
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1209 Session of
2004

INTRODUCED BY PIPPY, BRIGHTBILL, JUBELIRER, ARMSTRONG,
TOMLINSON, EARLL, GORDNER, ERICKSON, O'PAKE, M. WHITE, ORIE,
WAGNER, WENGER, SCHWARTZ, FERLO, ROBBINS, RAFFERTY, CORMAN,
DENT, C. WILLIAMS, PICCOLA, WONDERLING, THOMPSON, WAUGH,
D. WHITE, MADIGAN, CONTI, RHOADES, SCARNATI, LEMMOND, MOWERY,
PUNT, KASUNIC, KUKOVICH, PILEGGI AND GREENLEAF,
AUGUST 2, 2004

SENATE AMENDMENTS TO HOUSE AMENDMENTS, NOVEMBER 18, 2004

AN ACT

1 Amending Titles 4 (Amusements) and 18 (Crimes and Offenses) of
2 the Pennsylvania Consolidated Statutes, further providing for
3 definitions and for the Pennsylvania Gaming Control Board
4 established; providing for applicability of other statutes
5 and for review of deeds, leases and contracts; further
6 providing for general and specific powers, for temporary
7 regulations, for board minutes and records, for slot machine
8 licensee financial fitness and for supplier and manufacturer
9 licenses application; providing for manufacturer licenses;
10 further providing for occupation permit application, for
11 establishment of State Gaming Fund and net slot machine
12 revenue distribution, for transfers from State Gaming Fund,
13 for multiple slot machine license prohibition, for local land
14 use preemption, for public official financial interest, for
15 enforcement, for penalties, for background checks, for
16 fingerprints and for corrupt organizations; and making
17 related repeals.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. The definitions of "controlling interest,"
21 "institutional investor," "licensed facility" and "supplier" in
22 section 1103 of Title 4 of the Pennsylvania Consolidated

1 Statutes, added July 5, 2004 (P.L.572, No.71), are amended and
2 the section is amended by adding a definition to read:

3 § 1103. Definitions.

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

7 * * *

8 "Controlling interest." A person shall be deemed to have
9 [the ability to control a publicly traded corporation, or to
10 elect] a controlling interest in an entity if the person's sole
11 voting rights, as provided by applicable State law or corporate
12 articles or bylaws, entitle the person to elect or appoint one
13 or more of the members of its board of directors [, if such
14 holder] or other governing body or if the person owns or
15 beneficially holds 5% or more of the securities of [such] a
16 publicly traded domestic or foreign corporation[,] or holds 5%
17 or more ownership or voting interest in a partnership, limited
18 liability company or any other form of legal entity, unless such
19 presumption of control or ability to elect is rebutted by clear
20 and convincing evidence. [A person who is a holder of securities
21 of a privately held domestic or foreign corporation,
22 partnership, limited liability company or any other form of
23 legal entity shall be deemed to possess a controlling interest
24 unless such presumption of control is rebutted by clear and
25 convincing evidence.]

26 * * *

27 "Institutional investor." Any retirement fund administered
28 by a public agency for the exclusive benefit of Federal, State
29 or local public employees, investment company registered under
30 the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §

1 80a-1 et seq.), collective investment trust organized by banks
2 under Part Nine of the Rules of the Comptroller of the Currency,
3 closed-end investment trust, chartered or licensed life
4 insurance company or property and casualty insurance company,
5 banking and other chartered or licensed lending institution[,
6 investment advisor registered under The Investment Advisors Act
7 of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.)] and such
8 other comparable persons as the Pennsylvania Gaming Control
9 Board may [determine] establish by regulation consistent with
10 this part.

11 * * *

12 "Licensed facility." The physical land-based location and
13 associated areas at which a licensed gaming entity is authorized
14 to place and operate slot machines. The term does not include a
15 nonprimary location.

16 * * *

17 "Member." An individual appointed to the Pennsylvania Gaming
18 Control Board pursuant to section 1201(b) (relating to
19 Pennsylvania Gaming Control Board).

20 * * *

21 "Supplier." A person that sells, leases, offers or otherwise
22 provides, distributes or services any slot machine in this
23 Commonwealth. The term does not include a person who sells slot
24 monitoring systems, casino management systems, player tracking
25 systems and wide-area progressive systems.

26 * * *

27 Section 2. Section 1201 heading and (f)(3), (h)(7) and (l)
28 of Title 4, added July 5, 2004 (P.L.572, No.71), are amended and
29 the section is amended by adding paragraphs to read:

30 § 1201. Pennsylvania Gaming Control Board [established].

1 * * *

2 (f) Qualified majority vote.--

3 * * *

4 (3) Notwithstanding any other provision [to the
5 contrary] of this part or 65 Pa.C.S. § 1103(j) (relating to
6 restricted activities), a member shall disclose the nature of
7 his disqualifying interest, disqualify himself and abstain
8 from voting in a proceeding in which his or her impartiality
9 may be reasonably questioned, including, but not limited to,
10 instances where he or she knows that they possess a
11 substantial financial interest in the subject matter of the
12 proceeding or any other interest that could be substantially
13 affected by the outcome of the proceeding. In such
14 circumstances in which it is a legislative appointee member
15 that has disqualified himself or herself, the qualified
16 majority shall consist of the remaining three legislative
17 appointees and at least two gubernatorial appointees.

18 * * *

19 (h) [Qualifications and restrictions] Restrictions.--

20 * * *

21 [(7) At the time of appointment and annually thereafter,
22 each member shall disclose the existence of all ownership
23 interests in licensed facilities and all securities in any
24 licensed entity or applicant, its affiliates or subsidiaries
25 held by the member, the member's spouse and any minor or
26 unemancipated children and must divest such ownership
27 interests in licensed facilities or securities prior to an
28 appointment becoming final. A member may not acquire any
29 security in any licensed entity, its affiliates or
30 subsidiaries during the member's tenure. The disclosure

1 statement shall be filed with the executive director of the
2 board and with the appointing authority for such member and
3 shall be open to inspection by the public at the office of
4 the board during the normal business hours of the board
5 during the tenure of the member and for two years after the
6 member leaves office.]

7 (7) (i) At the time of appointment, and annually
8 thereafter, each member of the board shall disclose the
9 existence of any financial interests and any property,
10 leasehold or other beneficial interest in any slot
11 machine license applicant, manufacturer license
12 applicant, supplier license applicant, licensed entity or
13 licensed facility and in any holding companies,
14 affiliates, intermediaries or subsidiary businesses
15 thereof, which are held by the member or the immediate
16 family of the member. The disclosure statement shall be
17 filed with the executive director of the board and with
18 the appointing authority of the member. The disclosure
19 statement shall be open to inspection by the public at
20 the office of the board during the normal business hours
21 of the board during the member's term on the board and
22 continuing for two years after the member leaves office.
23 Prior to the member's appointment becoming final, any
24 financial interest and any property, leasehold, ownership
25 or other beneficial interest in any slot machine license
26 applicant, manufacturer license applicant, supplier
27 license applicant, licensed entity or licensed facility
28 and in any holding companies, affiliates, intermediaries
29 or subsidiary businesses thereof, owned or held by the
30 member or the immediate family of the member must be

1 divested. During the member's term and continuing for one
2 year thereafter, the member and the immediate family of
3 the member may not acquire by purchase, gift, exchange or
4 otherwise, any financial interest nor any property,
5 leasehold, ownership or other beneficial interest in any
6 slot machine license applicant, manufacturer license
7 applicant, supplier license applicant, licensed entity or
8 licensed facility or in any holding companies,
9 affiliates, intermediaries or subsidiary businesses
10 thereof.

11 (ii) As used in this paragraph, the following words
12 and phrases shall have the meanings given to them in this
13 subparagraph:

14 "Financial interest." Owning or holding or being
15 deemed to hold debt or equity securities or other
16 ownership interest or profits interest.

17 "Immediate family." The term shall have the same
18 meaning given to it in section 1512 (relating to
19 public official financial interest).

20 (7.1) (i) At the time of employment, and annually
21 thereafter, each employee or contract employee of the
22 board shall disclose the existence of any financial
23 interest and any property, leasehold or other beneficial
24 interest in any slot machine license applicant,
25 manufacturer license applicant, supplier license
26 applicant, licensed entity or licensed facility and in
27 any holding companies, affiliates, intermediaries or
28 subsidiary businesses thereof, which are held by the
29 employee or contract employee or the immediate family of
30 the employee or contract employee. The disclosure

1 statement shall be filed with the executive director of
2 the board. The disclosure statement shall be open to
3 inspection by the public at the office of the board
4 during normal business hours of the board during the
5 employee's or contract employee's employment with the
6 board and continuing for two years after the employee or
7 contract employee terminates employment with the board.
8 Prior to commencing employment, any financial interest
9 and any property, leasehold, ownership or other
10 beneficial interest in any slot machine license
11 applicant, manufacturer license applicant, supplier
12 license applicant, licensed entity or licensed facility
13 and in any holding companies, affiliates, intermediaries
14 or subsidiary businesses thereof, owned or held by the
15 employee or contract employee or the immediate family of
16 the employee or contract employee must be divested.
17 During the employee's or contract employee's employment
18 and continuing for one year thereafter, the employee or
19 contract employee and the immediate family of the
20 employee or contract employee may not acquire by
21 purchase, gift, exchange or otherwise, any financial
22 interest nor any property, leasehold, ownership or other
23 beneficial interest in any slot machine license
24 applicant, manufacturer license applicant, supplier
25 license applicant, licensed entity or licensed facility
26 or in any holding companies, affiliates, intermediaries
27 or subsidiary businesses thereof.

28 (ii) As used in this paragraph, the following words
29 and phrases shall have the meanings given to them in this
30 subparagraph:

1 "Financial interest." Owning or holding or being
2 deemed to hold debt or equity securities or other
3 ownership interest or profits interest.

4 "Immediate family." The term shall have the same
5 meaning given to it in section 1512 (relating to
6 public official financial interest).

7 * * *

8 (13) No person may be employed, whether as an employee
9 or a contract employee, by the board until the board receives
10 a background investigation conducted on the person in
11 accordance with this part.

