
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 711 Session of
2009

Report of the Committee of Conference

To the Members of the Senate and House of Representatives:

We, the undersigned, Committee of Conference on the part of the Senate and House of Representatives for the purpose of considering Senate Bill No. 711, entitled:
~~"An act amending Titles 4 (Amusements) and 64 (Public Authorities and Quasi Public Corporations) TITLE 4 (AMUSEMENTS)~~ of the Pennsylvania Consolidated Statutes, making extensive revisions to provisions on gaming, in the areas of legislative intent, definitions, the Pennsylvania Gaming Control Board, * * * interception of oral communications, electronic funds transfer terminals, junkets, gaming schools and, appropriations AND COMMONWEALTH FINANCING AUTHORITY; ~~further providing for powers and duties of the Commonwealth Financing Authority;~~ and making related repeals,"

respectfully submit the following bill as our report:

DOMINIC PILEGGI

JANE M. EARLL

WAYNE D. FONTANA

(Committee on the part of the Senate.)

TODD A. EACHUS

DANTE SANTONI, JR.

(Committee on the part of the House of Representatives.)

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AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, making extensive revisions to provisions on gaming,
3 in the areas of legislative intent, definitions, the
4 Pennsylvania Gaming Control Board, applicability of other
5 statutes, powers of the board, code of conduct, expenses of
6 regulatory agencies, licensed gaming entity application
7 appeals from board, license or permit application hearing
8 process and public hearings, board minutes and records,
9 regulatory authority, collection of fees and fines, slot
10 machine license fee, number of slot machines, reports of
11 board, diversity goals of board, license or permit
12 prohibition, specific authority to suspend slot machine
13 license, Category 2 slot machine license, Category 3 slot
14 machine license, number of slot machine licenses,
15 applications for license or permit, slot machine license
16 application, slot machine license application character
17 requirements, supplier licenses, manufacturer licenses,
18 gaming service provider, occupation permit application,
19 alternative manufacturer licensing standards, alternative
20 supplier licensing standards, additional licenses and permits
21 and approval of agreements, license renewals, change in
22 ownership or control of slot machine licensee, nonportability
23 of slot machine license, appointment of trustee, table games,
24 slot machine licensee deposits, gross terminal revenue
25 deductions, itemized budget reporting, establishment of State
26 Gaming Fund and net slot machine revenue distribution,
27 distributions from Pennsylvania Race Horse Development Fund,
28 Pennsylvania Gaming Economic Development and Tourism Fund,
29 transfers from State Gaming Fund, responsibility and
30 authority of Department of Revenue, wagering on credit,
31 eminent domain authority, compulsive and problem gambling
32 program, drug and alcohol treatment, labor hiring
33 preferences, declaration of exemption from Federal laws
34 prohibiting slot machines, financial and employment
35 interests, additional restrictions, political influence,
36 regulation requiring exclusion of certain persons,
37 prosecutorial and adjudicative functions, investigations and
38 enforcement, conduct of public officials and employees,
39 prohibited acts and penalties, report of suspicious
40 transactions, additional authority, applicability of Clean
41 Indoor Air Act, liquor licenses at licensed facilities,
42 interception of oral communications, electronic funds
43 transfer terminals, junkets, gaming schools, appropriations
44 and Commonwealth Financing Authority; and making related
45 repeals.

46 The General Assembly of the Commonwealth of Pennsylvania

47 hereby enacts as follows:

1 Section 1. Section 1102(11) of Title 4 of the Pennsylvania
2 Consolidated Statutes is amended and the section is amended by
3 adding paragraphs to read:

4 § 1102. Legislative intent.

5 The General Assembly recognizes the following public policy
6 purposes and declares that the following objectives of the
7 Commonwealth are to be served by this part:

8 * * *

9 (2.1) The authorization of table games in this part is
10 intended to supplement slot machine gaming by increasing
11 revenues to the Commonwealth and providing new employment
12 opportunities by creating skilled jobs for individuals
13 related to the conduct of table games at licensed facilities
14 in this Commonwealth.

15 * * *

16 (10.1) The General Assembly has a compelling interest in
17 protecting the integrity of both the electoral process and
18 the legislative process by preventing corruption and the
19 appearance of corruption which may arise through permitting
20 any type of political campaign contributions by certain
21 persons involved in the gaming industry and regulated under
22 this part.

23 (10.2) Banning all types of political campaign
24 contributions by certain persons subject to this part is
25 necessary to prevent corruption and the appearance of
26 corruption that may arise when political campaign
27 contributions and gaming regulated under this part are
28 intermingled.

29 (11) It is necessary to maintain the integrity of the
30 regulatory control and legislative oversight over the

1 operation and play of slot machines and table games in this
2 Commonwealth; to [prevent the actual or appearance of
3 corruption that may result from large campaign
4 contributions;] ensure the bipartisan administration of this
5 part; and avoid actions that may erode public confidence in
6 the system of representative government.

7 (12) It is the intent of the General Assembly to
8 authorize the operation and play of slot machines and table
9 games under a single slot machine license issued to a slot
10 machine licensee under this part.

11 (13) The authorization of limited gaming in this
12 Commonwealth requires the Commonwealth to take steps to
13 increase awareness of compulsive and problem gambling and to
14 develop and implement effective strategies for prevention,
15 assessment and treatment of this behavioral disorder.

16 (14) Research indicates that for some individuals
17 compulsive and problem gambling and drug and alcohol
18 addiction are related. Therefore, the General Assembly
19 intends to establish an approach to compulsive and problem
20 gambling prevention, assessment and treatment that will
21 ensure the provision of adequate resources to identify,
22 assess and treat both compulsive and problem gambling and
23 drug and alcohol addiction.

24 Section 2. The definitions of "associated equipment,"
25 "cheat," "conduct of gaming," "conviction," "gaming employee,"
26 "gross terminal revenue," "key employee," "licensed facility,"
27 "manufacturer," "manufacturer license," "slot machine,"
28 "supplier" and "supplier license" in section 1103 of Title 4 are
29 amended and the section is amended by adding definitions to
30 read:

1 § 1103. Definitions.

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

5 * * *

6 "Associated equipment." Any equipment or mechanical,
7 electromechanical or electronic contrivance, component or
8 machine used in connection with [gaming] slot machines or table
9 games, including linking devices which connect to progressive
10 slot machines or slot machines, replacement parts, equipment
11 which affects the proper reporting and counting of gross
12 terminal revenue and gross table game revenue, computerized
13 systems for controlling and monitoring slot machines or table
14 games, including, but not limited to, the central control
15 computer to which all slot machines communicate and devices for
16 weighing or counting money.

17 * * *

18 "Banking game." Any table game in which a player competes
19 against a certificate holder rather than against another player.

20 * * *

21 "Cash." United States currency and coin.

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

24 (1) Chips or tokens.

25 (2) Travelers checks.

26 (3) Foreign currency and coin.

27 (4) Certified checks, cashier's checks and money orders.

28 (5) Personal checks or drafts.

29 (6) A negotiable instrument applied against credit
30 extended by a certificate holder or a financial institution.

1 (7) Any other instrument or representation of value that
2 the Pennsylvania Gaming Control Board deems a cash
3 equivalent.

4 * * *

5 "Certificate holder." A slot machine licensee that holds a
6 table game operation certificate awarded by the Pennsylvania
7 Gaming Control Board in accordance with Chapter 13A (relating to
8 table games).

9 "Cheat." To [alter without authorization] defraud or steal
10 from any player, slot machine licensee or the Commonwealth while
11 operating or playing a slot machine or table game, including
12 causing, aiding, abetting or conspiring with another person to
13 do so. The term shall also mean to alter or causing, aiding,
14 abetting or conspiring with another person to alter the elements
15 of chance, method of selection or criteria which determine:

16 (1) The result of a slot machine game or table game.

17 (2) The amount or frequency of payment in a slot machine
18 game or table game.

19 (3) The value of a wagering instrument.

20 (4) The value of a wagering credit.

21 The term does not include altering a slot machine, table game
22 device or associated equipment for [required] maintenance [and]
23 or repair with the approval of a slot machine licensee.

24 "Cheating or thieving device." A device used or possessed
25 with the intent to be used to cheat during the operation or play
26 of any slot machine or table game. The term shall also include
27 any device used to alter a slot machine or a table game device
28 without the slot machine licensee's approval.

29 "Chip." A representation of value, including a plaque,
30 issued by a certificate holder for use in playing a table game

1 at the certificate holder's licensed facility and redeemable
2 with the issuing certificate holder for cash or cash equivalent.

3 * * *

4 "Conduct of gaming." The licensed placement [and], operation
5 and play of [games of chance] slot machines and table games
6 under this part, as authorized and approved by the Pennsylvania
7 Gaming Control Board [at a licensed facility].

8 "Contest." A table game competition among players for cash,
9 cash equivalents or prizes.

10 * * *

11 "Conviction." A finding of guilt or a plea of guilty or nolo
12 contendere, whether or not a judgment of sentence has been
13 imposed as determined by the law of the jurisdiction in which
14 the prosecution was held. The term does not include a conviction
15 that has been expunged or overturned or for which an individual
16 has been pardoned or had an order of Accelerated Rehabilitative
17 Disposition entered.

18 * * *

19 "Count room." A secured room at a licensed facility
20 designated for the counting, wrapping and recording of slot
21 machine and table game receipts.

22 "Counterfeit chip." Any object that is:

23 (1) used or intended to be used to play a table game at
24 a certificate holder's licensed facility and which was not
25 issued by that certificate holder for such use; or

26 (2) presented to a certificate holder for redemption if
27 the object was not issued by the certificate holder.

28 * * *

29 "Electronic gaming table." A gaming table approved by the
30 Pennsylvania Gaming Control Board that is a mechanical,

electrical or computerized contrivance, terminal, machine or other device which, upon insertion or placement of cash or cash equivalents therein or thereon, or upon a wager or payment of any consideration whatsoever, is available for play or operation by one or more players as a table game. The term shall include any gaming table where a wager or payment is made using an electronic or computerized wagering or payment system. The term shall not include a slot machine.

"Executive-level public employee." The term shall include the following:

(1) Deputy Secretaries of the Commonwealth and the Governor's Office executive staff.

(2) An employee of the executive branch whose duties substantially involve licensing or enforcement under this part, who has discretionary power which may affect or influence the outcome of a Commonwealth agency's action or decision or who is involved in the development of regulations or policies relating to a licensed entity. The term shall include an employee with law enforcement authority.

(3) An employee of a county or municipality with discretionary powers which may affect or influence the outcome of the county's or municipality's action or decision related to this part or who is involved in the development of law, regulation or policy relating to matters regulated under this part. The term shall include an employee with law enforcement authority.

(4) An employee of a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may affect or influence the outcome of the governmental

body's action or decision related to this part or who is
involved in the development of regulation or policy relating
to matters regulated under this part. The term shall include
an employee with law enforcement authority.

* * *

"Fully automated electronic gaming table." An electronic
gaming table determined by the Pennsylvania Gaming Control Board
to be playable or operable as a table game without the
assistance or participation of a person acting on behalf of a
certificate holder.

* * *

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

(1) Cashiers.

(2) Change personnel.

(3) [Counting] Count room personnel.

(4) Slot attendants.

(5) Hosts or other [persons] individuals authorized to
extend complimentary services, including employees performing
functions similar to those performed by a gaming junket
representative.

(6) Machine mechanics [or], computer machine technicians
or table game device technicians.

(7) Security personnel.

(8) Surveillance personnel.

(9) [Supervisors] Promotional play supervisors, credit
supervisors, pit supervisors, cashier supervisors, shift
supervisors, table game managers and assistant managers and
other supervisors and managers, except for those specifically
identified in this part as key employees.

- 1 (10) Boxmen.
2 (11) Dealers or croupiers.
3 (12) Floormen.
4 (13) Personnel authorized to issue promotional play.
5 (14) Personnel authorized to issue credit.

6 The term [includes] shall include employees of a person holding
7 a supplier's license whose duties are directly involved with the
8 repair or distribution of slot machines [and], table game
9 devices or associated equipment sold or provided to [the] a
10 licensed facility within this Commonwealth as determined by the
11 Pennsylvania Gaming Control Board. The term does not include
12 bartenders, cocktail servers or other persons engaged solely in
13 preparing or serving food or beverages, clerical or secretarial
14 personnel, parking attendants, janitorial, stage, sound and
15 light technicians and other nongaming personnel as determined by
16 the board.

17 "Gaming junket." A gaming arrangement made by a gaming
18 junket enterprise or a gaming junket representative for an
19 individual who:

20 (1) Is selected or approved for participation in the
21 arrangement based on the individual's ability to satisfy
22 specific financial qualifications and the likelihood that the
23 individual will participate in playing slot machines or table
24 games and patronize a licensed facility for the purpose of
25 gaming.

26 (2) Receives complimentary services or gifts from a slot
27 machine licensee for participation in the arrangement
28 including the costs of transportation, food, lodging or
29 entertainment.

30 "Gaming junket enterprise." A person, other than a slot

1 machine licensee, who employs or otherwise engages the services
2 of a gaming junket representative to arrange gaming junkets to a
3 licensed facility, regardless of whether the activities of the
4 person or the gaming junket representative occur within this
5 Commonwealth.

6 "Gaming junket representative." An individual, other than an
7 employee of a slot machine licensee, who arranges and negotiates
8 the terms of a gaming junket or selects individuals to
9 participate in a gaming junket to a licensed facility,
10 regardless of whether the activities of the individual occur
11 within this Commonwealth.

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

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

23 (1) provides goods or services to a slot machine
24 licensee or an applicant for a slot machine license for use
25 in the operation of a licensed facility; or

26 (2) provides goods or services at a licensed facility.

27 "Gross table game revenue." The total of:

28 (1) Cash or cash equivalents received in the playing of
29 a table game minus the total of:

30 (i) Cash or cash equivalents paid to players as a

1 result of playing a table game.

2 (ii) Cash or cash equivalents paid to purchase
3 annuities to fund prizes payable to players over a period
4 of time as a result of playing a table game.

5 (iii) The actual cost paid by the certificate holder
6 for any personal property distributed to a player as a
7 result of playing a table game. This does not include
8 travel expenses, food, refreshments, lodging or services.

9 (2) Contest or tournament fees or payments, including
10 entry fees, buy-ins, re-buys and administrative fees, imposed
11 by a certificate holder to participate in a table game
12 contest or tournament, less cash paid or actual cost paid by
13 a certificate holder for prizes awarded to the contest or
14 tournament winners.

15 (3) The total amount of the rake collected by a
16 certificate holder.

17 The term does not include counterfeit cash or chips; coins or
18 currency of other countries received in the playing of a table
19 game, except to the extent that the coins or currency are
20 readily convertible to cash; or cash taken in a fraudulent act
21 perpetrated against a certificate holder for which the
22 certificate holder is not reimbursed.

23 "Gross terminal revenue." The total of:

24 (1) cash or cash equivalent wagers received by a slot
25 machine minus the total of:

26 [(1)] (i) Cash or cash equivalents paid out to
27 [patrons] players as a result of playing a slot machine
28 [which are paid to patrons either manually], whether paid
29 manually or paid out by the slot machine.

30 [(2)] (ii) Cash or cash equivalents paid to purchase

1 annuities to fund prizes payable to [patrons] players
2 over a period of time as a result of playing a slot
3 machine.

4 [(3)] (iii) Any personal property distributed to a
5 [patron as the] player as a result of playing a slot
6 machine. This does not include travel expenses, food,
7 refreshments, lodging or services.

8 (2) cash received as entry fees for slot machine
9 contests or slot machine tournaments.

10 The term does not include counterfeit [money] cash or tokens[,];
11 coins or currency of other countries [which are] received in
12 slot machines, except to the extent that [they] the coins or
13 currency are readily convertible to [United States currency,]
14 cash; or cash taken in a fraudulent [acts] act perpetrated
15 against a slot machine licensee for which the licensee is not
16 reimbursed [or cash received as entry fees for contests or
17 tournaments in which the patrons compete for prizes].

18 * * *

19 "Hotel." As follows:

20 (1) Except as provided under paragraph (2), one or more
21 buildings owned or operated by a certificate holder which is
22 attached to, physically connected to or adjacent to the
23 certificate holder's licensed facility in which members of
24 the public may, for a consideration, obtain sleeping
25 accommodations.

26 (2) When the term is used in section 1305 (relating to
27 Category 3 slot machine license) or 1407(d) (relating to
28 Pennsylvania Gaming Economic Development and Tourism Fund), a
29 building or buildings in which members of the public may, for
30 a consideration, obtain sleeping accommodations.

1 * * *

2 "Key employee." Any individual who is employed in a director
3 or department head capacity and who is empowered to make
4 discretionary decisions that regulate slot machine or table game
5 operations, including the general manager and assistant manager
6 of the licensed facility, director of slot operations, director
7 of table game operations, director of cage and/or credit
8 operations, director of surveillance, director of marketing,
9 director of management information systems, director of
10 security, comptroller and any employee who is not otherwise
11 designated as a gaming employee and who supervises the
12 operations of these departments or to whom these department
13 directors or department heads report and such other positions
14 not otherwise designated or defined under this part which the
15 Pennsylvania Gaming Control Board shall determine based on
16 detailed analyses of job descriptions as provided in the
17 internal controls of the licensee as approved by the
18 Pennsylvania Gaming Control Board. All other gaming employees
19 unless otherwise designated by the Pennsylvania Gaming Control
20 Board shall be classified as non-key employees.

21 "Law enforcement authority." The power to conduct
22 investigations of or to make arrests for criminal offenses.

23 * * *

24 "Licensed entity representative." A person, including an
25 attorney, agent or lobbyist, acting on behalf of or authorized
26 to represent the interest of any applicant, licensee, permittee
27 or other person authorized by the Pennsylvania Gaming Control
28 Board to engage in any act or activity which is regulated under
29 the provisions of this part regarding any matter before, or
30 which may reasonably be expected to come before, the

Pennsylvania Gaming Control Board.

"Licensed facility." The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Pennsylvania Gaming Control Board under Chapter 13A (relating to table games), to conduct table games. The term includes any:

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

(2) board-approved interim facility or temporary facility; and

(3) area of a hotel which the Pennsylvania Gaming Control Board determines is suitable to conduct table games.

* * *

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

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

* * *

"Municipal authority." A body politic and corporate created under the former act of June 28, 1935 (P.L.463, No.191), known as the Municipality Authorities Act of one thousand nine hundred and thirty-five, the former act of May 2, 1945 (P.L.382,

No.164), known as the Municipality Authorities Act of 1945, the
act of July 29, 1953 (P.L.1034, No.270), known as the Public
Auditorium Authorities Law or 53 Pa.C.S. Ch. 56 (relating to
municipal authorities).

* * *

"Nonbanking game." Any table game in which a player competes
against another player and in which the certificate holder
collects a rake.

* * *

"Party." The Bureau of Investigations and Enforcement of the
Pennsylvania Gaming Control Board or any applicant, licensee,
permittee, registrant or other person appearing of record in any
proceeding before the Pennsylvania Gaming Control Board.

* * *

"Player." An individual wagering cash, a cash equivalent or
other thing of value in the play or operation of a slot machine
or table game, including during a contest or tournament, the
play or operation of which may deliver or entitle the individual
playing or operating the slot machine or table game to receive
cash, a cash equivalent or other thing of value from another
player or a slot machine licensee.

* * *

"Rake." A set fee or percentage assessed by a certificate
holder for providing the services of a dealer, gaming table or
location, to allow the play or operation of any nonbanking game.

* * *

"Slot machine." Any mechanical [or], electrical or
computerized contrivance, terminal, machine or other device
approved by the Pennsylvania Gaming Control Board which, upon
insertion of a coin, bill, ticket, token or similar object

1 therein or upon payment of any consideration whatsoever,
2 including the use of any electronic payment system except a
3 credit card or debit card, is available to play or operate, the
4 play or operation of which, whether by reason of skill or
5 application of the element of chance or both, may deliver or
6 entitle the person or persons playing or operating the
7 contrivance, terminal, machine or other device to receive cash,
8 billets, tickets, tokens or electronic credits to be exchanged
9 for cash or to receive merchandise or anything of value
10 whatsoever, whether the payoff is made automatically from the
11 machine or manually. A slot machine:

12 (1) May utilize spinning reels or video displays or
13 both.

14 (2) May or may not dispense coins, tickets or tokens to
15 winning patrons.

16 (3) May use an electronic credit system for receiving
17 wagers and making payouts.

18 The term shall include associated equipment necessary to conduct
19 the operation of the contrivance, terminal, machine or other
20 device.

21 "Slot machine contest." A slot machine competition among
22 players for cash, cash equivalents or prizes.

23 * * *

24 "Slot machine tournament." An organized series of slot
25 machine contests approved by the Pennsylvania Gaming Control
26 Board in which an overall winner is ultimately determined.

27 * * *

28 "Supplier." A person that sells, leases, offers or otherwise
29 provides, distributes or services any slot machine, table game
30 device or associated equipment for use or play of slot machines

1 or table games in this Commonwealth.

2 "Supplier license." A license issued by the Pennsylvania
3 Gaming Control Board authorizing a supplier to provide products
4 or services related to slot machines, table game devices or
5 associated equipment to slot machine licensees for use in this
6 Commonwealth for gaming purposes.

7 * * *

8 "Suspicious transaction." A transaction between a slot
9 machine licensee or an employee of a slot machine licensee and
10 an individual that involves the acceptance or redemption by a
11 person of cash or a cash equivalent involving or aggregating
12 \$5,000 or more which a slot machine licensee or employee of a
13 slot machine licensee knows, suspects or has reason to believe:

14 (1) involves funds derived from illegal activities or is
15 intended or conducted in order to conceal or disguise funds
16 or assets derived from illegal activities;

17 (2) is part of a plan to violate or evade any law or
18 regulation or to avoid any transaction reporting requirement
19 under the laws or regulations of this Commonwealth or the
20 United States, including a plan to structure a series of
21 transactions to avoid any transaction reporting requirement
22 under the laws or regulations of this Commonwealth or the
23 United States; or

24 (3) has no apparent lawful purpose or is not the type of
25 transaction in which a person would normally be expected to
26 engage and the slot machine licensee or employee knows of no
27 reasonable explanation for the transaction after examining
28 the available facts, including the background and possible
29 purpose of the transaction.

30 "Table game." Any banking or nonbanking game approved by the

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

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

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

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

(4) Small games of chance as authorized under the act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.

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

(6) Keno.

"Table game device." Includes gaming tables, cards, dice, chips, shufflers, tiles, dominoes, wheels, drop boxes or any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies

1 approved by the Pennsylvania Gaming Control Board and used to
2 conduct a table game.

3 "Table game operation certificate." A certificate awarded by
4 the Pennsylvania Gaming Control Board under Chapter 13A
5 (relating to table games) that authorizes a slot machine
6 licensee to conduct table games in accordance with this part.

7 "Tournament." An organized series of contests approved by
8 the Pennsylvania Gaming Control Board in which an overall winner
9 is ultimately determined.

10 "Trustee." A person appointed by the Pennsylvania Gaming
11 Control Board under section 1332 (relating to appointment of
12 trustee) to manage and control the operations of a licensed
13 facility and who has the fiduciary responsibility to make
14 decisions to preserve the viability of a licensed facility and
15 the integrity of gaming in this Commonwealth.

16 * * *

17 Section 3. Section 1201(f)(3), (h)(5), (7.1), (10), (11),
18 (13), (14) and (15) and (k) of Title 4 are amended, subsection
19 (h) is amended by adding paragraphs and the section is amended
20 by adding a subsection to read:

21 § 1201. Pennsylvania Gaming Control Board established.

22 * * *

23 (f) Qualified majority vote.--

24 * * *

25 (3) Notwithstanding any other provision of this part or
26 65 Pa.C.S. § 1103(j) (relating to restricted activities), a
27 member shall disclose the nature of his disqualifying
28 interest, disqualify himself and abstain from voting in a
29 hearing or proceeding under this part in which his
30 objectivity, impartiality, integrity or independence of

1 judgment may be reasonably questioned, as provided in
2 subsection (h) (6) or section 1202.1(c) (3) (relating to code
3 of conduct). If a legislative appointee has disqualified
4 himself, the qualified majority shall consist of all of the
5 remaining legislative appointees and at least two
6 gubernatorial appointees.

7 * * *

8 (h) Qualifications and restrictions.--

9 * * *

10 (4.1) No member shall engage in any business, employment
11 or vocation for which the member receives a salary,
12 compensation or fee for services rendered which is in excess
13 of 15% of the member's gross annual salary as a member of the
14 board. For purposes of this paragraph, the terms "salary,"
15 "compensation" and "fee" do not include any of the following:

16 (i) Passive or unearned income, including interest,
17 dividends or capital gains from the sale of assets or
18 securities held for investment purposes.

19 (ii) Health care benefits or retirement, pension or
20 annuity payments.

21 (iii) Amounts received from a family-controlled
22 trade or business in which both personal services and
23 capital are income-producing factors, provided that the
24 personal services actually rendered by the member do not
25 generate a significant amount of income.

26 (iv) Director's fees attributable to board
27 membership of a corporate or nonprofit body or board or
28 reimbursement for expenses incurred in connection with
29 board membership.

30 (5) No member shall be paid or receive any fee or other

1 compensation for any activity related to the duties or
2 authority of the board other than salary and expenses
3 provided by law [for any activity related to the duties or
4 authority of the board. Nothing in this part shall prohibit a
5 member from engaging in any employment or receiving any
6 compensation for such employment that is not connected to or
7 incompatible with his service as a member of the board].

8 * * *

9 (7.1) Prior to being sworn as a member, an appointee and
10 his immediate family shall divest any financial interest in
11 any applicant, licensed facility or licensed entity and in an
12 affiliate, intermediary, subsidiary or holding company
13 thereof owned or held by the appointee or known to be held by
14 the appointee's immediate family. For the duration of the
15 member's term and for [one year] two years thereafter, the
16 member and the member's immediate family may not acquire a
17 financial interest in any applicant, licensed facility or
18 licensed entity or in an affiliate, intermediary, subsidiary
19 or holding company [thereof] of an applicant, licensed
20 facility or licensed entity. For purposes of this paragraph,
21 the term "immediate family" shall mean spouse and any minor
22 or unemancipated child.

23 * * *

24 (10) No former member may appear before the board in any
25 hearing or proceeding or participate in any other activity on
26 behalf of any applicant, licensed entity, or an affiliate,
27 intermediary, subsidiary or holding company [thereof] of an
28 applicant or licensed entity, or any other licensee or
29 permittee, for a period of two years from the termination of
30 term of office.

1 (11) No member, employee of the board or independent
2 contractor [of the board] shall accept a complimentary
3 service, wager or be paid any prize from any wager at any
4 licensed facility within this Commonwealth or at any other
5 facility outside this Commonwealth which is owned or operated
6 by a licensed gaming entity or any of its affiliates,
7 intermediaries, subsidiaries or holding companies [thereof]
8 for the duration of their term of office, employment or
9 contract with the board and for a period of [one year] two
10 years from the termination of term of office, employment or
11 contract with the board. The provisions of this paragraph
12 prohibiting wagering during the term of employment shall not
13 apply to employees [who utilize] or independent contractors
14 while utilizing slot machines or table game devices for
15 testing purposes or [to verify] while verifying the
16 performance of a slot machine or table game as part of an
17 enforcement investigation.

18 * * *

19 [(13) No employee of the board or individual employed by
20 an independent contractor of the board whose duties
21 substantially involve licensing, enforcement or the
22 development or adoption of regulations or policy under this
23 part shall:

24 (i) accept employment with an applicant or licensed
25 entity, or an affiliate, intermediary, subsidiary or
26 holding company thereof, for a period of one year after
27 the termination of the employment relating to the conduct
28 of gaming or contract with the board; or

29 (ii) appear before the board in any hearing or
30 proceeding or participate in any other activity on behalf

1 of any applicant, licensee, permittee or licensed entity,
2 or an affiliate, intermediary, subsidiary or holding
3 company thereof, for a period of two years after
4 termination of the employment or contract with the
5 board.]

6 (13) The following shall apply to an employee of the
7 board whose duties substantially involve licensing,
8 enforcement, development of law, promulgation of regulations
9 or development of policy, relating to gaming under this part
10 or who has other discretionary authority which may affect or
11 influence the outcome of an action, proceeding or decision
12 under this part, including the executive director, bureau
13 directors and attorneys:

14 (i) The individual may not, for a period of two
15 years following termination of employment, accept
16 employment with or be retained by an applicant or a
17 licensed entity or by an affiliate, intermediary,
18 subsidiary or holding company of an applicant or a
19 licensed entity.

20 (ii) The individual may not, for a period of two
21 years following termination of employment, appear before
22 the board in a hearing or proceeding or participate in
23 activity on behalf of any applicant, licensee, permittee
24 or licensed entity or on behalf of an affiliate,
25 intermediary, subsidiary or holding company of any
26 applicant, licensee, permittee or licensed entity.

27 (iii) An applicant or a licensed entity or an
28 affiliate, intermediary, subsidiary or holding company of
29 an applicant or a licensed entity may not, until the
30 expiration of two years following termination of

1 employment, employ or retain the individual. Violation of
2 this subparagraph shall result in termination of the
3 individual's employment and subject the violator to
4 section 1518(c) (relating to prohibited acts; penalties).

5 (iv) A prospective employee who, upon employment,
6 would be subject to this paragraph must, as a condition
7 of employment, sign an affidavit that the prospective
8 employee will not violate subparagraph (i) or (ii). If
9 the prospective employee fails to sign the affidavit, the
10 board shall rescind any offer of employment and shall not
11 employ the individual.

12 (13.1) The following shall apply to an independent
13 contractor and to an employee of an independent contractor
14 whose duties substantially involve consultation relating to
15 licensing, enforcement, development of law, promulgation of
16 regulations or development of policy, relating to gaming
17 under this part:

18 (i) The person may not, for a period of one year
19 following termination of the contract with the board, be
20 retained by an applicant or a licensed entity or by an
21 affiliate, intermediary, subsidiary or holding company of
22 an applicant or a licensed entity.

23 (ii) The person may not, for a period of two years
24 following termination of the contract with the board,
25 appear before the board in a hearing or proceeding or
26 participate in activity on behalf of any applicant,
27 licensee, permittee or licensed entity or on behalf of an
28 affiliate, intermediary, subsidiary or holding company of
29 any applicant, licensee, permittee or licensed entity.

30 (iii) An applicant or a licensed entity or an

1 affiliate, intermediary, subsidiary or holding company of
2 an applicant or a licensee may not, until the expiration
3 of one year following termination of the contract with
4 the board, employ or retain the person. A knowing
5 violation of this subparagraph shall result in
6 termination of the person's employment and subject the
7 violation to section 1518(c).

8 (iv) Each contract between the board and an
9 independent contractor which involves the duties set
10 forth in this paragraph shall contain a provision
11 requiring the independent contractor to sign an affidavit
12 that the independent contractor will not violate
13 subparagraph (i) or (ii). If the independent contractor
14 fails to sign the affidavit, the board shall not enter
15 into the contract.

16 (v) An independent contractor shall require a
17 prospective employee whose employment would involve the
18 duties set forth in this paragraph to sign an affidavit
19 that the prospective employee will not violate
20 subparagraph (i) or (ii). If the prospective employee
21 fails to sign the affidavit, the independent contractor
22 shall rescind any offer of employment and shall not
23 employ the individual.

24 (13.2) Nothing under paragraph (13) or (13.1) shall
25 prevent a current or former employee of the board, a current
26 or former independent contractor or a current or former
27 employee of an independent contractor from appearing before
28 the board in any hearing or proceeding as a witness or
29 testifying as to any fact or information.

30 (14) [Upon the written request of an employee of the

1 board, the executive branch of the Commonwealth or a
2 political subdivision or of the agency or political
3 subdivision employing an employee, the State Ethics
4 Commission shall determine whether the individual's duties
5 substantially involve the development or adoption of
6 regulations or policy, licensing or enforcement under this
7 part and shall provide a written determination to the
8 employee to include any prohibition under this paragraph. An
9 individual who] The State Ethics Commission shall issue a
10 written determination of whether a person is subject to
11 paragraph (13) or (13.1) upon the written request of the
12 person or the person's employer or potential employer. A
13 person that relies in good faith on a determination issued
14 under this paragraph shall not be subject to any penalty for
15 an action taken, provided that all material facts set forth
16 in the request for [a] the determination are correct.

