THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1874 Session of 2005

INTRODUCED BY CLYMER, ARMSTRONG, BASTIAN, BOYD, CAUSER, CREIGHTON, DENLINGER, FORCIER, GINGRICH, LEH, McILHATTAN, METCALFE, REICHLEY, ROHRER, RUBLEY, SCHRODER AND R. STEVENSON, JULY 3, 2005

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT, JULY 3, 2005

AN ACT

- 1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
- 2 Statutes, further providing for supplier and manufacturer
- 3 licenses.
- 4 The General Assembly of the Commonwealth of Pennsylvania
- 5 hereby enacts as follows:
- 6 Section 1. Section 1317 of Title 4 of the Pennsylvania
- 7 Consolidated Statutes is amended to read:
- 8 § 1317. Supplier [and manufacturer] licenses [application].
- 9 (a) Application.--[Any] A person seeking to provide slot
- 10 machines or associated equipment to a slot machine licensee
- 11 within this Commonwealth [or to manufacture slot machines for
- 12 use in this Commonwealth] shall apply to the board for [either]
- 13 a supplier [or manufacturer] license. [No person, its affiliate,
- 14 intermediary, subsidiary or holding company who has applied for
- 15 or is a holder of a manufacturer or slot machine license shall
- 16 be eligible to apply for or hold a supplier license. A supplier
- 17 licensee shall establish a principle place of business in this

- 1 Commonwealth within one year of issuance of its supplier license
- 2 and maintain such during the period in which the license is
- 3 held. No slot machine licensee shall enter into any sale, lease,
- 4 contract or any other type of agreement providing slot machines,
- 5 progressive slot machines, parts or associated equipment for use
- 6 or play with any person other than a supplier licensed pursuant
- 7 to this section. Slot monitoring systems, casino management
- 8 systems, player tracking systems and wide-area progressive
- 9 systems are excluded from any requirements that they be provided
- 10 through a licensed supplier as set forth in this part.]
- 11 (b) Requirements.--[The application for a supplier or
- 12 manufacturer license shall include, at a minimum:] The
- 13 application for a supplier license shall be on the form required
- 14 by the board, accompanied by the application fee and shall
- 15 <u>include all of the following:</u>
- 16 (1) The name and business address of the applicant, the
- directors and owners of the applicant and a list of employees
- 18 and their positions within the business, as well as any
- 19 financial information required by the board.
- 20 (1.1) A statement that the applicant or an affiliate,
- 21 <u>intermediary</u>, subsidiary or holding company of the applicant
- is not a slot machine licensee.
- 23 (2) The consent to a background investigation of the
- 24 applicant, its officers, directors, owners, key employees or
- other persons required by the board and a release to obtain
- any and all information necessary for the completion of the
- 27 background investigation.
- 28 (3) The details of any equivalent license granted or
- 29 denied by other jurisdictions where gaming activities <u>as</u>
- 30 authorized by this part are permitted and consent for the

- 1 board to acquire copies of applications submitted or licenses
- 2 issued in connection therewith.
- 3 (4) The type of goods and services to be supplied [or
- 4 manufactured] and whether those goods and services will be
- 5 provided through purchase, lease, contract or otherwise.
- 6 (5) Any other information determined by the board to be
- 7 appropriate.
- 8 (c) Review and approval. -- Upon being satisfied that the
- 9 requirements of subsection (b) have been met, the board may
- 10 approve the application and grant the applicant a supplier
- 11 license consistent with all of the following:
- 12 (1) The license shall be for a period of one year. Upon
- expiration, a license may be renewed in accordance with
- 14 subsection (d).
- 15 (2) The license shall be nontransferable.
- 16 (3) Any other condition established by the board.
- 17 (d) Renewal.--Six months prior to expiration of a supplier
- 18 license, a supplier licensee seeking renewal of its license
- 19 shall submit a renewal application accompanied by the renewal
- 20 fee to the board. If the renewal application satisfies the
- 21 requirements of subsection (b), the board may renew the
- 22 licensee's supplier license. If the board receives a complete
- 23 renewal application but fails to act upon the renewal
- 24 application prior to the expiration of the supplier license, the
- 25 supplier license shall continue in effect for an additional six-
- 26 month period or until acted upon by the board, whichever occurs
- 27 first.
- 28 <u>(e) Prohibitions.--</u>
- 29 (1) No person may provide slot machines or associated
- 30 equipment to a slot machine licensee within this Commonwealth