12 (14) No member shall hold or campaign for any other
13 public office, hold office in any political party or
14 political committee or actively participate in any political
15 campaign.

16 (15) No employee of the board shall hold or campaign for
17 public office, hold office in any political party or
18 political committee or actively participate in or contribute
19 to any political campaign.

20 * * *

21 [(1) Disclosure statements.--Members and employees of the
22 board are subject to the provisions of 65 Pa.C.S. Ch. 11
23 (relating to ethics standards and financial disclosure) and the
24 act of July 19, 1957 (P.L.1017, No.451), known as the State
25 Adverse Interest Act.]

26 Section 3. Title 4 is amended by adding sections to read:

27 § 1201.1. Applicability of other statutes.

28 The following shall apply:

29 (1) The following acts shall apply to the board, its
30 members and employees:

1 (i) Act of June 21, 1957 (P.L.390, No.212), referred
2 to as the Right-to-Know Law.

3 (ii) Act of July 19, 1957 (P.L.1017, No.451), known
4 as the State Adverse Interest Act.

5 (iii) The provisions of 65 Pa.C.S. Chs. 7 (relating
6 to open meetings) and 11 (relating to ethics standards
7 and financial disclosure).

8 (2) The board shall be considered an "independent
9 agency" for the purposes of all of the following:

10 (i) Act of October 15, 1980 (P.L.950, No.164), known
11 as the Commonwealth Attorneys Act.

12 (ii) The provisions of 62 Pa.C.S. Pt. I (relating to
13 Commonwealth Procurement Code).

14 (3) The board shall be considered an "agency" for the
15 purposes of all of the following:

16 (i) Act of July 31, 1968 (P.L.769, No.240), referred
17 to as the Commonwealth Documents Law.

18 (ii) Act of June 25, 1982 (P.L.633, No.181), known
19 as the Regulatory Review Act.

20 § 1201.2. Review of deeds, leases and contracts.

21 (a) Timing.--Review of a deed, lease or contract of the
22 board by the Attorney General under the act of October 15, 1980
23 (P.L.950, No.164), known as the Commonwealth Attorneys Act, must
24 be completed within 30 days of delivery of the deed, lease or
25 contract by the board to the Attorney General.

26 (b) Limitation.--An issue not raised by the Attorney General
27 during the review period required by subsection (a) is deemed
28 waived.

29 Section 4. Sections 1202 heading and (a), 1203 and 1206(a),
30 (d) and (f) of Title 4, added July 5, 2004 (P.L.572, No.71), are

1 amended to read:

2 § 1202. [General and specific powers] Powers and duties.

3 (a) General powers.--The board shall have general
4 jurisdiction over all gaming activities or related activities as
5 described in this part. The board shall be responsible to ensure
6 the integrity of the acquisition and operation of slot machines
7 and associated equipment and shall have jurisdiction over every
8 aspect of the authorization and operation of slot machines. The
9 board shall employ an executive director, chief counsel,
10 deputies, secretaries, officers, hearing officers and agents as
11 it may deem necessary, who shall serve at the board's pleasure.
12 The board shall also employ other employees as it deems
13 appropriate whose duties shall be determined by the board. The
14 board shall establish and publish in the Pennsylvania Bulletin
15 and on its Internet website a classification of its employees.
16 The classification shall include the scope of the background
17 investigations required by section 1201(h)(13) (relating to
18 Pennsylvania Gaming Control Board) for each class of employees
19 and contract employees of the board. In order to ensure the
20 ability of the board to recruit and retain individuals necessary
21 to execute its responsibilities under this part, the board shall
22 set the classification and compensation of its employees and
23 shall not be subject to the provisions of the act of April 9,
24 1929 (P.L.177, No.175), known as The Administrative Code of
25 1929, as to classification and compensation for its employees
26 and conduct its activities consistent with the practices and
27 procedures of Commonwealth agencies. [For the purposes of the
28 act of October 15, 1980 (P.L.950, No.164), known as the
29 Commonwealth Attorneys Act, the board shall not be considered an
30 executive or independent agency.] The board shall have such

1 other powers and authority necessary to carry out its duties and
2 the objectives of this part.

3 * * *

4 § 1203. Temporary regulations.

5 (a) Promulgation.--[Notwithstanding any other provision of
6 law to the contrary and in] In order to facilitate the prompt
7 implementation of this part, [regulations promulgated by the
8 board during the two years following the effective date of this
9 part shall be deemed temporary regulations which shall expire no
10 later than three years following the effective date of this part
11 or upon promulgation of regulations as generally provided by
12 law. The temporary regulations shall not be] the board may
13 promulgate regulations not subject to:

14 (1) Sections 201 [through 205], 202 and 203 of the act
15 of July 31, 1968 (P.L.769, No.240), referred to as the
16 Commonwealth Documents Law.

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

19 (b) Expiration.--[The authority provided to the board to
20 adopt temporary regulations in] Regulations promulgated in
21 accordance with subsection (a) shall expire [two] three years
22 from the effective date of this section. [Regulations adopted
23 after the two-year period shall be promulgated as provided by
24 law.]

25 § 1206. Board minutes and records.

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

1 any provision of law to the contrary, confidential documents
2 relative to personal background information provided to the
3 board pursuant to this part and any closed deliberations of the
4 board, including disciplinary proceedings, shall be confidential
5 and considered in closed executive session pursuant to
6 subsection (f).]

7 * * *

8 (d) Applicant information.--

9 (1) The board shall [keep and] maintain a list of [all]
10 applicants for licenses and [permits under this part together
11 with] permits. The list shall include a record of all actions
12 taken with respect to [the applicants, which file and record]
13 each applicant. The list shall be open to public inspection
14 during normal business hours of the board.

15 (2) Information under paragraph (1) regarding any
16 applicant whose license or permit has been denied, revoked or
17 not renewed shall be removed from such list after seven years
18 from the date of the action.

19 * * *

20 (f) Confidentiality of information.--[All information
21 contained in the application process pursuant to section 1310(a)
22 (relating to slot machine license application character
23 requirements) and the report of an applicant's] An applicant's
24 proprietary information, trade secrets, architecture and
25 engineering plans, security and surveillance systems and
26 background investigation, furnished to or obtained by the board
27 or the bureau from any source shall be considered confidential.
28 [and shall be withheld from public disclosure in whole or in
29 part, except that any information shall be released upon the
30 lawful order of a court of competent jurisdiction or, with the

1 approval of the Attorney General, to a duly authorized law
2 enforcement agency or shall be released to the public, in whole
3 or in part, to the extent that such release is requested by an
4 applicant and does not otherwise contain confidential
5 information about another person. The board may not require any
6 applicant to waive any confidentiality provided for in this
7 subsection as a condition for the approval of a license or any
8 other action of the board. Any person who violates this
9 subsection shall be administratively disciplined by discharge,
10 suspension or other formal disciplinary action as the board
11 deems appropriate.]

12 * * *

13 Section 4.1. Section 1313 of Title 4 is amended by adding a
14 subsection to read:

15 § 1313. Slot machine license application financial fitness
16 requirements.

17 * * *

18 (b.1) Financial backer exclusion.--

19 (1) Except as set forth in paragraph (2), the financial
20 backers of an applicant or licensee may not include a
21 retirement fund established for the benefit of employees and
22 retirees of:

23 (i) the Commonwealth;

24 (ii) any public authority, commission, board or
25 agency, established by the Commonwealth; or

26 (iii) a political subdivision of the Commonwealth or
27 a public authority established by a political subdivision
28 of the Commonwealth.

29 (2) Paragraph (1) does not apply to the extent that the
30 financial backing from the retirement fund arises from

1 securities which are:

2 (i) registered with the Securities and Exchange
3 Commission; and

4 (ii) purchased by the retirement fund in the
5 secondary market.

6 * * *

7 Section 4.2. Section 1317 of Title 4, added July 5, 2004
8 (P.L.572, No.71), is amended to read:

9 § 1317. Supplier [and manufacturer] licenses [application].

10 (a) Application.--[Any] A person seeking to provide slot
11 machines or associated equipment to a slot machine licensee
12 within this Commonwealth [or to manufacture slot machines for
13 use in this Commonwealth] shall apply to the board for [either]
14 a supplier [or manufacturer] license. [No person, its affiliate, <—
15 intermediary, subsidiary or holding company who has applied for
16 or is a holder of a manufacturer or slot machine license shall
17 be eligible to apply for or hold a supplier license. A supplier
18 licensee shall establish a principle place of business in this
19 Commonwealth within one year of issuance of its supplier license
20 and maintain such during the period in which the license is
21 held. {No slot machine licensee shall enter into any sale, <—
22 lease, contract or any other type of agreement providing slot
23 machines, progressive slot machines, parts or associated
24 equipment for use or play with any person other than a supplier
25 licensed pursuant to this section. Slot monitoring systems,
26 casino management systems, player tracking systems and wide-area
27 progressive systems are excluded from any requirements that they
28 be provided through a licensed supplier as set forth in this
29 part.]

30 (b) Requirements.--[The application for a supplier or

1 manufacturer license shall include, at a minimum:] The
2 application for a supplier license shall be on the form required
3 by the board, accompanied by the application fee and shall
4 include all of the following:

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

11 (1.1) A statement that the applicant or an affiliate,
12 intermediary, subsidiary or holding company of the applicant
13 is not a slot machine licensee.

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

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

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

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

29 (c) Review and approval.--Upon being satisfied that the
30 requirements of subsection (b) have been met, the board may

approve the application and grant the applicant a supplier
license consistent with all of the following:

(1) The license shall be for a period of one year. Upon
expiration, a license may be renewed in accordance with
subsection (d).

(2) The license shall be nontransferable

(3) Any other condition established by the board.

(d) Renewal.--Six months prior to expiration of a supplier
license, a supplier licensee seeking renewal of its license
shall submit a renewal application accompanied by the renewal
fee to the board. If the renewal application satisfies the
requirements of subsection (b), the board may renew the
licensee's supplier license. If the board receives a complete
renewal application but fails to act upon the renewal
application prior to the expiration of the supplier license, the
supplier license shall continue in effect for an additional six-
month period or until acted upon by the board, whichever occurs
first.