17 (14.1) The State Ethics Commission shall publish a list
18 of all employment positions within the board and employment
19 positions within independent contractors whose duties would
20 subject the individuals in those positions to the provisions
21 of paragraphs (13) and (13.1). The board and each independent
22 contractor shall assist the State Ethics Commission in the
23 development of the list, which shall be published by the
24 State Ethics Commission in the Pennsylvania Bulletin
25 biennially and posted by the board on the board's Internet
26 website. Upon request, employees of the board and each
27 independent contractor shall have a duty to provide the State
28 Ethics Commission with adequate information to accurately
29 develop and maintain the list. The State Ethics Commission
30 may impose a civil penalty under 65 Pa.C.S. § 1109(f)

1 (relating to penalties) upon an individual who fails to
2 cooperate with the State Ethics Commission under this
3 paragraph. An individual who relies in good faith on the list
4 published by the State Ethics Commission shall not be subject
5 to any penalty for a violation of paragraph (13) or (13.1).

6 (15) If a member[, employee or independent contractor]
7 of the board violates any provision of this section, the
8 appointing authority [or the board may, upon notice and
9 hearing,] may remove the person from the board[, withdraw the
10 appointment or terminate the employment or contract, and the
11 person shall be ineligible for future appointment, employment
12 or contract with the board and for approval of a license or
13 permit under this part for a period of two years thereafter].
14 A member removed under this paragraph shall, for a period of
15 five years following removal, be prohibited from future
16 appointment to the board and shall be prohibited from
17 applying for a license, permit or other authorization under
18 this part and from becoming an independent contractor or
19 registering as a licensed entity representative.

20 * * *

21 (k) Appointments.--The appointing authorities shall make
22 their initial appointments within 60 days of the effective date
23 of this part. Appointments to fill a vacancy shall be made
24 within 60 days of the creation of the vacancy. No appointment
25 shall be final until receipt by the appointing authority of the
26 required background investigation of the appointee by the
27 Pennsylvania State Police which shall be completed within 30
28 days. No person who has been convicted in any domestic or
29 foreign jurisdiction of a felony, infamous crime or gaming
30 offense shall be appointed to the board.

1 * * *

2 (m.1) Budgetary impasse.--If, in the event of a budgetary or
3 other fiscal crisis, the Governor orders the furlough of
4 Commonwealth employees, the board and its employees and all
5 employees of the department and the Pennsylvania State Police
6 whose duties involve the regulation and oversight of gaming
7 under this part shall not be subject to furlough and shall
8 continue to perform their duties of employment.

9 * * *

10 Section 3.1. Section 1201.1(a)(1) of Title 4 is amended to
11 read:

12 § 1201.1. Applicability of other statutes.

13 (a) General rule.--The following acts shall apply to the
14 board:

15 (1) The act of [June 21, 1957 (P.L.390, No.212),
16 referred to] February 14, 2008 (P.L.6, No.3), known as the
17 Right-to-Know Law.

18 * * *

19 Section 4. Section 1202(a)(1) and (2) and (b)(7), (20) and
20 (23) of Title 4 are amended and subsection (b) is amended by
21 adding paragraphs to read:

22 § 1202. General and specific powers.

23 (a) General powers.--

24 (1) The board shall have general and sole regulatory
25 authority over the conduct of gaming or related activities as
26 described in this part. The board shall ensure the integrity
27 of the acquisition and operation of slot machines, table
28 games, table game devices and associated equipment and shall
29 have sole regulatory authority over every aspect of the
30 authorization [and] operation and play of slot machines and

1 table games.

2 (2) The board shall employ individuals as necessary to
3 carry out the powers and duties of the board, who shall serve
4 at the board's pleasure. An employee of the board shall be
5 considered a State employee for purposes of 71 Pa.C.S. Pt.
6 XXV (relating to retirement for State employees and
7 officers). For the purposes of this paragraph, the board
8 shall not be considered an executive or independent agency
9 under the act of October 15, 1980 (P.L.950, No.164), known as
10 the Commonwealth Attorneys Act. The board shall not take
11 final action to fill any vacancy in the position of executive
12 director of the board, director of the bureau, chief counsel
13 of the board or director of the Office of Enforcement Counsel
14 until receipt and review of the results of the individual's
15 background investigation under section 1517(c)(1.1) (relating
16 to investigations and enforcement).

17 * * *

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

20 * * *

21 (7) To administer oaths, examine witnesses and issue
22 subpoenas compelling the attendance of witnesses or the
23 production of documents and records or other evidence[. The
24 provisions of this paragraph shall apply to designated
25 officers and employees.], or to designate officers or
26 employees to perform these duties.

27 * * *

28 (12.1) At its discretion, to award, revoke, suspend,
29 condition or deny a table game operation certificate to a
30 slot machine licensee in accordance with Chapter 13A

1 (relating to table games).

2 * * *

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

16 * * *

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

30 * * *

1 (27.1) To publish each January in the Pennsylvania
2 Bulletin and on the Pennsylvania Gaming Control Board's
3 Internet website a complete list of all slot machine
4 licensees who filed a petition seeking authorization to
5 conduct table games and the status of each petition or table
6 game operation certificate.

7 * * *

8 (31) To collect and post information on its Internet
9 website with sufficient detail to inform the public of each
10 person with a controlling interest or ownership interest in
11 an applicant for a slot machine license or a licensed gaming
12 entity, or affiliate, intermediary, subsidiary or holding
13 company of an applicant or licensed gaming entity. The
14 posting shall include:

15 (i) If the applicant or licensed gaming entity, or
16 any affiliate, intermediary, subsidiary or holding
17 company of the applicant or licensed gaming entity, is a
18 publicly traded domestic or foreign corporation,
19 partnership, limited liability company or other legal
20 entity, the names of all persons with a controlling
21 interest.

22 (ii) If the applicant or licensed gaming entity, or
23 any affiliate, intermediary, subsidiary or holding
24 company of the applicant or licensed gaming entity, is a
25 privately held domestic or foreign corporation,
26 partnership, limited liability company or other legal
27 entity, the names of all persons with an ownership
28 interest equal to or greater than 1%.

29 (iii) The name of any person entitled to cast the
30 vote of a person named under subparagraph (i) or (ii).

1 (iv) The names of all officers, directors and
2 principals of the applicant or licensed gaming entity.

3 (32) To appoint a trustee as prescribed in section 1332
4 (relating to appointment of trustee).

5 (33) To adopt regulations governing the postemployment
6 limitations and restrictions applicable to members and to
7 employees of the board subject to section 1201(h)(13)
8 (relating to Pennsylvania Gaming Control Board established).
9 In developing these regulations, the board may consult with
10 the State Ethics Commission, other governmental agencies and
11 the disciplinary board of the Supreme Court of Pennsylvania
12 regarding postemployment limitations and restrictions on
13 members and employees of the board who are members of the
14 Pennsylvania Bar.

15 (34) To review detailed site plans identifying a
16 petitioner's proposed table game area within a licensed
17 facility to determine the adequacy of the proposed internal
18 and external security and proposed surveillance measures.

19 Section 5. Section 1202.1 of Title 4 is amended to read:

20 § 1202.1. Code of conduct.

21 (a) Scope.--The board shall adopt a comprehensive code of
22 conduct prior to the consideration of any license, permit or
23 registration application. The code of conduct shall supplement
24 all other requirements under this part and 65 Pa.C.S. Pt. II
25 (relating to accountability) and shall provide guidelines
26 applicable to members, employees of the board, independent
27 contractors [of the board] and the immediate [families] family
28 of the members, employees and independent contractors to enable
29 them to avoid any perceived or actual conflict of interest and
30 to promote public confidence in the integrity and impartiality

1 of the board. At a minimum, the code of conduct adopted under
2 this section shall include registration of licensed entity
3 representatives under subsection (b) and the restrictions under
4 [subsection (c)] subsections (c) and (c.1).

5 (b) Registration.--

6 (1) A licensed entity representative shall register with
7 the board in a manner prescribed by the board, which shall
8 include the name, employer or firm, business address[,] and
9 business telephone number of both the licensed entity
10 representative and [the] any licensed entity, applicant for
11 licensure or other person being represented.

12 (2) A licensed entity representative shall have an
13 [ongoing] affirmative duty to update its registration
14 information on an ongoing basis, and failure to do so shall
15 be punishable by the board.

16 (3) The [registration list] board shall maintain a
17 registration list which shall contain the information
18 required under paragraph (1) and which shall be available for
19 public inspection at the offices of the board and on the
20 board's Internet website.

21 (c) Restrictions.--[A] In addition to the other prohibitions
22 contained in this part, a member [of the board] shall:

23 (1) [Not engage in any ex parte communication with any
24 person.] (Reserved).

25 (2) Not accept any discount, gift, gratuity,
26 compensation, travel, lodging or other thing of value,
27 directly or indirectly, from any applicant[, licensee,];
28 licensed entity; affiliate, subsidiary, or intermediary of an
29 applicant or a licensed entity; permittee[,]; registrant; or
30 licensed entity representative [thereof].

1 (3) Disclose and [disqualify] recuse himself from any
2 hearing or other proceeding in which the member's
3 objectivity, impartiality, integrity or independence of
4 judgment may be reasonably questioned due to the member's
5 relationship or association with a party connected to any
6 hearing or proceeding or a person appearing before the board.

7 (4) Refrain from any financial or business dealing which
8 would tend to reflect adversely on the member's objectivity,
9 impartiality or independence of judgment.

10 (5) Not hold or campaign for public office, hold an
11 office in any political party or political committee, as
12 defined in section 1513(d) (relating to political influence),
13 contribute to or solicit contributions to a political
14 campaign, [party,] political party, political committee or
15 candidate, publicly endorse a candidate or actively
16 participate in a political campaign.

17 (6) Not solicit funds for any charitable, educational,
18 religious, health, fraternal, civic or other nonprofit entity
19 from [an] any applicant, licensed entity, party, permittee,
20 registrant or licensed entity representative, or from any
21 affiliate, subsidiary, intermediary or holding company of [a]
22 any applicant, licensed entity, [interested] party or
23 licensed entity representative. [A board] Subject to the
24 provisions of section 1201(h) (4.1) (relating to Pennsylvania
25 Gaming Control Board established), a member may serve as an
26 officer, employee or member of the governing body of a
27 nonprofit entity and may attend, make personal contributions
28 to and plan or preside over the entity's fundraising events.
29 A [board] member may permit his name to appear on the
30 letterhead used for fundraising events if the letterhead

1 contains only the [board] member's name and position with the
2 nonprofit entity.

3 (7) Not meet or engage in discussions with any
4 applicant, [person licensed under this part or a] licensed
5 entity, permittee, registrant, licensed entity
6 representative, person who provides goods, property or
7 services to a slot machine licensee or any other person or
8 entity under the jurisdiction of the board unless the meeting
9 or discussion occurs on the business premises of the board
10 and is recorded in a log [maintained for this purpose]. The
11 log shall be available for public inspection during the
12 regular business hours of the board and shall be posted on
13 the board's Internet website. The log shall include the date
14 and time of the meeting or discussion, the names of the
15 participants and the subject discussed. The provisions of
16 this paragraph shall not apply to meetings [of the board] to
17 consider matters requiring the physical inspection of the
18 equipment or premises of an applicant or a licensed entity
19 [at their location] provided the meeting is entered in the
20 log.

21 (8) Avoid impropriety and the appearance of impropriety
22 at all times and observe standards and conduct that promote
23 public confidence in the oversight of gaming.

24 (9) Comply with any other laws, rules or regulations
25 relating to the conduct of a member.

26 (c.1) Ex parte communications.--

27 (1) No member or hearing officer of the board shall
28 engage in any ex parte communication with any person. No
29 attorney of the Office of Chief Counsel advising the board on
30 a particular licensing issue or proceeding shall engage in

1 any ex parte communication with any person.

2 (2) No attorney representing the bureau or the Office of
3 Enforcement Counsel or an applicant, licensee or permittee in
4 any proceeding, shall engage in an ex parte communication
5 with a member, an attorney of the Office of Chief Counsel who
6 is advising the board on a proceeding or a hearing officer of
7 the board.

8 (3) No employee of the bureau or the Office of
9 Enforcement Counsel shall engage in an ex parte communication
10 with a member, an attorney of the Office of Chief Counsel who
11 is advising the board on a proceeding or a hearing officer of
12 the board.

13 (c.2) Procedures relating to ex parte communications.--

14 (1) An ex parte communication received or engaged in by
15 a member or hearing officer shall be recorded in a log. The
16 log shall be available for public inspection during the
17 regular business hours of the board and shall be posted on
18 the board's Internet website. The log shall include:

19 (i) The name of the individual documenting the ex
20 parte communication.

21 (ii) The date and time of the ex parte
22 communication.

23 (iii) The names of all individuals involved in the
24 ex parte communication.

25 (iv) The subject discussed.

26 (2) In addition to documenting an ex parte communication
27 under paragraph (1), notification of the substance of the
28 communication and an opportunity to respond shall be provided
29 to all parties to a hearing or other proceeding directly
30 affected by the anticipated vote or action of the hearing

1 officer or board related to the ex parte communication.

2 (3) (i) A member or hearing officer who engaged in or
3 received an ex parte communication shall recuse himself
4 from any hearing or other proceeding related to the ex
5 parte communication if the context and substance of the
6 ex parte communication creates substantial reasonable
7 doubt as to the individual's ability to act objectively,
8 independently or impartially.

9 (ii) A member or hearing officer who engaged in or
10 received an ex parte communication who elects not to
11 recuse himself from a hearing or other proceeding shall
12 state his reasons for not recusing himself on the record
13 prior to the commencement of the hearing or proceeding.

14 (iii) If a legislative appointee recuses himself
15 from any hearing or other proceeding under this section,
16 any qualified majority vote required under this part
17 shall consist of all of the remaining legislative
18 appointees and at least two gubernatorial appointees.

19 (iv) Failure of a hearing officer who engaged in or
20 received an ex parte communication to recuse himself from
21 a hearing or other proceeding when required under
22 subparagraph (i) shall be grounds for appeal to the
23 board.

24 (v) Failure of a member who engaged in or received
25 an ex parte communication to recuse himself from a
26 hearing or other proceeding when required under
27 subparagraph (i) shall be grounds for appeal to a court
28 of competent jurisdiction if the board action being
29 appealed could not have occurred without the
30 participation of the member.

1 (4) This subsection shall not preclude a member from
2 consulting with other members individually if the
3 consultation complies with 65 Pa.C.S. Ch. 7 (relating to open
4 meetings) or with employees or independent contractors whose
5 functions are to assist the board in carrying out its
6 adjudicative functions.

7 (d) Ex officio members.--The restrictions under subsection
8 (c) (5) shall not apply to ex officio members.

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

12 "Ex parte communication." An off-the-record communication
13 engaged in or received by a member or [employee] hearing officer
14 of the board regarding the merits of or any fact in issue
15 relating to a pending matter before the board or hearing officer
16 or which may reasonably be expected to come before the board or
17 hearing officer in a contested on-the-record proceeding. The
18 term shall not include off-the-record communications by or
19 between a member or [employee] hearing officer of the board,
20 [Department of Revenue] department, Pennsylvania State Police,
21 Attorney General or other law enforcement official prior to the
22 beginning of the proceeding solely for the purpose of seeking
23 clarification or correction to evidentiary materials intended
24 for use in the proceedings. The term shall also not include
25 communications between the board or a member and the office of
26 chief counsel.

27 ["Licensed entity representative." A person acting on behalf
28 of or representing the interest of any applicant, licensee,
29 permittee or registrant, including an attorney, agent or
30 lobbyist, regarding any matter which may reasonably be expected

1 to come before the board.]

2 Section 6. Title 4 is amended by adding a section to read:

3 § 1202.2. Expenses of regulatory agencies.

4 (a) Reimbursement.--Members and employees of the board,
5 employees of the department and the Office of Attorney General,
6 and troopers and employees of the Pennsylvania State Police,
7 whose duties involve the regulation or enforcement of gaming
8 under this part who are seeking reimbursement from funds which
9 are or will be paid by an applicant for a slot machine license
10 or a slot machine licensee or from the assessments made by the
11 department under section 1402(a) (relating to gross terminal
12 revenue deductions) may be reimbursed only for actual and
13 reasonable expenses incurred during the performance of their
14 duties under this part.

15 (b) Receipts.--In order to receive reimbursement for an
16 expense under subsection (a), the individual seeking
17 reimbursement must submit a receipt to the appropriate agency
18 documenting the expense incurred. Receipts and requests for
19 reimbursement shall be financial records for purposes of, and
20 subject to redaction under, the act of February 14, 2008 (P.L.6,
21 No.3), known as the Right-to-Know Law.

22 Section 7. Section 1204 of Title 4 is amended to read:

23 § 1204. Licensed gaming entity application appeals from board.

24 The Supreme Court of Pennsylvania shall be vested with
25 exclusive appellate jurisdiction to consider appeals of any
26 final order, determination or decision of the board involving
27 the approval, issuance, denial or conditioning of a slot machine
28 license or the award, denial or conditioning of a table game
29 operation certificate. Notwithstanding the provisions of 2
30 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of

Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to direct appeals from government agencies), the Supreme Court shall affirm all final orders, determinations or decisions of the board involving the approval, issuance, denial or conditioning of a slot machine license or the award, denial or conditioning of a table game operation certificate unless it shall find that the board committed an error of law or that the order, determination or decision of the board was arbitrary and there was a capricious disregard of the evidence.

Section 7.1. Section 1205(b)(1) and (2) of Title 4 are amended and the subsection is amended by adding a paragraph to read:

§ 1205. License or permit application hearing process; public input hearings.

* * *

(b) Public input hearing requirement.--

(1) [Prior to licensing a facility under this part, the board shall hold at least one public input hearing on the matter.] The board shall hold at least one public input hearing prior to:

(i) Approving a slot machine license application or renewing a slot machine license.

(ii) Approving the structural redesign of a licensed facility located in a city of the first class.

(2) All public input hearings [relating to an application for a slot machine license] under paragraph (1) shall be held in the municipality where the licensed facility will be, or is, located and shall be organized in cooperation with the municipality.

* * *

1 (4) In addition to any witnesses scheduled to testify
2 under paragraph (3), the board shall establish a public
3 comment period during which time members of the public may
4 address the board regarding the application, license or
5 proposed structural redesign. The board, in its discretion,
6 may place reasonable time limits on an individual's comments.

7 Section 8. Section 1206(f) of Title 4 is amended to read:

8 § 1206. Board minutes and records.

9 * * *

10 (f) Confidentiality of information.--[All]

11 (1) The following information submitted by an applicant,
12 permittee or licensee pursuant to section 1310(a) (relating
13 to slot machine license application character requirements)
14 or 1308(a.1) (relating to applications for license or permit)
15 or obtained by the board or the bureau as part of a
16 background or other investigation from any source shall be
17 [considered] confidential[.] and withheld from public
18 disclosure:

19 (i) All information relating to character, honesty
20 and integrity, including family, habits, reputation,
21 history of criminal activity, business activities,
22 financial affairs and business, professional and personal
23 associations submitted under section 1310(a) or 1308(a.1)
24 or otherwise obtained by the board or the bureau.

25 (ii) Nonpublic personal information, including home
26 addresses, telephone numbers and other personal contact
27 information, Social Security numbers, educational
28 records, memberships, medical records, tax returns and
29 declarations, actual or proposed compensation, financial
30 account records, creditworthiness or financial condition

1 relating to an applicant, licensee or permittee or the
2 immediate family thereof.

3 (iii) Information relating to proprietary
4 information, trade secrets, patents or exclusive
5 licenses, architectural and engineering plans and
6 information relating to competitive marketing materials
7 and strategies, which may include customer-identifying
8 information or customer prospects for services subject to
9 competition.

10 (iv) Security information, including risk prevention
11 plans, detection and countermeasures, location of count
12 rooms, emergency management plans, security and
13 surveillance plans, equipment and usage protocols and
14 theft and fraud prevention plans and countermeasures.

15 (v) Information with respect to which there is a
16 reasonable possibility that public release or inspection
17 of the information would constitute an unwarranted
18 invasion into personal privacy of any individual as
19 determined by the board.

20 (vi) Records of an applicant or licensee not
21 required to be filed with the Securities and Exchange
22 Commission by issuers that either have securities
23 registered under section 12 of the Securities Exchange
24 Act of 1934 (48 Stat. 881, 15 U.S.C. § 78a et seq.) or
25 are required to file reports under section 15(d) of the
26 Securities Exchange Act of 1934.

27 (vii) Records considered nonpublic matters or
28 information by the Securities and Exchange Commission as
29 provided by 17 CFR 200.80 (relating to commission records
30 and information).

1 (viii) Any financial information deemed confidential
2 by the board upon a showing of good cause by the
3 applicant or licensee.

4 (2) No claim of confidentiality shall be made regarding
5 any criminal history record information that is available to
6 the public under 18 Pa.C.S. § 9121(b) (relating to general
7 regulations).

8 (3) No claim of confidentiality shall be made regarding
9 any record in possession of the board that is otherwise
10 publicly available from a Commonwealth agency, local agency
11 or another jurisdiction.

12 (3.1) Notwithstanding paragraph (1)(iii), for purposes
13 of a public input hearing under this part, the board may
14 release architectural renderings or models depicting a
15 proposed structural design or redesign of the licensed
16 facility that is the subject of the hearing.

17 (4) Except as provided in section 1517(f) (relating to
18 [investigation] investigations and enforcement), the
19 information made confidential pursuant to this section shall
20 be withheld from public disclosure in whole or in part,
21 except that any confidential information shall be released
22 upon the [lawful] order of a court of competent jurisdiction
23 or, with the approval of the Attorney General, to a duly
24 authorized law enforcement agency or shall be released to the
25 public, in whole or in part, to the extent that such release
26 is requested by an applicant or licensee and does not
27 otherwise contain confidential information about another
28 person.

29 (5) The board may seek a voluntary waiver of
30 confidentiality from an applicant or licensee but may not

1 require any applicant or licensee to waive any
2 confidentiality provided for in this subsection as a
3 condition for the approval of an application, renewal of a
4 license or any other action of the board. [Any person who
5 violates this subsection shall]

6 (6) No current or former member and no current or former
7 employee, agent or independent contractor of the board, the
8 department, the Pennsylvania State Police, the Office of
9 Attorney General or any other Executive-branch office who has
10 obtained confidential information in the performance of
11 duties under this part, shall intentionally and publicly
12 disclose the information to any person, knowing that the
13 information being disclosed is confidential under this
14 subsection, unless the person is authorized by law to receive
15 it. A violation of this subsection constitutes a misdemeanor
16 of the third degree. In addition, an employee, agent or
17 independent contractor who violates this subsection shall be
18 administratively disciplined by discharge, suspension,
19 termination of contract or other formal disciplinary action
20 as [the board deems] appropriate. If a current member
21 violates this paragraph, the other members shall refer the
22 matter to the current member's appointing authority.

23 * * *

24 Section 8.1. Section 1207(4), (5), (8), (9), (14) and (17)
25 of Title 4 are amended and the section is amended by adding
26 paragraphs to read:

27 § 1207. Regulatory authority of board.

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

29 * * *

30 (4) Require that each licensed entity provide to the

1 board its audited annual financial statements, with such
2 additional detail as the board from time to time shall
3 require, which information shall be submitted not later than
4 [60] 90 days after the end of the licensee's fiscal year.

5 (5) Prescribe the procedures to be followed by slot
6 machine licensees for any financial event that occurs in the
7 operation and play of slot machines or table games.

8 * * *

9 (7.1) Enforce prescribed hours for the operation of
10 table games so that a certificate holder may conduct table
11 games on any day during the year in order to meet the needs
12 of patrons or to meet competition.

13 (8) Require that each licensed gaming entity prohibit
14 persons under 21 years of age from operating or using slot
15 machines or playing table games.

16 (9) Establish procedures for the inspection and
17 certification of compliance of each slot machine, table game,
18 table game device and associated equipment prior to being
19 placed into use by a slot machine licensee.

20 * * *

21 (14) Consult with members of the Pennsylvania State
22 Police, the Office of Attorney General, the department and
23 such other persons it deems necessary for advice regarding
24 the various aspects of the powers and duties imposed on it
25 under this part and its jurisdiction over the authorization,
26 [and] operation and play of slot machines, table games and
27 licensed facilities.

28 * * *

29 (17) Permit, in its discretion and upon application or
30 petition, the use of a temporary facility within which slot

1 machines and table games may be available for play or
2 operation at a licensed [gaming] facility, for a period not
3 to exceed 24 months, provided that, upon good cause shown,
4 the board may extend permission to operate a temporary
5 facility for an additional [12-month] 24-month period.

6 (18) (Reserved).

7 (19) Authorize an employee of the board to approve, deny
8 or condition a request to decrease the number of slot
9 machines in operation at a licensed facility. An employee may
10 not approve a requested decrease in the number of slot
11 machines under this paragraph if the requested decrease
12 exceeds 2% of the total number of slot machines in operation
13 at a licensed facility. Except as provided under paragraph
14 (20), at no time shall the number of slot machines in
15 operation at a Category 1 or Category 2 licensed facility be
16 less than 1,500 or less than 250 slot machines at a Category
17 3 licensed facility.

18 (20) Approve, or authorize an employee of the board to
19 approve, a temporary reduction in the number of slot machines
20 in operation at a licensed facility under the following
21 circumstances:

22 (i) For the duration of any renovation, remodeling
23 or modification of an area of a licensed facility where
24 slot machines are located.

25 (ii) To enable the licensed facility to respond to
26 an emergency.

27 (21) Authorize, in its discretion, a slot machine
28 licensee to conduct slot machine tournaments and adopt
29 regulations governing the conduct of such tournaments.

30 Section 8.2. Sections 1208(1), 1209(b) and (f) and 1210 of

1 Title 4 are amended to read:

2 § 1208. Collection of fees and fines.

3 The board has the following powers and duties:

4 (1) To levy and collect fees from the various
5 applicants, licensees and permittees to fund the operations
6 of the board. [The] Unless otherwise provided in this part,
7 the fees shall be deposited into the State Gaming Fund as
8 established in section 1403 (relating to establishment of
9 State Gaming Fund and net slot machine revenue distribution)
10 and distributed to the board upon appropriation by the
11 General Assembly. In addition to the fees set forth in
12 sections 1209 (relating to slot machine license fee) and 1305
13 (relating to Category 3 slot machine license), the board
14 shall assess and collect fees as follows:

15 (i) Supplier licensees shall pay [a]:

16 (A) A fee of \$25,000 upon the issuance of a
17 license [and \$10,000 for the annual renewal of a
18 supplier license.] to supply slot machines or
19 associated equipment used in connection with slot
20 machines.

21 (B) A fee of \$25,000 upon the issuance of a
22 license to supply table game devices or associated
23 equipment used in connection with table games or
24 table game devices.

25 (C) A fee of \$15,000 for the annual renewal of
26 the appropriate supplier license. Upon the extension
27 of the renewal period under section 1317(c)(1)
28 (relating to supplier licenses), the fee shall be
29 \$45,000 for the renewal.

30 (D) Notwithstanding the fees established under

1 clauses (B) and (C), the board may modify the fees
2 upon the board's determination that the fees will
3 unreasonably limit the availability of table game
4 devices or associated equipment used in connection
5 with table games or table game devices in this
6 Commonwealth.

7 (ii) Manufacturer licensees shall pay [a]:

8 (A) A fee of \$50,000 upon the issuance of a
9 license [and \$25,000 for the annual renewal of a
10 manufacturer license.] to manufacture slot machines
11 and associated equipment used in connection with slot
12 machines.

13 (B) A fee of \$50,000 upon the issuance of a
14 license to manufacture table game devices or
15 associated equipment used in connection with table
16 games or table game devices.

17 (C) A fee of \$30,000 for the annual renewal of
18 the appropriate manufacturer license. Upon the
19 extension of the renewal period under section
20 1317.1(c)(1) (relating to manufacturer licenses), the
21 fee shall be \$90,000 for the renewal.

22 (D) Notwithstanding the fees established under
23 clauses (B) and (C), the board may modify the fees
24 upon the board's determination that the fees will
25 unreasonably limit the availability of table game
26 devices or associated equipment used in connection
27 with table games or table game devices in this
28 Commonwealth.

29 (iii) Each application for a slot machine license,
30 supplier license or manufacturer license must be

1 accompanied by a nonrefundable fee set by the board for
2 the cost of each individual requiring a background
3 investigation. The reasonable and necessary costs and
4 expenses incurred in any background investigation or
5 other investigation or proceeding concerning any
6 applicant, licensee, permittee or registrant shall be
7 reimbursed to the board by those persons.

8 * * *

9 § 1209. Slot machine license fee.

10 * * *

11 (b) Term.--A slot machine license, after payment of the fee,
12 shall be in effect unless suspended, revoked or not renewed by
13 the board upon good cause consistent with the license

14 requirements as provided for in this part. Slot machine
15 licensees shall be required to update the information in their
16 initial applications annually, and the license of a licensee in
17 good standing shall be [updated and] renewed [annually] every
18 three years. Nothing in this subsection shall relieve a licensee
19 of the affirmative duty to notify the board of any changes
20 relating to the status of its license or to any other
21 information contained in the application materials on file with
22 the board. As to the renewal of a license, except as required in
23 subsection (f) (3), no additional license fee pursuant to
24 subsection (a) shall be required.

25 * * *

26 (f) Return of slot machine license fee.--

27 (1) The entire one-time slot machine license fee of
28 \$50,000,000 for each Category 1 and Category 2 slot machine
29 license shall be returned to each licensee in the event
30 section 1201 (relating to Pennsylvania Gaming Control Board

1 established), 1202 (relating to general and specific powers)
2 or 1307 (relating to number of slot machine licenses) is
3 amended or otherwise altered by an act of the General
4 Assembly, within five years following the [initial issuance
5 of any slot machine licenses pursuant to section 1301
6 (relating to authorized slot machine licenses)] date
7 established by the board as the deadline for the initial
8 submission of Category 1 and Category 2 slot machine license
9 applications, to change:

10 (i) the composition of the board;

11 (ii) the number or voting powers of members of the
12 board;

13 (iii) the manner in which members are nominated or
14 appointed to the board;

15 (iv) the length of term for which each member
16 serves;

17 (v) the general jurisdiction of the board in a
18 manner that impairs or otherwise reduces the board's
19 licensing authority; or

20 (vi) section 1307 to increase the statutory maximum
21 number of permissible Category 1 or Category 2 licensed
22 facilities.

23 (2) In the event that [this part is amended or otherwise
24 altered by an act of] the General Assembly [as] acts in the
25 manner described [pursuant to] in paragraph (1):

26 (i) In the sixth year following the [initial
27 issuance of any slot machine licenses pursuant to section
28 1301] date established by the board as the deadline for
29 the initial submission of Category 1 and Category 2 slot
30 machine license applications, a Category 1 and Category 2

1 slot machine licensee shall be entitled to a partial
2 return of the one-time slot machine license fee in the
3 amount of \$41,666,667.

4 (ii) In the seventh year, [the] each Category 1 and
5 Category 2 slot machine licensee shall be entitled to a
6 partial return of the one-time slot machine license fee
7 in the amount of \$33,333,334.

8 (iii) In the eighth year, [the] each Category 1 and
9 Category 2 slot machine licensee shall be entitled to a
10 partial return of the one-time slot machine license fee
11 in the amount of \$25,000,000.

12 (iv) In the ninth year, [the] each Category 1 and
13 Category 2 slot machine licensee shall be entitled to a
14 partial return of the one-time slot machine license fee
15 in the amount of \$16,666,668.

16 (v) In the tenth year, [the] each Category 1 and
17 Category 2 slot machine licensee shall be entitled to a
18 partial return of the one-time machine license fee in the
19 amount of \$8,333,334.

20 (2.1) In the event that the [action] General Assembly
21 acts in the manner described in paragraph (1) [occurs] after
22 the expiration of ten years, [the licensee] Category 1 and
23 Category 2 slot machine licensees shall not be entitled to a
24 return of any portion of the one-time slot machine license
25 fee. Notwithstanding the foregoing, no slot machine licensee
26 shall be entitled to the return of any portion of the fee as
27 a result of any act of the General Assembly insofar as it
28 implements a recommendation made by the board pursuant to a
29 qualified majority vote. In the event a full or partial
30 return of the slot machine license fee imposed pursuant to

subsection (a) becomes due pursuant to this subsection, the amount to be returned to any slot machine licensee shall be reduced on a dollar-for-dollar basis by the total accumulated tax credits granted to such licensee pursuant to subsection (c). In no event shall the total amount of the slot machine license fee returned to a Category 1 or Category 2 licensee, combined with the total tax credits granted, exceed the amounts set forth in this subsection for any licensee. The total or partial return of the slot machine license fee shall extinguish a licensee's right to claim any further tax credits pursuant to subsection (c) and to make any future claim for the return of the slot machine license fee.

(3) Within ten days following a determination that a slot machine licensee is entitled to the return of any portion of the slot machine license fee paid by the slot machine licensee based on the provisions of this section or based on the contract executed by the slot machine licensee and the department under subsection (c), the board shall immediately assess a one-time slot machine license renewal fee on the slot machine licensee in an amount equal to the amount of the fee returned to the slot machine licensee. The renewal fee shall be paid by the slot machine licensee within two business days following the return of the initial fee.

