROM THE INVESTMENT OR REINVESTMENT OF THE
19 MONEYS SHALL BE CREDITED TO THE FUND.

20 (M) DEFINITIONS.--AS USED IN THIS SECTION THE FOLLOWING
21 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
22 SUBSECTION:

23 "BOARD." THE GOVERNING BODY OF THE DISTRICT.

24 "COUNTY." A COUNTY WITHIN THE PITTSBURGH METROPOLITAN
25 STATISTICAL AREA.

26 "DISTRICT." THE SOUTHWEST REGIONAL DISTRICT COMPRISED OF
27 MEMBER COUNTIES AND ESTABLISHED UNDER THIS SECTION.

28 "FUND." THE SOUTHWEST REGIONAL DISTRICT FUND.

29 "MEMBER COUNTY." A COUNTY WITHIN THE PITTSBURGH METROPOLITAN
30 STATISTICAL AREA WHICH HAS ADOPTED AN ORDINANCE PURSUANT TO

SUBSECTION (A)(2).

"MINORITY BUSINESS ENTERPRISE." A SMALL BUSINESS CONCERN WHICH IS:

(1) A SOLE PROPRIETORSHIP, OWNED AND CONTROLLED BY A SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUAL.

(2) A PARTNERSHIP OR JOINT VENTURE CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS IN WHICH 51% OF THE BENEFICIAL OWNERSHIP INTEREST IS HELD BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.

(3) A CORPORATION OR OTHER ENTITY CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS IN WHICH AT LEAST 51% OF THE VOTING INTEREST AND 51% OF THE BENEFICIAL OWNERSHIP INTEREST ARE HELD BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.

"PERSON." A BUSINESS, INDIVIDUAL, CORPORATION, UNION, ASSOCIATION, FIRM, PARTNERSHIP, COMMITTEE, CLUB OR OTHER ORGANIZATION OR GROUP OF PERSONS.

"PITTSBURGH METROPOLITAN STATISTICAL AREA." THE PITTSBURGH METROPOLITAN STATISTICAL AREA AS DETERMINED BY THE UNITED STATES CENSUS BUREAU, 2000 CENSUS, COMPRISING THE COUNTIES OF ALLEGHENY, ARMSTRONG, BEAVER, BUTLER, FAYETTE, WASHINGTON AND WESTMORELAND.

"SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS." PERSONS WHO ARE CITIZENS OF THE UNITED STATES AND WHO ARE AFRICAN AMERICANS, HISPANIC AMERICANS, NATIVE AMERICANS, ASIAN-PACIFIC AMERICANS AND OTHER MINORITIES OR PERSONS FOUND TO BE DISADVANTAGED BY THE SMALL BUSINESS ADMINISTRATION PURSUANT TO THE SMALL BUSINESS ACT (PUBLIC LAW 85-536, 15 U.S.C. § 631 ET SEQ.).

"WOMEN'S BUSINESS ENTERPRISE." A SMALL BUSINESS CONCERN

1 WHICH IS AT LEAST 51% OWNED AND CONTROLLED BY WOMEN OR, IN THE
2 CASE OF ANY PUBLICLY OWNED BUSINESS, AT LEAST 51% OF THE STOCK
3 OF WHICH IS OWNED BY ONE OR MORE WOMEN AND WHOSE MANAGEMENT AND
4 DAILY BUSINESS OPERATIONS ARE CONTROLLED BY ONE OR MORE OF THE
5 WOMEN WHO OWN IT.

6 Section 3. The sum of \$5,000,000 is hereby appropriated to
7 the Pennsylvania Gaming Control Board for the fiscal year July
8 1, 2003, to June 30, 2004, to implement and administer the
9 provisions of 18 Pa.C.S. Ch. 92. The money appropriated in this
10 section shall be considered a loan from the General Fund and
11 shall be repaid to the General Fund from the State Gaming Fund
12 by June 30, 2004.

13 Section 4. The provisions of this act are severable. If any
14 provision of this act or its application to any person or
15 circumstance is held invalid, the invalidity shall not affect
16 other provisions or applications of this act which can be given
17 effect without the invalid provision or application.

18 Section 5. (a) The following acts and parts of acts are
19 repealed to the extent specified:

20 Section 493(29) of the act of April 12, 1951 (P.L.90, No.21),
21 known as the Liquor Code, absolutely.

22 The provisions of 18 Pa.C.S. § 5513(a) insofar as they are
23 inconsistent with the addition of 18 Pa.C.S Ch. 92.

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

26 Section 6. This act shall take effect as follows:

27 (1) The amendment or addition of 18 Pa.C.S. §§ 4107(a)
28 and 7516 shall take effect in 60 days.

29 (2) This section shall take effect immediately.

30 (3) The remainder of this act shall take effect

1 immediately.