(e) Prohibitions.--

(1) No person may provide slot machines or associated
equipment to a slot machine licensee within this Commonwealth
unless the person has been issued a supplier license under
this section OR A MANUFACTURER LICENSE UNDER SECTION 1317.1
(RELATING TO MANUFACTURER LICENSES).

(2) No slot machine licensee may acquire, purchase or
lease slot machines or associated equipment from a person
unless the person has been issued a supplier license under
this section OR A MANUFACTURER LICENSE UNDER SECTION 1317.1.

Section 5. Title 4 is amended by adding a section to read:

§ 1317.1. Manufacturer licenses.

1 (a) Application.--A person seeking to manufacture AND TO <—
2 PROVIDE slot machines AND ASSOCIATED EQUIPMENT for use in this <—
3 Commonwealth shall apply to the board for a manufacturer
4 license.

5 (b) Requirements.--The application for a manufacturer
6 license shall be on the form required by the board, accompanied
7 by the application fee and shall include all of the following:

8 (1) The name and business address of the applicant and
9 the applicant's affiliates, intermediaries, subsidiaries and
10 holding companies; the directors and owners of each business;
11 and a list of employees and their positions within each
12 business, as well as any financial information required by
13 the board.

14 (2) A statement that the applicant or an affiliate,
15 intermediary, subsidiary or holding company of the applicant
16 is not a slot machine licensee.

17 (3) The consent to a background investigation of the
18 applicant, its officers, directors, owners, key employees or
19 other persons required by the board and a release to obtain
20 any and all information necessary for the completion of the
21 background investigation.

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

27 (5) The type of slot machines or associated equipment to
28 be manufactured and supplied and whether those slot machines
29 or associated equipment will be provided through purchase,
30 lease, contract or otherwise.

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

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

7 (1) The license shall be for a period of one year. Upon
8 expiration, a license may be renewed in accordance with
9 subsection (d).

10 (2) The license shall be nontransferable.

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

12 (d) Renewal.--Six months prior to expiration of a
13 manufacturer license, a manufacturer licensee seeking renewal of
14 its license shall submit a renewal application accompanied by
15 the renewal fee to the board. If the renewal application
16 satisfies the requirements of subsection (b), the board may
17 renew the licensee's manufacturer license. If the board receives
18 a complete renewal application but fails to act upon the renewal
19 application prior to the expiration of the manufacturer license,
20 the manufacturer license shall continue in effect for an
21 additional six-month period or until acted upon by the board,
22 whichever occurs first.

23 ~~(c) Prohibitions. No person may manufacture slot machines~~ <—

24 ~~(E) PROHIBITIONS.--~~ <—

25 (1) NO PERSON MAY MANUFACTURER SLOT MACHINES or
26 associated equipment for use within this Commonwealth by a
27 slot machine licensee unless the person has been issued a
28 manufacturer license under this section. Slot monitoring <—
29 ~~systems, casino management systems, player tracking systems~~
30 ~~and wide area progressive systems are excluded from any~~

~~requirements that they be manufactured by a licensed
manufacturer pursuant to this section.~~

(2) NO SLOT MACHINE LICENSEE MAY ACQUIRE, PURCHASE OR
LEASE SLOT MACHINES OR ASSOCIATED EQUIPMENT TO A SLOT MACHINE
LICENSEE WITHIN THIS COMMONWEALTH UNLESS THE PERSON HAS BEEN
ISSUED A MANUFACTURER LICENSE UNDER THIS SECTION OR A
SUPPLIER LICENSE UNDER SECTION 1317 (RELATING TO SUPPLIER
LICENSES).

Section 6. Sections 1318, 1330, 1403, 1408(e), 1506 and 1512
of Title 4, added July 5, 2004 (P.L.572, No.71), are amended to
read:

§ 1318. Occupation [permit application] permits.

(a) Application.-- [Any person] An individual who desires to
be a gaming employee and has a bona fide offer of employment
from a licensed gaming entity shall apply to the board for an
occupation permit. [A person may not be employed as a gaming
employee unless and until that person holds an appropriate
occupation permit issued under this section. The board may
promulgate regulations to reclassify a category of nongaming
employees or gaming employees upon a finding that the
reclassification is in the public interest and consistent with
the objectives of this part.]

(b) Requirements.--[The application for an occupation permit
shall include, at a minimum:] The application for an occupation
permit shall be on the form required by the board, accompanied
by the application fee and shall include all of the following:

(1) The name and home address of the [person]
individual.

(2) The previous employment history of the [person]
individual.

1 (3) The criminal history record of the [person]
2 individual, as well as the [person's] individual's consent
3 for the Pennsylvania State Police to conduct a background
4 investigation.

5 (4) A photograph and handwriting exemplar of the
6 [person] individual.

7 (5) Evidence of the offer of employment and the nature
8 and scope of the proposed duties of the [person] individual,
9 if known.

10 (6) The details of any occupation permit or similar
11 license granted or denied to the permit applicant in other
12 jurisdictions where gaming activities as authorized by this
13 part are permitted and consent for the board to obtain copies
14 of applications submitted or permits or licenses issued in
15 connection therewith.

16 (7) Any other information determined by the board to be
17 appropriate.

18 [(c) Prohibition.--No slot machine licensee may employ or
19 permit any person under 18 years of age to render any service
20 whatsoever in any area of its licensed facility at which slot
21 machines are physically located.]

22 (c.1) Review and approval.--Upon being satisfied that the
23 requirements of subsection (b) have been met, the board may
24 approve the application and grant the permit applicant an
25 occupation permit consistent with all of the following:

26 (1) The occupation permit shall be for a period of one
27 year. Upon expiration, an occupation permit may be renewed in
28 accordance with subsection (d).

29 (2) The occupation permit shall be nontransferable.

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

1 (d) Renewal.--Six months prior to expiration of an
2 occupation permit, an individual holding an occupation permit
3 and seeking renewal of the occupation permit shall submit a
4 renewal application accompanied by the renewal fee to the board.
5 If the renewal application satisfies the requirements of
6 subsection (b), the board may renew the occupation permit. If
7 the board receives a complete renewal application but fails to
8 act upon the renewal application prior to the expiration of the
9 occupation permit, the occupation permit shall continue in
10 effect for an additional six-month period or until acted upon by
11 the board, whichever occurs first.

12 (e) Prohibitions.--

13 (1) No slot machine licensee may employ or permit any
14 person under 18 years of age to render any service in any
15 area of its licensed facility at which slot machines are
16 physically located.

17 (2) No slot machine licensee may employ an individual as
18 a gaming employee unless the individual has been issued an
19 occupation permit under this section.

20 [§ 1330. Multiple slot machine license prohibition.

21 No slot machine licensee, its affiliate, intermediary,
22 subsidiary or holding company may possess an ownership or
23 financial interest that is greater than 33.3% of another slot
24 machine licensee or person eligible to apply for a Category 1
25 license, its affiliate, intermediary, subsidiary or holding
26 company. The board shall approve the terms and conditions of any
27 divestiture under this section. Under no circumstances shall any
28 such divestiture be approved by the board if the compensation
29 for the divested interest in a person eligible to apply for a
30 Category 1 license exceeds the greater of the original cost of

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

15 § 1403. Establishment of State Gaming Fund and net slot machine
16 revenue distribution.

17 (a) Fund established.--There is hereby established the State
18 Gaming Fund within the State Treasury.

19 (b) Slot machine tax.--The department shall determine and
20 each slot machine licensee shall pay a daily tax of 34% and a
21 local share assessment of 4% of its daily gross terminal revenue
22 from the slot machines in operation at its facility into the
23 fund.

24 (c) Transfers and distributions.--[The] Subject to the
25 provisions of subsection (d), the department shall:

26 (1) Transfer the slot machine tax and assessment imposed
27 in subsection (b) to the fund.

28 (2) From the local share assessment established in
29 subsection (b) make quarterly distributions among the
30 counties hosting a licensed facility in accordance with the

1 following schedule:

2 (i) If the licensed facility is a Category 1
3 licensed facility that is located at a harness racetrack
4 and the county, including a home rule county, in which
5 the licensed facility is located is:

6 (A) A county of the first class: 4% of the
7 gross terminal revenue to the county hosting the
8 licensed facility from each such licensed facility.
9 Notwithstanding any other provision to the contrary,
10 funds from licensed gaming entities located within a
11 county of the first class shall not be distributed
12 outside of a county of the first class.

13 (B) A county of the second class: 2% of the
14 gross terminal revenue to the county hosting the
15 licensed facility from each such licensed facility.

16 (C) A county of the second class A: 1% of the
17 gross terminal revenue to the county hosting the
18 licensed facility from each such licensed facility.
19 An additional 1% of the gross terminal revenue to the
20 county hosting the licensed facility from each such
21 licensed facility for the purpose of municipal grants
22 within the county in which the licensee is located.

23 (D) A county of the third class: 2% of the
24 gross terminal revenue from each such licensed
25 facility shall be deposited into a restricted account
26 established in the Department of Community and
27 Economic Development to be used exclusively for
28 grants for health, safety and economic development
29 projects to municipalities within the county where
30 the licensed facility is located. Municipalities that

1 are contiguous to the municipality hosting such
2 licensed facility shall be given priority by the
3 Department of Community and Economic Development in
4 the award of such grants.

5 (E) A county of the fourth class: 2% of the
6 gross terminal revenue from each such licensed
7 facility shall be deposited into a restricted account
8 established in the Department of Community and
9 Economic Development to be used exclusively for
10 grants to the county, to economic development
11 authorities or organizations within the county or
12 redevelopment authorities within the county for
13 grants for economic development projects, job
14 training, community improvement projects, other
15 projects in the public interest and reasonable
16 administrative costs. Notwithstanding the provisions
17 of the act of February 9, 1999 (P.L.1, No.1), known
18 as the Capital Facilities Debt Enabling Act, grants
19 made under this clause may be utilized as local
20 matching funds for other grants or loans from the
21 Commonwealth.

22 (F) Counties of the fifth through eighth
23 classes: 2% of the gross terminal revenue from each
24 such licensed facility shall be deposited into a
25 restricted account established in the Department of
26 Community and Economic Development to be used
27 exclusively for grants to the county.