§ 1210. Number of slot machines.

(a) Initial complement.--Except as provided for Category 3 slot machine licensees under section 1305 (relating to Category 3 slot machine license), [all] the following apply:

(1) All slot machine licensees shall be permitted to operate up to 3,000 slot machines at any one licensed facility [and].

1 (2) Each slot machine licensee shall be required to
2 operate and make available to play a minimum of 1,500 slot
3 machines at [any one] its licensed facility within one year
4 of the issuance by the board of a slot machine license
5 [unless otherwise extended by the] to the slot machine
6 licensee. The board, upon application and for good cause
7 shown, may grant an extension for an additional period [not
8 to exceed 24 months] ending on the later of 36 months from
9 the end of the initial one-year period or December 31, 2012.

10 (b) Additional slot machines.--Except as provided for
11 Category 3 slot machine licensees under section 1305, six months
12 following the date of commencement of slot machine operations,
13 the board may permit a slot machine licensee to install and
14 operate up to 2,000 additional slot machines at its licensed
15 facility, beyond those machines [authorized] permitted under
16 subsection (a), upon application by the slot machine licensee.
17 The board, in considering such an application, shall take into
18 account the appropriateness of the physical space where the
19 additional slot machines will be located and the convenience of
20 the public attending the facility. The board may also take into
21 account the potential benefit to economic development,
22 employment and tourism, enhanced revenues to the Commonwealth
23 and other economic indicators it deems applicable in making its
24 decision.

25 [(c) Limitation.--For the two and one-half years following
26 the beginning of slot machine operations at the licensed
27 facility, no licensed gaming entity may make available for play
28 by its patrons at its licensed facility more than 50% of slot
29 machines from the same manufacturer or its affiliate,
30 intermediary, subsidiary or holding company. The provisions of

1 this subsection shall not apply to machines purchased pursuant
2 to a contract or order executed by a conditional Category 1 or
3 Category 1 slot machine licensee prior to October 20, 2006.]

4 Section 9. Section 1211(a) of Title 4 is amended and the
5 section is amended by adding subsections to read:

6 § 1211. Reports of board.

7 (a) Report of board.--Eighteen months after the effective
8 date of this part and every year on that date thereafter, the
9 board shall issue a report to the Governor and each member of
10 the General Assembly on the general operation of the board and
11 each slot machine licensee's performance, including, but not
12 limited to, number and win per slot machine and total gross
13 terminal revenue at each licensed [facilities] facility during
14 the previous year, all taxes, fees, fines and other revenues
15 collected and, where appropriate, disbursed, the costs of
16 operation of the board, all hearings conducted and the results
17 of the hearings and other information that the board deems
18 necessary and appropriate.

19 (a.1) Additional reporting requirements.--No later than 12
20 months after the effective date of Chapter 13A (relating to
21 table games) and every year thereafter, the annual report
22 submitted by the board shall include information on the conduct
23 of table games as follows:

24 (1) Total gross table game revenue.

25 (2) The number and win by type of table game at each
26 licensed facility during the previous year.

27 (3) All taxes, fees, fines and other revenue collected
28 and where appropriate revenue disbursed during the previous
29 year. The department shall collaborate with the board to
30 carry out the requirements of this paragraph.

1 (4) Other information related to the conduct of table
2 games.

3 The board may require certificate holders to provide information
4 to the board to assist in the preparation of the report.

5 (a.2) Facility responsibility.--Each Category 1 licensed
6 facility shall provide:

7 (1) An annual report to the board and to the respective
8 racing commission summarizing how the introduction and
9 expansion of gaming has fulfilled the intent of this part to
10 enhance live racing at the licensed racetrack.

11 (2) Plans to promote live racing and increase live
12 handle and daily attendance at the licensed racetrack in the
13 upcoming year.

14 (a.3) Expenses.--Beginning 30 days after the effective date
15 of this subsection, the board shall post within 45 days after
16 the end of each month on its Internet website a list of all the
17 itemized expenses of employees and members for that month that
18 were or are to be reimbursed from the assessments made by the
19 department under section 1402(a) (relating to gross terminal
20 revenue deductions) and all itemized expenses of employees of
21 the department and the Office of Attorney General and troopers
22 and employees of the Pennsylvania State Police for the preceding
23 month that were or are to be reimbursed from such assessments.
24 The list shall identify the nature of the expense, the employee,
25 member or the agency and employee of the agency to which an
26 expense is attributable. If the expense is directly attributable
27 to or paid by a licensed gaming entity, the list shall identify
28 the licensed gaming entity and if the expense was charged to the
29 licensed gaming entity. By October 1 of each year, a final
30 report of all expenses described in this subsection for the

1 preceding fiscal year shall be posted on the board's Internet
2 website and shall be submitted to the Appropriations Committee
3 of the Senate, the Community, Economic and Recreational
4 Development Committee of the Senate, the Appropriations
5 Committee of the House of Representatives and the Gaming
6 Oversight Committee of the House of Representatives. Information
7 posted on the Internet website pursuant to this subsection shall
8 be financial records for the purposes of and subject to
9 redaction under the act of February 14, 2008 (P.L.6, No.3),
10 known as the Right-to-Know Law. The board, the department, the
11 Office of Attorney General and the Pennsylvania State Police
12 shall collaborate to develop a uniform system that will enable
13 the board to carry out the requirements of this subsection.

14 * * *

15 (e) Submission of reports.--Notwithstanding any other
16 provision of this part, all annual reports or studies of the
17 board required to be submitted to the General Assembly under
18 this part after the effective date of this subsection shall be
19 submitted by October 1, 2010, and by October 1 of each year
20 thereafter.

21 Section 10. Sections 1212 and 1213 of Title 4 are amended to
22 read:

23 § 1212. Diversity goals of board.

24 (a) Intent.--It is the intent and goal of the General
25 Assembly that the board promote and ensure diversity in all
26 aspects of the gaming activities authorized under this part. The
27 board shall work to enhance the representation of diverse groups
28 in [the]:

29 (1) The ownership[, participation and operation] of
30 licensed entities [and licensed facilities] in this

1 Commonwealth [and through the].

2 (2) The ownership[, participation and operation] of
3 business enterprises associated with or utilized by licensed
4 entities [and licensed facilities] and through the provision
5 of goods and services utilized by slot machine licensees
6 under this part.

7 (3) The operation of licensed entities and the conduct
8 of gaming in this Commonwealth by ensuring licensed entities
9 promote the participation of diverse groups by affording
10 equal access to employment opportunities, including key
11 employee, gaming employee, and nongaming employee positions.

12 (4) The operation of business enterprises associated
13 with or utilized by licensed entities, including business
14 enterprises that provide goods, property and services
15 utilized by slot machine licensees in this Commonwealth by
16 ensuring these business enterprises promote the participation
17 of diverse groups by affording equal access to employment
18 opportunities.

19 (5) The construction, renovation or reconstruction of a
20 licensed facility by ensuring that all contracts and
21 subcontracts to be awarded relating to the construction,
22 renovation or reconstruction of a licensed facility contain
23 adequate provisions ensuring all contractors or
24 subcontractors and assignees will promote the participation
25 of diverse groups in any proposed construction, renovation or
26 reconstruction project by affording equal access to
27 employment opportunities.

28 (6) The rendering of professional services to licensed
29 entities by ensuring licensed entities promote the
30 participation of diverse groups by affording equal access to

1 professional service contractual opportunities.

2 (a.1) Reports by licensees.--Each slot machine licensee
3 shall submit a quarterly report to the board describing
4 activities undertaken at its licensed facility related to the
5 development and implementation of its diversity plan in
6 accordance with section 1325 (relating to license or permit
7 issuance) during the prior quarter. At a minimum, the quarterly
8 reports shall contain a summary of:

9 (1) All employee recruitment and retention efforts
10 undertaken to ensure the participation of diverse groups in
11 employment with the slot machine licensee.

12 (2) The total number of hires and employment offers
13 made, including data relating to the race, gender and
14 residence of those hired or offered employment.

15 (3) All contracting and subcontracting data involving
16 the slot machine licensee and minority-owned business
17 enterprises and women-owned business enterprises.

18 (4) Any other information deemed relevant or necessary
19 by the board to assess the slot machine licensee's diversity
20 plan.

21 (b) [Investigations] Annual review.--The board [is
22 authorized to investigate and] shall conduct an annual [study to
23 ascertain] review of each slot machine licensee's activities
24 related to the implementation of its diversity plan in order to
25 evaluate whether the slot machine licensee has taken effective
26 and meaningful action [has been taken or will be taken to
27 enhance the] to implement a diversity plan and whether the
28 licensee's plan and any other actions taken have achieved or
29 will achieve the Commonwealth's goal of enhanced representation
30 of diverse groups in the [ownership, participation and operation

1 of licensed facilities in this Commonwealth, through the
2 ownership and operation of business enterprises associated with
3 or utilized by slot machine licensees, through the provision of
4 goods and services utilized by slot machine licensees and
5 through employment opportunities] gaming industry as set forth
6 in subsection (a).

7 (c) Completion of investigation.--The [first study] review
8 required under subsection (b) shall be completed six months
9 following the effective date of this [part] section, if
10 practically possible, and annually thereafter and shall contain
11 recommendations which the board determines appropriate. Each
12 review shall contain, at a minimum, a descriptive summary of the
13 following relating to each slot machine licensee's licensed
14 facility:

15 (1) Employee recruitment and retention programs designed
16 to ensure the participation of diverse groups.

17 (2) The total number of hires and employment offers
18 made, including data relating to the race, gender and
19 residence of individuals hired or offered employment.

20 (3) Minority-owned business enterprise and women-owned
21 business enterprise contracting and subcontracting data.

22 (d) Facility responsibility.--Each slot machine licensee
23 shall provide information as required by the board to enable the
24 board to complete the reviews required under subsection (b).

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

29 (1) Legal services.

30 (2) Advertising or public relations services.

1 (3) Engineering services.

2 (4) Architectural, landscaping or surveying services.

3 (5) Accounting, auditing or actuarial services.

4 (6) Security consultant services.

5 (7) Computer and information technology services, except
6 telephone service.

7 (8) Insurance underwriting services.

8 § 1213. License or permit prohibition.

9 [No applicant for a license or permit under this part,
10 including principals and key employees,] The following apply:

11 (1) The board shall be prohibited from granting a
12 principal license or a key employee license to an individual
13 who has been convicted of a felony [or gambling] offense in
14 any jurisdiction [shall be issued a license or permit unless
15 15 years has elapsed from the date of expiration of the
16 sentence for the offense].

17 (2) [When determining whether to issue a license or
18 permit to an applicant who has been convicted in any
19 jurisdiction of a felony or gambling offense,] In addition to
20 the prohibition under paragraph (1), the board shall be
21 prohibited from granting the following:

22 (i) A principal license or key employee license to
23 an individual who has been convicted in any jurisdiction
24 of a misdemeanor gambling offense, unless 15 years have
25 elapsed from the date of conviction for the offense.

26 (ii) A gaming employee permit or a license other
27 than a principal license or key employee license to an
28 individual who has been convicted in any jurisdiction of
29 a felony offense or of a misdemeanor gambling offense,
30 unless 15 years have elapsed from the date of conviction

1 for the offense.

2 (3) Following the expiration of any prohibition period
3 applicable to an applicant under paragraph (2), in
4 determining whether to issue a license or permit, the board
5 shall consider the following factors:

6 [(1)] (i) The nature and duties of the applicant's
7 position with the licensed entity.

8 [(2)] (ii) The nature and seriousness of the offense
9 or conduct.

10 [(3)] (iii) The circumstances under which the
11 offense or conduct occurred.

12 [(4)] (iv) The age of the applicant when the offense
13 or conduct was committed.

14 [(5)] (v) Whether the offense or conduct was an
15 isolated or a repeated incident.

16 [(6)] (vi) Any evidence of rehabilitation, including
17 good conduct in the community, counseling or psychiatric
18 treatment received and the recommendation of persons who
19 have substantial contact with the applicant.

20 (4) For purposes of this section, a felony offense is
21 any of the following:

22 (i) An offense punishable under the laws of this
23 Commonwealth by imprisonment for more than five years.

24 (ii) An offense which, under the laws of another
25 jurisdiction, is:

26 (A) classified as a felony; or

27 (B) punishable by imprisonment for more than
28 five years.

29 (iii) An offense under the laws of another
30 jurisdiction which, if committed in this Commonwealth,

1 would be subject to imprisonment for more than five
2 years.

3 Section 10.1. Title 4 is amended by adding a section to
4 read:

5 § 1214. Specific authority to suspend slot machine license.

6 (a) Conditions.--Any slot machine licensee that is required
7 as a condition of licensure to make payments to a municipality,
8 municipal authority or other entity for an economic development
9 project, including any project enumerated in the act of July 25,
10 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic
11 Development and Tourism Fund Capital Budget Itemization Act of
12 2007, shall, within 30 days of the effective date of this
13 section or within 30 days following licensure, whichever is
14 later, enter into a written agreement with the municipality,
15 municipal authority or other entity. The written agreement shall
16 establish and govern the terms of the required payments,
17 including the amounts of each payment, the date on which each
18 payment shall be made and the duration of the payments.

19 (b) Failure to meet conditions.--If a slot machine licensee
20 fails to enter into a written agreement as required by
21 subsection (a), the board may take any action it deems
22 necessary. An action taken by the board shall remain in effect
23 until the slot machine licensee satisfies the board that it has
24 entered into the written agreement required by subsection (a).

25 (c) Failure to comply with written agreement.--If a slot
26 machine licensee is in default with respect to a payment
27 obligation contained in a written agreement required by
28 subsection (a), the board may take any action it deems
29 necessary. An action taken by the board shall remain in effect
30 until the slot machine licensee satisfies the board that it is

1 in compliance with the terms of the written agreement.

2 (d) Other remedies applicable.--Nothing in this section
3 shall prohibit the board from taking any additional action,
4 including suspension or revocation of the slot machine
5 licensee's license, appointing a trustee under section 1332, or
6 imposing any other sanction permitted by this part against a
7 slot machine licensee who violates the provisions of this
8 section.

9 Section 10.2. Sections 1304(b), 1305 and 1307 of Title 4 are
10 amended to read:

11 § 1304. Category 2 slot machine license.

12 * * *

13 (b) Location.--

14 (1) Two Category 2 licensed facilities and no more shall
15 be located by the board within a city of the first class, and
16 one Category 2 licensed facility and no more shall be located
17 by the board within a city of the second class. No Category 2
18 licensed facility located by the board within a city of the
19 first class shall be within ten linear miles of a Category 1
20 licensed facility regardless of the municipality where the
21 Category 1 licensed facility is located. Except for any
22 Category 2 licensed facility located by the board within a
23 city of the first class or a city of the second class, no
24 Category 2 licensed facility shall be located within 30
25 linear miles of any Category 1 licensed facility that has
26 conducted over 200 racing days per year for the two calendar
27 years immediately preceding the effective date of this part
28 and not within 20 linear miles of any other Category 1
29 licensed facility. Except for any Category 2 licensed
30 facility located by the board within a city of the first

1 class, no Category 2 licensed facility shall be located
2 within 20 linear miles of another Category 2 licensed
3 facility.

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

29 (3) Notwithstanding any other provision of law, the
30 governing body of a city of the first class shall not exempt

1 from real property taxation or provide any real property tax
2 abatement under the act of December 1, 1977 (P.L.237, No.76),
3 known as the Local Economic Revitalization Tax Assistance
4 Act, to a Category 2 licensed facility located within the
5 city, or any improvements to such facility, unless the owner
6 of the licensed facility enters into or has entered into a
7 tax settlement agreement or payment in lieu of taxes
8 agreement with the city, including any amendments,
9 supplements or modifications of such agreements.

10 § 1305. Category 3 slot machine license.

11 (a) Eligibility.--

12 (1) A person may be eligible to apply for a Category 3
13 slot machine license if the applicant, its affiliate,
14 intermediary, subsidiary or holding company has not applied
15 for or been approved or issued a Category 1 or Category 2
16 slot machine license and the person is seeking to locate a
17 Category 3 licensed facility in a well-established resort
18 hotel having no fewer than 275 guest rooms under common
19 ownership and having substantial year-round recreational
20 guest amenities. The applicant for a Category 3 license shall
21 be the owner or be a wholly owned subsidiary of the owner of
22 the [established] well-established resort hotel. A Category 3
23 license may only be granted upon the express condition that
24 an individual may not enter a gaming area of the [licensee]
25 licensed facility if the individual is not [a registered
26 overnight guest of the established resort hotel or if the
27 individual is not a patron of one or more of the amenities
28 provided by the established resort hotel.] any of the
29 following:

30 (i) A registered overnight guest of the well-

1 established resort hotel.

2 (ii) A patron of one or more of the amenities
3 provided by the well-established resort hotel.

4 (iii) An authorized employee of the slot machine
5 licensee, of a gaming service provider, of the board or
6 of any regulatory, emergency response or law enforcement
7 agency while engaged in the performance of the employee's
8 duties.

9 (iv) An individual holding a valid membership
10 approved in accordance with paragraph (1.1) or a guest of
11 such individual.

12 (1.1) The board may approve a seasonal or year-round
13 membership that allows an individual to use one or more of
14 the amenities provided by the well-established resort hotel
15 holding a Category 3 slot machine license. The membership
16 shall allow the member and one guest to enter the gaming
17 floor at any time as long as the guest is accompanied by the
18 individual owning or holding the membership. The board shall
19 base its approval of a membership on all of the following:

20 (i) The duration of the membership.

21 (ii) The amenity covered by the membership.

22 (iii) Whether the fee charged for the membership
23 represents the fair market value for the use of the
24 amenity.

25 (2) Notwithstanding section 1512(a) and (a.1) (relating
26 to public official financial interest), if at the time of
27 application an applicant has terminated public office or
28 employment as an executive-level public employee within the
29 last calendar year, the applicant shall be eligible to apply
30 for a slot machine license under this section but may not be

1 issued a license until one year following the date of
2 termination as a public official or executive-level public
3 employee. An application submitted in accordance with this
4 paragraph shall not constitute a violation of section 1512(a)
5 or (a.1).

6 (3) If the person seeking a slot machine license
7 proposes to place the licensed facility upon land designated
8 a subzone, an expansion subzone or an improvement subzone
9 under the act of October 6, 1998 (P.L.705, No.92), known as
10 the Keystone Opportunity Zone, Keystone Opportunity Expansion
11 Zone and Keystone Opportunity Improvement Zone Act, the
12 person shall, at any time prior to the application being
13 approved, submit a statement waiving the exemptions,
14 deductions, abatements or credits granted under the Keystone
15 Opportunity Zone, Keystone Opportunity Expansion Zone and
16 Keystone Opportunity Improvement Zone Act if the board
17 approves the application.

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

19 (1) [No] Except as provided in paragraph (1.1), no
20 Category 3 license shall be located by the board within 15
21 linear miles of another licensed facility.

22 (1.1) A Category 3 license established on or after July
23 20, 2017, shall not be located by the board within 30 linear
24 miles of another licensed facility.

25 (2) Within five days of approving a license for an
26 applicant with a proposed licensed facility consisting of
27 land designated a subzone, an expansion subzone or an
28 improvement subzone under the Keystone Opportunity Zone,
29 Keystone Opportunity Expansion Zone and Keystone Opportunity
30 Improvement Zone Act for a slot machine license under this

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

20 (c) Number of slot machines.--Notwithstanding the number of
21 permissible slot machines as set forth in section 1210 (relating
22 to number of slot machines), a Category 3 license granted under
23 the provisions of this section shall entitle the licensed entity
24 to operate no more than 500 slot machines at the licensed
25 facility, provided, however, a Category 3 slot machine licensee
26 holding a table game operation certificate shall be entitled to
27 operate no more than 600 slot machines at its licensed facility.

28 (d) Category 3 license fee.--[Notwithstanding the one-time
29 slot machine license fee as set forth in section 1209 (relating
30 to slot machine license fee), the] The board shall impose a one-

1 time Category 3 license fee to be paid by each successful
2 applicant in the amount of \$5,000,000 to be deposited in the
3 State Gaming Fund. The provisions of section [1209 relating to
4 term, credit against tax for slot machine licensees, deposit of
5 license fee and change of ownership or control of a license
6 shall be applicable] 1209(b), (c), (d) and (e) shall apply to a
7 Category 3 [license fee] licensee.

8 (e) Definitions.--For the purpose of subsection (a), the
9 following words and phrases shall have the meaning given to them
10 in this subsection:

11 "Amenities." Any ancillary activities, services or
12 facilities in which a registered guest or the transient public,
13 in return for non-de minimis consideration as defined by board
14 regulation, may participate at a well-established resort hotel,
15 including, but not limited to, sports and recreational
16 activities and facilities such as a golf course or golf driving
17 range, tennis courts or swimming pool; health spa; convention,
18 meeting and banquet facilities; entertainment facilities; and
19 restaurant facilities.

20 "Patron of the amenities." Any individual who is a
21 registered attendee of a convention, meeting or banquet event or
22 a participant in a sport or recreational event or any other
23 social, cultural or business event held at a resort hotel or who
24 participates in one or more of the amenities provided to
25 registered guests of the well-established resort hotel.

26 § 1307. Number of slot machine licenses.

27 The board may license no more than seven Category 1 licensed
28 facilities and no more than five Category 2 licensed facilities,
29 as it may deem appropriate, as long as two, and not more,
30 Category 2 [licenses] licensed facilities are located by the

1 board within the city of the first class and that one, and not
2 more, Category 2 licensed facility is located by the board
3 Within the city of the second class. The board may at its
4 discretion increase the total number of Category 2 licensed
5 facilities permitted to be licensed by the board by an amount
6 not to exceed the total number of Category 1 licenses not
7 applied for within five years following the effective date of
8 this part. Except as permitted by section 1328 (relating to
9 change in ownership or control of slot machine licensee), any
10 Category 1 license may be reissued by the board at its
11 discretion as a Category 2 license if an application for
12 issuance of such license has not been made to the board. The
13 board may license no more than [two] three Category 3 Licensed
14 facilities.

15 Section 10.3. Sections 1308 and 1309 of Title 4 are amended
16 by adding subsections to read:

17 § 1308. Applications for license or permit.

18 * * *

19 (a.1) Submission of information.--An applicant for a license
20 or permit under this part shall disclose in the application all
21 arrests of the applicant and all citations issued to the
22 applicant for non-traffic summary offenses. The information
23 shall include:

24 (1) A brief description of the circumstances surrounding
25 the arrest or issuance of the citation.

26 (2) The specific offense charged.

27 (3) The ultimate disposition of the charge, including
28 the details of any dismissal, plea bargain, conviction,
29 sentence, pardon, expungement or order of Accelerated
30 Rehabilitative Disposition.

1 No applicant shall be required to provide documentation relating
2 to any summary offense. Failure of the bureau to recover records
3 of a summary offense shall not be grounds for denying an
4 application.

5 * * *

6 § 1309. Slot machine license application.

7 * * *

8 (a.1) Table games information.--

9 (1) An applicant for a slot machine license may submit
10 with its application all information required under Chapter
11 13A (relating to table games) and request that the board
12 consider its application for a slot machine license and a
13 table game operation certificate concurrently. All fees for a
14 table game operation certificate shall be paid by the
15 applicant in accordance with section 1361A (relating to table
16 game authorization fee).

17 (2) The board shall permit any applicant for a slot
18 machine license that has an application pending before the
19 board on the effective date of this subsection to supplement
20 its application with all information required under Chapter
21 13A and to request that the board consider its application
22 for a slot machine license and a table game operation
23 certificate concurrently. All fees for a table game operation
24 certificate shall be paid by the applicant in accordance with
25 section 1361A.

26 * * *

27 Section 10.4. Section 1310 of Title 4 is amended to read:

28 § 1310. Slot machine license application character
29 requirements.

30 (a) Application.--

1 (1) Every application for a slot machine license shall
2 include such information, documentation and assurances as may
3 be required to establish by clear and convincing evidence the
4 applicant's suitability, including good character, honesty
5 and integrity. Information shall include, without limitation,
6 information pertaining to family, habits, character,
7 reputation, criminal history background, business activities,
8 financial affairs and business, professional and personal
9 associates, covering at least the ten-year period immediately
10 preceding the filing date of the application.

11 (2) Notwithstanding 18 Pa.C.S. § 9124(b) (relating to
12 use of records by licensing agencies), in addition to the
13 information submitted under section 1308(a.1) (relating to
14 applications for license or permit), a conviction that has
15 been expunged or overturned, or for which a person has been
16 pardoned or an order of Accelerated Rehabilitative
17 Disposition has been issued, shall be included with an
18 application and considered by the board as part of the review
19 of the applicant's suitability under paragraph (1).

20 (b) Civil judgments and law enforcement agency
21 information.--Each applicant shall notify the board of any civil
22 judgments obtained against the applicant pertaining to antitrust
23 or security regulation laws of the Federal Government, this
24 Commonwealth or any other state, jurisdiction, province or
25 country. In addition, each applicant shall produce a letter of
26 reference from law enforcement agencies having jurisdiction in
27 the applicant's place of residence and principal place of
28 business, which letter of reference shall indicate that the law
29 enforcement agencies do not have any pertinent information
30 concerning the applicant or, if the law enforcement agency does

1 have information pertaining to the applicant, shall specify the
2 nature and content of that information. If no letters are
3 received within 30 days of the request, the applicant may submit
4 a statement under oath which is subject to the penalty for false
5 swearing under 18 Pa.C.S. § 4903 (relating to false swearing)
6 that the applicant is or was during the period the activities
7 were conducted in good standing with the gaming or casino
8 enforcement or control agency.

9 (c) Gaming or casino enforcement agency information.--If the
10 applicant has held a gaming license in a jurisdiction where
11 gaming activities are permitted, the applicant shall produce a
12 letter of reference from the gaming or casino enforcement or
13 control agency which shall specify the experiences of that
14 agency with the applicant, the applicant's associates and the
15 applicant's gaming operation. If no letters are received within
16 30 days of the request, the applicant may submit a statement
17 under oath which is subject to the penalty for false swearing
18 under 18 Pa.C.S. § 4903 that the applicant is or was during the
19 period the activities were conducted in good standing with the
20 gaming or casino enforcement or control agency.

21 (d) Agency records.--Each applicant for a slot machine
22 license, principal license or key employee license shall be
23 required to apply to each Federal agency deemed appropriate by
24 the board or bureau for agency records under the Freedom of
25 Information Act (Public Law 89-554, 5 U.S.C. § 552) pertaining
26 to the applicant and provide the bureau with the complete record
27 received from the Federal agency. The board may issue a license
28 to the applicant prior to the receipt of information under this
29 subsection.

30 Section 10.5. Sections 1317(a) and (c)(1) and 1317.1(a), (b)

(5), (c), (d), (d.1) and (e) of Title 4 are amended and the sections are amended by adding subsections to read:

§ 1317. Supplier licenses.

(a) Application.--A manufacturer that elects to contract with a supplier under section 1317.1(d.1) (relating to manufacturer licenses) shall ensure that the supplier is appropriately licensed under this section. A person seeking to provide slot machines, table game devices or associated equipment to a slot machine licensee within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for [a] the appropriate supplier license.

* * *

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

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

* * *

(c.1) Abbreviated process.--In the event an applicant for a supplier license to supply table game devices or associated equipment used in connection with table games is licensed by the board under this section to supply slot machines or associated

equipment used in connection with slot machines, the board may
determine to use an abbreviated process requiring only that
information determined by the board to be necessary to consider
the issuance of a license to supply table game devices or
associated equipment used in connection with table games,
including financial viability of the applicant. Nothing in this
section shall be construed to waive any fees associated with
obtaining a license through the normal application process. The
board may only use the abbreviated process if all of the
following apply:

(1) The supplier license was issued by the board within
a 36-month period immediately preceding the date the supplier
licensee files an initial application to supply table game
devices or associated equipment.

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

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

* * *

§ 1317.1. Manufacturer licenses.

(a) Application.--A person seeking to manufacture slot
machines, table game devices and associated equipment for use in
this Commonwealth shall apply to the board for a manufacturer
license.

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

1 * * *

2 (5) The type of slot machines, table game devices or
3 associated equipment to be manufactured or repaired.

4 * * *

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

9 (1) [The license shall be for a period of one year. Upon
10 expiration, a license may be renewed in accordance with
11 subsection (d)] The initial license shall be for a period of
12 one year and if renewed under subsection (d), the license
13 shall be for a period of three years. Nothing in this
14 paragraph shall relieve the licensee of the affirmative duty
15 to notify the board of any changes relating to the status of
16 its license or to any other information contained in
17 application materials on file with the board.

18 (2) The license shall be nontransferable.

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

20 (c.1) Abbreviated process.--In the event an applicant for a
21 manufacturer license to manufacture table game devices or
22 associated equipment used in connection with table games is
23 licensed by the board under this section to manufacture slot
24 machines or associated equipment used in connection with slot
25 machines, the board may determine to use an abbreviated process
26 requiring only that information determined by the board to be
27 necessary to consider the issuance of a license to manufacture
28 table game devices or associated equipment used in connection
29 with table games, including financial viability of the
30 applicant. Nothing in this section shall be construed to waive

1 any fees associated with obtaining a license through the normal
2 application process. The board may only use the abbreviated
3 process if all of the following apply:

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

8 (2) The person to whom the manufacturer license was
9 issued affirms there has been no material change in
10 circumstances relating to the license.

11 (3) The board determines, in its sole discretion, that
12 there has been no material change in circumstances relating
13 to the licensee that necessitates that the abbreviated
14 process not be used.

15 (d) Renewal.--

16 (1) [Six] Two months prior to expiration of a
17 manufacturer license, the manufacturer licensee seeking
18 renewal of its license shall submit a renewal application
19 accompanied by the renewal fee to the board.

20 (2) If the renewal application satisfies the
21 requirements of subsection (b), the board may renew the
22 licensee's manufacturer license.

23 (3) If the board receives a complete renewal application
24 but fails to act upon the renewal application prior to the
25 expiration of the manufacturer license, the manufacturer
26 license shall continue in effect for an additional six-month
27 period or until acted upon by the board, whichever occurs
28 first.

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

1 (1) A [licensed] manufacturer or its designee, as
2 licensed by the board, may supply or repair any slot machine,
3 table game device or associated equipment manufactured by the
4 [licensed] manufacturer, provided the manufacturer holds the
5 appropriate manufacturer license.

6 (2) A manufacturer of slot machines may contract with a
7 supplier under section 1317 (relating to supplier licenses)
8 to provide slot machines or associated equipment to a slot
9 machine licensee within this Commonwealth, provided the
10 supplier is licensed to supply slot machines or associated
11 equipment used in connection with slot machines.

12 (3) A manufacturer may contract with a supplier under
13 section 1317 to provide table game devices or associated
14 equipment to a certificate holder, provided the supplier is
15 licensed to supply table game devices or associated equipment
16 used in connection with table games.

17 (e) Prohibitions.--

18 (1) No person may manufacture slot machines, table game
19 devices or associated equipment for use within this
20 Commonwealth by a slot machine licensee unless the person has
21 been issued [a] the appropriate manufacturer license under
22 this section.

23 (2) [No] Except as permitted in section 1323.1A
24 (relating to training equipment), no slot machine licensee
25 may use slot machines, table game devices or associated
26 equipment unless the slot machines, table game devices or
27 associated equipment were manufactured by a person that has
28 been issued [a] the appropriate manufacturer license under
29 this section.

30 (3) No person issued a license under this section shall

1 apply for or be issued a license under section 1317.

2 (4) No limitation shall be placed on the number of
3 manufacturer licenses issued or the time period to submit
4 applications for licensure, except as required to comply with
5 section 1306 (relating to order of initial license issuance).

6 Section 10.6. Title 4 is amended by adding a section to
7 read:

8 § 1317.2. Gaming service provider.

9 (a) Development of classification system.--The board shall
10 develop a classification system governing the certification,
11 registration and regulation of gaming service providers and
12 individuals and entities associated with them. The
13 classification system shall be based upon the following:

14 (1) The monetary value or amount of business conducted
15 or expected to be conducted by the gaming service provider
16 with an applicant for a slot machine licensee or a slot
17 machine licensee in any consecutive 12-month period.

18 (2) Whether the employees of the gaming service provider
19 will have access to the gaming floor or any gaming-related
20 restricted area of a licensed facility.

21 (3) The board's analysis of the goods or services
22 provided or to be provided by the gaming service provider.