- 1 unless the person has been issued a supplier license under
- 2 <u>this section or a manufacturer license under section 1317.1</u>
- 3 (relating to manufacturer licenses).
- 4 (2) No slot machine licensee may acquire, purchase or
- 5 <u>lease slot machines or associated equipment from a person</u>
- 6 <u>unless the person has been issued a supplier license under</u>
- 7 this section or a manufacturer license under section 1317.1.
- 8 Section 2. Title 4 is amended by adding a section to read:
- 9 § 1317.1. Manufacturer licenses.
- 10 (a) Application. -- A person seeking to manufacture slot
- 11 <u>machines for use in this Commonwealth and to provide slot</u>
- 12 machines or associated equipment to a slot machine licensee
- 13 within this Commonwealth shall apply to the board for a
- 14 manufacturer license.
- 15 (b) Requirements.--The application for a manufacturer
- 16 <u>license shall be on the form required by the board, accompanied</u>
- 17 by the application fee and shall include all of the following:
- 18 (1) The name and business address of the applicant, the
- 19 directors and owners of the applicant and a list of employees
- 20 and their positions within the business, as well as any
- 21 <u>financial information required by the board.</u>
- (2) A statement that the applicant or an affiliate.
- intermediary, subsidiary or holding company of the applicant
- is not a slot machine licensee.
- 25 (3) The consent to a background investigation of the
- 26 <u>applicant, its officers, directors, owners, key employees or</u>
- other persons required by the board and a release to obtain
- 28 any and all information necessary for the completion of the
- 29 <u>background investigation</u>.
- 30 (4) The details of any equivalent license granted or

- denied by other jurisdictions where gaming activities as
- 2 authorized by this part are permitted and consent for the
- 3 <u>board to acquire copies of applications submitted or licenses</u>
- 4 <u>issued in connection therewith.</u>
- 5 (5) The type of slot machines or associated equipment to
- 6 <u>be manufactured and supplied and whether those slot machines</u>
- 7 or associated equipment will be provided through purchase,
- 8 <u>lease</u>, contract or otherwise.
- 9 (6) Any other information determined by the board to be
- 10 appropriate.
- 11 (c) Review and approval. -- Upon being satisfied that the
- 12 requirements of subsection (b) have been met, the board may
- 13 approve the application and grant the applicant a manufacturer
- 14 license consistent with all of the following:
- 15 (1) The license shall be for a period of one year. Upon
- 16 <u>expiration</u>, a license may be renewed in accordance with
- 17 subsection (d).
- 18 (2) The license shall be nontransferable.
- 19 (3) Any other condition established by the board.
- 20 (d) Renewal.--Six months prior to expiration of a
- 21 <u>manufacturer license</u>, a <u>manufacturer licensee seeking renewal of</u>
- 22 its license shall submit a renewal application accompanied by
- 23 the renewal fee to the board. If the renewal application
- 24 <u>satisfies the requirements of subsection (b), the board may</u>
- 25 renew the licensee's manufacturer license. If the board receives
- 26 a complete renewal application but fails to act upon the renewal
- 27 application prior to the expiration of the manufacturer license,
- 28 the manufacturer license shall continue in effect for an
- 29 <u>additional six-month period or until acted upon by the board,</u>
- 30 whichever occurs first.

- 1 (e) Prohibitions.--
- (1) No person may manufacture and provide slot machines 2
- 3 or associated equipment to a slot machine licensee within
- this Commonwealth unless the person has been issued a 4
- 5 manufacturer license under this section.
- 6 (2) No slot machine licensee may acquire, purchase or
- lease slot machines or associated equipment to a slot machine 7
- licensee within this Commonwealth unless the person has been 8
- issued a manufacturer license under this section or a 9
- 10 supplier license under section 1317 (relating to supplier
- 11 licenses).
- Section 3. This act shall take effect immediately. 12