28 (G) Any county not specifically enumerated in
29 clauses (A) through (F), 2% of the gross terminal
30 revenue to the county hosting the licensed facility

1 from each such licensed facility.

2 (ii) If the licensed facility is a Category 1
3 licensed facility and is located at a thoroughbred
4 racetrack and the county in which the licensed facility
5 is located is:

6 (A) A county of the first class: 4% of the
7 gross terminal revenue to the county hosting the
8 licensed facility from each such licensed facility.
9 Notwithstanding any other provision to the contrary,
10 funds from licensed gaming entities located within
11 the county of the first class shall not be
12 distributed outside of a County of the first class.

13 (B) A county of the second class: 2% of the
14 gross terminal revenue to the county hosting the
15 licensed facility from each such licensed facility.

16 (C) A county of the second class A: 1% of the
17 gross terminal revenue to the county hosting the
18 licensed facility from each such licensed facility.
19 An additional 1% of the gross terminal revenue to the
20 county hosting the licensed facility from each such
21 licensed facility for the purpose of municipal grants
22 within the county in which the licensee is located.

23 (D) A county of the third class: 1% of the
24 gross terminal revenue to the county hosting the
25 licensed facility from each such licensed facility.
26 An additional 1% of the gross terminal revenue to the
27 county hosting the licensed facility from each such
28 licensed facility for the purpose of municipal grants
29 within the county in which the licensee is located.

30 (E) A county of the fourth class: 2% of the

1 gross terminal revenue from each such licensed
2 facility shall be deposited into a restricted account
3 established in the Department of Community and
4 Economic Development to be used exclusively for
5 grants to the county, to economic development
6 authorities or organizations within the county or
7 redevelopment authorities within the county for
8 grants for economic development projects, community
9 improvement projects, job training, other projects in
10 the public interest and reasonable administrative
11 costs. Notwithstanding the Capital Facilities Debt
12 Enabling Act, grants made under this clause may be
13 utilized as local matching funds for other grants or
14 loans from the Commonwealth.

15 (F) Counties of the fifth through eighth
16 classes: 2% of the gross terminal revenue from each
17 such licensed facility shall be deposited into a
18 restricted account established in the Department of
19 Community and Economic Development to be used
20 exclusively for grants to the county.

21 (G) Any county not specifically enumerated in
22 clauses (A) through (F), 2% of the gross terminal
23 revenue to the county hosting the licensed facility
24 from each such licensed facility.

25 (iii) If the facility is a Category 2 licensed
26 facility and if the county in which the licensed facility
27 is located is:

28 (A) A county of the first class: 4% of the
29 gross terminal revenue to the county hosting the
30 licensed facility from each such licensed facility.

1 Notwithstanding any other provision to the contrary,
2 funds from licensed gaming entities located within
3 the county of the first class shall not be
4 distributed outside of a County of the first class.

5 (B) A county of the second class: 2% of the
6 gross terminal revenue to the county hosting the
7 licensed facility from each such licensed facility.

8 (C) A county of the second class A: 1% of the
9 gross terminal revenue to the county hosting the
10 licensed facility from each such licensed facility.
11 An additional 1% of the gross terminal revenue to the
12 county hosting the licensed facility from each such
13 licensed facility for the purpose of municipal grants
14 within the county in which the licensee is located.

15 (D) A county of the third class: 1% of the
16 gross terminal revenue to the county hosting the
17 licensed facility from each such licensed facility.
18 An additional 1% of the gross terminal revenue to the
19 county hosting the licensed facility from each such
20 licensed facility for the purpose of municipal grants
21 within the county in which the licensee is located.

22 (E) A county of the fourth class: 2% of the
23 gross terminal revenue from each such licensed
24 facility shall be deposited into a restricted account
25 established in the Department of Community and
26 Economic Development to be used exclusively for
27 grants to the county, to economic development
28 authorities or organizations within the county or
29 redevelopment authorities within the county for
30 grants for economic development projects, community

1 improvement projects, job training, other projects in
2 the public interest and reasonable administrative
3 costs. Notwithstanding the Capital Facilities Debt
4 Enabling Act, grants made under this clause may be
5 utilized as local matching funds for other grants or
6 loans from the Commonwealth.

7 (F) Counties of the fifth through eighth
8 classes: 2% of the gross terminal revenue from each
9 such licensed facility shall be deposited into a
10 restricted account established in the Department of
11 Community and Economic Development to be used
12 exclusively for grants to the county, to contiguous
13 counties, to economic development authorities or
14 organizations within the county or contiguous
15 counties or redevelopment authorities within the
16 county or contiguous counties for grants for economic
17 development projects, community improvement projects,
18 other projects in the public interest and reasonable
19 administrative costs. Notwithstanding the Capital
20 Facilities Debt Enabling Act, grants made under this
21 clause may be utilized as local matching funds for
22 other grants or loans from the Commonwealth.

23 (G) Any county not specifically enumerated in
24 clauses (A) through (F), 2% of the gross terminal
25 revenue to the county hosting the licensed facility
26 from each such licensed facility.

27 (iv) If the facility is a Category 3 licensed
28 facility, 2% of the gross terminal revenue from each such
29 licensed facility shall be deposited into a restricted
30 account established in the Department of Community and

1 Economic Development to be used exclusively for grants to
2 the county, to economic development authorities or
3 organizations within the county or redevelopment
4 authorities within the county for grants for economic
5 development projects and community improvement projects.

6 (v) Unless otherwise specified, for the purposes of
7 this paragraph money designated for municipal grants
8 within a county, other than a county of the first class,
9 in which a licensed facility is located shall be used to
10 fund grants to the municipality in which the licensed
11 facility is located, to the county in which the licensed
12 facility is located and to the municipalities which are
13 contiguous to the municipality in which the licensed
14 facility is located and which are located within the
15 county in which the licensed facility is located. Grants
16 shall be administered by the county through its economic
17 development or redevelopment authority in which the
18 licensed facility is located. Grants shall be used to
19 fund the costs of human services, infrastructure
20 improvements, facilities, emergency services, health and
21 public safety expenses associated with licensed facility
22 operations. If at the end of a fiscal year uncommitted
23 funds exist, the county shall pay to the economic
24 development or redevelopment authority of the county in
25 which the licensed facility is located the uncommitted
26 funds.

27 (vi) If the licensed facility is located in more
28 than one county, the amount available shall be
29 distributed on a pro rata basis determined by the
30 percentage of acreage located in each county to the total

1 acreage of all counties occupied by the licensed
2 facility.

3 (vii) The distributions provided in this paragraph
4 shall be based upon county classifications in effect on
5 the effective date of this section. Any reclassification
6 of counties as a result of a Federal decennial census
7 which shows an increase in population or of a State
8 statute shall [not] apply to this subparagraph[.] for
9 every succeeding State fiscal year. Any reclassification
10 of counties as a result of a Federal decennial census
11 which shows a decrease in population or of a State
12 statute shall not apply to this subparagraph.

13 (viii) If any provision of this paragraph is found
14 to be unenforceable for any reason, the distribution
15 provided for in the unenforceable provision shall be made
16 to the county in which the licensed facility is located
17 for the purposes of grants to municipalities in that
18 county, including municipal grants as specified in
19 subparagraph (v).

20 (ix) Nothing in this paragraph shall prevent any of
21 the above counties from entering into intergovernmental
22 cooperative agreements with other jurisdictions for
23 sharing these money.

24 (3) From the local share assessment established in
25 subsection (b), make quarterly distributions among the
26 municipalities, including home rule municipalities, hosting a
27 licensed facility in accordance with the following schedule:

28 (i) To a city of the second class hosting a licensed
29 facility or facilities, other than a Category 3 licensed
30 facility, 2% of the gross terminal revenue or \$10,000,000

1 annually, whichever is greater, of all licensed
2 facilities located in that city. In the event that the
3 revenues generated by the 2% do not meet the \$10,000,000
4 minimum specified in this paragraph, the licensed gaming
5 entity operating the licensed facility or facilities in
6 the city shall remit the difference to the municipality.

7 (ii) To a city of the second class A hosting a
8 licensed facility or facilities, other than a Category 3
9 licensed facility, 2% of the gross terminal revenue or
10 \$10,000,000 annually, whichever is greater, of all
11 licensed facilities located in that city. [subject,
12 however, to the budgetary limitation in this
13 subparagraph. The amount allocated to the designated
14 municipalities shall not exceed 50% of their total budget
15 for fiscal year 2003-2004, adjusted for inflation in
16 subsequent years by an amount not to exceed an annual
17 cost-of-living adjustment calculated by applying the
18 percentage change in the Consumer Price Index for All
19 Urban Consumers for the Pennsylvania, New Jersey,
20 Delaware and Maryland area, for the most recent 12-month
21 period for which figures have been officially reported by
22 the United States Department of Labor, Bureau of Labor
23 Statistics, immediately prior to the date the adjustment
24 is due to take effect. Any remaining moneys shall be
25 distributed in accordance with paragraph (2) based upon
26 the county where the licensed facility or facilities is
27 located.] In the event that the revenues generated by the
28 2% do not meet the \$10,000,000 minimum specified in this
29 subparagraph, the licensed gaming entity operating the
30 licensed facility or facilities in the city shall remit

1 the difference to the municipality.

2 (iii) To a city of the third class hosting a
3 licensed facility or facilities, other than a Category 3
4 licensed facility, 2% of the gross terminal revenue or
5 \$10,000,000 annually, whichever is greater, of all
6 licensed facilities located in that city subject,
7 however, to the budgetary limitation in this
8 subparagraph. However, the foregoing limitations shall
9 not apply, notwithstanding any provision to the contrary,
10 if the licensed facility or facilities have executed a
11 written agreement with the city prior to the effective
12 date of this part to provide additional compensation to
13 the city in excess of the difference between 2% of the
14 gross terminal revenue and \$10,000,000. [The amount
15 allocated to the designated municipalities shall not
16 exceed 50% of their total budget for fiscal year 2003-
17 2004, adjusted for inflation in subsequent years by an
18 amount not to exceed an annual cost-of-living adjustment
19 calculated by applying the percentage change in the
20 Consumer Price Index for All Urban Consumers for the
21 Pennsylvania, New Jersey, Delaware and Maryland area, for
22 the most recent 12-month period for which figures have
23 been officially reported by the United States Department
24 of Labor, Bureau of Labor Statistics, immediately prior
25 to the date the adjustment is due to take effect. Any
26 remaining moneys shall be distributed in accordance with
27 paragraph (2) based upon the county where the licensed
28 facility or facilities is located.] In the event that the
29 revenues generated by the 2% do not meet the \$10,000,000
30 minimum specified in this subparagraph, the licensed

1 gaming entity operating the licensed facility or
2 facilities in the city shall remit the difference to the
3 municipality.