23 (b) Authority to exempt.--The board may exempt any person or
24 type of business from the requirements of this section if the
25 board determines:

26 (1) the person or type of business is regulated by an
27 agency of the Federal Government, an agency of the
28 Commonwealth or the Pennsylvania Supreme Court; or

29 (2) the regulation of the person or type of business is
30 determined not to be necessary in order to protect the public

interest or the integrity of gaming.

(c) Duties of gaming service providers.--Each gaming service provider shall have a continuing duty to:

(1) Provide all information, documentation and assurances as the board may require.

(2) Cooperate with the board in investigations, hearings and enforcement and disciplinary actions.

(3) Comply with all conditions, restrictions, requirements, orders and rulings of the board in accordance with this part.

(4) Report any change in circumstances that may render the gaming service provider ineligible, unqualified or unsuitable for continued registration or certification.

(d) Requirement for permit.--The board may require employees of a gaming service provider to obtain a permit or other authorization if, after an analysis of duties, responsibilities and functions, the board determines that a permit or other authorization is necessary to protect the integrity of gaming.

(e) Interim authorization.--The board or a designated employee of the board may permit a gaming service provider applicant to engage in business with an applicant for a slot machine license or a slot machine licensee prior to approval of the gaming service provider application if the following criteria have been satisfied:

(1) A completed application has been filed with the board by the gaming service provider.

(2) The slot machine applicant or slot machine licensee contracting or doing business with the gaming service provider certifies that it has performed due diligence on the gaming service provider and believes that the applicant meets

1 the qualification to be a gaming service provider pursuant to
2 this section.

3 (3) The gaming service provider applicant agrees in
4 writing that the grant of interim authorization to conduct
5 business prior to board approval of its application does not
6 create a right to continue to engage in business if the board
7 determines that the applicant is not suitable or continued
8 authorization is not in the public interest.

9 (f) Construction.--Nothing in this section shall be
10 construed to prohibit the board from rescinding a grant of
11 interim authorization if, at any time, the suitability of the
12 person subject to interim authorization is at issue or if the
13 person fails to cooperate with the board, the bureau or an agent
14 of the board or bureau.

15 (g) Gaming service provider lists.--The board shall:

16 (1) Develop and maintain a list of approved gaming
17 service providers who are authorized to provide goods or
18 services whether under a grant of interim or continued
19 authorization.

20 (2) Develop and maintain a list of prohibited gaming
21 service providers. An applicant for a slot machine license or
22 a slot machine licensee may not enter into an agreement or
23 engage in business with a gaming service provider listed on
24 the prohibited gaming service provider list.

25 (h) Emergency authorization.--A slot machine licensee may
26 utilize a gaming service provider that has not been approved by
27 the board when a threat to public health, welfare or safety
28 exists or circumstances outside the control of the slot machine
29 licensee require immediate action to mitigate damage or loss to
30 the licensee's licensed facility or to the Commonwealth. The

1 board shall promulgate regulations to govern the use of gaming
2 service providers under emergency circumstances. The regulations
3 shall include a requirement that the slot machine licensee
4 contact the board immediately upon utilizing a gaming service
5 provider that has not been approved by the board.

6 (i) Criminal history record information.--If the
7 classification system developed by the board in accordance with
8 subsection (a) requires a gaming service provider or an
9 individual or entity associated with the gaming service provider
10 to submit to or provide the bureau with criminal history record
11 information under 18 Pa.C.S. Ch. 91 (relating to criminal
12 history record information), the bureau shall notify a slot
13 machine licensee that submitted a certification under subsection
14 (e)(2) whether the applicant has been convicted of a felony or
15 misdemeanor gambling offense.

16 Section 10.7. Sections 1318(c) and 1319 of Title 4 are
17 amended to read:

18 § 1318. Occupation permit application.

19 * * *

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

24 § 1319. Alternative manufacturer licensing standards.

25 (a) General rule.--The board may determine whether the
26 licensing standards of another jurisdiction within the United
27 States in which an applicant for a manufacturer license is
28 similarly licensed are comprehensive and thorough and provide
29 similar adequate safeguards as those required by this part. If
30 the board makes that determination, it may issue a manufacturer

1 license to an applicant who holds a similar manufacturer license
2 in such other jurisdiction after conducting an evaluation of the
3 information relating to the applicant from such other
4 jurisdictions, as updated by the board, and evaluating other
5 information related to the applicant received from that
6 jurisdiction and other jurisdictions where the applicant may be
7 licensed, the board may incorporate such information in whole or
8 in part into its evaluation of the applicant.

9 (b) Abbreviated process.--In the event an applicant for a
10 [slot machine] manufacturer license is licensed in another
11 jurisdiction, the board may determine to use an [alternate]
12 abbreviated process requiring only that information determined
13 by the board to be necessary to consider the issuance of a
14 license, including financial viability of the [licensee, to such
15 an] applicant. Nothing in this section shall be construed to
16 waive any fees associated with obtaining a license through the
17 normal application process.

18 Section 10.8. Title 4 is amended by adding a section to
19 read:

20 § 1319.1. Alternative supplier licensing standards.

21 (a) General rule.--The board may determine whether the
22 licensing standards of another jurisdiction within the United
23 States in which an applicant for a supplier's license is
24 similarly licensed are comprehensive and thorough and provide
25 similar adequate safeguards as required by this part. If the
26 board makes that determination, it may issue a supplier license
27 to an applicant who holds a similar supplier license in another
28 jurisdiction after conducting an evaluation of the information
29 relating to the applicant from the other jurisdictions, as
30 updated by the board, and evaluating other information related

1 to the applicant received from that jurisdiction and other
2 jurisdictions where the applicant may be licensed, the board may
3 incorporate the information in whole or in part into its
4 evaluation of the applicant.

5 (b) Abbreviated process.--In the event an applicant for a
6 supplier license is licensed in another jurisdiction, the board
7 may determine to use an abbreviated process requiring only that
8 information determined by the board to be necessary to consider
9 the issuance of a license, including financial viability of the
10 applicant. Nothing in this section shall be construed to waive
11 any fees associated with obtaining a license through the normal
12 application process.

13 Section 10.9. Sections 1321, 1326(a), 1328(a)(1) and (b) and
14 1329 of Title 4 are amended to read:

15 § 1321. Additional licenses and permits and approval of
16 agreements.

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

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

29 (2) The person is presently not [otherwise] required to
30 be licensed or permitted under this part and provides any

1 goods, property or services, including, but not limited to,
2 management [contracts] services for compensation to a slot
3 machine licensee at the licensed facility.

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

16 § 1326. License renewals.

17 (a) Renewal.--All permits and licenses issued under this
18 part unless otherwise provided shall be subject to renewal [on
19 an annual basis upon the application of the holder of the permit
20 or license submitted to the board at least 60 days prior to the
21 expiration of the permit or license] every three years. Nothing
22 in this subsection shall relieve a licensee of the affirmative
23 duty to notify the board of any changes relating to the status
24 of its license or to any other information contained in the
25 application materials on file with the board. The application
26 for renewal shall be submitted at least 60 days prior to the
27 expiration of the permit or license and shall include an update
28 of the information contained in the initial and any prior
29 renewal applications and the payment of any renewal fee required
30 by this part. Unless otherwise specifically provided in this

1 part, the amount of any renewal fee shall be calculated by the
2 board to reflect the longer renewal period. A permit or license
3 for which a completed renewal application and fee, if required,
4 has been received by the board will continue in effect unless
5 and until the board sends written notification to the holder of
6 the permit or license that the board has denied the renewal of
7 such permit or license.

8 * * *

9 § 1328. Change in ownership or control of slot machine
10 licensee.

11 (a) Notification and approval.--

12 (1) A slot machine licensee shall notify the board
13 [prior to or] immediately upon becoming aware of any proposed
14 or contemplated change of ownership of the slot machine
15 licensee by a person or group of persons acting in concert
16 which involves any of the following:

17 (i) More than 5% of a slot machine licensee's
18 securities or other ownership interests.

19 (ii) More than 5% of the securities or other
20 ownership interests of a corporation or other form of
21 business entity that owns directly or indirectly at least
22 20% of the voting or other securities or other ownership
23 interests of the licensee.

24 (iii) The sale other than in the ordinary course of
25 business of a licensee's assets.

26 (iv) Any other transaction or occurrence deemed by
27 the board to be relevant to license qualifications.

28 (b) Qualification of purchaser of slot machine licensee;
29 change of control.--The purchaser of the assets, other than in
30 the ordinary course of business, of any slot machine licensee

1 shall independently qualify for a license in accordance with
2 this part and shall pay the license fee as required by section
3 1209 (relating to slot machine license fee). A change in control
4 of any slot machine licensee shall require that the slot machine
5 licensee independently qualify for a license in accordance with
6 this part, and the slot machine licensee shall pay a new license
7 fee as required by section 1209, except as otherwise required by
8 the board pursuant to this section. The new license fee shall be
9 paid upon the assignment and actual change of control or
10 ownership of the slot machine license.

11 * * *

12 § 1329. [Nonportability] Portability and relocation of slot
13 machine license.

14 (a) General rule.--[Each] Except as otherwise provided in
15 this section, each slot machine license shall only be valid for
16 the specific physical location within the municipality and
17 county for which it was originally granted. [No]

18 (b) Petition.--An applicant for a slot machine license or a
19 slot machine licensee may petition the board to relocate its
20 facility. In determining whether to grant a petition to
21 relocate, the board shall:

22 (1) Evaluate the proposed new location and the reason
23 for the relocation.

24 (2) Conduct an analysis comparing estimated gross
25 terminal revenues and estimated gross table game revenues at
26 the proposed new location with estimated or actual gross
27 terminal revenues and estimated or actual gross table game
28 revenues at the approved current location.

29 (3) Conduct an analysis comparing the economic impact of
30 the licensed facility at the proposed new location with the

1 estimated or actual economic impact at the approved current
2 location. The comparative analysis shall include the total
3 cost of the project and projected direct and indirect
4 employment figures.

5 (4) Commission a comprehensive traffic study for the
6 proposed new location.

7 (5) Evaluate community support or opposition.

8 (6) Consider any other information submitted by the
9 petitioner or requested by the board.

10 (c) Relocation.--A slot machine licensee [shall be permitted
11 to] may move or relocate [the physical location of] the licensed
12 facility [without] with board approval [for] upon good cause
13 shown if the relocation of the licensed facility:

14 (1) remains within the same county as when it was
15 originally licensed;

16 (2) will facilitate the timely commencement or the
17 continued conduct of gaming operations;

18 (3) complies with all other provisions of this part
19 related to the siting and location of a licensed facility;
20 and

21 (4) is in the best interests of the Commonwealth.

22 (d) Public input hearing.--The board shall hold at least one
23 public input hearing in the municipality where the licensed
24 facility will be located prior to ruling on the petition.

25 (e) Restriction.--No grant or loan from the Commonwealth may
26 be awarded for the purpose of relocating or developing the
27 relocated licensed facility to comply with any conditions of
28 approval of the relocation.

29 Section 11. Title 4 is amended by adding a section to read:
30 § 1332. Appointment of trustee.

1 (a) Appointment.--Upon petition of the Office of Enforcement
2 Counsel, the board may appoint a trustee from the list required
3 under subsection (j) to act on behalf of the interests of the
4 Commonwealth and the board to ensure compliance with this part
5 and any conditions imposed upon the slot machine license. A
6 trustee may be appointed only in the following circumstances:

7 (1) Upon the revocation, suspension or nonrenewal of a
8 slot machine license or a principal license if the principal
9 licensee is the only principal who exercises operational
10 control of the licensed facility.

11 (2) Upon the failure to renew a slot machine license or
12 a principal license if the principal licensee is the only
13 principal who exercises operational control of the licensed
14 facility.

15 (3) If necessary to protect the best interests of the
16 Commonwealth.

17 (b) Qualifications.--The following shall apply:

18 (1) A trustee shall be required to qualify as a
19 principal and obtain a principal license. The board may
20 appoint a trustee and award the trustee a temporary principal
21 license as prescribed in board regulations.

22 (2) Before assuming duties, a trustee shall execute and
23 file a bond for the faithful performance of the trustee's
24 duties. The bond shall be payable to the board with sureties
25 and in the amount and form as required by board order. The
26 cost of the bond shall be paid by the former or suspended
27 licensee.

28 (3) A trustee shall be a resident of this Commonwealth.

29 (c) Powers.--A trustee appointed under this section shall
30 exercise only those powers, duties and responsibilities

1 expressly conferred upon the trustee by the board. The board's
2 order appointing the trustee shall set forth the powers, duties
3 and responsibilities of the trustee which may include:

4 (1) Maintaining and operating the licensed facility in a
5 manner that complies with this part and any conditions
6 imposed by the board.

7 (2) Maintaining and operating the licensed facility
8 consistent with the measures generally taken in the ordinary
9 course of business including:

10 (i) Entering into contracts.

11 (ii) Borrowing money.

12 (iii) Pledging, mortgaging or otherwise encumbering
13 the licensed facility or property thereof as security for
14 the repayment of loans subject to any provisions and
15 restrictions in any existing credit documents.

16 (iv) Hiring, firing and disciplining employees.

17 (3) Exercising the rights and obligations of the former
18 or suspended licensee.

19 (4) Taking possession of all of the assets of the slot
20 machine licensee, including its books, records and papers.

21 (5) Establishing accounts with financial institutions.
22 An account may not be established with a financial
23 institution in which the licensee, an affiliate of the former
24 or suspended licensee, the trustee, or an immediate family
25 member of the trustee, has a controlling interest.

26 (6) Meeting with the former or suspended licensee.

27 (7) Meeting with principals and key employees at the
28 licensed facility.

29 (8) Meeting with the independent audit committee.

30 (9) Meeting with the board's executive director and

1 keeping the board's executive director apprised of actions
2 taken and the trustee's plans and goals for the future.

3 (10) Hiring legal counsel, accountants or other
4 consultants or assistants, with prior approval of the board,
5 as necessary to carry out the trustee's duties and
6 responsibilities.

7 (11) Settling or compromising with any debtor or
8 creditor of the former or suspended licensee, including any
9 taxing authority.

10 (12) Reviewing outstanding agreements to which the
11 former or suspended licensee is a party and advising the
12 board as to which, if any, of the agreements should be the
13 subject of scrutiny, examination or investigation by the
14 board.

15 (13) Obtaining board approval prior to any sale, change
16 of ownership, change of control, change of financial status,
17 restructuring, transfer of assets or execution of a contract
18 or any other action taken outside of the ordinary course of
19 business.

20 (14) Obtaining board approval for any payments outside
21 of those made in the ordinary course of business.

22 Notwithstanding any provision contained in this subsection to
23 the contrary, the trustee shall have the duty to conserve and
24 preserve the assets of the licensed gaming entity.

25 (d) Compensation.--The board shall establish the
26 compensation of a trustee and shall review and approve actual
27 and reasonable costs and expenses of the trustee, legal counsel,
28 accountants or other consultants or assistants hired by the
29 trustee. The compensation, costs and expenses shall be paid by
30 the former or suspended licensee. Total compensation for the

1 trustee and all persons hired or retained by the trustee under
2 subsection (c)(10) shall not exceed \$600 per hour in the
3 aggregate unless otherwise increased by the board pursuant to
4 subsection (d.2).

5 (d.1) Calculation of compensation.--In determining the
6 aggregate hourly rate of compensation to be paid to the trustee
7 and all other persons hired or retained by the trustee, the
8 board shall consider:

9 (1) The time and labor required, the difficulty of the
10 questions involved and the skill required to properly perform
11 the required services.

12 (2) Whether the acceptance of the position by the
13 trustee or other person will preclude the trustee or other
14 person from other employment.

15 (3) The fee customarily charged for similar services.

16 (4) The nature and potential length of the duties.

17 (5) The experience, reputation and ability of the
18 trustee or other person selected to perform the services.

19 (d.2) Compensation exceptions.--

20 (1) On January 1 of each year, the board may adjust the
21 aggregate hourly rate of compensation authorized under
22 subsection (d) for inflation. The adjustment shall not exceed
23 the percentage change in the Consumer Price Index for All
24 Urban Consumers for the Pennsylvania, New Jersey, Delaware
25 and Maryland area for the most recent 12-month period for
26 which figures have been officially reported by the United
27 States Department of Labor, Bureau of Labor Statistics. When
28 adjusted, the board shall publish the adjusted aggregate
29 hourly rate of compensation in the Pennsylvania Bulletin.

30 (2) Upon petition by the Director of the Office of

1 Enforcement Counsel, the board may increase the total hourly
2 rate of compensation above the limitation contained in
3 subsection (d) for good cause shown. The board shall consider
4 the factors under subsection (d.1) when calculating any
5 increase requested by the office.

6 (e) Reports.--A trustee shall file reports relating to the
7 administration of the trusteeship with the board in the form and
8 at intervals as the board orders. The board may direct that
9 copies or portions of the trustee's reports be mailed to
10 creditors or other parties in interest and make summaries of the
11 reports available to the public and shall post them on the
12 board's Internet website.

13 (f) Review of actions.--A creditor or other party in
14 interest aggrieved by any alleged breach of a delegated power or
15 duty or responsibility of a trustee in the discharge of the
16 trustee's duties may request a review of the trustee's action or
17 inaction by filing a petition in accordance with board
18 regulations. The petition must set forth in detail the pertinent
19 facts and the reasons why the facts constitute the alleged
20 breach. The board shall review any petition filed under this
21 section and take whatever action, if any, it deems appropriate.

22 (g) Effect of the trusteeship.--After issuance of an order
23 to appoint a trustee, the former or suspended principal or slot
24 machine licensee may not exercise any of its privileges, collect
25 or receive any debts or pay out, sell, assign or transfer any of
26 its assets to anyone without prior approval of the appointed
27 trustee and the board.

28 (h) Disposition of net income.--During the period of
29 trusteeship, net income from the licensed facility shall be
30 deposited in an escrow account maintained for that purpose.

Payments from the escrow account during the period of trusteeship may not be made without the prior approval of the board. A suspended or former principal or slot machine licensee may request distribution of all or a portion of the funds in the escrow account during the period of trusteeship by filing a petition in accordance with board regulation. The suspended or former principal or slot machine licensee shall have the burden of demonstrating good cause for the distribution of the funds requested.

(i) Discontinuation.--The board may issue an order to discontinue a trusteeship when:

(1) the board determines that circumstances requiring the appointment of the trustee no longer exist; or

(2) the trustee has, with the prior approval of the board, consummated the sale, assignment, conveyance or other disposition of all the assets or interest of the former principal or slot machine licensee relating to the slot machine license.

(j) List of approved trustees.--The board shall promulgate regulations governing establishment of a list of persons approved by the board and qualified to serve as a trustee. At a minimum, the regulations shall provide for the following:

(1) The minimum qualifications a person must possess to be approved as a trustee, which shall include the qualifications set forth in subsection (b).

(2) The procedure for placement on or removal from the approved trustee list.

(3) Any other information the board deems necessary to carry out the intent of this section.

Section 11.1. Title 4 is amended by adding a chapter to

1 read:

2 CHAPTER 13A

3 TABLE GAMES

4 Subchapter

5 A. General Provisions

6 B. Table Games Authorized

7 C. Conduct of Table Games

8 D. (Reserved)

9 E. Table Game Testing and Certification

10 F. (Reserved)

11 G. Table Game Taxes and Fees

12 SUBCHAPTER A

13 GENERAL PROVISIONS

14 Sec.

15 1301A. (Reserved).

16 1302A. Regulatory authority.

17 1303A. Temporary table game regulations.

18 1304A. Commonwealth resident employment goals.

19 § 1301A. (Reserved).

20 § 1302A. Regulatory authority.

21 The board shall promulgate regulations:

22 (1) Establishing standards and procedures for table
23 games and table game devices or associated equipment,
24 including standards distinguishing electronic gaming tables,
25 fully automated electronic gaming tables and traditional
26 gaming tables. The standards and procedures shall provide for
27 any new table games or gaming tables and variations or
28 composites of approved table games or gaming tables, provided
29 the board determines that the new table game, gaming table or
30 any variations or composites or other approved table games or

1 gaming tables are suitable for use after a test or
2 experimental period under the terms and conditions as the
3 board may deem appropriate.

4 (2) Establishing standards and rules to govern the
5 conduct of table games and the system of wagering associated
6 with table games, including the conduct of table games and
7 the system of wagering on electronic gaming tables and fully
8 automated electronic gaming tables.

9 (2.1) Establishing the method for calculating gross
10 table game revenue and standards for the daily counting and
11 recording of cash and cash equivalents received in the
12 conduct of table games, including the conduct of table games
13 on electronic gaming tables and fully automated electronic
14 gaming tables, and ensuring that internal controls are
15 followed, including observation by employees of the board of
16 that process, the maintenance of financial books and records
17 and the conduct of audits. The board shall consult with the
18 department in establishing these regulations.

19 (3) Establishing notice requirements pertaining to
20 minimum and maximum wagers on table games. Minimum and
21 maximum wagers may be adjusted by the certificate holder in
22 the normal course of conducting table games, except that
23 changes in minimum wagers at any given gaming table shall not
24 apply to players already engaged in wagering at that gaming
25 table when the minimum wager is changed, unless 30 minutes
26 notice is provided at that gaming table.

27 (4) Requiring each certificate holder to:

28 (i) Provide written information at each operational
29 gaming table about table game rules, payoffs or winning
30 wagers and other information as the board may require.

1 (ii) Provide specifications approved by the board
2 under section 1207(11) (relating to regulatory authority
3 of board) to integrate and update the licensed facility's
4 surveillance system to cover all areas where table games
5 are conducted. The specifications shall include
6 provisions providing the board and other persons
7 authorized by the board with onsite access to the system
8 or its signal.

9 (iii) Designate one or more locations within the
10 licensed facility to conduct table games.

11 (iv) Ensure that visibility in a licensed facility
12 is not obstructed in any way that could interfere with
13 the ability of the certificate holder, the board and
14 other persons authorized under this part or by the board
15 to oversee the surveillance of the conduct of table
16 games.

17 (v) Integrate the licensed facility's count room for
18 slot machine and table game operations to ensure maximum
19 security of the counting and storage of cash and cash
20 equivalents.

21 (vi) Equip each operational gaming table with a sign
22 indicating the permissible minimum and maximum wagers at
23 the gaming table.

24 (vii) Adopt policies or procedures to prohibit any
25 table game device or associated equipment from being
26 possessed, maintained or exhibited by any person on the
27 premises of a licensed facility except in the areas of a
28 licensed facility where the conduct of table games is
29 authorized or in a restricted area designated to be used
30 for the inspection, service, repair or storage of table

1 game devices or associated equipment by the certificate
2 holder or in an area used for employee training and
3 instruction by the certificate holder.

4 (viii) Equip all drop boxes in which cash, cash
5 equivalents, fill slips, credit slips or inventory slips
6 are deposited at the gaming tables, and all areas where
7 drop boxes are kept while in use, with two locking
8 devices or keys, of which one locking device or key shall
9 be under the exclusive control of the board, and the
10 second locking device or key shall be under the exclusive
11 control of the certificate holder's designated employees.
12 The drop boxes shall be brought into or removed from an
13 area where table games are conducted or locked or
14 unlocked in accordance with procedures established by the
15 board.

16 (ix) Designate secure locations for the inspection
17 and storage of table game devices and associated
18 equipment as may be approved by the board.

19 (5) Establishing the size and uniform color by
20 denomination of all chips used in the conduct of table games,
21 including tournaments, and a policy for the use of
22 promotional or commemorative chips used in the conduct of
23 table games. All types of chips shall be approved by the
24 board prior to being used for play at a table game at a
25 licensed facility.

26 (5.1) Establishing the procedure to be used by a
27 certificate holder to determine and extract a rake for the
28 purposes of generating gross table game revenue from
29 nonbanking games. The rake may be calculated using a
30 percentage or a flat fee methodology.

1 (6) Establishing minimum standards relating to the
2 acceptance of tips or gratuities by dealers and croupiers at
3 a table game, which shall include:

4 (i) The requirement that tips or gratuities accepted
5 by dealers and croupiers at banking games be placed in a
6 common pool for complete distribution pro rata among all
7 dealers and croupiers.

8 (ii) The right of the certificate holder to
9 establish policies under which tips or gratuities
10 accepted by dealers and croupiers at nonbanking games are
11 not required to be pooled and may be retained by the
12 dealers and croupiers.

13 Nothing in this paragraph shall prohibit a certificate holder
14 from adopting a formal policy relating to acceptance of tips
15 and gratuities, provided that the policy meets the minimum
16 standards established by the board under this paragraph.

17 (7) Establishing the minimal proficiency requirements
18 for individuals to successfully complete a course of training
19 at a gaming school. The regulations shall not prohibit a slot
20 machine licensee from establishing a course of training for
21 its employees or potential employees or prohibit a
22 certificate holder from offering employment to an individual
23 who has not attended or completed a course of instruction at
24 a gaming school and shall require a slot machine licensee
25 that elects to train its gaming employees or potential table
26 game employees to submit a detailed summary of the training
27 program to the board and to demonstrate the adequacy of the
28 training. The regulations shall prohibit a slot machine
29 licensee from charging its employees or potential employees a
30 fee to complete a course of training.

1 (8) Establishing the practices and procedures governing
2 the conduct of tournaments under this chapter.

3 (9) Establishing minimum standards relating to the
4 extension of credit to a player by a certificate holder.
5 Prior to extending credit, the certificate holder shall
6 consider an individual's financial fitness, including annual
7 income, debt-to-income ratio, prior credit history, average
8 monthly bank balance or level of play.

9 § 1303A. Temporary table game regulations.

10 (a) Promulgation.--In order to facilitate the prompt
11 implementation of this chapter, regulations promulgated by the
12 board shall be deemed temporary regulations which shall expire
13 not later than two years following the publication of the
14 temporary regulation. The board may promulgate temporary
15 regulations not subject to:

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

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

21 (3) Sections 204(b) and 301(10) of the act of October
22 15, 1980 (P.L.950, No.164), known as the Commonwealth
23 Attorneys Act.

24 (b) Expiration.--Except for temporary regulations governing
25 the rules of new table games approved by the board, the board's
26 authority to adopt temporary regulations under subsection (a)
27 shall expire two years after the effective date of this section.
28 Regulations adopted after this period shall be promulgated as
29 provided by law.

30 (c) Temporary regulations.--The board shall begin publishing

1 temporary regulations governing table game rules, licensing of
2 manufacturers and suppliers and surveillance standards in the
3 Pennsylvania Bulletin no later than February 1, 2010.
4 § 1304A. Commonwealth resident employment goals.

5 (a) Employment opportunities.--It is the goal of the General
6 Assembly that the board promote and ensure the availability of
7 employment opportunities for Commonwealth residents in table
8 games and table game-related operations as authorized in this
9 chapter. The board shall work with each certificate holder to
10 ensure that a significant number of Commonwealth residents are
11 employed by a certificate holder relating to table games. It is
12 also the goal of the General Assembly that Commonwealth
13 residents comprise at least 85% of each certificate holder's
14 table game-related employees by the end of the third year
15 following commencement of the conduct of table games at each
16 certificate holder's licensed facility.

17 (b) Review.--The board shall conduct an annual review to
18 ascertain each certificate holder's progress in achieving the
19 goals of this section and whether each certificate holder has
20 taken effective and meaningful action to employ Commonwealth
21 residents in table game-related positions at licensed
22 facilities. The first review shall be completed one year
23 following the award of the first table game operation
24 certificate. Each annual review shall contain recommendations
25 which the board determines appropriate and may be combined with
26 any other review or study required by the board under this part.
27 The review shall be submitted to the chairman and minority
28 chairman of the standing committees of the Senate and of the
29 House of Representatives with jurisdiction over this part.

30 SUBCHAPTER B

TABLE GAMES AUTHORIZED

Sec.

1311A. Authorization to conduct table games.

1312A. Petition requirements.

1313A. Prohibitions.

1314A. Table game authorization hearing process; public input
hearings.

1315A. Standard for review of petitions.

1316A. Award of certificate.

1316.1A. Amendment of statement of conditions.

1317A. Table game operation certificate.

1318A. Timing of initial table game authorizations.

§ 1311A. Authorization to conduct table games.

(a) Authorization.--The board may authorize a slot machine
licensee to conduct table games, including table game contests
and tournaments, and to operate a system of wagering associated
with the conduct of table games at the slot machine licensee's
licensed facility. Authorization shall be contingent upon the
slot machine licensee's agreement to ensure that slot machine
and table game operations will be conducted in accordance with
this part and any other conditions established by the board.
Nothing in this part shall be construed to create a separate
license governing the conduct of table games by slot machine
licensees within this Commonwealth.

(b) Number of authorized gaming tables.--

(1) A Category 1 and Category 2 slot machine licensee
awarded a table game operation certificate may operate up to
250 gaming tables at any one time at its licensed facility.
No more than 30% of these gaming tables may be used to play
nonbanking games at any one time. Six months following the

1 date of commencement of table game operations, the board may
2 permit a Category 1 or Category 2 certificate holder to
3 increase the number of gaming tables above the number
4 authorized under this paragraph. The certificate holder shall
5 petition the board for the increase at its licensed facility.
6 The board, in considering the petition, shall take into
7 account the appropriateness of the physical space where the
8 gaming tables will be located and the convenience of the
9 public attending the facility. The board may also take into
10 account the potential benefit to the Commonwealth.

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

16 (3) Nonbanking gaming tables shall seat a maximum of ten
17 players.

18 § 1312A. Petition requirements.

19 (a) General rule.--Unless otherwise prohibited under section
20 1313A (relating to prohibitions), a slot machine licensee may
21 seek approval to conduct table games by filing a petition with
22 the board.

23 (b) Petition contents.--A petition seeking authorization to
24 conduct table games shall include the following:

25 (1) The name, business address and contact information
26 of the petitioner.

27 (2) The name and business address, job title and a
28 photograph of each principal and key employee of the
29 petitioner who will be involved in the conduct of table games
30 and who is not currently licensed by the board, if known.

1 (3) An itemized list of the number of gaming tables and
2 types of table games for which authorization is being sought.

3 (4) The estimated number of full-time and part-time
4 employment positions that will be created at the licensed
5 facility if table games are authorized and an updated hiring
6 plan pursuant to section 1510(a) (relating to labor hiring
7 preferences) which outlines the petitioner's plan to promote
8 the representation of diverse groups and Commonwealth
9 residents in the employment positions.

10 (5) A brief description of the economic benefits
11 expected to be realized by the Commonwealth, its
12 municipalities and its residents if table games are
13 authorized at the petitioner's licensed facility.

14 (6) The details of any financing obtained or that will
15 be obtained to fund an expansion or modification of the
16 licensed facility to accommodate table games and to otherwise
17 fund the cost of commencing table game operations.

18 (7) Information and documentation concerning financial
19 background and resources, as the board may require, to
20 establish by clear and convincing evidence the financial
21 stability, integrity and responsibility of the petitioner.

22 (8) Information and documentation, as the board may
23 require, to establish by clear and convincing evidence that
24 the petitioner has sufficient business ability and experience
25 to create and maintain a successful table game operation. In
26 making this determination, the board may consider the results
27 of the petitioner's slot machine operation, including
28 financial information, employment data and capital
29 investment.

30 (9) Information and documentation, as the board may

1 require, to establish by clear and convincing evidence that
2 the petitioner has or will have the financial ability to pay
3 the authorization fee under section 1361A (relating to table
4 game authorization fee).

5 (10) Detailed site plans identifying the petitioner's
6 proposed table game area within the licensed facility.

7 (11) If the petitioner is a Category 1 or Category 2
8 slot machine licensee, a waiver, on a form prescribed by the
9 board which is signed by the petitioner and acknowledged by
10 each of the petitioner's principals, of the following rights
11 arising as a result of an amendment or addition to this part
12 that took effect at the same time as the effective date of
13 this section:

14 (i) the petitioner's right under section 1209(f)
15 (relating to slot machine license fee) or under any
16 contract executed by the applicant and the department
17 under section 1209(c) to receive the return of any
18 portion of the slot machine license fee paid by the
19 petitioner for its slot machine license; and

20 (ii) the petitioner's right, if any, to sue for the
21 return of any portion of the slot machine license fee
22 paid by the petitioner for its slot machine license.

23 (12) Other information as the board may require.

24 (c) Confidentiality.--Information submitted to the board
25 under subsection (b)(6), (7), (9), (10) and (12) may be
26 considered confidential by the board if the information would be
27 confidential under section 1206(f) (relating to board minutes
28 and records).

29 § 1313A. Prohibitions.

30 (a) Slot machine licensee.--No slot machine licensee that is

required as a condition of slot machine licensure to make payments to a municipality, municipal authority or other entity for an economic development project, including any project enumerated in the act of July 25, 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, may submit a petition under section 1312A (relating to petition requirements) until the requirements of section 1214(a) (relating to specific authority to suspend slot machine license) are met.

(b) Duties of board.--The board shall not accept or approve a petition submitted by any slot machine licensee subject to subsection (a) until the written agreement required by section 1214(a) is submitted by the slot machine licensee to the board, which shall ensure the written agreement meets the requirements of section 1214(a) and all conditions relating to the economic development project imposed by the board when awarding the slot machine license to the licensee are satisfied.

(c) Construction.--Nothing in this section shall be construed to relieve a slot machine licensee of its legal obligation to make any required payments referenced under this section if the slot machine licensee elects not to petition the board for authorization to conduct table games.

§ 1314A. Table game authorization hearing process; public input hearings.

(a) General rule.--The board's consideration and resolution of all petitions to conduct table games shall be conducted in accordance with 2 Pa.C.S. (relating to administrative law and procedure) or with procedures adopted by order of the board. Notwithstanding the requirements of 2 Pa.C.S. §§ 504 (relating to hearing and record) and 505 (relating to evidence and cross-

1 examination) as they relate to the conduct of oral hearings, the
2 board may adopt procedures to provide parties before it with a
3 documentary hearing, and the board may resolve disputed material
4 facts without conducting an oral hearing where constitutionally
5 permissible.

6 (b) Public input hearing requirement.--

7 (1) Prior to granting a petition for a slot machine
8 licensee to conduct table games under this chapter, the board
9 shall hold at least one public input hearing on the matter in
10 the municipality where the petitioner's licensed facility is
11 located.

12 (2) A list of all witnesses scheduled to testify at a
13 public input hearing shall be posted on the board's Internet
14 website at least seven days prior to the hearing. The list
15 shall be updated at least three days prior to the hearing.
16 Additional witnesses shall be posted on the board's Internet
17 website as they are added to the list.

18 § 1315A. Standard for review of petitions.

19 The board shall approve a petition if the petitioner
20 establishes, by clear and convincing evidence, all of the
21 following:

22 (1) The petitioner's slot machine license is in good
23 standing with the board.

24 (2) The conduct of table games at the petitioner's
25 licensed facility will have a positive economic impact on the
26 Commonwealth, its municipalities and residents through
27 increased revenues and employment opportunities.

28 (3) The petitioner possesses adequate funds or has
29 secured adequate financing to:

30 (i) Fund any necessary expansion or modification of

1 the petitioner's licensed facility to accommodate the
2 conduct of table games.

3 (ii) Pay the authorization fee in accordance with
4 section 1361A (relating to table game authorization fee).

5 (iii) Commence table game operations at its licensed
6 facility.

7 (4) The petitioner has the financial stability,
8 integrity and responsibility to conduct table games.

9 (5) The petitioner has sufficient business ability and
10 experience to create and maintain a successful table game
11 operation.

12 (6) The petitioner's proposed internal and external
13 security and proposed surveillance measures within the area
14 of the licensed facility where the petitioner seeks to
15 conduct table games are adequate.

16 (7) The petitioner agrees that the number of slot
17 machines in operation at its licensed facility on October 1,
18 2009, will not be permanently reduced in order to install
19 gaming tables.

20 (8) The petitioner has executed the waiver required
21 under section 1312A(b)(11) (relating to petition
22 requirements) and provided any other information required by
23 section 1312A(b).

24 § 1316A. Award of certificate.

25 Upon approval of a petition, the board shall award a table
26 games operation certificate to the petitioner. Awarding of a
27 table game operation certificate prior to the payment in full of
28 the authorization fee required by section 1361A (relating to
29 table game authorization fee) shall not relieve the petitioner
30 from complying with the provisions of section 1361A.

1 § 1316.1A. Amendment of statement of conditions.

2 (a) Amendment.--Upon awarding a table game operation
3 certificate, the board shall amend the slot machine licensee's
4 statement of conditions governing the slot machine license to
5 include conditions pertaining to the requirements of this part.
6 If the slot machine licensee is a Category 1 or Category 2 slot
7 machine licensee, amendments to the statement of conditions
8 shall include a requirement that the slot machine licensee
9 acknowledge and honor the waiver of rights required to be filed
10 under section 1312A(b)(11) (relating to petition requirements).

11 (b) Sanctions.--A certificate holder that fails to abide by
12 this part or any condition contained in the licensee's statement
13 of conditions in the conduct of table games shall be subject to
14 board-imposed administrative sanctions or other penalties
15 authorized under this part.

16 § 1317A. Table game operation certificate.

17 The following shall apply:

18 (1) A table game operation certificate shall be in
19 effect unless:

20 (i) Suspended or revoked by the board consistent
21 with the requirements of this part.

22 (ii) The slot machine license held by the
23 certificate holder is suspended, revoked or not renewed
24 by the board consistent with the requirements of this
25 part.

26 (iii) The certificate holder relinquishes or does
27 not seek renewal of its slot machine license.

28 (2) The table game operation certificate shall include
29 an itemized list by type of table game and the number of
30 gaming tables approved by the board and permitted in the

certificate holder's licensed facility. The certificate holder may increase or decrease the number of gaming tables permitted at the licensed facility, change the type of table games played at a particular gaming table or change the configuration of gaming tables upon notice to the board and approval by a designated employee of the board. Unless approved by the board, the total number of gaming tables in operation at the licensed facility may not exceed the number authorized in the table games operation certificate.

(3) A certificate holder shall be required to update the information in its initial table games petition at times prescribed by the board.

§ 1318A. Timing of initial table game authorizations.

The board shall approve or deny a petition within 60 days following receipt of the petition.

SUBCHAPTER C

CONDUCT OF TABLE GAMES

Sec.

1321A. Authorized locations for operation.

1322A. Commencement of table game operations.

1323A. Training of employees and potential employees.

1323.1A. Training equipment.

1324A. Condition of continued operation.

1325A. Table game accounting controls and audit protocols.

1326A. Cash equivalents.

1327A. Other financial transactions.

1328A. Key employees and occupation permits.

1329A. Application of Clean Indoor Air Act.

1329.1A. Application of Liquor Code.

§ 1321A. Authorized locations for operation.

1 (a) Restriction.--A certificate holder shall only be
2 permitted to operate table games at the licensed facility, a
3 temporary facility authorized under subsection (a.1) or an area
4 authorized under subsection (b).

5 (a.1) Temporary facilities.--The board may permit a
6 certificate holder to conduct table games at a temporary
7 facility which is physically connected to, attached to or
8 adjacent to a licensed facility for a period not to exceed 24
9 months.

10 (b) Powers and duties of board.--Upon request made by a
11 certificate holder, the board may determine the suitability of a
12 hotel for the conduct of table games. The board may authorize
13 the executive director to designate specific areas of a licensed
14 facility, other than the gaming floor, or specific areas of a
15 hotel, including conference rooms, ballrooms or other rooms, in
16 which the certificate holder may conduct contests or
17 tournaments. No certificate holder may be approved to conduct
18 table games in a licensed facility or a hotel unless the areas
19 to be designated are equipped with adequate security and
20 surveillance equipment to ensure the integrity of the conduct of
21 a table game contest or tournament. The certificate holder shall
22 notify the board of the number of gaming tables that the
23 certificate holder intends to operate during a contest or
24 tournament, and the board shall designate an employee of the
25 board to approve or deny the request. An authorization granted
26 under this section may not:

27 (1) Impose any criteria or requirements regarding the
28 contents or structure of a hotel which are unrelated to the
29 conduct of table games.

30 (2) Authorize the placement or operation of slot

1 machines in a hotel.

2 § 1322A. Commencement of table game operations.

3 A certificate holder may not operate or offer table games for
4 play at a licensed facility until the board determines that:

5 (1) The certificate holder is in compliance with the
6 requirements of this part.

7 (2) The certificate holder's internal controls and audit
8 protocols are sufficient to meet the requirements of section
9 1325A (relating to table game accounting controls and audit
10 protocols).

11 (3) The certificate holder's table game employees, where
12 applicable, are licensed, permitted or otherwise authorized
13 by the board to perform their respective duties.

14 (4) The certificate holder is prepared in all respects
15 to offer table game play to the public at the licensed
16 facility.

17 (5) The certificate holder has implemented necessary
18 internal and management controls and security arrangements
19 and surveillance systems for the conduct of table games.

20 (6) The certificate holder is in compliance with or has
21 complied with section 1361A (relating to table game
22 authorization fee).

23 § 1322.1A. Table game tournaments.

24 (a) Authorization.--A certificate holder may conduct
25 tournaments at its licensed facility.

26 (b) Submission of schedule.--The following shall apply:

27 (1) A certificate holder that elects to conduct
28 tournaments shall submit to the executive director of the
29 board for approval a proposed schedule of tournaments to be
30 conducted at the licensed facility.

1 (2) The proposed schedule may be a weekly, monthly or
2 annual schedule and shall include information identifying all
3 of the following:

4 (i) The type of table game or table games to be
5 played at each tournament.

6 (ii) The proposed date and time of each tournament.

7 (iii) The proposed entry fee and any other fees
8 associated with the tournament.

9 (iv) The maximum number of participants.

10 (v) Any other information as the board may require.

11 (3) Submission of a proposed schedule shall not require
12 the certificate holder to conduct all tournaments contained
13 in the schedule. A certificate holder may not conduct a
14 tournament at a date or time not contained in the schedule
15 submitted to the executive director.

16 (4) A certificate holder may seek to amend or modify the
17 schedule at any time by filing a written request with the
18 executive director.

19 (c) Exemptions and additional tables.--The following shall
20 apply:

21 (1) For a Category 1 or Category 2 licensed facility,
22 gaming tables used in tournaments shall be exempt from
23 section 1311A (b)(1) (relating to authorization to conduct
24 table games) and shall not be used in any calculation of the
25 total number of gaming tables authorized in the table game
26 authorization certificate.

27 (2) For a Category 3 licensed facility, the executive
28 director may authorize the licensed facility to operate up to
29 15 additional gaming tables for use in tournaments. The
30 executive director may grant the use of the additional gaming

tables for tournaments authorized under this paragraph only
one day per month.

(d) Seating.--A gaming table used in tournament play shall
seat a maximum of ten players per table.

§ 1323A. Training of employees and potential employees.

(a) Adequacy.--A slot machine licensee that elects to offer
table game training to its employees or potential employees
shall submit to the board a detailed summary of the training
program demonstrating the adequacy of the training.

(b) Authorization.--Notwithstanding any provision of this
part to the contrary, the executive director of the board may
authorize a slot machine licensee to conduct table game training
and instruction for the slot machine licensee's employees and
potential employees.

(c) Effect.--Authorization granted under subsection (b)
shall do all of the following:

(1) Permit a slot machine licensee to conduct training
at a location within the licensed facility or at another
location.

(2) Require any training authorized on the gaming floor
to be conducted in a specified area of the gaming floor that
is clearly identified as a training area and not accessible
to the public

(3) Designate a secure area at the location where the
training will take place for the storage of table game
devices and associated equipment used for training.

(4) Limit the number of table game devices and
associated equipment to that necessary to conduct training.

(5) Prohibit the payment of any cash, cash equivalent or
other prize to an individual as a result of play conducted

1 during training or play conducted utilizing table game
2 devices or associated equipment obtained under section
3 1323.1A (relating to training equipment).

4 (6) Prohibit a slot machine licensee from charging its
5 employees or potential employees a fee to participate in the
6 training.

7 (c.1) Rescission or revocation.--An authorization granted by
8 the executive director under subsection (b) may be rescinded or
9 revoked by the executive director or the board without cause.
10 The slot machine licensee shall be given notice that the
11 authorization has been rescinded or revoked and afforded a
12 reasonable time to take all necessary actions required by the
13 executive director or the board.

14 (d) Prohibition.--The board shall be prohibited from
15 charging a fee as a condition of receiving authorization under
16 subsection (b).

17 § 1323.1A. Training equipment.

18 (a) Acquisition.--Notwithstanding section 1317 (relating to
19 supplier licenses) or section 1317.1 (relating to manufacturer
20 licenses), for a one-year period following the effective date of
21 this section, a slot machine licensee may purchase, lease or
22 otherwise obtain table game devices or associated equipment
23 that will be used for the sole purpose of conducting table game
24 training authorized under section 1323A (relating to initial
25 training of employees and potential employees) from a
26 manufacturer or supplier, whether or not licensed or otherwise
27 approved by the board under this part, or from an affiliate of
28 the slot machine licensee or a gaming facility in another
29 jurisdiction.

30 (b) Identification.--Table game devices or associated

equipment obtained by a slot machine licensee pursuant to
subsection (a) shall have an identification number which shall
be kept on file with the board and the table game devices or
associated equipment shall be clearly identified as being used
for training purposes only.

(c) Prohibition.--

(1) Table game devices and associated equipment obtained
pursuant to this section shall be prohibited from being used
on the gaming floor unless being used for training purposes
pursuant to section 1323A(c) (2).

(2) The payment of any cash, cash equivalent or other
prize to an individual from the play of a table game on table
game devices or associated equipment obtained pursuant to
this section is prohibited.

§ 1324A. Condition of continued operation.

As a condition of continued operation, a certificate holder
shall agree to maintain all books, records and documents
pertaining to table games in a manner and location within this
Commonwealth as approved by the board. All books, records and
documents related to table games shall:

(1) be segregated by separate accounts within the slot
machine licensee's books, records and documents, except for
any books, records or documents that are common to both slot
machine and table game operations;

(2) be immediately available for inspection upon request
of the board, the bureau, the department, the Pennsylvania
State Police or the Attorney General, or agents thereof,
during all hours of operation of the licensed facility in
accordance with regulations promulgated by the board; and

(3) be maintained for a period as the board, by

regulation, may require.

§ 1325A. Table game accounting controls and audit protocols.

(a) Approval.--Prior to the commencement of table game operations, a certificate holder shall submit to the board for approval all proposed site plans, internal control systems and audit protocols for the certificate holder's table game operations.

(b) Minimum requirements.--A certificate holder's internal controls and audit protocols shall:

(1) Safeguard its assets and revenues, including the recording of cash, cash equivalents and evidences of indebtedness related to table games.

(2) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of table games, including reports to the board related to table games.

(3) Provide for accurate and reliable financial records related to table games.

(4) Establish procedures for all the following:

(i) The receipt, storage and disbursal of chips, cash and cash equivalents used in table games.

(ii) Conversion of cash equivalents to cash.

(iii) The redemption of chips and other representations of value used in table games and the payment of winnings and prizes.

(iv) The recording of financial transactions pertaining to table games.

(5) Establish procedures for the collection and security of cash and cash equivalents at the gaming tables.

(6) Establish procedures for the recording of and transfer of chips and cash equivalents between the gaming

1 tables and the cashier's cage.

2 (7) Establish procedures for the transfer of drop boxes
3 from the gaming tables to the count room.

4 (8) Establish procedures and security for the counting
5 and recording of gross table game revenue.

6 (9) Establish procedures for the security, storage and
7 recording of cash and cash equivalents utilized in table
8 games.

9 (10) Establish procedures and security standards for the
10 handling and storage of table game devices and associated
11 equipment used in connection with table games.

12 (11) Establish procedures and rules governing the
13 conduct of each table game and the responsibility of
14 employees related to table games.

15 (12) Establish procedures for the collection and
16 recording of revenue from poker and other table games when
17 played as nonbanking games, including the type of rake
18 utilized and the methodology for calculating the amount of
19 permissible rake.

20 (13) Ensure that any wagering permitted in the play of a
21 table game is implemented only in accordance with the
22 certificate holder's general or specific authorization, as
23 approved by the board.

24 (14) Ensure the proper and timely accounting of gross
25 table game revenue and the calculation of gross table game
26 revenue, fees, taxes and assessments based on the gross table
27 game revenue.

28 (15) Maintain accountability for assets, ensure that
29 recorded accountability for assets is compared with actual
30 assets at reasonable intervals and ensure that appropriate

1 action is taken with respect to any discrepancies.

2 (16) Ensure that all functions, duties and
3 responsibilities related to table game operations are
4 appropriately segregated and performed in accordance with
5 sound financial practices by qualified employees.

6 (17) Permit use of its licensed facility by the board,
7 the bureau and other persons authorized under this part or by
8 the board to facilitate their ability to perform regulatory
9 and oversight functions under this chapter.

10 (c) Submission to board.--The submission required under
11 subsection (a) shall include a detailed description of the
12 certificate holder's administrative and accounting procedures
13 related to table games, including its written system of internal
14 controls. Each written system of internal controls shall
15 include:

16 (1) An organizational chart depicting appropriate
17 functions and responsibilities of employees involved in both
18 slot machine operations and table game operations.

19 (2) A description of the duties and responsibilities of
20 each position shown on the organizational chart.

21 (3) The record retention policy of the certificate
22 holder.

23 (4) The procedure to be utilized to ensure that assets
24 are safeguarded, including mandatory count procedures.

25 (5) A detailed narrative description of the
26 administrative and accounting procedures in place to ensure
27 compliance with the requirements of section 1326A (relating
28 to cash equivalents).

29 (6) A statement signed by the certificate holder's chief
30 financial officer or other competent person attesting that

1 the signatory believes, in good faith, that the system
2 satisfies the requirements of this section.

3 (d) Review.--Prior to authorizing a certificate holder to
4 conduct table games, the board shall review the system of
5 internal controls submitted under subsection (c) to determine
6 whether it conforms to the requirements of this part and whether
7 it provides adequate and effective controls for the conduct of
8 table games.

9 § 1326A. Cash equivalents.

10 (a) Checks.--

11 (1) A certificate holder may accept a check from a
12 patron in exchange for cash or chips. The certificate holder
13 shall present each check for payment to the financial
14 institution upon which the check is drawn within ten days of
15 receipt by the certificate holder. No third party checks
16 shall be permitted.

17 (2) Notwithstanding any law to the contrary, checks
18 cashed in conformity with the requirements of this section or
19 13 Pa.C.S. Div. 3 (relating to negotiable instruments) shall
20 be valid instruments, enforceable at law in the courts of
21 this Commonwealth. Any check cashed, transferred, conveyed,
22 given or accepted in violation of this section shall be
23 invalid and unenforceable for the purposes of collection by a
24 certificate holder but shall be included in the calculation
25 of gross table game revenue.

26 (b) Notice of fees.--All fees charged for the conversion of
27 cash equivalents shall be disclosed.

28 (c) Payment of cash equivalents.--Other than credit extended
29 by a certificate holder, an instrument that constitutes a cash
30 equivalent shall be made payable to the slot machine licensee,

1 to the bearer or to cash. An instrument made payable to a third
2 party shall not be considered a cash equivalent and shall be
3 prohibited.

4 § 1327A. Other financial transactions.

5 (a) Credit.--Notwithstanding section 1504 (relating to
6 wagering on credit), a certificate holder may extend interest-
7 free, unsecured credit to patrons for the purpose of playing
8 slot machines or table games in accordance with this section;
9 however, a certificate holder shall not accept credit cards,
10 charge cards or debit cards from a patron or player for the
11 exchange or purchase or chips, slot machine or table game
12 credits or for an advance of coins or currency to be utilized by
13 a player to play slot machine or table games. No credit card
14 advance machine may be placed on the gaming floor.

15 (b) Credit applications.--Each application for credit
16 submitted by a patron to a certificate holder shall be
17 maintained in a confidential credit file. The application shall
18 include the patron's name, address, telephone number and
19 comprehensive bank account information; the requested credit
20 limit; the patron's approximate amount of current indebtedness;
21 the amount and source of income in support of the application;
22 the patron's signature on the application; a certification of
23 truthfulness; and any other information deemed relevant by the
24 certificate holder. The certificate holder shall notify each
25 applicant that, as a condition of receiving credit, the
26 certificate holder will verify identity and indebtedness
27 information through a credit bureau or casino credit bureau and,
28 if appropriate, through direct contact with other slot machine
29 licensees.

30 (c) Credit application verification.--Prior to approving an

1 application for credit, a certificate holder shall verify:

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

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

14 (d) Establishment of credit.--Upon completion of the
15 verification required under subsection (c), a certificate holder
16 may grant a patron credit. The certificate holder shall
17 establish a credit limit for each patron to whom the certificate
18 holder grants credit. Each applicant's credit limit shall be
19 approved by two or more employees of the certificate holder
20 holding the job positions of credit manager, assistant credit
21 manager, credit shift manager, credit executive or a key
22 employee in a direct reporting line above the manager or credit
23 manager. The approval shall be recorded in the applicant's
24 credit file and shall include the reasons and information relied
25 on for the approval of credit and verification by the employees
26 approving the applicant's credit limit. Increases to an
27 individual's credit limit may be approved following a written
28 request from the individual and reverification of an
29 individual's credit information.

30 (e) Recordkeeping.--Detailed information pertaining to all

1 transactions affecting an individual's outstanding indebtedness
2 to a certificate holder shall be recorded in chronological order
3 in the individual's credit file.

4 (f) Reduction or suspension of credit.--A certificate holder
5 may reduce an individual's credit limit or suspend credit to an
6 individual for any reason.

7 (g) Voluntary credit suspension.--An individual may request
8 a certificate holder to suspend the individual's credit. Each
9 certificate holder shall inform the board when an individual
10 requests a suspension of credit and shall provide the board with
11 all information necessary to maintain the voluntary credit
12 suspension list under subsection (h).

13 (h) Voluntary credit suspension list.--The board shall
14 maintain a voluntary credit suspension list of all individuals
15 who have requested suspension of credit privileges and shall
16 provide the list on a continuous basis to the credit department
17 of each certificate holder. An individual may request placement
18 on the voluntary credit suspension list by submitting to the
19 board the individual's name, address and date of birth. The
20 individual does not need to provide a reason for the request.
21 Notwithstanding any other provision of law to the contrary, the
22 board's list of individuals who have had credit privileges
23 voluntarily suspended shall be confidential, and neither the
24 board nor the credit department of a certificate holder shall
25 divulge the name of any individual on this list to any person or
26 entity other than those provided for in this subsection. To be
27 removed from the list, the individual shall submit a request to
28 the board. The board shall remove the individual from the list
29 and inform the credit department of each certificate holder not
30 later than three business days after the board's receipt of the

1 request.

2 (i) Liability.--A certificate holder or employee thereof
3 shall not be liable to any individual on the voluntary credit
4 suspension list or to any other party in any judicial proceeding
5 for any harm, monetary or otherwise, which may arise as a result
6 of:

7 (1) the failure of a certificate holder to restore
8 credit privileges to an individual on the voluntary credit
9 suspension list; or

10 (2) otherwise permitting an individual on the voluntary
11 credit suspension list to engage in gaming activity in the
12 licensed facility while on the voluntary credit suspension
13 list.

14 (j) Tax liability.--Draws against unsecured credit extended
15 to patrons pursuant to this section which become uncollectible
16 may not be claimed by a certificate holder as a deduction,
17 credit or any other type of reduction or offset against any tax
18 imposed by this part or the act of March 4, 1971 (P.L.6, No.2),
19 known as the Tax Reform Code of 1971.

20 § 1328A. Key employees and occupation permits.

21 Nothing in this part shall be construed to require any
22 individual who holds a principal license, a key employee license
23 or gaming employee license under Chapter 13 (relating to
24 licensees) to obtain a separate license or permit to be employed
25 in a certificate holder's table game operation authorized under
26 this chapter.

27 § 1329A. Application of Clean Indoor Air Act.

28 For the purpose of section 3(b)(11) of the act of June 13,
29 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the
30 term "gaming floor" shall include the areas of any licensed

facility where the slot machine licensee is authorized to place
and operate slot machines or conduct table games, except such
areas off the gaming floor where contests or tournaments are
conducted unless smoking is otherwise permitted in such areas.

§ 1329.1A. Application of Liquor Code.

The provisions of section 493(24)(ii) of the act of April 12,
1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
to table games.

SUBCHAPTER D

(RESERVED)

SUBCHAPTER E

TABLE GAME TESTING AND CERTIFICATION

Sec.

1341A. Table game device and associated equipment testing and
certification standards.

§ 1341A. Table game device and associated equipment testing and
certification standards.

(a) Expansion of independent testing and certification
facility.--Within one year of the effective date of this
section, the board shall expand the independent testing and
certification facility created under section 1320(b) to include
the testing and certification of table game devices and
associated equipment. Costs associated with the expansion of the
facility shall be assessed on manufacturers licensed to
manufacture table game devices or associated equipment under
this part in accordance with a schedule adopted by the board.
The expanded facility shall be made available to each table game
device manufacturer and supplier as determined by the board.

(b) Use of other state standards.--The board may determine
whether the table game device testing and certification

standards of another jurisdiction within the United States in
which a manufacturer licensed pursuant to section 1317.1
(relating to manufacturer licenses) to manufacture table game
devices or associated equipment used in connection with table
games is licensed are comprehensive and thorough and provide
similar adequate safeguards as those required by this part. If
the board makes that determination, it may permit the
manufacturer appropriately licensed pursuant to section 1317.1
to deploy table game devices or associated equipment it
manufactures which have met the table game device testing and
certification standards in another jurisdiction without
undergoing the full testing and certification process by the
board's independent testing and certification facility.

SUBCHAPTER F

(RESERVED)

SUBCHAPTER G

TABLE GAME TAXES AND FEES

Sec.

1361A. Table game authorization fee.

1362A. Table game taxes.

1363A. Local share assessment.

§ 1361A. Table game authorization fee.

(a) Amount of authorization fee.--

(1) A Category 1 or a Category 2 slot machine licensee
that submits a petition for a table game operation
certificate under section 1312A (relating to petition
requirements) on or before June 1, 2010, shall pay a one-time
nonrefundable authorization fee in the amount of \$16,500,000.

A Category 1 or a Category 2 slot machine licensee that
submits a petition for a table game operation certificate

1 under section 1312A after June 1, 2010, shall pay a one-time
2 nonrefundable authorization fee in the amount of \$24,750,000.

3 (2) A Category 3 slot machine licensee that submits a
4 petition for a table game operation certificate under section
5 1312A on or before June 1, 2010, shall pay a one-time
6 nonrefundable authorization fee in the amount of \$7,500,000.

7 A Category 3 slot machine licensee that submits a petition
8 for a table game operation certificate under section 1312A
9 after June 1, 2010, shall pay a one-time nonrefundable
10 authorization fee in the amount of \$11,250,000.

11 (3) Notwithstanding paragraphs (1) and (2), the holder
12 of a Category 1 or Category 3 slot machine license issued
13 after June 1, 2010, that submits a petition for a table game
14 operation certificate shall pay a one-time nonrefundable
15 authorization fee in the amount of \$16,500,000 or \$7,500,000,
16 respectively.

17 (4) A table game operation certificate shall not be
18 subject to renewal or payment of an additional authorization
19 fee.

20 (b) Payment of fee.--A slot machine licensee that submits a
21 petition on or before June 1, 2010, shall pay the required
22 authorization fee on or before June 1, 2010. The board may allow
23 the fee to be paid in installments, provided all installments
24 are paid on or before June 1, 2010. In that event, the board and
25 the slot machine licensee shall enter into a written agreement
26 setting forth the terms of payment.

27 (c) Failure to pay by deadline.--If a petitioner or
28 certificate holder fails to pay the required authorization fee
29 in full by June 1, 2010, the board shall impose a penalty and
30 may grant the petitioner or certificate holder up to a six-month

extension to pay the authorization fee or any remaining portion
of the authorization fee and the penalty. The board shall
require the petitioner or certificate holder to make weekly
payments until the fee and penalty are paid in full.

(d) Suspension of certificate.--The board shall suspend the
table game operation certificate if the certificate holder fails
to pay the total authorization fee and the penalty prior to the
expiration of an extension period granted under subsection (c).
The suspension shall remain in effect until final payment is
made.

(e) (Reserved).

(f) Deposit of fees.--Notwithstanding section 1208 (relating
to collection of fees and fines), all table game authorization
fees or penalties received by the board under this subchapter;
all table game device and associated equipment manufacturer and
supplier license fees; all table game device or associated
equipment manufacturer and supplier renewal fees; and fees for
licenses issued under Chapter 16 (relating to junkets) shall be
deposited in the General Fund.

§ 1362A. Table game taxes.

(a) Imposition.--

(1) Except as provided in paragraphs (2) and (3), each
certificate holder shall report to the department and pay
from its daily gross table game revenue, on a form and in the
manner prescribed by the department, a tax of 12% of its
daily gross table game revenue.

(2) In addition to the tax payable under paragraph (1),
each certificate holder shall report to the department and
pay from its daily gross table game revenue, on a form and in
the manner prescribed by the department, a tax of 34% of its

daily gross table game revenue from each table game played on a fully automated electronic gaming table.

(3) The tax reported and payable under paragraph (1) by each certificate holder shall be 14% of daily gross table game revenue for a period of two years following commencement of table games operations at its licensed facility.

(b) Deposits and distributions.--

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross table game revenue derived during the previous week.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a certificate holder shall establish a separate bank account into which gross table game revenue shall be deposited and maintained until such time as the funds are paid to the department under this section or paid into the fund under section 1363A(a) (relating to local share assessment).

(3) The tax imposed under subsection (a) shall be deposited into the General Fund.

(c) Deposits for property tax relief.--If, on the last day of a fiscal year the balance of the Budget Stabilization Reserve Fund established pursuant to section 1701-A of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, exceeds \$750,000,000, as certified by the Secretary of the Budget, the deposits made into the General Fund pursuant to subsection (b) (3) shall cease and thereafter be deposited into the Property Tax Relief Fund established pursuant to section 1409 (relating

1 to Property Tax Relief Fund).

2 § 1363A. Local share assessment.

3 (a) Required payment.--In addition to the tax imposed under
4 section 1362A (relating to table game taxes), each certificate
5 holder shall pay on a weekly basis and on a form and in a manner
6 prescribed by the department a local share assessment into a
7 restricted receipts account established within the fund. All
8 funds owed under this section shall be held in trust by the
9 certificate holder until the funds are paid into the account.
10 Funds in the account are hereby appropriated to the department
11 on a continuing basis for the purposes set forth in this
12 section.

13 (b) Distributions to counties.--The department shall make
14 quarterly distributions from the local share assessments
15 deposited into the fund under subsection (a) to counties,
16 including home rule counties, hosting a licensed facility
17 authorized to conduct table games under this chapter in
18 accordance with the following:

19 (1) If the licensed facility is a Category 1 licensed
20 facility located at a harness racetrack and the county,
21 including a home rule county, in which the licensed facility
22 is located is:

23 (i) A county of the third class: 50% of the
24 licensed facility's local share assessment shall be added
25 to and distributed with the funds distributed under
26 section 1403(c)(2)(i)(D) (relating to establishment of
27 State Gaming Fund and net slot machine revenue
28 distribution).

29 (ii) A county of the second class A: 50% of the
30 licensed facility's local share assessment shall be

1 distributed to the county.

2 (iii) A county of the fourth class: 50% of the
3 licensed facility's local share assessment shall be added
4 to the funds in the restricted receipts account
5 established pursuant to section 1403(c)(2)(i)(E) for
6 distribution with those funds.

7 (iv) A county of the fifth class: 50% of the
8 licensed facility's local share assessment shall be added
9 to the funds in the restricted receipts account
10 established pursuant to section 1403(c)(2)(i)(F) for
11 distribution with those funds.

12 (2) If the facility is a Category 1 licensed facility
13 that is located at a thoroughbred racetrack and the county in
14 which the licensed facility is located is:

15 (i) A county of the second class A: 50% of the
16 licensed facility's local share assessment shall be
17 distributed to the county to be further distributed as
18 grants to a nonprofit hospital in a first class township
19 that is contiguous to the municipality in which the
20 licensed facility is located. If the nonprofit hospital
21 ceases to exist, 50% of the licensed facility's local
22 share assessment shall be distributed to the county in
23 which the licensed facility is located.

24 (ii) Except as set forth in subparagraph (iii), a
25 county of the third class: 50% of the licensed
26 facility's local share assessment shall be distributed to
27 the county to be used solely to fund the establishment of
28 a county violent crime task force to reduce gang
29 violence, gun trafficking and violence and drug-related
30 crimes in the county. The district attorney shall

1 appoint, direct and coordinate the operations and
2 personnel of the task force.

3 (iii) A county of the third class which is also a
4 home rule county: 100% of the licensed facility's local
5 share assessment shall be distributed to a community
6 college that is established in the county after the
7 effective date of this subparagraph and prior to January
8 1, 2014, to be used by the community college for
9 organizational, administrative, operating and capital
10 expenditures and the payment of principal, interest and
11 expenses related to indebtedness, subject to the
12 following:

13 (A) Until January 1, 2014, or until a community
14 college is established after the effective date of
15 this subparagraph prior to January 1, 2014, whichever
16 occurs first, 100% of the licensed facility's local
17 share assessment shall be distributed to the county
18 redevelopment authority to be deposited and
19 maintained by the county redevelopment authority in a
20 restricted receipts account. The funds may be
21 invested by the county redevelopment authority as
22 permitted by law, and any interest earned on the
23 funds and investment income derived from the funds
24 shall be deposited into the restricted receipts
25 account. The funds in the restricted receipts account
26 shall be distributed as provided in clause (B) or
27 used as provided in clause (C), as applicable.