4 (iv) To a township of the first class hosting a
5 licensed facility or facilities, other than a Category 3
6 licensed facility, 2% of the gross terminal revenue or
7 \$10,000,000 annually, whichever is greater, of all
8 licensed facilities located in the township. [subject,
9 however, to the budgetary limitation in this
10 subparagraph. The amount allocated to the designated
11 municipalities shall not exceed 50% of their total budget
12 for fiscal year 2003-2004, adjusted for inflation in
13 subsequent years by an amount not to exceed an annual
14 cost-of-living adjustment calculated by applying the
15 percentage change in the Consumer Price Index for All
16 Urban Consumers for the Pennsylvania, New Jersey,
17 Delaware and Maryland area, for the most recent 12-month
18 period for which figures have been officially reported by
19 the United States Department of Labor, Bureau of Labor
20 Statistics, immediately prior to the date the adjustment
21 is due to take effect. Any remaining money shall be
22 distributed in accordance with paragraph (2) based upon
23 the county where the licensed facility or facilities is
24 located.] In the event that the revenues generated by the
25 2% do not meet the \$10,000,000 minimum specified in this
26 subparagraph, the licensed gaming entity operating the
27 licensed facility or facilities in the township shall
28 remit the difference to the municipality.

29 (v) To a township of the second class hosting a
30 licensed facility or facilities, other than a Category 3

1 licensed facility, 2% of the gross terminal revenue or
2 \$10,000,000 annually, whichever is greater, of all
3 licensed facilities located in the township. [subject,
4 however, to the budgetary limitation in this
5 subparagraph. The amount allocated to the designated
6 municipalities shall not exceed 50% of their total budget
7 for fiscal year 2003-2004, adjusted for inflation in
8 subsequent years by an amount not to exceed an annual
9 cost-of-living adjustment calculated by applying the
10 percentage change in the Consumer Price Index for All
11 Urban Consumers for the Pennsylvania, New Jersey,
12 Delaware and Maryland area, for the most recent 12-month
13 period for which figures have been officially reported by
14 the United States Department of Labor, Bureau of Labor
15 Statistics, immediately prior to the date the adjustment
16 is due to take effect. Any remaining money shall be
17 distributed in accordance with paragraph (2) based upon
18 the county where the licensed facility or facilities is
19 located.] In the event that the revenues generated by the
20 2% do not meet the \$10,000,000 minimum specified in this
21 subparagraph, the licensed gaming entity operating the
22 licensed facility or facilities in the township shall
23 remit the difference to the municipality.

24 (vi) To a borough hosting a licensed facility or
25 facilities, other than a Category 3 licensed facility, 2%
26 of the gross terminal revenue or \$10,000,000 annually,
27 whichever is greater, of all licensed facilities located
28 in that borough. [subject, however, to the budgetary
29 limitation in this subparagraph. The amount allocated to
30 the designated municipalities shall not exceed 50% of

1 their total budget for fiscal year 2003-2004, adjusted
2 for inflation in subsequent years by an amount not to
3 exceed an annual cost-of-living adjustment calculated by
4 applying the percentage change in the Consumer Price
5 Index for All Urban Consumers for the Pennsylvania, New
6 Jersey, Delaware and Maryland area, for the most recent
7 12-month period for which figures have been officially
8 reported by the United States Department of Labor, Bureau
9 of Labor Statistics, immediately prior to the date the
10 adjustment is due to take effect. Any remaining money
11 shall be distributed in accordance with paragraph (2)
12 based upon the county where the licensed facility or
13 facilities is located.] In the event that the revenues
14 generated by the 2% do not meet the \$10,000,000 minimum
15 specified in this subparagraph, the licensed gaming
16 entity operating the licensed facility or facilities in
17 the borough shall remit the difference to the
18 municipality.

19 (vii) To an incorporated town hosting a licensed
20 facility or facilities, other than a Category 3 licensed
21 facility, 2% of the gross terminal revenue or \$10,000,000
22 annually, whichever is greater, of all licensed
23 facilities located in the town. [subject, however, to the
24 budgetary limitation in this subparagraph. The amount
25 allocated to the designated municipalities shall not
26 exceed 50% of their total budget for fiscal year 2003-
27 2004, adjusted for inflation in subsequent years by an
28 amount not to exceed an annual cost-of-living adjustment
29 calculated by applying the percentage change in the
30 Consumer Price Index for All Urban Consumers for the

1 Pennsylvania, New Jersey, Delaware and Maryland area, for
2 the most recent 12-month period for which figures have
3 been officially reported by the United States Department
4 of Labor, Bureau of Labor Statistics, immediately prior
5 to the date the adjustment is due to take effect. Any
6 remaining money shall be distributed in accordance with
7 paragraph (2) based upon the county where the licensed
8 facility or facilities is located.] In the event that the
9 revenues generated by the 2% do not meet the \$10,000,000
10 minimum specified in this subparagraph, the licensed
11 gaming entity operating the licensed facility or
12 facilities in the town shall remit the difference to the
13 municipality.

14 (viii) To a municipality of any class hosting a
15 Category 3 facility, 2% of the gross terminal revenue
16 from the Category 3 licensed facility located in the
17 municipality. [subject, however, to the budgetary
18 limitation in this subparagraph. The amount allocated to
19 the designated municipalities shall not exceed 50% of
20 their total budget for fiscal year 2003-2004, adjusted
21 for inflation in subsequent years by an amount not to
22 exceed an annual cost-of-living adjustment calculated by
23 applying the percentage change in the Consumer Price
24 Index for All Urban Consumers for the Pennsylvania, New
25 Jersey, Delaware and Maryland area, for the most recent
26 12-month period for which figures have been officially
27 reported by the United States Department of Labor, Bureau
28 of Labor Statistics, immediately prior to the date the
29 adjustment is due to take effect. Any remaining money
30 shall be distributed in accordance with paragraph (2)

1 based upon the county where the licensed facility or
2 facilities is located.]

3 (ix) Any municipality not specifically enumerated in
4 subparagraphs (i) through (viii), 2% of the gross
5 terminal revenue to the municipality hosting the licensed
6 facility from each such licensed facility.

7 (x) If the licensed facility is located in more than
8 one municipality, the amount available shall be
9 distributed on a pro rata basis determined by the
10 percentage of acreage located in each municipality to the
11 total acreage of all municipalities occupied by the
12 licensed facility.

13 (xi) If the licensed facility is located at a resort
14 which is also an incorporated municipality, such
15 municipality shall not be eligible to receive any
16 distribution under this paragraph. The distribution it
17 would have otherwise been entitled to under this
18 paragraph shall instead be distributed in accordance with
19 paragraph (2) based upon the county where the licensed
20 facility is located.

21 (xii) The distributions provided in this paragraph
22 shall be based upon municipal classifications in effect
23 on the effective date of this section. For the purposes
24 of this paragraph, any reclassification of municipalities
25 as a result of a Federal decennial census or of a State
26 statute shall not apply to this paragraph.

27 (xiii) If any provision of this paragraph is found
28 to be unenforceable for any reason, the distribution
29 provided for in such unenforceable provision shall be
30 made to the municipality in which the licensed facility

1 is located.

2 (xiv) Nothing in this paragraph shall prevent any of
3 the above municipalities from entering into
4 intergovernmental cooperative agreements with other
5 jurisdictions for sharing this money.

6 (xv) Notwithstanding any other law, agreement or
7 provision in this part to the contrary, all revenues
8 provided, directed or earmarked under this section to or
9 for the benefit of a city of the second class in which an
10 intergovernmental cooperation authority has been
11 established and is in existence pursuant to the act of
12 February 12, 2004 (P.L.73, No.11), known as the
13 Intergovernmental Cooperation Authority Act for Cities of
14 the Second Class, shall be directed to and under the
15 exclusive control of such intergovernmental cooperation
16 authority to be used:

17 (A) to reduce the debt of the second class city;

18 (B) to increase the level of funding of the
19 municipal pension funds of the second class city; or

20 (C) for any other purposes as determined to be
21 in the best interest of the second class city by such
22 intergovernmental cooperation authority. Such
23 revenues shall not be directed to or under the
24 control of such city of the second class or any
25 coordinator appointed pursuant to the act of July 10,
26 1987 (P.L.246, No.47), known as the Municipalities
27 Financial Recovery Act, for such city of the second
28 class.

29 (d) Priority transfer for preservation of funding level for
30 State Lottery Fund.--

1 (1) Prior to making any transfer or distribution under
2 this section or section 1408 (relating to transfers from
3 State Gaming Fund), the department shall annually determine
4 the balance in the State Lottery Fund after payment, under
5 section 311 of the act of August 26, 1971 (P.L.351, No.91),
6 known as the State Lottery Law, of lottery prizes and
7 operating expenses of the department relating thereto for the
8 prior fiscal year and shall make the transfer under paragraph
9 (2), if applicable.

10 (2) If such balance is less than the balance from the
11 prior fiscal year determined in the same manner, the
12 department shall transfer an amount equal to the difference
13 between the balances from the State Gaming Fund to the State
14 Lottery Fund.

15 § 1408. Transfers from State Gaming Fund.

16 * * *

17 (e) Transfer to Property Tax Relief Fund.--[Monthly]
18 Annually, the State Treasurer shall transfer the remaining
19 balance in the State Gaming Fund which is not otherwise
20 transferred under section 1403(d) (relating to establishment of
21 State Gaming Fund and net slot machine revenue distribution) and
22 allocated in subsections (a), (b), (c) and (d) to the Property
23 Tax Relief Fund established in section 1409 (relating to
24 Property Tax Relief Fund).