28 (B) If a community college is established in the
29 county following the effective date of this
30 subparagraph and prior to January 1, 2014, the funds

1 in the restricted receipts account established under
2 clause (A) shall be distributed in their entirety by
3 the county redevelopment authority to the community
4 college no later than 60 days following the date of
5 the establishment of the community college.

6 (C) If a community college is not established in
7 the county following the effective date of this
8 subparagraph and prior to January 1, 2014, beginning
9 January 1, 2014, 100% of the licensed facility's
10 local share assessment shall be distributed to the
11 county redevelopment authority to be deposited into
12 the restricted receipts account established under
13 clause (A) and all funds in the restricted receipts
14 account shall be used by the county redevelopment
15 authority for a revolving loan program available to
16 municipalities within the county for infrastructure
17 projects, including, but not limited to, water,
18 sewer, storm water management, flood control, roads,
19 broadband Internet access, site remediation and
20 public utility infrastructure in areas other than a
21 public utility's own facilities. The county
22 redevelopment authority may use funds from the
23 revolving loan program for expenses related to the
24 cost to administer the revolving loan program in an
25 amount not in excess of 0.5% of the revolving loan
26 program portfolio in a given calendar year. A
27 municipality may not use funds received under the
28 revolving loan program for general budget or
29 operating expenses. The county redevelopment
30 authority shall develop loan program criteria and

1 guidelines consistent with the provisions of this
2 clause.

3 (D) For purposes of this subparagraph, a
4 community college shall be considered to be
5 established on the date on which the proposed
6 community college plan is approved by the State Board
7 of Education within the meaning of section 1903-A(c)
8 of the act of March 10, 1949 (P.L.30, No.14), known
9 as the Public School Code of 1949, notwithstanding
10 the fact that a board of trustees of the community
11 college may not have yet been appointed by the
12 governing bodies of the local sponsor of the
13 community college.

14 (3) If the facility is a Category 2 licensed facility
15 and if the county in which the licensed facility is located
16 is:

17 (i) A county of the first class: 100% of the
18 licensed facility's local share assessment shall be added
19 to and distributed with the funds distributed under
20 section 1403(c)(2)(iii)(A).

21 (ii) A county of the second class: 50% of the
22 licensed facility's local share assessment shall be
23 distributed as follows:

24 (A) Eighty-five percent shall be deposited into
25 a restricted receipts account to be established in
26 the Department of Education for distribution pursuant
27 to the act of June 14, 1961 (P.L.324, No.188), known
28 as The Library Code, for grants to an established
29 library system in the county but outside a city of
30 the second class. Funds made available under this

1 clause shall be in addition to any funding provided
2 to such libraries pursuant to the act of April 9,
3 1929 (P.L.343, No.176), known as The Fiscal Code; the
4 Public School Code of 1949; and The Library Code.
5 Notwithstanding The Library Code, in making
6 distributions from funds made available under this
7 clause, the library system shall distribute the funds
8 as follows:

9 (I) At least 80% shall be distributed to
10 libraries in the library system in the county but
11 outside a city of the second class on a per
12 capita basis of the population of the county
13 based on the most recent decennial census
14 excluding a city of the second class.

15 (II) At least 15% but not more than 20%
16 shall be distributed to libraries in the library
17 system in each city, borough, town or township in
18 the county outside a city of the second class,
19 which has a market value per capita below the
20 fifth percentile of all cities, boroughs, towns
21 or townships, with comparable classifications.
22 The market value per capita and percentiles under
23 this subclause shall be as determined annually by
24 the State Tax Equalization Board.

25 (III) Not more than 5% may be used to defray
26 the reasonable and necessary administrative costs
27 of the library system in administering the funds,
28 as determined by the Department of Education.

29 (IV) If, after the distribution and use
30 under subclauses (I), (II) and (III), funds are

1 still available for distribution under this
2 clause, those funds shall be shall be distributed
3 to libraries in the library system in the county
4 but outside a city of the second class on a per
5 capita basis of the population of the county
6 based on the most recent decennial census
7 excluding a city of the second class.

8 (B) Fifteen percent to a recognized tourist
9 promotion agency that is established by a home rule
10 municipality that was formerly a township or borough
11 located in the county pursuant to the act of July 4,
12 2008 (P.L.621, No.50), known as the Tourist Promotion
13 Act, and recognized by the Department of Community
14 and Economic Development and the home rule
15 municipality.

16 (iii) A county of the third class where a city of
17 the third class hosting the licensed facility is located
18 in two counties of the third class: 50% of the licensed
19 facility's local share assessment shall be distributed as
20 follows:

21 (A) Sixty percent to the county in which the
22 licensed facility is located for economic development
23 projects, community improvement projects and other
24 projects in the public interest within the county.

25 (B) Twenty percent to the nonhost city of the
26 third class in the county in which the licensed
27 facility is located.

28 (C) Twenty percent to the nonhost county in
29 which the host city is located, of which 50% shall be
30 used solely for grants to municipalities that are

1 contiguous to the host city for economic development
2 projects, community improvement projects and other
3 projects in the public interest.

4 (iv) A county of the fifth class: 50% of the
5 licensed facility's local share assessment shall be
6 distributed as follows:

7 (A) Fifty percent shall be added to the funds in
8 the restricted receipts account established pursuant
9 to section 1403(c)(2)(iii)(F)(I) for distribution
10 with those funds.

11 (B) Fifty percent shall be transferred to the
12 Pennsylvania Higher Education Assistance Agency for
13 deposit into a restricted receipts account to be used
14 exclusively for grants to a school of medicine
15 located in a city of the second class A within a
16 county of the third class for operating costs
17 associated with the school of medicine.

18 (4) The following apply:

19 (i) If the facility is a Category 3 licensed
20 facility located in a county of the second class A: 50%
21 of the licensed facility's local share assessment shall
22 be deposited into a restricted receipts account to be
23 established in the Commonwealth Financing Authority to be
24 used exclusively for grants or guarantees for projects in
25 the county that qualify under 64 Pa.C.S. §§ 1551
26 (relating to Business in Our Sites Program), 1556
27 (relating to Tax Increment Financing Guarantee Program)
28 and 1558 (relating to Water Supply and Waste Water
29 Infrastructure Program).

30 (ii) Except as provided in subparagraph (i), if the

1 facility is a Category 3 licensed facility in a county of
2 any class: 50% of the licensed facility's local share
3 assessment shall be added to the funds in the restricted
4 receipts account established under section 1403(c)(2)(iv)
5 for distribution with those funds.

6 (5) Except as otherwise provided in this subsection, if
7 the facility is a Category 1 or a Category 2 licensed
8 facility in a county of any class: 50% of the licensed
9 facility's local share assessment shall be distributed in
10 accordance with section 1403(c) based upon the category and
11 type of licensed facility and the classification of the
12 county where the licensed facility is located.

13 (c) Distributions to municipalities.--The department shall
14 make quarterly distributions from the local share assessments
15 deposited into the fund under subsection (a) to municipalities,
16 including home rule municipalities, hosting a licensed facility
17 authorized to conduct table games under this chapter in
18 accordance with the following:

19 (1) If the licensed facility is a Category 2 licensed
20 facility and is located in a city of the second class, 50% of
21 the licensed facility's local share assessment shall be
22 deposited into a restricted receipts account to be
23 established in the Department of Education for distribution
24 pursuant to The Library Code for grants to an established
25 local library in the city for the purpose of maintaining the
26 library branch system . Funds made available under this
27 clause shall be in addition to any funding provided to such
28 libraries pursuant to The Fiscal Code, the Public School Code
29 of 1949 and The Library Code. Beginning July 1, 2011, if the
30 established local library fails to maintain the number of

1 library branches operating within its system on June 30,
2 2011, 50% of the licensed facility's local share assessment
3 shall be distributed to the city to be used solely to fund
4 the accrued liability of all pension plans maintained by the
5 city.

6 (2) If the licensed facility is a Category 1 licensed
7 facility located at a harness racetrack in a city of the
8 third class, 50% of the licensed facility's local share
9 assessment shall be distributed to the city for the purpose
10 of making payments to enable the city and other
11 municipalities in the school district in which the city is
12 located to become and remain local sponsors or members of a
13 community college. Payments may include initial buy-in costs,
14 including payment of debt service to fund the initial buy-in,
15 and annual local sponsor share payments to the community
16 college. Any funds remaining following the payment of all
17 local sponsorship, membership and other costs authorized
18 under this paragraph may be retained by the city and used for
19 any lawful purpose.

20 (3) If a licensed facility is a Category 2 facility and
21 is located in a city of the third class and the city is
22 located in more than one county of the third class, 50% of
23 the licensed facility's local share assessment shall be
24 distributed as follows:

25 (i) 50% to the host city;

26 (ii) 20% to a city of the third class located solely
27 in the nonhost county in which the host city of the third
28 class is also located; and

29 (iii) 30% to a nonhost city of the third class
30 located solely in the host county.

1 (4) If the licensed facility is a Category 1 licensed
2 facility located at a harness racetrack in a township of the
3 first class, 50% of the licensed facility's local share
4 assessment shall be distributed to the township, subject,
5 however, to the budgetary limitation in this paragraph. The
6 amount distributed to the township shall not exceed 50% of
7 the township's total budget for fiscal year 2009, adjusted
8 for inflation in subsequent years by an amount not to exceed
9 an annual cost-of-living adjustment calculated by applying
10 the percentage change in the Consumer Price Index immediately
11 prior to the date the adjustment is due to take effect. Any
12 funds not distributed to the township because of the
13 budgetary limitation shall be distributed in accordance with
14 subsection (b) based upon the classification of the county
15 where the licensed facility is located.

16 (5) The following apply:

17 (i) Except as provided in subparagraphs (ii) and
18 (iii), if the licensed facility is a Category 1 or
19 Category 2 licensed facility and is located in a township
20 of the second class, 50% of the licensed facility's local
21 share assessment shall be distributed to the township,
22 subject, however, to the budgetary limitation in this
23 subparagraph. The amount distributed to the township
24 shall not exceed 50% of the township's total budget for
25 fiscal year 2009, adjusted for inflation in subsequent
26 years by an amount not to exceed an annual cost-of-living
27 adjustment calculated by applying the percentage change
28 in the Consumer Price Index immediately prior to the date
29 the adjustment is due to take effect. Any funds not
30 distributed to the township because of the budgetary

1 limitation shall be distributed in accordance with
2 subsection (b) based upon the classification of county
3 where the licensed facility is located. No funds shall be
4 distributed under this subparagraph to a township of the
5 second class located in a county of the third class
6 receiving any funds under subsection (b)(2)(iii).

7 (ii) If the licensed facility is a Category 1
8 licensed facility located at a thoroughbred racetrack in
9 a township of the second class in a county of the second
10 class A, 50% of the licensed facility's local share
11 assessment shall be distributed to the township of the
12 second class, subject, however, to the budgetary
13 limitation in this subparagraph. The amount distributed
14 shall not exceed 50% of the department's total budget for
15 fiscal year 2009, adjusted for inflation in subsequent
16 years by an amount not to exceed an annual cost-of-living
17 adjustment calculated by applying the percentage change
18 in the Consumer Price Index immediately prior to the date
19 the adjustment is due to take effect. Any funds not
20 distributed to the recreation department because of the
21 budgetary limitation shall be distributed in accordance
22 with subsection (b) based upon the classification of
23 county where the licensed facility is located.

24 (iii) If the licensed facility is a Category 1
25 licensed facility located at a thoroughbred racetrack in
26 a township of the second class in a county of the third
27 class with a population of not less than 200,000 but not
28 more than 260,000 where the licensed facility and all
29 attached or contiguous acreage owned by the licensed
30 facility is located in more than one township of the

second class, 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) \$120,000 of the licensed facility's local share assessment shall be distributed annually to each such township of the second class; and

(B) remaining funds shall be added to and distributed with the funds distributed to the county under subsection (b)(2)(ii).

(6) The following apply:

(i) If the licensed facility is a Category 3 licensed facility and is located in a borough in a county of the third class and the borough is contiguous to a city of the third class:

(A) Twenty-five percent of the licensed facility's local share assessment shall be distributed to the host borough, subject to clause (C).

(B) Twenty-five percent of the licensed facility's local share assessment shall be distributed to the city of the third class that is contiguous to the host borough, subject to clause (C).

(C) The amount distributed to the borough or the city shall not exceed 50% of the borough's or the city's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not

1 distributed to the borough or the city because of the
2 budgetary limitation shall be distributed in
3 accordance with subsection (b) based upon the
4 classification of the county where the licensed
5 facility is located.

6 (ii) Except as provided in subparagraph (i), if the
7 licensed facility is a Category 3 licensed facility and
8 is located in a municipality of any class, 50% of the
9 licensed facility's local share assessment shall be
10 distributed to the municipality, subject, however, to the
11 budgetary limitation in this subparagraph. The amount
12 distributed to the municipality shall not exceed 50% of
13 the municipality's total budget for fiscal year 2009,
14 adjusted for inflation in subsequent years by an amount
15 not to exceed an annual cost-of-living adjustment
16 calculated by applying the percentage change in the
17 Consumer Price Index immediately prior to the date the
18 adjustment is due to take effect. Any funds not
19 distributed to the municipality because of the budgetary
20 limitation shall be distributed in accordance with
21 subsection (b) based upon the classification of county
22 where the licensed facility is located.

23 (7) Except as otherwise provided in this subsection, if
24 the facility is a Category 1 or a Category 2 licensed
25 facility in a municipality of any class, 50% of the licensed
26 facility's local share assessment shall be distributed to the
27 municipality, subject, however, to the budgetary limitation
28 in this paragraph. The amount distributed to the municipality
29 shall not exceed 50% of the municipality's total budget for
30 fiscal year 2009 adjusted for inflation in subsequent years

1 by an amount not to exceed the annual cost-of-living
2 adjustment calculated by applying the percentage change in
3 the Consumer Price Index immediately prior to the date the
4 adjustment is due to take effect. Any funds not distributed
5 to the municipality because of the budgetary limitation shall
6 be distributed in accordance with subsection (b) based upon
7 the classification of county where the licensed facility is
8 located.

9 (d) Construction.--The following shall apply to
10 distributions provided for in this section:

11 (1) Distributions to counties shall be based upon county
12 classifications in effect on the effective date of this
13 section and any reclassification of a county as a result of a
14 Federal decennial census or pursuant to an act of the General
15 Assembly shall not apply to this section unless the act of
16 the General Assembly specifically provides otherwise.

17 (2) Distributions to municipalities shall be based upon
18 municipal classifications in effect on the effective date of
19 this section and any reclassification of a municipality as a
20 result of a Federal decennial census or pursuant to an act of
21 the General Assembly shall not apply to this section unless
22 the act of the General Assembly specifically provides
23 otherwise.

24 (e) Miscellaneous provisions.--

25 (1) If any provision of this section is found to be
26 unenforceable for any reason, the distribution provided for
27 in such unenforceable provision shall be made to the
28 municipality in which the licensed facility is located.

29 (2) References to the Consumer Price Index shall mean
30 the Consumer Price Index for All Urban Consumers for the

1 Pennsylvania, New Jersey, Delaware and Maryland area for the
2 most recent 12-month period for which figures have been
3 officially reported by the United States Department of Labor,
4 Bureau of Labor Statistics.

5 (3) A person or its affiliated entity or a political
6 subdivision may not compensate or incur an obligation to
7 compensate a person to engage in lobbying for compensation
8 contingent in whole or in part upon the approval, award,
9 receipt or denial of funds under this section. A person or
10 its affiliated entity may not engage in or agree to engage in
11 lobbying for compensation contingent in whole or in part upon
12 the approval, award, receipt or denial of funds under this
13 section. A violation of this paragraph shall be considered an
14 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to
15 penalties). This paragraph shall not apply to a county or
16 municipality that compensates a person to prepare a grant
17 application for funds under this section if all of the
18 following requirements are met:

19 (i) The person is not identified in the application.

20 (ii) The person has no direct contact with the
21 agency, county or municipality providing the funding.

22 (iii) The person is paid a fixed fee or percentage
23 of the amount of any funds approved, awarded or received
24 of up to 0.5%.

25 (4) In cooperation with the department, the Office of
26 the Budget and the Commonwealth Financing Authority, the
27 Department of Community and Economic Development shall submit
28 an annual report on all distributions of local share
29 assessments to counties and municipalities under this section
30 to the chairman and minority chairman of the Appropriations

1 Committee of the Senate, the chairman and the minority
2 chairman of the Community, Economic and Recreational
3 Development Committee of the Senate, the chairman and the
4 minority chairman of the Appropriations Committee of the
5 House of Representatives and the chairman and minority
6 chairman of the Gaming Oversight Committee of the House of
7 Representatives.

8 (5) All counties and municipalities receiving
9 distributions of local share assessments under this section
10 shall submit an annual report to the Department of Community
11 and Economic Development on a form prepared by the Department
12 of Community and Economic Development that sets forth the
13 amount and use of the funds received for the prior calendar
14 year. The report shall set forth whether the funds received
15 were deposited into the county's or municipality's general
16 fund or committed to a specific project or use. The report
17 shall be submitted by August 31, 2010, and by August 31 of
18 each year thereafter.

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

22 "Community college." The term shall have the meaning
23 ascribed to it in section 1901-A(4) of the act of March 10, 1949
24 (P.L.30, No.14), known as the Public School Code of 1949.

25 "Local share assessment." Two percent of a certificate
26 holder's daily gross table game revenue.

27 Section 11.2. Sections 1401(b), 1402(a) and 1402.1 of Title
28 4 are amended to read:

29 § 1401. Slot machine licensee deposits.

30 * * *

(b) Initial deposit of funds.--Not later than two business days prior to the commencement of slot machine operations by a slot machine licensee, [the] a slot machine licensee shall deposit and maintain the [sum of \$5,000,000] following sums in its account to guarantee the payment of funds to the Commonwealth under this part and as security for its obligations under section 1405 (relating to Pennsylvania Race Horse Development Fund) [.]:

(1) For a Category 1 or Category 2 slot machine licensee, \$1,500,000.

(2) For a Category 3 slot machine licensee, \$1,000,000.
No additional minimum deposit shall be required from a slot machine licensee if a slot machine licensee is granted a table game operation certificate under Chapter 13A (relating to table games).

* * *

§ 1402. Gross terminal revenue deductions.

(a) Deductions.--After determining the appropriate assessments for each slot machine licensee, the department shall determine costs, expenses or payments from each account established under section 1401 (relating to slot machine licensee deposits). The following costs and expenses shall be transferred to the appropriate agency upon appropriation by the General Assembly:

(1) The costs and expenses to be incurred by the department in administering this part at each slot machine licensee's licensed facility based upon a budget submitted by the department [to and approved by the board] under section 1402.1 (relating to itemized budget reporting).

(2) The other costs and expenses to be incurred by the

department in administering this part based upon a budget submitted by the department [to and approved by the board] under section 1402.1.

(3) Sums necessary to repay any loans made by the General Fund to the department in connection with carrying out its responsibilities under this part, including the costs of the initial acquisition of the central control computer and any accessories or associated equipment.

(4) The costs and expenses to be incurred by the Pennsylvania State Police and the Office of Attorney General and not otherwise reimbursed under this part in carrying out their respective responsibilities under this part based upon [a budget] budgets submitted by the Pennsylvania State Police and the Attorney General [to and approved by the board] under section 1402.1.

(5) Sums necessary to repay any loans made by the General Fund to the Pennsylvania State Police in connection with carrying out its responsibilities under this part.

(6) The costs and expenses to be incurred by the board in carrying out its responsibilities under this part based upon a budget [approved] submitted by the board under section 1402.1.

(7) Sums necessary to repay any loans made by the General Fund to the board in connection with carrying out its responsibilities under this part.

* * *

§ 1402.1. Itemized budget reporting.

(a) Submission.--The board, department, Pennsylvania State Police and [the] Office of Attorney General shall prepare and annually submit to the chairman of the Appropriations Committee

1 of the Senate and the chairman of the Appropriations Committee
2 of the House of Representatives an itemized budget consisting of
3 amounts to be appropriated out of the accounts established under
4 section 1401 (relating to slot machine licensee deposits)
5 necessary to administer this part. The department, Pennsylvania
6 State Police and Office of Attorney General shall provide copies
7 of their itemized budgets to the board at the same time they are
8 submitted to the chairmen of the committees.

9 (b) Analyses and recommendations.--As soon as practicable
10 after receiving copies of the itemized budgets submitted under
11 subsection (a), the board shall prepare and submit to the
12 chairmen of the committees analyses of, and make recommendations
13 regarding, the itemized budgets.

14 Section 11.3. Section 1403(b), (c)(2)(i)(D), (E) and (F),
15 (iii)(F) and (iv) and (3)(v) and (viii) of Title 4 are amended
16 and the section is amended by adding subsections to read:

17 § 1403. Establishment of State Gaming Fund and net slot machine
18 revenue distribution.

19 * * *

20 (b) Slot machine tax.--The department shall determine and
21 each slot machine licensee shall pay a daily tax of 34% from its
22 daily gross terminal revenue from the slot machines in operation
23 at its facility and a local share assessment as provided in
24 subsection (c) [into the fund]. All funds owed to the
25 Commonwealth, a county or a municipality under this section
26 shall be held in trust by the licensed gaming entity for the
27 Commonwealth, the county and the municipality until the funds
28 are paid or transferred [and distributed] to the fund. Unless
29 otherwise agreed to by the [Gaming Board] board, a licensed
30 gaming entity shall establish a separate bank account to

1 maintain [gaming proceeds] gross terminal revenue until such
2 time as [they] the funds are paid or transferred under this
3 section. Moneys in the fund are hereby appropriated to the
4 department on a continuing basis for the purposes set forth in
5 subsection (c).

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

7 * * *

8 (2) From the local share assessment established in
9 subsection (b), make quarterly distributions among the
10 counties hosting a licensed facility in accordance with the
11 following schedule:

12 (i) If the licensed facility is a Category 1
13 licensed facility that is located at a harness racetrack
14 and the county, including a home rule county, in which
15 the licensed facility is located is:

16 * * *

17 (D) (I) A county of the third class: Except as
18 provided in subclause (II), 2% of the gross
19 terminal revenue from each such licensed facility
20 shall be deposited into a restricted receipts
21 account to be established in the [Department of
22 Community and Economic Development] Commonwealth
23 Financing Authority to be used exclusively for
24 grants for [health, safety and economic
25 development projects] projects in the public
26 interest to municipalities within the county
27 where the licensed facility is located.
28 [Municipalities that are contiguous to the
29 municipality hosting such licensed facility shall
30 be given priority by the Department of Community

1 and Economic Development in the award of such
2 grants.]

3 (I.1) Priority shall be given to multiyear
4 projects approved or awarded by the Department of
5 Community and Economic Development under
6 subclause (I) on or before the effective date of
7 this subclause.

8 (II) If a licensed facility is located in
9 one of two counties of the third class where a
10 city of the third class is located in both
11 counties of the third class, the county in which
12 the licensed facility is located shall receive
13 1.2% of the gross terminal revenue to be
14 distributed as follows: 20% to the host city,
15 30% to the host county and 50% to the host county
16 for the purpose of making municipal grants within
17 the county, with priority given to municipalities
18 contiguous to the host city. The county of the
19 third class, which includes a city of the third
20 class that is located in two counties of the
21 third class and is not the host county for the
22 licensed facility, shall receive .8% of the gross
23 terminal revenue to be distributed as follows:
24 60% to a nonhost city of the third class located
25 solely in the nonhost county in which the host
26 city of the third class is also located or 60% to
27 the nonhost city of the third class located both
28 in the host and nonhost counties of the third
29 class, 35% to the nonhost county and 5% to the
30 nonhost county for the purpose of making

1 municipal grants within the county.

2 (E) A county of the fourth class: 2% of the
3 gross terminal revenue from each such licensed
4 facility shall be distributed as follows:

5 (I) The department shall make distributions
6 directly to each municipality within the county,
7 except the host municipality, by using a formula
8 equal to the sum of \$25,000 plus \$10 per resident
9 of the municipality using the most recent
10 population figures provided by the Department of
11 Community and Economic Development, provided,
12 however, that the amount so distributed to any
13 municipality shall not exceed 50% of its total
14 budget for fiscal year 2009, adjusted for
15 inflation in subsequent fiscal years by an amount
16 not to exceed an annual cost-of-living adjustment
17 calculated by applying any upward percentage
18 change in the Consumer Price Index immediately
19 prior to the date the adjustment is due to take
20 effect. Distributions to a municipality in
21 accordance with this subclause shall be deposited
22 into a special fund which shall be established by
23 the municipality. The governing body of the
24 municipality shall have the right to draw upon
25 the special fund for any lawful purpose provided
26 that the municipality identifies the fund as the
27 source of the expenditure. Each municipality
28 shall annually submit a report to the Department
29 of Community and Economic Development detailing
30 the amount and purpose of each expenditure made

1 from the special fund during the prior fiscal
2 year.

3 (II) Any funds not distributed under
4 subclause (I) shall be deposited into a
5 restricted receipts account established in the
6 Department of Community and Economic Development
7 to be used exclusively for grants to the county,
8 to economic development authorities or
9 redevelopment authorities within the county for
10 grants for economic development projects,
11 infrastructure projects, job training, community
12 improvement projects, other projects in the
13 public interest, and necessary and reasonable
14 administrative costs. Notwithstanding the
15 provisions of the act of February 9, 1999 (P.L.1,
16 No.1), known as the Capital Facilities Debt
17 Enabling Act, grants made under this clause may
18 be utilized as local matching funds for other
19 grants or loans from the Commonwealth.

20 (F) Counties of the fifth through eighth
21 classes:

22 (I) Except as set forth in subclause (II),
23 2% of the gross terminal revenue from each such
24 licensed facility shall be deposited into a
25 restricted account established in the Department
26 of Community and Economic Development to be used
27 exclusively for grants to the county.

28 (II) If the licensed facility is located in
29 a second class township in a county of the fifth
30 class, 2% of the gross terminal revenue from the

licensed facility shall be distributed as
follows:

(a) 1% shall be deposited into a
restricted receipts account to be established
in the Commonwealth Financing Authority to be
used exclusively for grants for projects in
the public interest to municipalities within
the county where the licensed facility is
located.

(b) 1% shall be distributed to the county
for projects in the public interest in the
county.

* * *

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

* * *

(F) Counties of the fifth class: 2% of the
gross terminal revenue from each such licensed
facility shall be deposited and distributed as
follows:

(I) One percent to be distributed as
follows:

(a) Beginning in 2010, the sum of
\$2,400,000 annually for a period of 20 years
to the county for purposes of funding debt
service related to the construction of a
community college campus located within the
county.

(b) Any funds not distributed under

1 subclause (a) shall be deposited into a
2 restricted receipts account to be established
3 in the [Department of Community and Economic
4 Development] Commonwealth Financing Authority
5 to be used exclusively for grants within the
6 county for economic development projects,
7 road projects located within a 20-mile radius
8 of the licensed facility and located within
9 the county, community improvement projects
10 and other projects in the public interest
11 within the county. The amount under this
12 subclause includes reasonable administrative
13 costs.

14 (II) One percent shall be deposited into a
15 restricted receipts account to be established in
16 the [Department of Community and Economic
17 Development] Commonwealth Financing Authority to
18 be used exclusively for grants within contiguous
19 counties for economic development projects,
20 community improvement projects and other projects
21 in the public interest within contiguous
22 counties. The amount under this subclause
23 includes reasonable administrative costs. A
24 contiguous county that hosts a Category 1
25 licensed facility shall be ineligible to receive
26 grants under this subclause.

27 (II.1) Priority shall be given to multiyear
28 projects approved or awarded by the Department of
29 Community and Economic Development under
30 subclause (I) (b) or (II) on or before the

1 effective date of this subclause.

2 (III) Fifty percent of any revenue required
3 to be transferred under paragraph (3)(v) shall be
4 deposited into the restricted receipts account
5 established under subclause (I)(b), and 50% shall
6 be deposited into the restricted [receipt]
7 receipts account established under subclause
8 (II). Notwithstanding the Capital Facilities Debt
9 Enabling Act, grants made under this clause may
10 be utilized as local matching funds for other
11 grants or loans from the Commonwealth.

12 * * *

13 (iv) [If] (A) Except as provided in clause (B) or
14 (C), if the facility is a Category 3 licensed
15 facility, 2% of the gross terminal revenue from [each
16 such] the licensed facility shall be deposited into a
17 restricted receipts account established in the
18 Department of Community and Economic Development to
19 be used exclusively for grants to the county, to
20 economic development authorities or redevelopment
21 authorities within the county for grants for economic
22 development projects [and], community improvement
23 projects and other projects in the public interest.

24 (B) If the facility is a Category 3 licensed
25 facility located in a county of the second class A,
26 2% of the gross terminal revenue from the licensed
27 facility shall be deposited into a restricted
28 receipts account to be established in the
29 Commonwealth Financing Authority to be used
30 exclusively for grants or guarantees for projects in

1 the host county that qualify under 64 Pa.C.S. §§ 1551
2 (relating to Business in Our Sites Program), 1556
3 (relating to Tax Increment Financing Guarantee
4 Program) and 1558 (relating to Water Supply and
5 Wastewater Infrastructure Program).

6 (C) If the facility is a Category 3 licensed
7 facility located in a county of the fifth class that
8 is contiguous to a county of the seventh class, 2% of
9 the gross terminal revenue from the licensed facility
10 shall be deposited into a restricted receipts account
11 to be established in the Commonwealth Financing
12 Authority to be used exclusively for grants within
13 the county for economic development projects,
14 infrastructure projects, community improvement
15 projects and other projects in the public interest
16 within the county and for infrastructure projects
17 within a 20-mile radius of the licensed facility in a
18 contiguous county of the seventh class.

19 * * *

20 (3) From the local share assessment established in
21 subsection (b), make quarterly distributions among the
22 municipalities, including home rule municipalities, hosting a
23 licensed facility in accordance with the following schedule:

24 * * *

25 (v) To a township of the second class hosting a
26 licensed facility[, other than a Category 3 licensed
27 facility,]

28 (A) 2% of the gross terminal revenue or
29 \$10,000,000 annually, whichever is greater, shall be
30 paid by each licensed gaming entity operating a

1 licensed facility [located in the township], other
2 than a Category 3 licensed facility or a licensed
3 facility owning land adjacent to the licensed
4 facility located in more than one township of the
5 second class, to the township of the second class
6 hosting the licensed facility, subject, however, to
7 the budgetary limitation in this subparagraph. The
8 amount allocated to the designated municipalities
9 shall not exceed 50% of their total budget for fiscal
10 year 2003-2004, adjusted for inflation in subsequent
11 years by an amount not to exceed an annual cost-of-
12 living adjustment calculated by applying the
13 percentage change in the Consumer Price Index
14 immediately prior to the date the adjustment is due
15 to take effect. Any remaining money shall be
16 collected by the department from each licensed gaming
17 entity and distributed in accordance with paragraph
18 (2) based upon the classification of county where the
19 licensed facility is located. [Where the licensed
20 facility is other than a Category 3 and is located in
21 more than one second class township, the] If revenues
22 generated by the 2% do not meet the \$10,000,000
23 minimum specified in this subparagraph, the
24 department shall collect the remainder of the minimum
25 amount of \$10,000,000 from each licensed gaming
26 entity operating a licensed facility in the township,
27 pay any balance due to the township and transfer any
28 remainder in accordance with paragraph (2).

29 (B) 2% of the gross terminal revenue or
30 \$10,000,000 annually, whichever is greater, less the

1 amount paid under clause (C), shall be paid by each
2 licensed gaming entity operating a licensed facility
3 and owning land adjacent to the licensed facility
4 located in more than one township of the second
5 class, other than a Category 3 licensed facility, to
6 the township of the second class hosting the licensed
7 facility, subject, however, to the budgetary
8 limitation in this subparagraph. The amount allocated
9 to the designated municipalities may not exceed 50%
10 of their total budget for the fiscal year 2003-2004,
11 adjusted for inflation in subsequent years by an
12 amount not to exceed an annual cost-of-living
13 adjustment calculated by applying the percentage
14 change in the Consumer Price Index immediately prior
15 to the date the adjustment is due to take effect. Any
16 remaining money shall be collected by the department
17 from each licensed gaming entity and distributed in
18 accordance with paragraph (2) based upon the
19 classification of the county where the licensed
20 facility is located. The county commissioners of
21 [the] a county of the third class in which the
22 licensed facility is located shall appoint an
23 advisory committee for the purpose of advising the
24 county as to the need for municipal grants for
25 health, safety, transportation and other projects in
26 the public interest to be comprised of two
27 individuals from the host municipality, two from
28 contiguous municipalities within the county of the
29 third class and one from the host county. [A county
30 other than a county of the third class in which the

1 licensed facility is located is not required to
2 appoint an advisory committee and may use funds
3 received under this subparagraph for purposes other
4 than municipal grants.] In the event that the
5 revenues generated by the 2% do not meet the
6 \$10,000,000 minimum specified in this subparagraph,
7 the department shall collect the remainder of the
8 minimum amount of \$10,000,000 from each licensed
9 gaming entity operating a licensed facility in the
10 township, pay any balance due to the township and
11 transfer any remainder in accordance with paragraph
12 (2).

13 (C) \$160,000 annually shall be paid by each
14 licensed gaming entity operating a licensed facility
15 and owning land adjacent to the licensed facility
16 located in more than one township of the second
17 class, other than a Category 3 licensed facility, to
18 the township of the second class that is located in a
19 county of the fifth class in which the adjacent land
20 is located, including racetracks, grazing fields or
21 any other adjoining real property.

22 * * *

23 (viii) [To] (A) Except as provided in clause (B) or
24 (C), to a municipality of any class hosting a
25 Category 3 facility, 2% of the gross terminal revenue
26 from the Category 3 licensed facility located in the
27 municipality, subject, however, to the budgetary
28 limitation in this [subparagraph] clause. The amount
29 allocated to the designated municipalities shall not
30 exceed 50% of their total budget for fiscal year

1 [2003-2004] 2009, adjusted for inflation in
2 subsequent years by an amount not to exceed an annual
3 cost-of-living adjustment calculated by applying the
4 percentage change in the Consumer Price Index
5 immediately prior to the date the adjustment is due
6 to take effect. Any remaining money shall be
7 collected by the department from each licensed gaming
8 entity and distributed in accordance with paragraph
9 (2) based upon the classification of county where the
10 licensed facility is located.

11 (B) If the municipality hosting a Category 3
12 licensed facility is a borough located in a county of
13 the third class and the borough is contiguous to a
14 city of the third class, 1% of gross terminal revenue
15 shall be distributed to the host borough and 1% of
16 gross terminal revenue shall be distributed to the
17 city of the third class that is contiguous to the
18 host borough, subject, however, to the budgetary
19 limitation in this clause. The amount allocated to
20 each designated municipality shall not exceed 50% of
21 its total budget for fiscal year 2009, adjusted for
22 inflation in subsequent years by an amount not to
23 exceed an annual cost-of-living adjustment calculated
24 by applying the percentage increase, if any, in the
25 Consumer Price Index immediately prior to the date
26 the adjustment is due to take effect. Any remaining
27 money shall be collected by the department from each
28 licensed gaming entity and distributed in accordance
29 with paragraph (2) based upon the classification of
30 county where the licensed facility is located.

1 (C) If the municipality hosting a Category 3
2 licensed facility is a township of the second class
3 in a county of the fifth class which is contiguous to
4 a county of the seventh class, 2% of the gross
5 terminal revenue from the Category 3 licensed
6 facility located in the municipality shall be
7 distributed to the municipality, subject, however, to
8 the budgetary limitation in this clause. The amount
9 allocated to the designated municipalities shall not
10 exceed the lesser of \$1,000,000 or 50% of their total
11 budget for fiscal year 2009, adjusted for inflation
12 in subsequent years by an amount not to exceed an
13 annual cost-of-living adjustment calculated by
14 applying the percentage change in the consumer Price
15 Index immediately prior to the date the adjustment is
16 due to take effect. Any remaining money shall be
17 collected by the department from each licensed gaming
18 entity and distributed in equal amounts to each
19 municipality contiguous to the host municipality.
20 However, the amount to be allocated to any
21 contiguous municipality shall not exceed the lesser
22 of \$1,000,000 or 50% of the municipality's total
23 budget for fiscal year 2009, adjusted for inflation
24 in subsequent years by an amount not to exceed an
25 annual cost-of-living adjustment calculated by
26 applying the percentage change in the Consumer Price
27 Index immediately prior to the date the adjustment is
28 due to take effect. Any money remaining following
29 distribution to contiguous municipalities shall be
30 collected by the department and distributed in

1 accordance with paragraph (2) based upon the
2 classification of county where the licensed facility
3 is located.

4 * * *

5 (e) Reporting.--

6 (1) In cooperation with the department and the
7 Commonwealth Financing Authority, the Department of Community
8 and Economic Development shall submit an annual report on all
9 distributions of local share assessments to counties and
10 municipalities under this section to the chairman and
11 minority chairman of the Appropriations Committee of the
12 Senate, the chairman and minority chairman of the Community,
13 Economic and Recreational Development Committee of the
14 Senate, the chairman and minority chairman of the
15 Appropriations Committee of the House of Representatives and
16 the chairman and minority chairman of the Gaming Oversight
17 Committee of the House of Representatives. The report shall
18 be submitted by August 31, 2010, and by August 31 of each
19 year thereafter.

20 (2) All counties and municipalities receiving
21 distributions of local share assessments under this section
22 shall submit information to the Department of Community and
23 Economic Development on a form prepared by the Department of
24 Community and Economic Development that sets forth the amount
25 and use of the funds received in the prior calendar year. The
26 form shall set forth whether the funds received were
27 deposited in the county's or municipality's General Fund or
28 committed to a specific project or use.

29 (f) Prohibited activities.--

30 (1) A person or its affiliated entity or a political

1 subdivision shall not compensate or incur an obligation to
2 compensate a person to engage in lobbying for compensation
3 contingent in whole or in part upon the approval, award,
4 receipt or denial of funds under this section. A person or
5 its affiliated entity shall not engage in or agree to engage
6 in lobbying for compensation contingent in whole or in part
7 upon the approval, award, receipt or denial of funds under
8 this section. This subsection shall not apply to a county or
9 municipality that compensates a person to prepare a grant
10 application for funds under this section if the following
11 requirements are met:

12 (i) The person is not identified in the application.

13 (ii) The person has no direct contact with the
14 agency, county or municipality providing the funding.

15 (iii) The person is paid a fixed fee or percentage
16 of the amount of any funds approved, awarded or received
17 up to .5%.

18 (2) A violation of this section shall be considered an
19 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to
20 penalties).

21 Section 11.4. Section 1406(a) of Title 4 is amended to read:

22 § 1406. Distributions from Pennsylvania Race Horse Development
23 Fund.

24 (a) Distributions.--Funds [from] in the Pennsylvania Race
25 Horse Development Fund are hereby appropriated to the department
26 on a continuing basis for the purposes set forth in this
27 subsection and shall be distributed to each active and operating
28 Category 1 licensee conducting live racing [in the following
29 manner] as follows:

30 (1) An amount equal to 18% of the daily gross terminal

1 revenue of each Category 1 licensee shall be distributed to
2 each active and operating Category 1 licensee conducting live
3 racing unless the daily assessments are affected by the daily
4 assessment cap provided for in section 1405(c) (relating to
5 Pennsylvania Race Horse Development Fund). In cases in which
6 the daily assessment cap affects daily assessments, the
7 distribution to each active and operating Category 1 licensee
8 conducting live racing for that day shall be a percentage of
9 the total daily assessments paid into the Pennsylvania Race
10 Horse Development Fund for that day equal to the gross
11 terminal revenue of each active and operating Category 1
12 licensee conducting live racing for that day divided by the
13 total gross terminal revenue of all active and operating
14 Category 1 licensees conducting live racing for that day.

15 [The] Except as provided in paragraphs (2) and (2.1), the
16 distributions to licensed racing entities from the
17 Pennsylvania Race Horse Development Fund shall be allocated
18 as follows:

19 (i) Eighty percent shall be deposited weekly into a
20 separate, interest-bearing purse account to be
21 established by and for the benefit of the horsemen. The
22 earned interest on the account shall be credited to the
23 purse account. Licensees shall combine these funds with
24 revenues from existing purse agreements to fund purses
25 for live races consistent with those agreements with the
26 advice and consent of the horsemen.

27 (ii) For thoroughbred tracks, 16% shall be deposited
28 on a monthly basis into the Pennsylvania Breeding Fund as
29 defined in section 223 of the Race Horse Industry Reform
30 Act. For standardbred tracks, 8% shall be deposited on a

1 monthly basis in the Pennsylvania Sire Stakes Fund as
2 defined in section 224 of the Race Horse Industry Reform
3 Act, and 8% shall be deposited on a monthly basis into a
4 restricted account in the State Racing Fund to be known
5 as the Pennsylvania Standardbred Breeders Development
6 Fund. The State Harness Racing Commission shall, in
7 consultation with the Secretary of Agriculture by rule or
8 by regulation, adopt a standardbred breeders program that
9 will include the administration of Pennsylvania Stallion
10 Award, Pennsylvania Bred Award and a Pennsylvania Sired
11 and Bred Award.

12 (iii) Four percent shall be used to fund health and
13 pension benefits for the members of the horsemen's
14 organizations representing the owners and trainers at the
15 racetrack at which the licensed racing entity operates
16 for the benefit of the organization's members, their
17 families, employees and others in accordance with the
18 rules and eligibility requirements of the organization,
19 as approved by the State Horse Racing Commission or the
20 State Harness Racing Commission. This amount shall be
21 deposited within five business days of the end of each
22 month into a separate account to be established by each
23 respective horsemen's organization at a banking
24 institution of its choice. Of this amount, \$250,000 shall
25 be paid annually by the horsemen's organization to the
26 thoroughbred jockeys or standardbred drivers organization
27 at the racetrack at which the licensed racing entity
28 operates for health insurance, life insurance or other
29 benefits to active and disabled thoroughbred jockeys or
30 standardbred drivers in accordance with the rules and

1 eligibility requirements of that organization.

2 (2) [(Reserved).] Beginning January 1, 2010, and for the
3 remainder of fiscal year 2009-2010, distributions from the
4 Pennsylvania Race Horse Development Fund shall be allocated
5 as follows:

6 (i) Each week, 34% of the money in the Pennsylvania
7 Race Horse Development Fund shall be transferred to the
8 General Fund.

9 (ii) Each week, 66% of the money in the Pennsylvania
10 Race Horse Development Fund shall be distributed to each
11 active and operating Category 1 licensee conducting live
12 racing in accordance with the following formula:

13 (A) Divide:

14 (I) the total daily assessments paid by each
15 active and operating Category 1 licensee
16 conducting live racing into the Pennsylvania Race
17 Horse Development Fund for that week; by

18 (II) the total daily assessments paid by all
19 active and operating Category 1 licensees
20 conducting live racing into the Pennsylvania Race
21 Horse Development Fund for that week.

22 (B) Multiply the quotient under clause (A) by
23 the amount to be distributed under this subparagraph.

24 (iii) The distribution under subparagraph (ii) shall
25 be allocated as follows:

26 (A) The greater of 4% of the amount to be
27 distributed under subparagraph (ii) or \$275,000 shall
28 be used to fund health and pension benefits for the
29 members of the horsemen's organizations representing
30 the owners and trainers at the racetrack at which the

1 licensed racing entity operates for the benefit of
2 the organization's members, their families, employees
3 and others in accordance with the rules and
4 eligibility requirements of the organization, as
5 approved by the State Horse Racing Commission or the
6 State Harness Racing Commission. This amount shall be
7 deposited within five business days of the end of
8 each week into a separate account to be established
9 by each respective horsemen's organization at a
10 banking institution of its choice. Of this amount, a
11 minimum of \$250,000 shall be paid annually by the
12 horsemen's organization to the thoroughbred jockeys
13 or standardbred drivers organization at the racetrack
14 at which the licensed racing entity operates for
15 health insurance, life insurance or other benefits to
16 active and disabled thoroughbred jockeys or
17 standardbred drivers in accordance with the rules and
18 eligibility requirements of that organization. The
19 total distributions for health and pension benefits
20 for fiscal year 2009-2010 shall not exceed
21 \$11,400,000.

22 (B) Of the money remaining to be distributed
23 under subparagraph (ii) after application of clause
24 (A), the following disbursements shall be made:

25 (I) Eighty-three and one-third percent of
26 the money to be distributed under this clause
27 shall be deposited on a weekly basis into a
28 separate, interest-bearing purse account to be
29 established by and for the benefit of the
30 horsemen. The earned interest on the account

1 shall be credited to the purse account. Licensees
2 shall combine these funds with revenues from
3 existing purse agreements to fund purses for live
4 races consistent with those agreements with the
5 advice and consent of the horsemen.

6 (II) For thoroughbred tracks, 16 and 2/3% of
7 the money to be distributed under this clause
8 shall be deposited on a weekly basis into the
9 Pennsylvania Breeding Fund established in section
10 223 of the act of December 17, 1981 (P.L.435,
11 No.135), known as the Race Horse Industry Reform
12 Act. For standardbred tracks, 8 and 1/3% of the
13 money to be distributed under this clause shall
14 be deposited on a weekly basis into the
15 Pennsylvania Sire Stakes Fund as defined in
16 section 224 of the Race Horse Industry Reform
17 Act; and 8 and 1/3% of the money to be
18 distributed under this clause shall be deposited
19 on a weekly basis into a restricted account in
20 the State Racing Fund to be known as the
21 Pennsylvania Standardbred Breeders Development
22 Fund. The State Harness Racing Commission shall,
23 in consultation with the Secretary of
24 Agriculture, promulgate regulations adopting a
25 standardbred breeders program that will include
26 the administration of the Pennsylvania Stallion
27 Award, the Pennsylvania Bred Award and the
28 Pennsylvania Sired and Bred Award.

29 (2.1) For fiscal years 2010-2011 through 2012-2013,
30 distributions from the Pennsylvania Race Horse Development

Fund shall be allocated as follows:

(i) Each week, 17% of the money in the Pennsylvania Race Horse Development Fund shall be transferred to the General Fund.

(ii) Each week, 83% of the money in the Pennsylvania Race Horse Development Fund shall be distributed to each active and operating Category 1 licensee conducting live racing in accordance with the following formula:

(A) Divide:

(I) the total daily assessments paid, by each active and operating Category 1 licensee conducting live racing, into the Pennsylvania Race Horse Development Fund for that week; by

(II) the total daily assessments paid, by all active and operating Category 1 licensees conducting live racing, into the Pennsylvania Race Horse Development Fund for that week.

(B) Multiply the quotient under clause (A) by the amount to be distributed under this subparagraph.

(iii) The distribution under subparagraph (ii) shall be allocated as follows:

(A) The greater of 4% of the amount to be distributed under subparagraph (ii) or \$220,000 shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as

1 approved by the State Horse Racing Commission or the
2 State Harness Racing Commission. This amount shall be
3 deposited within five business days of the end of
4 each week into a separate account to be established
5 by each respective horsemen's organization at a
6 banking institution of its choice. Of this amount, a
7 minimum of \$250,000 shall be paid annually by the
8 horsemen's organization to the thoroughbred jockeys
9 or standardbred drivers organization at the racetrack
10 at which the licensed racing entity operates for
11 health insurance, life insurance or other benefits to
12 active and disabled thoroughbred jockeys or
13 standardbred drivers in accordance with the rules and
14 eligibility requirements of that organization. The
15 total distribution under this clause in any fiscal
16 year shall not exceed \$11,400,000.

17 (B) Of the money remaining to be distributed
18 under subparagraph (ii) after application of clause
19 (A), the following disbursements shall be made:

20 (I) Eighty-three and one-third percent of
21 the money to be distributed under this clause
22 shall be deposited on a weekly basis into a
23 separate, interest-bearing purse account to be
24 established by and for the benefit of the
25 horsemen. The earned interest on the account
26 shall be credited to the purse account. Licensees
27 shall combine these funds with revenues from
28 existing purse agreements to fund purses for live
29 races consistent with those agreements with the
30 advice and consent of the horsemen.

1 (II) For thoroughbred tracks, 16 and 2/3% of
2 the money to be distributed under this clause
3 shall be deposited on a weekly basis into the
4 Pennsylvania Breeding Fund established in section
5 223 of the Race Horse Industry Reform Act. For
6 standardbred tracks, 8 and 1/3% of the money to
7 be distributed under this clause shall be
8 deposited on a weekly basis into the Pennsylvania
9 Sire Stakes Fund as defined in section 224 of the
10 Race Horse Industry Reform Act; and 8 and 1/3% of
11 the money to be distributed under this clause
12 shall be deposited on a weekly basis into a
13 restricted account in the State Racing Fund to be
14 known as the Pennsylvania Standardbred Breeders
15 Development Fund. The State Harness Racing
16 Commission shall, in consultation with the
17 Secretary of Agriculture, promulgate regulations
18 adopting a standardbred breeders program that
19 will include the administration of the
20 Pennsylvania Stallion Award, the Pennsylvania
21 Bred Award and the Pennsylvania Sired and Bred
22 Award.

23 * * *

24 Section 12. Section 1407(d) introductory paragraph and (7)
25 of Title 4 are amended and the section is amended by adding
26 subsections to read:

27 § 1407. Pennsylvania Gaming Economic Development and Tourism
28 Fund.

29 * * *

30 (d) Restrictions on projects for certain counties and

1 cities.--[For] Except as set forth in subsection (d.1), for a
2 ten-year period beginning with the first fiscal year during
3 which deposits are made into this fund, no moneys from the
4 Pennsylvania Gaming Economic Development and Tourism Fund shall
5 be distributed for any project located in a city or county of
6 the first or second class except as authorized by this
7 subsection. Moneys not used for the authorized projects in
8 cities and counties of the first and second classes may be used
9 throughout this Commonwealth. Moneys from the fund for projects
10 within cities and counties of the first and second classes may
11 only be used for the following projects during this ten-year
12 period:

13 * * *

14 [(7) for retirement of indebtedness and for financing of
15 a hotel or convention center in a city of the second class
16 established pursuant to the authority of the act of July 29,
17 1953 (P.L.1034, No.270), known as the Public Auditorium
18 Authorities Law;]

19 * * *

20 (d.1) Community and economic development.--

21 (1) Notwithstanding subsection (b) or any other
22 provision of law to the contrary, the money authorized but
23 not expended under former subsection (d)(7) as of the
24 effective date of this subsection shall be deposited into a
25 restricted receipts account to be established in the
26 Commonwealth Financing Authority exclusively for eligible
27 applications submitted by the redevelopment authority of a
28 county of the second class created pursuant to the act of May
29 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment
30 Law, for economic development, infrastructure development,

1 job training, community improvement, public safety or other
2 projects in the public interest located in a county of the
3 second class. Community development corporations, political
4 subdivisions, urban redevelopment authorities, municipal
5 authorities, for-profit entities and nonprofit entities
6 located in a county of the second class shall be eligible to
7 receive funds made available under this paragraph.

8 (2) Notwithstanding the Capital Facilities Debt Enabling
9 Act, funding under the paragraph (1) may be utilized as local
10 matching funds for grants or loans from the Commonwealth.

11 (e) Annual report.--The Office of the Budget, in cooperation
12 with the Department of Community and Economic Development and
13 the Commonwealth Financing Authority, shall submit an annual
14 report of all distribution of funds under this section to the
15 chairman and minority chairman of the Appropriations Committee
16 of the Senate, the chairman and minority chairman of the
17 Community, Economic and Recreational Development Committee of
18 the Senate, the chairman and minority chairman of the
19 Appropriations Committee of the House of Representatives and the
20 chairman and minority chairman of the Gaming Oversight Committee
21 of the House of Representatives. The report shall include
22 detailed information relating to transfers made from the
23 Pennsylvania Gaming Economic Development and Tourism Fund and
24 all reimbursements, distributions and payments made under
25 subsection (b) or the act of July 25, 2007 (P.L.342, No.53),
26 known as Pennsylvania Gaming Economic Development and Tourism
27 Fund Capital Budget Itemization Act of 2007. The report shall be
28 submitted by August 31, 2010, and by August 31 of each year
29 thereafter.

30 (f) Local report.--A city of the first class, city of the

second class, county of the second class, convention center or
convention center authority, sports and exhibition authority of
a county of the second class, urban redevelopment authority,
airport authority or other entity that receives money from the
fund pursuant to an Economic Development Capital Budget under
subsection (b) or the Pennsylvania Gaming Economic Development
and Tourism Fund Capital Budget Itemization Act of 2007 shall
submit an annual report to the Office of the Budget. The report
shall include detailed information, including records of
expenditures, payments and other distributions made from funds
received under subsection (b). The initial report shall include
information on all funds received prior to August 31, 2010. The
report shall be submitted by August 31, 2010, and by August 31
of each year thereafter until all funds under this section are
distributed or received. An entity that receives funds for the
first time after the effective date of this section shall submit
its initial report by August 31 of the year following receipt of
the funds.

(g) Distribution to international airport.--Notwithstanding
the provisions of section 7(d) of the act of July 25, 2007
(P.L.342, No.53), known as the Pennsylvania Gaming Economic
Development and Tourism Fund Capital Budget Itemization Act of
2007, following the distribution of \$42.5 million of funds
allocated to a county of the second class for debt service and
economic development projects for an international airport in
the county under section 3(2)(i)(E) of said act, all remaining
funds shall be distributed directly to an authority that
operates an international airport in the county.

Section 13. Section 1408(a), (c) and (e) of Title 4 are
amended and the section is amended by adding a subsection to

1 read:

2 § 1408. Transfers from State Gaming Fund.

3 (a) Transfer for compulsive and problem gambling
4 treatment.--Each year, the sum of [\$1,500,000] \$2,000,000 or an
5 amount equal to [.001] .002 multiplied by the total gross
6 terminal revenue of all active and operating licensed gaming
7 entities, whichever is greater, shall be transferred into the
8 Compulsive and Problem Gambling Treatment Fund established in
9 section 1509 (relating to compulsive and problem gambling
10 program).

11 (a.1) Transfer.--Beginning on the first business day of
12 January 2010 and annually thereafter, the sum of \$3,000,000
13 shall be transfered to the Department of Health to be used to
14 provide drug and alcohol addiction treatment services, including
15 treatment for drug and alcohol addiction related to compulsive
16 and problem gambling, as set forth in section 1509.1 (relating
17 to drug and alcohol treatment).

18 * * *

19 (c) Local law enforcement grants.--Annually, the sum of
20 [\$5,000,000] \$2,000,000 shall be transferred to the board for
21 the purpose of issuing grants to local law enforcement agencies
22 to [enforce and prevent the unlawful operation of slot machines]
23 investigate violations of and enforce laws relating to unlawful
24 gambling in this Commonwealth. For purposes of this subsection,
25 the term "local law enforcement agency" shall include the
26 Pennsylvania State Police when conducting unlawful gambling
27 enforcement and prevention activities in a municipality which
28 does not have a municipal police department and in which the
29 Pennsylvania State Police provide the municipality with primary
30 police coverage.

1 * * *

2 (e) Transfer to Property Tax Relief Fund.--Monthly, the
3 State Treasurer shall transfer the remaining balance in the
4 State Gaming Fund which is not allocated in subsections (a),
5 (a.1), (b), (c) and (d) to the Property Tax Relief Fund
6 established in section 1409 (relating to Property Tax Relief
7 Fund).

8 Section 13.1. Sections 1501(b) and (c), 1504 and 1505 of
9 Title 4 are amended to read:

10 § 1501. Responsibility and authority of department.

11 * * *

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

21 (c) Procedure.--For purposes of implementing this part, the
22 department may promulgate regulations in the same manner in
23 which the board is authorized as provided in section 1203
24 (relating to temporary regulations) and section 1303A (relating
25 to temporary table game regulations).

26 * * *

27 § 1504. Wagering on credit.

28 [Slot] Except as otherwise provided in this section, slot
29 machine licensees [may] shall not extend credit. Slot machine
30 licensees [may] shall not accept credit cards, charge cards or

1 debit cards from a patron or player for the exchange or purchase
2 of slot machine credits or for an advance of coins or currency
3 to be utilized by a player to play slot machine games or extend
4 credit in any manner to a player so as to enable the player to
5 play slot machines. Slot machine licensees who hold a table game
6 operation certificate may extend credit for slot machine gaming
7 in accordance with section 1326A (relating to cash equivalents).

8 § 1505. No eminent domain authority.

9 Neither the Commonwealth nor any political subdivision
10 thereof shall have the right to acquire, with or without
11 compensation, through the power of eminent domain any property,
12 easement or land use right for the siting or construction of a
13 licensed facility [for the operation of slot machines by a slot
14 machine licensee].

15 Section 13.2. Section 1509(a), (b), (c) and (d) of Title 4
16 are amended and the section is amended by adding subsections to
17 read:

18 § 1509. Compulsive and problem gambling program.

19 (a) Establishment of program.--The Department of Health, in
20 consultation with organizations similar to the Mid-Atlantic
21 Addiction Training Institute, shall develop program guidelines
22 for public education, awareness and training regarding
23 compulsive and problem gambling and the treatment and prevention
24 of compulsive and problem gambling. The guidelines shall include
25 strategies for the prevention of compulsive and problem
26 gambling. The Department of Health may consult with the board
27 and licensed gaming entities to develop such strategies. [The
28 program shall include:

29 (1) Maintenance of a compulsive gamblers assistance
30 organization's toll-free problem gambling telephone number to

1 provide crisis counseling and referral services to families
2 experiencing difficulty as a result of problem or compulsive
3 gambling.

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

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

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

13 (5) Providing grants to and contracting with
14 organizations which provide services as set forth in this
15 section.

16 (6) Providing reimbursement for organizations for
17 reasonable expenses in assisting the Department of Health in
18 carrying out the purposes of this section.]

19 (a.1) Duties of Department of Health.--From funds available
20 in the Compulsive and Problem Gambling Treatment Fund, the
21 Department of Health shall:

22 (1) Maintain a compulsive gamblers assistance
23 organization's toll-free problem gambling telephone number to
24 provide crisis counseling and referral services to
25 individuals and families experiencing difficulty as a result
26 of problem or compulsive gambling.

27 (2) Facilitate, through in-service training and other
28 means, the availability of effective assistance programs for
29 problem and compulsive gamblers and family members affected
30 by problem and compulsive gambling.

1 (3) At its discretion, conduct studies to identify
2 individuals in this Commonwealth who are or are at risk of
3 becoming problem or compulsive gamblers.

4 (4) Provide grants to and contract with single county
5 authorities and other organizations which provide services as
6 set forth in this section.

7 (5) Reimburse organizations for reasonable expenses
8 incurred assisting the Department of Health with implementing
9 this section.

10 (a.2) Duties of Department of Health and board.--Within 60
11 days following the effective date of this subsection, the
12 Department of Health's Bureau of Drug and Alcohol Programs and
13 the board's Office of Compulsive and Problem Gambling shall
14 jointly collaborate with other appropriate offices and agencies
15 of State or local government, including single county
16 authorities, and providers and other persons, public or private,
17 with expertise in compulsive and problem gambling treatment to
18 do the following:

19 (1) Implement a strategic plan for the prevention and
20 treatment of compulsive and problem gambling.

21 (2) Adopt compulsive and problem gambling treatment
22 standards to be integrated with the Bureau of Drug and
23 Alcohol Program's uniform Statewide guidelines that govern
24 the provision of addiction treatment services.

25 (3) Develop a method to coordinate compulsive and
26 problem gambling data collection and referral information to
27 crisis response hotlines, child welfare and domestic violence
28 programs and providers and other appropriate programs and
29 providers.

30 (4) Develop and disseminate educational materials to

1 provide public awareness related to the prevention,
2 recognition and treatment of compulsive and problem gambling.

3 (5) Develop demographic-specific compulsive and problem
4 gambling prevention, intervention and treatment programs.

5 (6) Prepare an itemized budget outlining how funds will
6 be allocated to fulfill the responsibilities under this
7 section.

8 (b) Compulsive and Problem Gambling Treatment Fund.--There
9 is hereby established in the State Treasury a special fund to be
10 known as the Compulsive and Problem Gambling Treatment Fund. All
11 moneys in the fund shall be [expended] administered by the
12 Department of Health and expended solely for programs for the
13 prevention and treatment of gambling addiction and other
14 emotional and behavioral problems associated with or related to
15 gambling addiction and for the administration of the compulsive
16 and problem gambling program[.]; provided that the Department of
17 Health shall annually distribute at least 50% of the money in
18 the fund to single county authorities under subsection (d). The
19 fund shall consist of money annually allocated to it from the
20 annual payment established under section [1408] 1408(a)
21 (relating to transfers from State Gaming Fund), money which may
22 be allocated by the board, interest earnings on moneys in the
23 fund and any other contributions, payments or deposits which may
24 be made to the fund.

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

26 (1) Each slot machine licensee shall obtain a toll-free
27 telephone number to be used to provide persons with
28 information on assistance for compulsive or problem gambling.
29 Each licensee shall conspicuously post at least 20 signs
30 similar to the following statement:

1 If you or someone you know has a gambling problem, help
2 is available. Call (Toll-free telephone number).

3 The signs must be posted within 50 feet of each entrance and
4 exit [and], within 50 feet of each automated teller machine
5 location within the licensed facility and in other
6 appropriate public areas of the licensed facility as
7 determined by the slot machine licensee.

8 (2) Each racetrack where slot machines or table games
9 are operated shall print a statement on daily racing programs
10 provided to the general public that is similar to the
11 following:

12 If you or someone you know has a gambling problem, help
13 is available. Call (Toll-free telephone number).

14 (3) A licensed facility which fails to post or print the
15 warning sign in accordance with paragraph (1) or (2) shall be
16 assessed a fine of \$1,000 a day for each day the [sign is]
17 minimum number of signs are not posted or the required
18 statement is not printed as provided in this subsection.

19 (d) Single county authorities.--The Department of Health
20 [may] shall make grants from the fund established under
21 subsection (b) to [a single county authority] single county
22 authorities created pursuant to the act of April 14, 1972
23 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol
24 Abuse Control Act, for the purpose of providing compulsive
25 gambling and gambling addiction prevention, treatment and
26 education programs. Treatment may include financial counseling,
27 irrespective of whether the financial counseling is provided by
28 the single county authority, the treatment service provider or
29 subcontracted to a third party. It is the intention of the
30 General Assembly that any grants [that] made by the Department

1 of Health [may make] to any single county authority in
2 accordance with the provisions of this subsection be used
3 exclusively for the development and implementation of compulsive
4 and problem gambling programs authorized under [subsection (a)]
5 this section.

6 (d.1) Eligibility.--Eligibility to receive treatment
7 services for treatment of compulsive and problem gambling under
8 this section shall be determined using financial eligibility and
9 other requirements of the single county authorities as approved
10 by the Department of Health.

11 (d.2) Report.--No later than October 1, 2010, and each
12 October 1 thereafter, the Department of Health, in consultation
13 with the board, shall prepare and submit a report on the impact
14 of the programs funded by the Compulsive and Problem Gambling
15 Treatment Fund to the Governor and to the members of the General
16 Assembly. The report shall include aggregate demographic-
17 specific data, including race, gender, geography and income of
18 those individuals treated.

19 * * *

20 Section 13.3. Title 4 is amended by adding a section to
21 read:

22 § 1509.1. Drug and alcohol treatment.

23 (a) Duties of Department of Health.--Annually, the
24 Department of Health shall allocate and transfer all funds
25 received by it under section 1408(a.1) (relating to transfers
26 from State Gaming Fund) to the single county authorities.

27 (b) Duties of single county authorities.--The funds
28 allocated and transferred to the single county authorities under
29 subsection (a) shall be used by the single county authorities
30 solely for drug and alcohol addiction assessments, including

drug and alcohol addiction assessment associated or related to compulsive and problem gambling, and for the related addiction treatment, in nonhospital residential detoxification facilities, nonhospital residential rehabilitation facilities and halfway houses licensed by the Department of Health to provide addiction treatment services.

(c) Eligibility.--Eligibility to receive treatment services for treatment of drug and alcohol addiction or drug and alcohol addiction associated with or related to compulsive and problem gambling shall be determined using financial eligibility and other requirements of the single county authorities as approved by the Department of Health.

(d) Report.--No later than October 1, 2010, and each October 1 thereafter, the Bureau of Drug and Alcohol Programs shall prepare and submit a report to the Governor and to the members of the General Assembly on the data and progress on activities initiated under this section.

Section 13.4. Sections 1510(a), 1511(b) and 1512(a.1), (a.5) and (b) of Title 4 are amended to read:

§ 1510. Labor hiring preferences.

(a) Category 1, 2, and 3 licensed facilities, generally.-- Each licensed gaming entity shall prepare a hiring plan for employees of its respective licensed facility which promotes a diverse work force, minority participation and personnel from within the surrounding geographical area. The hiring plan shall be approved by the board and shall be consistent with the goals outlined in sections 1212 (relating to diversity goals of board) and 1304A (relating to Commonwealth resident employment goals) and shall be updated annually.