25 § 1506. [Local land use preemption] Preemption.

26 [The conduct of gaming as permitted under this part,
27 including the physical location of any licensed facility,] (a)
28 Regulation.--Gaming authorized by this part shall not be
29 prohibited or otherwise regulated by any ordinance, home rule
30 charter provision, resolution, rule or regulation of any

1 [political subdivision or any local or State instrumentality or
2 authority that relates to zoning or land use to the extent that
3 the licensed facility has been approved by the board.]
4 municipality.

5 (b) Land use.--Any zoning and land use ordinances, home rule
6 charter provisions, resolutions, rules or regulations of any
7 municipality shall not apply to property upon which a licensed
8 facility or licensed racetrack is or will be located. The board
9 may [in its discretion consider such] consider local zoning
10 ordinances when considering an application for a slot machine
11 license.

12 (c) Local impact.--

13 (1) The board shall provide the [political subdivision]
14 municipality, within which an applicant for a slot machine
15 license has proposed to locate a licensed [gaming] facility,
16 a 60-day comment period prior to the board's final approval,
17 condition or denial of approval of [its] the application for
18 a slot machine license. The [political subdivision]
19 municipality may make written recommendations to the board
20 for improvements to the applicant's proposed site plans that
21 take into account the impact on the local community.[,
22 including, but not limited to, land use and transportation
23 impact. This section shall also apply to any proposed
24 racetrack or licensed racetrack.]

25 (2) Within 30 days following the expiration of the 60-
26 day comment period provided in paragraph (1), the board shall
27 provide the municipality with a written response to each
28 written recommendation received from the municipality during
29 the comment period.

30 (3) A municipality shall have the right to appeal any

1 response of the board that a majority vote of the governing
2 body of the municipality determines fails to adequately
3 address the impact that the granting of the proposed slot
4 machine license will have on the local community and that the
5 board's failure to do so will result in serious negative
6 impact to the local community. The appeal of the municipality
7 shall be made in accordance with this section. The procedures
8 set forth in this section shall constitute the exclusive mode
9 for securing review of any decision of the board relating to
10 the impact final approval may have on the local community.

11 (4) Within ten days following receipt of the written
12 response of the board required by paragraph (2), the
13 municipality shall notify the board whether the municipality
14 intends to file an appeal should the board grant final
15 approval to the slot machine license applicant. Failure to
16 provide notice as required by this subsection shall be deemed
17 a waiver of any right to seek judicial review of the impact
18 that the final approval of the board will have on the local
19 community. The notice required by this subsection shall
20 include specific objections to the response of the board and
21 shall list the grounds on which the municipality intends to
22 appeal and specific recommendations to minimize any negative
23 impact on the local community. The notice shall be
24 accompanied by the official vote of the governing authority
25 of the municipality authorizing the appeal should final
26 approval be granted.

27 (5) Notwithstanding any other provision of law, an
28 appeal filed by a municipality relating to the impact that
29 the final approval of the board will have on the local
30 community shall be taken to the Commonwealth Court. An appeal

1 to Commonwealth Court by a municipality pursuant to this
2 section shall be filed within ten days of the board's final
3 approval and shall be accompanied by a request for an
4 expedited hearing before the court. The filing in
5 Commonwealth Court shall state specific objections to the
6 response of the board and shall list the grounds on which the
7 governing authority of the municipality believes the final
8 approval of the board will result in serious negative impact
9 to the local community and shall include specific
10 recommendations to minimize any negative impact final
11 approval will have on the local community. The filing shall
12 be accompanied by a certified copy of the official vote of
13 the governing authority of the municipality authorizing that
14 the appeal be taken.

15 (6) Upon filing of an appeal by a municipality pursuant
16 to this section, the Commonwealth Court shall forthwith send
17 to the board, by registered or certified mail, a copy of the
18 appeal, together with a writ of certiorari commanding the
19 board, within 20 days after receipt thereof, to certify to
20 the court items and information in the possession of the
21 board and subject to disclosure, which relate to the grounds
22 on which the governing authority of the municipality believes
23 the final approval of the board will result in serious
24 negative impact to the local community and to the governing
25 authority's specific recommendations to minimize any negative
26 impact final approval will have on the local community.

27 (7) The filing of an appeal by a municipality pursuant
28 to this section shall not stay the board's final approval,
29 but the municipality may petition the court for a stay.
30 Whether or not a stay is sought by the municipality, the

1 board may petition the court to order the municipality to
2 post a bond as a condition to proceeding with the appeal.
3 After the petition for posting a bond is presented, the court
4 shall hold a hearing to determine if the filing of the appeal
5 is frivolous. At the hearing, evidence may be presented on
6 the merits of the case. It shall be the burden of the board
7 to prove the appeal is frivolous. After consideration of all
8 evidence presented, if the court determines that the appeal
9 is frivolous, it shall grant the petition for posting a bond.
10 The right to petition the court to order the municipality to
11 post a bond may be waived by the board, but such waiver may
12 be revoked by the board if an appeal is taken from a final
13 determination of the court. The question of the amount of the
14 bond shall be within the sound discretion of the court. An
15 order denying a petition for a bond shall be interlocutory.
16 An order directing the municipality to post a bond shall be
17 interlocutory.

18 (8) If an appeal is taken by the municipality to the
19 petition for a bond from an order of the court dismissing an
20 appeal for refusal to post a bond, and the Supreme Court
21 sustains the petition for a bond, upon motion of the board
22 and after hearing in the Commonwealth Court, the municipality
23 shall be liable for all reasonable costs, expenses and
24 attorney fees incurred by the board.

25 (9) Within 30 days first following the filing of an
26 appeal by a municipality pursuant to this section, the
27 licensee that was granted final approval by the board may
28 intervene by filing a notice of intervention, accompanied by
29 proof of service of the same, upon the board and the
30 municipality.

1 (10) If, upon motion, it is shown that proper
2 consideration of the appeal requires the presentation of
3 additional evidence, the Commonwealth Court may hold a
4 hearing to receive additional evidence. If the information
5 provided to the court pursuant to paragraph (6) includes
6 findings of fact made by the board, or the appeal is reviewed
7 by the court without taking additional evidence, the findings
8 of the board shall not be disturbed by the court if supported
9 by the evidence. If the information provided to the court
10 pursuant to paragraph (6) does not include findings of fact
11 made by the board or if additional evidence is taken, the
12 court may make its own findings of fact based on the
13 information provided and the additional evidence presented.

14 (11) In an appeal filed by a municipality pursuant to
15 this section, the Commonwealth Court shall have power to
16 recommend that the board alter its final approval to minimize
17 serious negative impact on the local community, but the court
18 shall not have power to prevent the board from granting final
19 approval. Serious negative impact shall be proven by clear
20 and convincing evidence.

21 (12) Upon an order of the Commonwealth Court
22 recommending that the board alter its final approval to
23 minimize serious negative impact on the local community, the
24 board shall consider the recommendations of the court and
25 within 30 days alter the final approval as the board deems
26 appropriate. Final approval by the board following an appeal
27 shall not be subject to appeal.

28 § 1512. [Public official financial interest] Financial
29 interests and complimentary services and discounts.

30 [(a) General rule.--Except as may be provided by rule or

1 order of the Pennsylvania Supreme Court, no executive-level
2 State employee, public official, party officer or immediate
3 family member thereof shall have, at or following the effective
4 date of this part, a financial interest in or be employed,
5 directly or indirectly, by any licensed racing entity or
6 licensed gaming entity, or any holding, affiliate, intermediary
7 or subsidiary company, thereof, or any such applicant, nor
8 solicit or accept, directly or indirectly, any complimentary
9 service or discount from any licensed racing entity or licensed
10 gaming entity which he or she knows or has reason to know is
11 other than a service or discount that is offered to members of
12 the general public in like circumstances during his or her
13 status as an executive-level State employee, public official or
14 party officer and for one year following termination of the
15 person's status as an executive-level State employee, public
16 official or party officer.]

17 (a) Financial interests.--An executive-level State employee,
18 public official or party officer, or an immediate family member
19 thereof, shall not do any of the following:

20 (1) Intentionally or knowingly hold, whether directly or
21 indirectly, a financial interest in any slot machine
22 licensee, manufacturer licensee, supplier licensee, licensed
23 racing entity or in any holding, affiliate, intermediary or
24 subsidiary company thereof while the individual is an
25 executive-level State employee, public official or party
26 officer and for one year following termination of the
27 individual's status as an executive-level State employee,
28 public official or party officer.

29 (2) Intentionally or knowingly hold, whether directly or
30 indirectly, a financial interest in any applicant for a slot

1 machine license, manufacturer license, supplier license or
2 racetrack or in any holding, affiliate, intermediary or
3 subsidiary company of the applicant while the individual is
4 an executive-level State employee, public official or party
5 officer and for one year following termination of the
6 individual's status as an executive-level State employee,
7 public official or party officer.

8 (a.1) Employment.--

9 (1) An executive-level State employee, public official
10 or party officer shall not be employed, whether directly or
11 indirectly, by any slot machine licensee, manufacturer
12 licensee, supplier licensee, licensed racing entity or
13 racetrack, or an applicant therefor, or by any holding,
14 affiliate, intermediary or subsidiary company thereof, while
15 the individual is an executive-level State employee, public
16 official or party officer and for one year following
17 termination of the individual's status as an executive-level
18 State employee, public official or party officer.

19 (2) An immediate family member of an executive-level
20 State employee, public official or party officer shall not be
21 employed to provide services for any slot machine licensee,
22 manufacturer licensee, supplier licensee, licensed racing
23 entity or racetrack, or an applicant therefor, or by any
24 holding, affiliate, intermediary or subsidiary company
25 thereof, while the executive-level State employee, public
26 official or party officer of the immediate family member is
27 an executive-level State employee, public official or party
28 officer.

29 (a.2) Complimentary services and discounts.--No executive-
30 level State employee, public official or party officer, or an

1 immediate family member thereof, shall solicit or accept,
2 whether directly or indirectly, any complimentary service or
3 discount from any slot machine licensee, manufacturer licensee,
4 supplier licensee, licensed racing entity or from an affiliate,
5 intermediary, subsidiary or holding company thereof which the
6 executive-level State employee, public official or party
7 officer, or an immediate family member thereof, knows or has
8 reason to know is other than a service or discount that is
9 offered to members of the general public in like circumstances
10 while the individual is an executive-level State employee,
11 public official or party officer.

12 (a.3) Grading.--An individual who violates this section
13 commits a misdemeanor and shall, upon conviction, be sentenced
14 to pay a fine of not more than \$1,000 or to imprisonment for not
15 more than one year, or both.

16 (a.4) Divestiture.--An executive-level State employee,
17 public official or party officer, or an immediate family member
18 thereof, who holds a financial interest prohibited by this
19 section shall divest the financial interest within three months
20 of the effectuation of the restrictions set forth in subsection
21 (a), as applicable.

22 (a.5) List of applicants.--The board shall publish monthly
23 in the Pennsylvania Bulletin and on its Internet website a list
24 of applicants for slot machine licenses, supplier licenses,
25 manufacturer licenses and of the affiliates, intermediaries,
26 subsidiaries and holding companies of the applicants.

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

30 "Executive-level State employee." The Governor, Lieutenant

1 Governor, cabinet members, deputy secretaries, the Governor's
2 office executive staff, any State employee with discretionary
3 powers which may affect the outcome of a State agency's decision
4 in relation to a private corporation or business, with respect
5 to any matter covered by this part or any executive employee who
6 by virtue of his job function could influence the outcome of
7 such a decision.

8 "Financial interest." Owning or holding, or being deemed to
9 hold, debt or equity securities [exceeding 1% of the equity or
10 fair market value of the licensed racing entity or licensed
11 gaming entity, its holding company, affiliate, intermediary or
12 subsidiary business] or other ownership interest or profits
13 interest. A financial interest shall not include any [such stock
14 that is held in a blind trust over which the executive-level
15 State employee, public official, party officer or immediate
16 family member thereof may not exercise any managerial control or
17 receive income during the tenure of office and the period under
18 subsection (a).] debt or equity security, or other ownership
19 interest or profits interest, which is held or deemed to be held
20 in any of the following manners:

21 (1) A blind trust over which the executive-level State
22 employee, public official or party officer, or an immediate
23 family member thereof, does not exercise managerial or
24 investment control during the tenure of office and the period
25 under subsection (a).

26 (2) A defined benefit pension plan, a defined
27 contribution benefit pension plan or another retirement plan,
28 over which the executive-level State employee, public
29 official or party officer, or an immediate family member
30 thereof, does not exercise managerial or investment control

1 during the tenure of office and the period under subsection
2 (a).

3 (3) A tuition account plan organized and operated
4 pursuant to section 529 of the Internal Revenue Code of 1986
5 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

6 (4) A mutual fund where the interest owned by the mutual
7 fund in a licensed entity does not amount to control of the
8 licensed entity as defined by the Investment Company Act of
9 1940 54 Stat. 789, 15 U.S.C. § 80a-1 et seq.).

10 (5) Any other manner over which the executive-level
11 State employee, public official or party officer, or an
12 immediate family member thereof, does not exercise managerial
13 or investment control during the tenure of office and the
14 period under subsection (a).

15 "Immediate family." A [parent,] spouse, minor child or
16 unemancipated child[, brother or sister].

17 "Party officer." A member of a national committee; a
18 chairman, vice chairman, secretary, treasurer or counsel of a
19 State committee or member of the executive committee of a State
20 committee; a county chairman, vice chairman, counsel, secretary
21 or treasurer of a county committee A COUNTY IN WHICH A LICENSED <—
22 FACILITY IS LOCATED; or a city chairman, vice chairman, counsel,
23 secretary or treasurer of a city committee OF A CITY IN WHICH A <—
24 LICENSED FACILITY IS LOCATED.

25 ["Public official." Any person elected by the public or <—
26 elected or appointed by a governmental body directly receiving <—
27 revenue under this part or an appointed official in the
28 executive, legislative or judicial branch of this Commonwealth
29 or any political subdivision thereof directly receiving revenue <—
30 under this part, provided that it shall not include members of

1 ~~school boards or members of~~ advisory boards that have no
2 authority to expend public funds other than reimbursement for
3 personal expense or to otherwise exercise the power of the
4 Commonwealth or any political subdivision for commissioner of
5 any authority or joint-state ~~commission~~. COMMISSION.]

6 "PUBLIC OFFICIAL." ANY OF THE FOLLOWING:

7 (1) AN INDIVIDUAL ELECTED BY THE PUBLIC TO AN OFFICE IN
8 THE EXECUTIVE, LEGISLATIVE OR JUDICIAL DEPARTMENT OF THIS
9 COMMONWEALTH.

10 (2) AN INDIVIDUAL ELECTED BY THE PUBLIC TO AN OFFICE IN
11 A MUNICIPALITY WHICH DIRECTLY RECEIVES A DISTRIBUTION OF
12 GROSS TERMINAL REVENUE UNDER § 1403(C) (RELATING TO
13 ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE
14 REVENUE DISTRIBUTION).

15 (3) AN INDIVIDUAL ELECTED OR APPOINTED TO A GOVERNMENTAL
16 BODY WHICH DIRECTLY RECEIVES A DISTRIBUTION OF GROSS TERMINAL
17 REVENUE UNDER § 1403(C).

18 (4) AN INDIVIDUAL APPOINTED AS A PUBLIC OFFICIAL IN AN
19 AGENCY OF THE EXECUTIVE, LEGISLATIVE OR JUDICIAL BRANCHES OF
20 THIS COMMONWEALTH WHICH DIRECTLY RECEIVES A DISTRIBUTION OF
21 GROSS TERMINAL REVENUE UNDER § 1403(C).

22 (5) AN INDIVIDUAL APPOINTED AS A PUBLIC OFFICIAL IN AN
23 AGENCY OF A MUNICIPALITY WHICH DIRECTLY RECEIVES A
24 DISTRIBUTION OF GROSS TERMINAL REVENUE UNDER § 1403(C).
25 THE TERM DOES NOT INCLUDE MEMBERS OF SCHOOL BOARDS OR MEMBERS OF
26 ADVISORY BOARDS WHO HAVE NO AUTHORITY TO EXPEND PUBLIC FUNDS
27 OTHER THAN FOR REIMBURSEMENT OF PERSONAL EXPENSES OR TO
28 OTHERWISE EXERCISE THE POWER OF THE COMMONWEALTH OR A
29 MUNICIPALITY.

30 Section 7. Section 1517(d) of Title 4, added July 5, 2004

1 (P.L.572, No.71), is amended and the section is amended by
2 adding subsections to read:

3 § 1517. Enforcement.

4 * * *

5 (c.1) Powers and duties of Attorney General.--Within the
6 Office of Attorney General, the Attorney General shall establish
7 a gaming division. The division shall investigate and institute
8 criminal proceedings as authorized by subsection (d).

9 (d) Criminal action.--

10 (1) The district attorneys of the several counties shall
11 have authority to investigate and to institute criminal
12 proceedings for [any] a violation of this part.

13 (2) In addition to the authority conferred upon the
14 Attorney General [by] under the act of October 15, 1980
15 (P.L.950, No.164), known as the Commonwealth Attorneys Act,
16 the Attorney General shall have the authority to investigate
17 and, following consultation with the appropriate district
18 attorney, to institute criminal proceedings for [any] a
19 violation of this part, [or any series of such violations
20 involving any county of this Commonwealth and another state.
21 No] A person charged with a violation of this part by the
22 Attorney General shall not have standing to challenge the
23 authority of the Attorney General to investigate or prosecute
24 the case, and, if any such challenge is made, the challenge
25 shall be dismissed and no relief shall be available in the
26 courts of this Commonwealth to the person making the
27 challenge.

28 (d.1) Regulatory action.--Nothing contained in subsection
29 (d) shall be construed to limit the existing regulatory or
30 investigative authority of a department or agency of the

1 Commonwealth whose functions relate to persons or matters
2 falling within the scope of this part.

3 * * *

4 Section 7.1. Sections 1518(a) and (b), 1801 and 1802 of
5 Title 4, added July 5, 2004 (P.L.572, No.71), are amended to
6 read:

7 § 1518. Prohibited acts; penalties.

8 (a) Criminal offenses.--

9 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
10 perjury), 4903 (relating to false swearing) or 4904 (relating
11 to unsworn falsification to authorities) shall apply to any
12 person providing information or making any statement, whether
13 written or oral, to the board, the bureau, the department,
14 the Pennsylvania State Police or the Office of Attorney
15 General, as required by this part.

16 (2) It [is] shall be unlawful for a person to willfully:

17 (i) fail to report, pay or truthfully account for
18 and pay over any license fee, tax or assessment imposed
19 under this part; or

20 (ii) attempt in any manner to evade or defeat any
21 license fee, tax or assessment imposed under this [party]
22 part.

23 (3) It [is] shall be unlawful for any licensed entity,
24 gaming employee, key employee or any other person to permit a
25 slot machine to be operated, transported, repaired or opened
26 on the premises of a licensed facility by a person other than
27 a person licensed or permitted by the board pursuant to this
28 part.

29 (4) It [is] shall be unlawful for any licensed entity or
30 other person to manufacture, supply or place slot machines

1 into play or display slot machines on the premise of a
2 licensed facility without the authority of the board.

3 (5) Except as provided for in section 1326 (relating to
4 license renewals), it [is] shall be unlawful for a licensed
5 entity or other person to manufacture, supply, operate, carry
6 on or expose for play any slot machine after the person's
7 license has expired and prior to the actual renewal of the
8 license.

9 (6) (i) Except as set forth in subparagraph (ii), it
10 [is] shall be unlawful for an individual while on the
11 premises of a licensed facility to knowingly use currency
12 other than lawful coin or legal tender of the United
13 States or a coin not of the same denomination as the coin
14 intended to be used in the slot machine[.] with the
15 intent to cheat or defraud a licensed gaming entity or
16 the Commonwealth or damage the slot machine.

17 (ii) In the playing of a slot machine, it [is] shall
18 be lawful for an individual to use gaming billets, tokens
19 or similar objects issued by the licensed gaming entity
20 which are approved by the board.

21 (7) (i) Except as set forth in subparagraph (ii), it
22 [is] shall be unlawful for an individual [on the premises
23 of a licensed facility] to use or possess a cheating or
24 thieving device, counterfeit or altered billet, ticket,
25 token or similar objects accepted by a slot machine or
26 counterfeit or altered slot machine-issued tickets or
27 vouchers at a licensed facility.

28 (ii) An authorized employee of a licensee or an
29 employee of the board may possess and use a cheating or
30 thieving device, counterfeit or altered billet, ticket,

1 token or similar objects accepted by a slot machine or
2 counterfeit or altered slot machine-issued tickets or
3 vouchers [only] in performance of the duties of
4 employment.

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

12 (8) (i) Except as set forth in subparagraph (ii), it
13 [is] shall be unlawful for an individual to knowingly
14 possess or use while on the premises of a licensed
15 facility a key or device designed for the purpose of and
16 suitable for opening or entering any slot machine or coin
17 box which is located on the premises of the licensed
18 facility.

19 (ii) An authorized employee of a licensee or a
20 member of the board may possess and use a device referred
21 to in subparagraph (i) [only] in the performance of the
22 duties of employment.

23 (9) It [is] shall be unlawful for a person or licensed
24 entity to possess any device, equipment or material which the
25 person or licensed entity knows has been manufactured,
26 distributed, sold, tampered with or serviced in violation of
27 the provisions of this part[.] with the intent to use the
28 device, equipment or material as though it had been
29 manufactured, distributed, sold, tampered with or serviced
30 pursuant to this part.

1 (9.1) It shall be unlawful for a person to sell, offer
2 for sale, represent or pass off as lawful any device,
3 equipment or material which the person or licensed entity
4 knows has been manufactured, distributed, sold, tampered with
5 or serviced in violation of this part.

6 (10) It [is] shall be unlawful for an individual to work
7 or be employed in a position the duties of which would
8 require licensing or permitting under the provisions of this
9 part without first obtaining the requisite license or permit
10 [as provided for in] issued under the provisions of this
11 part.

12 (11) It [is] shall be unlawful for a licensed gaming
13 entity that is a licensed racing entity and that has lost the
14 license issued to it by either the State Horse Racing
15 Commission or the State Harness Racing Commission under the
16 Race Horse Industry Reform Act or that has had that license
17 suspended to operate slot machines at the racetrack for which
18 its slot machine license was issued unless the license issued
19 to it by either the State Horse Racing Commission or the
20 State Harness Racing Commission will be subsequently reissued
21 or reinstated within 30 days after the loss or suspension.

22 (12) It [is] shall be unlawful for a licensed entity to
23 employ or continue to employ an individual in a position the
24 duties of which require a license or permit under the
25 provisions of this part if the individual:

26 (i) [An individual] Is not licensed or permitted
27 under the provisions of this part.

28 (ii) [An individual who is] Is prohibited from
29 accepting employment from a licensee.

30 (13) It [is] shall be unlawful for any person under 18

1 years of age to be permitted in the area of a licensed
2 facility where slot machines are operated.

3 (b) Criminal penalties and fines.--

4 (1) (i) A person [that violates subsection (a)(1)
5 commits an offense to be graded in accordance with 18
6 Pa.C.S. § 4902, 4903 or 4904, as applicable, for a first
7 conviction.] who commits a first offense in violation of
8 18 Pa.C.S § 4902, 4903 or 4904 in connection with
9 providing information or making any statement, whether
10 written or oral, to the board, the bureau, the
11 department, the Pennsylvania State Police or the Office
12 of Attorney General as required by this part commits an
13 offense to be graded in accordance with the applicable
14 section violated. A person that is convicted of a second
15 or subsequent violation of [subsection (a)(1)] 18 Pa.C.S.
16 § 4902, 4903 or 4904 in connection with providing
17 information or making any statement, whether written or
18 oral, to the board, the bureau, the department, the
19 Pennsylvania State Police or the Office of Attorney
20 General as required by this part commits a felony of the
21 second degree.

22 (ii) A person that violates subsection (a)(2)
23 through (12) commits a misdemeanor of the first degree. A
24 person that is convicted of a second or subsequent
25 violation of subsection (a)(2) through (12) commits a
26 felony of the second degree.

27 (2) (i) For a first violation of subsection (a)(1)
28 through (12), a person shall be sentenced to pay a fine
29 of:

30 (A) not less than \$75,000 nor more than \$150,000

1 if the person is an individual;

2 (B) not less than \$300,000 nor more than
3 \$600,000 if the person is a licensed gaming entity;
4 or

5 (C) not less than \$150,000 nor more than
6 \$300,000 if the person is a licensed manufacturer or
7 supplier.

8 (ii) For a second or subsequent violation of
9 subsection (a)(1) through (12), a person shall be
10 sentenced to pay a fine of:

11 (A) not less than \$150,000 nor more than
12 \$300,000 if the person is an individual;

13 (B) not less than \$600,000 nor more than
14 \$1,200,000 if the person is a licensed gaming entity;
15 or

16 (C) not less than \$300,000 nor more than
17 \$600,000 if the person is a licensed manufacturer or
18 supplier.

19 * * *

20 § 1801. Duty to provide.

21 Notwithstanding the provisions of the Race Horse Industry
22 Reform Act or this part, the Pennsylvania State Police shall, at
23 the request of the commissions or the board, provide criminal
24 history background investigations, which shall include records
25 of criminal arrests [or] and convictions, no matter where
26 occurring, including Federal criminal history record
27 information, on applicants for licensure and permit applicants
28 by the respective agencies pursuant to the Race Horse Industry
29 Reform Act or this part. Requests for criminal history
30 background investigations may, at the direction of the

1 commissions or the board, include, but not be limited to,
2 officers, directors and stockholders of licensed corporations,
3 key employees, financial backers, gaming employees, horse
4 owners, trainers, jockeys, drivers and other persons
5 participating in thoroughbred or harness horse meetings and
6 other persons and vendors who exercise their occupation or
7 employment at such meetings, licensed facilities or licensed
8 [racetrack] racetracks. For the purposes of this [chapter] part,
9 the board and commissions may receive and retain information
10 otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal
11 history record information).

12 § 1802. Submission of fingerprints and photographs.

13 [Applicants] Appointees, employees and prospective employees
14 engaged in the service of the commissions or the board, and
15 applicants under this part shall submit to fingerprinting and
16 photographing by the Pennsylvania State Police[.] or by a local
17 law enforcement agency capable of submitting fingerprints and
18 photographs electronically to the Pennsylvania State Police
19 utilizing the Integrated Automated Fingerprint Identification
20 System and the Commonwealth Photo Imaging Network or in a manner
21 and in such form as may be provided by the Pennsylvania State
22 Police. Fingerprinting pursuant to this part shall require, at a
23 minimum, the submission of a full set of fingerprints.

24 Photographing pursuant to this part shall require submission to
25 photographs of the face and any scars, marks or tattoos for
26 purposes of comparison utilizing an automated biometric imaging
27 system. The Pennsylvania State Police shall submit [the]
28 fingerprints [if necessary] as required by this part or when
29 requested by the commissions or the board to the Federal Bureau
30 of Investigation for purposes of verifying the identity of the

1 applicants and obtaining records of criminal arrests and
2 convictions in order to prepare criminal history background
3 investigations under section 1801 (relating to duty to provide).
4 [The] Fingerprints and photographs obtained pursuant to this
5 part may be maintained by the commissions, the board and the
6 Pennsylvania State Police for use pursuant to this part and for
7 general law enforcement purposes. In addition to any other fee
8 or cost assessed by the commissions or the board, an applicant
9 shall pay for the cost of fingerprinting and photographing.

10 Section 8. Section 911(h)(1) of Title 18 is amended to read:

11 § 911. Corrupt organizations.

12 * * *

13 (h) Definitions.--As used in this section:

14 (1) "Racketeering activity" means all of the following:

15 (i) An act which is indictable under any of
16 the following provisions of this title:

17 Chapter 25 (relating to criminal homicide)

18 Section 2706 (relating to terroristic threats)

19 Chapter 29 (relating to kidnapping)

20 Chapter 33 (relating to arson, etc.)

21 Chapter 37 (relating to robbery)

22 Chapter 39 (relating to theft and related
23 offenses)

24 Section 4108 (relating to commercial bribery and
25 breach of duty to act disinterestedly)

26 Section 4109 (relating to rigging publicly
27 exhibited contest)

28 Section 4117 (relating to insurance fraud)

29 Chapter 47 (relating to bribery and corrupt
30 influence)

Chapter 49 (relating to falsification and
intimidation)

Section 5111 (relating to dealing in proceeds of
unlawful activities)

Section 5512 through 5514 (relating to gambling)

Chapter 59 (relating to public indecency).

(ii) [any] An offense indictable under section 13 of
the act of April 14, 1972 (P.L.233, No.64), known as The
Controlled Substance, Drug, Device and Cosmetic Act
(relating to the sale and dispensing of narcotic
drugs)[;].

(iii) [any] A conspiracy to commit any of the
offenses set forth in subparagraphs (i) [and (ii) of this
paragraph; or], (ii) or (v).

(iv) [the] The collection of any money or other
property in full or partial satisfaction of a debt which
arose as the result of the lending of money or other
property at a rate of interest exceeding 25% per annum or
the equivalent rate for a longer or shorter period, where
not otherwise authorized by law.

(v) An offense indictable under 4 Pa.C.S. Pt. II
(relating to gaming).

[Any] An act which otherwise would be considered racketeering
activity by reason of the application of this paragraph,
shall not be excluded from its application solely because the
operative acts took place outside the jurisdiction of this
Commonwealth, if such acts would have been in violation of
the law of the jurisdiction in which they occurred.

* * *

Section 9. All acts and parts of acts, including 4 Pa.C.S.

1 Pt. II, are repealed insofar as they are inconsistent with this
2 act.

3 Section 10. This act shall take effect as follows:

4 (1) The amendment of 4 Pa.C.S. § 1403(c)(3) shall take
5 effect in 60 days.

6 (2) The remainder of this act shall take effect
7 immediately.