* * *

§ 1511. Declaration of exemption from Federal laws prohibiting slot machines.

* * *

(b) Legal shipments.--All shipments of [slot machines] gambling devices, as defined in section 1 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1171), into this Commonwealth, the registering, recording and labeling of which has been effected by the manufacturer and supplier of those devices, in accordance with sections [5 and 7] 3 and 4 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. §§ [1175 and 1177] 1173 and 1174), shall be deemed legal shipments of [slot machines] gambling devices into this Commonwealth.

§ 1512. Financial and employment interests.

* * *

(a.1) Employment.--Except as may be provided by rule or order of the Pennsylvania Supreme Court and except as provided in section 1202.1 (relating to code of conduct) or 1512.1 (relating to additional restrictions), no executive-level public employee, public official or party officer, or an immediate family member thereof, shall be employed by an applicant or a slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or by any holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

* * *

(a.5) State Ethics Commission.--The State Ethics Commission

1 shall [publish] do all of the following:

2 (1) Issue a written determination of whether a person is
3 subject to subsections (a), (a.1) or (a.2) upon the written
4 request of the person or any other person that may have
5 liability for an action taken with respect to such person. A
6 person that relies in good faith on a determination made
7 under this paragraph shall not be subject to any penalty for
8 an action taken, provided that all material facts set forth
9 in the request for the determination are correct.

10 (2) Publish a list of all State, county, municipal and
11 other government positions that meet the definitions of
12 "public official" as defined under subsection (b) or
13 "executive-level public employee" [under subsection (b)]. The
14 Office of Administration shall assist the State Ethics
15 Commission in the development of the list, which shall be
16 published by the State Ethics Commission in the Pennsylvania
17 Bulletin biennially and posted by the board on the board's
18 Internet website. Upon request, each public official shall
19 have a duty to provide the State Ethics Commission with
20 adequate information to accurately develop and maintain the
21 list. The State Ethics Commission may impose a civil penalty
22 under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any
23 individual, including any public official or executive-level
24 public employee, who fails to cooperate with the State Ethics
25 Commission under this subsection. A person that relies in
26 good faith on the list published by the State Ethics
27 Commission shall not be subject to any penalty for a
28 violation of this section.

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

subsection:

["Executive-level public employee." The term shall include the following:

(1) Deputy Secretaries of the Commonwealth and the Governor's Office executive staff.

(2) An employee of the Executive Branch with discretionary power which may affect or influence the outcome of a State agency's action or decision and who is involved in the development of regulations or policies relating to a licensed entity or who is involved in other matters under this part. The term shall include an employee with law enforcement authority.

(3) An employee of a county or municipality with discretionary powers which may affect or influence the outcome of the county's or municipality's action or decision and who is involved in the development of law, regulation or policy relating to a licensed entity or who is involved in other matters under this part. The term shall include an employee with law enforcement authority.

(4) An employee of a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may affect or influence the outcome of the governmental body's action or decision and who is involved in the development of regulation or policy relating to a licensed entity or who is involved in other matters under this part. The term shall include an employee with law enforcement authority.]

"Financial interest." Owning or holding, or being deemed to hold, debt or equity securities or other ownership interest or

1 profits interest. A financial interest shall not include any
2 debt or equity security, or other ownership interest or profits
3 interest, which is held or deemed to be held in any of the
4 following:

5 (1) A blind trust over which the executive-level public
6 employee, public official, party officer or immediate family
7 member thereof may not exercise any managerial control or
8 receive income during the tenure of office and the period
9 under subsection (a). The provisions of this paragraph shall
10 apply only to blind trusts established prior to the effective
11 date of this paragraph.

12 (2) Securities that are held in a pension plan, profit-
13 sharing plan, individual retirement account, tax-sheltered
14 annuity, a plan established pursuant to section 457 of the
15 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
16 1 et seq.) or any successor provision deferred compensation
17 plan whether qualified or not qualified under the Internal
18 Revenue Code of 1986 or any successor provision or other
19 retirement plan that:

20 (i) is not self-directed by the individual; and

21 (ii) is advised by an independent investment adviser
22 who has sole authority to make investment decisions with
23 respect to contributions made by the individual to these
24 plans.

25 (3) A tuition account plan organized and operated
26 pursuant to section 529 of the Internal Revenue Code of 1986
27 (Public Law 99-514, 26 U.S.C. § 529) that is not self-
28 directed by the individual.

29 (4) A mutual fund where the interest owned by the mutual
30 fund in a licensed entity does not constitute a controlling

1 interest as defined in this part.

2 "Immediate family." A spouse, minor child or unemancipated
3 child.

4 ["Law enforcement authority." The power to conduct
5 investigations of or to make arrests for criminal offenses.]

6 "Party officer." A member of a national committee; a
7 chairman, vice chairman, secretary, treasurer or counsel of a
8 State committee or member of the executive committee of a State
9 committee; a county chairman, vice chairman, counsel, secretary
10 or treasurer of a county committee in which a licensed facility
11 is located; or a city chairman, vice chairman, counsel,
12 secretary or treasurer of a city committee of a city in which a
13 licensed facility is located.

14 "Public official." The term shall include the following:

15 (1) The Governor, Lieutenant Governor, a member of the
16 Governor's cabinet, Treasurer, Auditor General and Attorney
17 General of the Commonwealth.

18 (2) A member of the Senate or House of Representatives
19 of the Commonwealth.

20 (3) An individual elected or appointed to any office of
21 a county or municipality that directly receives a
22 distribution of revenue under this part.

23 (4) An individual elected or appointed to a department,
24 agency, board, commission, authority or other governmental
25 body not included in paragraph (1), (2) or (3) that directly
26 receives a distribution of revenue under this part.

27 (5) An individual elected or appointed to a department,
28 agency, board, commission, authority, county, municipality or
29 other governmental body not included in paragraph (1), (2) or
30 (3) with discretionary power which may influence or affect

1 the outcome of an action or decision and who is involved in
2 the development of regulation or policy relating to a
3 licensed entity or who is involved in other matters under
4 this part.

5 The term does not include a member of a school board or an
6 individual who held an uncompensated office with a governmental
7 body prior to January 1, 2006, and who no longer holds the
8 office as of January 1, 2006. The term includes a member of an
9 advisory board or commission which makes recommendations
10 relating to a licensed facility.

11 Section 14. Title 4 is amended by adding a section to read:
12 § 1512.1. Additional restrictions.

13 (a) Restrictions.--No individual trooper or employee of the
14 Pennsylvania State Police or employee of the Office of Attorney
15 General or the department whose duties substantially involve
16 licensing or enforcement, the development of laws, or the
17 development or adoption of regulations or policy related to
18 gaming under this part or who has other discretionary authority
19 which may affect or influence the outcome of an action,
20 proceeding or decision under this part shall do any of the
21 following:

22 (1) Accept employment with or be retained by an
23 applicant or licensed entity, or an affiliate, intermediary,
24 subsidiary or holding company of an applicant or licensed
25 entity, for a period of two years after the termination of
26 employment.

27 (2) Appear before the board in any hearing or proceeding
28 or participate in any other activity on behalf of any
29 applicant, licensee, permittee or licensed entity, or an
30 affiliate, intermediary, subsidiary or holding company of an

1 applicant, licensee or licensed entity, for a period of two
2 years after termination of employment. Nothing in this
3 paragraph shall prevent a current or former trooper or
4 employee of the Pennsylvania State Police, the Office of
5 Attorney General or the department from appearing before the
6 board in any proceeding or hearing as a witness or testifying
7 as to any fact or information.

8 (3) As a condition of employment, a potential employee
9 who would be subject to this subsection shall sign an
10 affidavit that the individual will not accept employment with
11 or be retained by any applicant or licensed entity, or an
12 affiliate, intermediary, subsidiary or holding company of an
13 applicant or licensed entity, for a period of two years after
14 the termination of employment.

15 (b) Employment or retention.--An applicant or licensed
16 entity or an affiliate, intermediary, subsidiary or holding
17 company of an applicant or licensed entity shall not employ or
18 retain an individual subject to subsection (a) until the
19 expiration of the period required in subsection (a)(1). An
20 applicant or licensed entity, or an affiliate, intermediary,
21 subsidiary or holding company of an applicant or licensed
22 entity, that knowingly employs or retains an individual in
23 violation of this subsection shall terminate the employment of
24 the individual and be subject to a penalty under section 1518(c)
25 (relating to prohibited acts; penalties).

26 (c) Violation.--If an individual subject to subsection (a)
27 refuses or otherwise fails to sign an affidavit, the
28 individual's potential employer shall rescind the offer of
29 employment.

30 (d) Code of conduct.--The Pennsylvania State Police, Office

of Attorney General and department each shall adopt a
comprehensive code of conduct which shall supplement all other
requirements under this part and 65 Pa.C.S. Pt. II (relating to
accountability), as applicable, and shall provide guidelines
applicable to troopers, employees, independent contractors of
the agency whose duties substantially involve licensing or
enforcement, the development of laws, or the development or
adoption of regulations or policy related to gaming under this
part or who has other discretionary authority which may affect
the outcome of an action, proceeding or decision under this
part, and the immediate families of these individuals to enable
them to avoid any perceived or actual conflict of interest and
to promote public confidence in the integrity and impartiality
of gaming enforcement and regulation. At a minimum, the code of
conduct adopted under this section shall apply the types of
restrictions applicable to members under section 1202.1(c),
except that the restrictions under section 1202.1(c)(5) shall
not apply to an elected Attorney General.

(e) State Ethics Commission.--The State Ethics Commission
shall do all of the following:

(1) Issue a written determination of whether an
individual is subject to subsection (a) upon the written
request of the individual or the individual's employer or
potential employer. A person that relies in good faith on a
determination made under this paragraph shall not be subject
to any penalty for an action taken, provided that all
material facts set forth in the request for the determination
are correct.

(2) Publish a list of all positions within the
Pennsylvania State Police, the Office of Attorney General and

1 the department whose duties would subject the individuals in
2 those positions to the provisions of subsection (a). Each
3 agency subject to this subsection shall assist the State
4 Ethics Commission in the development of the list, which shall
5 be published by the State Ethics Commission in the
6 Pennsylvania Bulletin biennially, shall be posted by the
7 board on the board's Internet website and shall be posted by
8 each agency on the agency's Internet website. Upon request by
9 the State Ethics Commission, members and employees of each
10 agency subject to this subsection shall have a duty to
11 provide the State Ethics Commission with adequate information
12 to accurately develop and maintain the list. The State Ethics
13 Commission may impose a civil penalty under 65 Pa.C.S. §
14 1109(f) (relating to penalties) upon any individual who fails
15 to cooperate with the State Ethics Commission under this
16 subsection. A person who relies in good faith on the list
17 published by the State Ethics Commission shall not be subject
18 to any penalty for a violation of subsection (a).

19 Section 14.1. Sections 1513(c) and 1514 heading, (b), (f),
20 (g) and (h) of Title 4 are amended to read:

21 § 1513. Political influence.

22 * * *

23 (c) Penalties.--

24 (1) The first violation of this section by a licensed
25 gaming entity or any person that holds a controlling interest
26 in such gaming entity, or a subsidiary company thereof, [and]
27 or any officer, director or management-level employee of such
28 licensee shall be punishable by a fine [of] equal to an
29 amount not less than [an] the average single day's gross
30 terminal revenue and gross table game revenue of the licensed

1 gaming entity [derived from the operation of slot machines in
2 this Commonwealth]; a second violation of this section,
3 within five years of the first violation, shall be punishable
4 by at least a one-day suspension of the license held by the
5 licensed gaming entity and a fine equal to an amount not less
6 than [an] two times the average [two days'] single day's
7 gross terminal revenue and gross table game revenue of the
8 licensed gaming entity; a third violation of this section
9 within five years of the second violation shall be punishable
10 by the immediate revocation of the license held by the
11 licensed gaming entity. Following revocation, the board shall
12 consider appointing a trustee in accordance with section 1332
13 (relating to appointment of trustee).

14 (2) The first violation of this section by a
15 manufacturer or supplier licensed pursuant to this part or by
16 any person that holds a controlling interest in such
17 manufacturer or supplier, or a subsidiary company thereof,
18 [and] or any officer, director or management-level employee
19 of such a licensee shall be punishable by a fine [of] equal
20 to an amount not less than [one] a single day's average of
21 the gross profit from sales made by the manufacturer or
22 supplier in Pennsylvania during the preceding 12-month period
23 or portion thereof in the event the manufacturer or supplier
24 has not operated in Pennsylvania for 12 months; a [second]
25 subsequent violation of this section within five years of
26 [the first] a prior violation shall be punishable by a one-
27 month suspension of the license held by the manufacturer or
28 supplier and a fine [of] equal to an amount not less than two
29 times [one] a single day's average of the gross profit from
30 sales made by the manufacturer or supplier in Pennsylvania

1 during the preceding 12-month period or portion thereof in
2 the event the manufacturer or supplier has not operated in
3 Pennsylvania for 12 months.

4 (3) In no event shall the fine imposed under this
5 section be [in] an amount less than [\$50,000] \$100,000 for
6 each violation. In addition to any fine or sanction that may
7 be imposed by the board under this subsection, any [person]
8 individual who makes a contribution in violation of this
9 section commits a misdemeanor of the third degree.

10 * * *

11 § 1514. Regulation requiring exclusion or ejection of certain
12 persons.

13 * * *

14 (b) Categories to be defined.--The board shall promulgate
15 definitions establishing those categories of persons who shall
16 be excluded or ejected pursuant to this section, including
17 cheats and persons whose privileges for licensure, _____
18 certification, permit or registration have been revoked.

19 * * *

20 (f) Notice.--Whenever the [board places] bureau seeks to
21 place the name of any person on a list pursuant to this section,
22 the [board] bureau shall serve notice of this fact to such
23 person by personal service or certified mail at the last known
24 address of the person. The notice shall inform the person of the
25 right to request a hearing under subsection (g).

26 (g) Hearing.--Within 30 days after receipt of notice in
27 accordance with subsection (f), the person named for exclusion
28 or ejection may demand a hearing before the board, at which
29 hearing the [board] bureau shall have the affirmative obligation
30 to demonstrate that the person named for exclusion or ejection

1 satisfies the criteria for exclusion or ejection established by
2 this section and the board's regulations. Failure of the person
3 to demand a hearing within 30 days after service shall be deemed
4 an admission of all matters and facts alleged in the [board's]
5 bureau's notice and shall preclude [a] the person from having an
6 administrative hearing, but shall in no way affect the right to
7 judicial review as provided in this section.

8 (h) Review.--If, upon completion of a hearing on the notice
9 of exclusion or ejection, the board determines that placement of
10 the name of the person on the exclusion or ejection list is
11 appropriate, the board shall make and enter an order to that
12 effect, which order shall be served on all [slot machine
13 licensees] licensed gaming entities. The order shall be subject
14 to review by the Commonwealth Court in accordance with the rules
15 of court.

16 Section 14.2. Title 4 is amended by adding a section to
17 read:

18 § 1516.1. Prosecutorial and adjudicatory functions.

19 The board shall promulgate regulations and adopt procedures
20 necessary to ensure that the bureau is a distinct entity and to
21 prevent commingling of the investigatory and prosecutorial
22 functions of the bureau under section 1517 (relating to
23 investigations and enforcement) and the adjudicatory functions
24 of the board. Regulations and procedures promulgated or adopted
25 under this section shall do all of the following:

26 (1) Provide that neither the executive director nor the
27 chief counsel of the board shall direct or limit the scope of
28 a background investigation conducted by the bureau.

29 (2) Incorporate section 1202.1(c.1) (relating to code of
30 conduct) and any other applicable provisions of section

1 1202.1.

2 Section 15. Section 1517(a.1)(2) and (6), (b)(1), (c)(12)
3 and (e)(1) of Title 4 are amended, subsection (a.2)(1) is
4 amended by adding a subparagraph and subsection (c) is amended
5 by adding paragraphs to read:

6 § 1517. Investigations and enforcement.

7 * * *

8 (a.1) Powers and duties of bureau.--The Bureau of
9 Investigations and Enforcement shall have the following powers
10 and duties:

11 * * *

12 (2) Investigate and review all applicants for a license,
13 permit or registration. The bureau shall be prohibited from
14 disclosing any portion of a background investigation report
15 to any member prior to the submission of the bureau's final
16 background investigation report relating to the applicant's
17 suitability for licensure to the board. The Office of
18 Enforcement Counsel, on behalf of the bureau, shall prepare
19 the final background investigation report for inclusion in a
20 final report relating to the applicant's suitability for
21 licensure.

22 * * *

23 (6) Conduct [audits] reviews of a licensed entity as
24 necessary to ensure compliance with this part. [An audit] A
25 review may include the review of accounting, administrative
26 and financial records, management control systems, procedures
27 and other records utilized by a licensed entity.

28 * * *

29 (a.2) Office of Enforcement Counsel.--

30 (1) There is established within the bureau an Office of

Enforcement Counsel which shall act as the prosecutor in all noncriminal enforcement actions initiated by the bureau under this part and shall have the following powers and duties:

* * *

(iv) Petition the board for the appointment of a trustee under section 1332 (relating to appointment of trustee).

* * *

(b) Powers and duties of department.--

(1) The department shall at all times have the power of access to [examination] examine and audit [of any] equipment and records relating to all aspects of the operation of slot machines or table games under this part.

* * *

(c) Powers and duties of the Pennsylvania State Police.--The Pennsylvania State Police shall have the following powers and duties:

* * *

(1.1) Promptly conduct a background investigation on an individual selected by the board to fill the position of executive director of the board, director of the bureau, chief counsel of the board or the director of the Office of Enforcement Counsel and submit the results to the board.

* * *

(12) Conduct audits or verification of information of slot machine or table game operations at such times, under such circumstances and to such extent as the bureau determines. This paragraph includes reviews of accounting, administrative and financial records and management control systems, procedures and records utilized by a slot machine

1 licensee.

2 * * *

3 (14) By March 1 of each year, the Commissioner of the
4 Pennsylvania State Police shall submit a report to the
5 Appropriations Committee of the Senate, the Community,
6 Economic and Recreational Development Committee of the
7 Senate, the Appropriations Committee of the House of
8 Representatives and the Gaming Oversight Committee of the
9 House of Representatives. The report shall summarize all law
10 enforcement activities at each licensed facility during the
11 previous calendar year and shall include all of the
12 following:

13 (i) The number of arrests made and citations issued
14 at each licensed facility and the name of the law
15 enforcement agency making the arrest or issuing the
16 citation.

17 (ii) A list of specific offenses charged for each
18 arrest made or citation issued.

19 (iii) The number of criminal prosecutions resulting
20 from arrests made or citations issued.

21 (iv) The number of convictions resulting from
22 prosecutions reported under subparagraph (iii).

23 (v) The number of Pennsylvania State Police troopers
24 assigned to each licensed facility and to the gaming unit
25 at the Pennsylvania State Police headquarters.

26 (vi) The number and the subject matter of complaints
27 made against Pennsylvania State Police troopers in
28 licensed facilities and the type of disciplinary actions
29 taken by the Pennsylvania State Police, if any, against
30 the Pennsylvania State Police troopers.

1 (vii) The closest local police station, Pennsylvania
2 State Police station and regional Pennsylvania State
3 Police headquarters to each licensed facility.

4 * * *

5 (e) Inspection, seizure and warrants.--

6 (1) The bureau, the department and the Pennsylvania
7 State Police shall have the authority without notice and
8 without warrant to do all of the following in the performance
9 of their duties:

10 (i) Inspect and examine all premises where slot
11 machine or table game operations are conducted, [gaming
12 devices or] slot machines, table game devices and
13 associated equipment are manufactured, sold, distributed
14 or serviced or where records of these activities are
15 prepared or maintained.

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

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

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

24 (v) Seize, impound or assume physical control of any
25 book, record, ledger, game, device, cash box and its
26 contents, [counting] count room or its equipment or slot
27 machine or table game operations.

28 * * *

29 Section 16. Section 1517.2 of Title 4 is amended to read:

30 § 1517.2. Conduct of [public officials and] board employees.

1 (a) [Ex parte discussion prohibited.--An attorney
2 representing the bureau or the Office of Enforcement Counsel, or
3 an employee of the bureau or office involved in the hearing
4 process, shall not discuss the case ex parte with a hearing
5 officer, chief counsel or member] (Reserved).

6 (b) [Other prohibitions.--A hearing officer, the chief
7 counsel or a member shall not discuss or exercise any
8 supervisory responsibility over any employee with respect to an
9 enforcement hearing with which the employee is involved]
10 (Reserved).

11 (c) Disqualification.--If it becomes necessary for the chief
12 counsel or a member to become involved on behalf of the board in
13 any enforcement proceeding, the chief counsel or the member
14 shall be prohibited from participating in the adjudication of
15 that matter and shall designate appropriate individuals to
16 exercise adjudicatory functions.

17 Section 16.1. Section 1518(a)(2), (3), (4), (5), (7), (8),
18 (11) and (13), (b)(1) and (2) and (c)(1)(v) and (3) of Title 4
19 are amended, subsections (a) and (b) are amended by adding
20 paragraphs and the section is amended by adding subsections to
21 read:

22 § 1518. Prohibited acts; penalties.

23 (a) Criminal offenses.--

24 * * *

25 (2) It shall be unlawful for a person to willfully:

26 (i) fail to report, pay or truthfully account for
27 and pay over any license fee, authorization fee, tax or
28 assessment imposed under this part; or

29 (ii) attempt in any manner to evade or defeat any
30 license fee, authorization fee, tax or assessment imposed

1 under this part.

2 (3) It shall be unlawful for any licensed entity, gaming
3 employee, key employee or any other person to permit a slot
4 machine, table game or table game device to be operated,
5 transported, repaired or opened on the premises of a licensed
6 facility by a person other than a person licensed or
7 permitted by the board pursuant to this part.

8 (4) It shall be unlawful for any licensed entity or
9 other person to manufacture, supply or place slot machines, table games, table game devices or associated equipment into
10 play or display slot machines, table games, table game
11 devices or associated equipment on the [premise] premises of
12 a licensed facility without the authority of the board.

14 (5) Except as provided for in section 1326 (relating to
15 license renewals), it shall be unlawful for a licensed entity
16 or other person to manufacture, supply, operate, carry on or
17 expose for play any slot machine, table game, table game
18 device or associated equipment after the person's license has
19 expired and prior to the actual renewal of the license.

20 * * *

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

27 (ii) An authorized employee of a licensee or an
28 employee of the board may possess and use a cheating or
29 thieving device, counterfeit or altered billet, ticket,
30 token or similar objects accepted by a slot machine or

1 counterfeit or altered slot machine-issued tickets or
2 vouchers in performance of the duties of employment.

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

10 (7.1) It shall be unlawful for an individual to do any
11 of the following:

12 (i) Use or possess counterfeit, marked, loaded or
13 tampered with table game devices or associated equipment,
14 chips or other cheating devices in the conduct of gaming
15 under this part, except that an authorized employee of a
16 licensee or an authorized employee of the board may
17 possess and use counterfeit chips or table game devices
18 or associated equipment that have been marked, loaded or
19 tampered with, or other cheating devices in performance
20 of the duties of employment for training, investigative
21 or testing purposes only.

22 (ii) Knowingly, by a trick or sleight of hand
23 performance or by fraud or fraudulent scheme, table game
24 device or other device, for himself or for another, win
25 or attempt to win any cash, property or prize at a
26 licensed facility or to reduce or attempt to reduce a
27 losing wager.

28 (8) (i) Except as set forth in subparagraph (ii), it
29 shall be unlawful for an individual to knowingly possess
30 or use while on the premises of a licensed facility a key

1 or device designed for the purpose of and suitable for
2 opening or entering any slot machine, drop box or coin
3 box which is located on the premises of the licensed
4 facility.

5 (ii) An authorized employee of a licensee or a
6 member of the board may possess and use a device referred
7 to in subparagraph (i) in the performance of the duties
8 of employment.

9 * * *

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

21 * * *

22 (13) It shall be unlawful for [any person] an individual
23 under [18] 21 years of age to [be permitted in the] enter and
24 remain in any area of a licensed facility where slot machines
25 are operated or the play of table games is conducted, except
26 that an individual 18 years of age or older employed by a
27 slot machine licensee, a gaming service provider, the board
28 or any other regulatory or emergency response agency may
29 enter and remain in any such area while engaged in the
30 performance of the individual's employment duties.

1 (13.1) It shall be unlawful for an individual under 21
2 years of age to wager, play or attempt to play a slot machine
3 or table game at a licensed facility.

4 (14) (Reserved).

5 (15) It shall be unlawful for a licensed gaming entity
6 to require a wager to be greater than the stated minimum
7 wager or less than the stated maximum wager. However, a wager
8 made by a player and not rejected by a licensed gaming entity
9 prior to commencement of play shall be treated as a valid
10 wager. A wager accepted by a dealer shall be paid or lost in
11 its entirety in accordance with the rules of the game,
12 notwithstanding that the wager exceeded the current table
13 maximum wager or was lower than the current table minimum
14 wager.

15 (16) An individual that engages in conduct prohibited by
16 18 Pa.C.S. § 6308 (relating to purchase, consumption,
17 possession or transfer of liquor or malt or brewed beverages)
18 in a licensed facility commits a nongambling offense.

19 (17) It shall be unlawful for an individual to claim,
20 collect or take, or attempt to claim, collect or take, money
21 or anything of value in or from a slot machine, gaming table
22 or other table game device, with the intent to defraud, or to
23 claim, collect or take an amount greater than the amount won,
24 or to manipulate with the intent to cheat, any component of
25 any slot machine, table game or table game device in a manner
26 contrary to the designed and normal operational purpose.

27 (b) Criminal penalties and fines.--

28 (1) (i) A person that commits a first offense in
29 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
30 connection with providing information or making any

1 statement, whether written or oral, to the board, the
2 bureau, the department, the Pennsylvania State Police,
3 the Office of Attorney General or a district attorney as
4 required by this part commits an offense to be graded in
5 accordance with the applicable section violated. A person
6 that is convicted of a second or subsequent violation of
7 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
8 providing information or making any statement, whether
9 written or oral, to the board, the bureau, the
10 department, the Pennsylvania State Police, the Office of
11 Attorney General or a district attorney as required by
12 this part commits a felony of the second degree.

13 (ii) A person that violates subsection (a)(2)
14 through (12) or (17) commits a misdemeanor of the first
15 degree. A person that is convicted of a second or
16 subsequent violation of subsection (a)(2) through (12) or
17 (17) commits a felony of the second degree.

18 (2) (i) For a first violation of subsection (a)(1)
19 through (12) or (17), a person shall be sentenced to pay
20 a fine of:

21 (A) not less than \$75,000 nor more than \$150,000
22 if the person is an individual;

23 (B) not less than \$300,000 nor more than
24 \$600,000 if the person is a licensed gaming entity;
25 or

26 (C) not less than \$150,000 nor more than
27 \$300,000 if the person is a licensed manufacturer or
28 supplier.

29 (ii) For a second or subsequent violation of
30 subsection (a)(1) through (12) or (17), a person shall be

1 sentenced to pay a fine of:

2 (A) not less than \$150,000 nor more than
3 \$300,000 if the person is an individual;

4 (B) not less than \$600,000 nor more than
5 \$1,200,000 if the person is a licensed gaming entity;
6 or

7 (C) not less than \$300,000 nor more than
8 \$600,000 if the person is a licensed manufacturer or
9 supplier.

10 (3) An individual who commits an offense in violation of
11 subsection (a) (13) or (13.1) commits a nongambling summary
12 offense and upon conviction of a first offense shall be
13 sentenced to pay a fine of not less than \$200 nor more than
14 \$1,000. An individual that is convicted of a second or
15 subsequent offense under subsection (a) (13) or (13.1) shall
16 be sentenced to pay a fine of not less than \$500 nor more
17 than \$1,500. In addition to the fine imposed, an individual
18 convicted of an offense under subsection (a) (13) or (13.1)
19 may be sentenced to perform a period of community service not
20 to exceed 40 hours.

21 (4) An individual that commits an offense in violation
22 of subsection (a) (16) commits a nongambling offense to be
23 graded in accordance with 18 Pa.C.S. § 6308 and shall be
24 subject to the same penalties imposed pursuant to 18 Pa.C.S.
25 § 6308 and 6310.4 (relating to restriction of operating
26 privileges) except that the fine imposed for a violation of
27 subsection (a) (16) shall be not less than \$350 nor more than
28 \$1,000.

29 (c) Board-imposed administrative sanctions.--

30 (1) In addition to any other penalty authorized by law,

1 the board may impose without limitation the following
2 sanctions upon any licensee or permittee:

3 * * *

4 (v) Suspend the license of any licensed gaming
5 entity for violation of or attempting to violate any
6 provisions of this part or regulations promulgated under
7 this part relating to its slot machine or table game
8 operations.

9 * * *

10 (3) In addition to any other fines or penalties that the
11 board may impose under this part or regulation, if a person
12 violates subsection (a)(2), the board shall impose an
13 administrative penalty of three times the amount of the
14 license fee, authorization fee, tax or other assessment
15 evaded and not paid, collected or paid over. This subsection
16 is subject to 2 Pa.C.S. Chs. 5 Subch. A and 7 Subch. A.

17 (d) Aiding and abetting.--A person who aids, abets,
18 counsels, commands, induces, procures or causes another person
19 to violate a provision of this part shall be subject to all
20 sanctions and penalties, both civil and criminal, provided under
21 this part.

22 (e) Continuing offenses.--A violation of this part that is
23 determined to be an offense of a continuing nature shall be
24 deemed to be a separate offense on each event or day during
25 which the violation occurs. Nothing in this section shall be
26 construed to preclude the commission of multiple violations of
27 the provisions of this part in any one day that establish
28 offenses consisting of separate and distinct acts or violations
29 of the provisions of this part or regulations promulgated under
30 this part.

1 (f) Property subject to seizure, confiscation, destruction
2 or forfeiture.--Any equipment, device or apparatus, money,
3 material, gaming proceeds or substituted proceeds or real or
4 personal property used, obtained or received or any attempt to
5 use, obtain or receive the device, apparatus, money, material,
6 proceeds or real or personal property in violation of this part,
7 shall be subject to seizure, confiscation, destruction or
8 forfeiture.

9 Section 17. Title 4 is amended by adding sections to read:
10 § 1518.1. Report of suspicious transactions.

11 (a) Duty.--A slot machine licensee or a person acting on
12 behalf of a slot machine licensee shall file a report of any
13 suspicious transaction with the bureau. The filing with the
14 bureau of a copy of a report made under 31 CFR 103.21 (relating
15 to reports by casinos of suspicious transactions) shall satisfy
16 this requirement.

17 (b) Failure to report.--

18 (1) A person required under this section to file a
19 report of a suspicious transaction who knowingly fails to
20 file a report of a suspicious transaction or who knowingly
21 causes another person having that responsibility to fail to
22 file a report commits a misdemeanor of the third degree.

23 (2) A person required under this section to file a
24 report of a suspicious transaction who fails to file a report
25 or a person who causes another person required under this
26 section to file a report of a suspicious transaction to fail
27 to file a report shall be strictly liable for his actions and
28 may be subject to sanction under section 1518(c) (relating to
29 prohibited acts; penalties).

30 (c) Bureau.--The bureau shall maintain a record of all

1 reports made under this section for a period of five years. The
2 bureau shall make the reports available to any Federal or State
3 law enforcement agency upon written request and without
4 necessity of subpoena.

5 (d) Notice prohibited.--A person who is required to file a
6 report of a suspicious transaction under this section shall not
7 notify any individual suspected of committing the suspicious
8 transaction that the transaction has been reported. Any person
9 that violates this subsection commits a misdemeanor of the third
10 degree and may be subject to sanction under section 1518(c).

11 (e) Immunity.--A person who is required to file a report of
12 a suspicious transaction under this section who in good faith
13 makes the report shall not be liable in any civil action brought
14 by any person for making the report, regardless of whether the
15 transaction is later determined to be suspicious.

16 (f) Sanctions.--

17 (1) In considering appropriate administrative sanctions
18 against any person for a violation of this section, the board
19 shall consider all of the following:

20 (i) The risk to the public and to the integrity of
21 gaming operations created by the conduct of the person.

22 (ii) The seriousness of the conduct of the person
23 and whether the conduct was purposeful and with knowledge
24 that it was in contravention of the provisions of this
25 part or regulations promulgated under this part.

26 (iii) Any justification or excuse for the conduct by
27 the person.

28 (iv) The prior history of the particular licensee or
29 person involved with respect to gaming activity.

30 (v) The corrective action taken by the slot machine

1 licensee to prevent future misconduct of a like nature
2 from occurring.

3 (vi) In the case of a monetary penalty, the amount
4 of the penalty in relation to the severity of the
5 misconduct and the financial means of the licensee or
6 person. The board may impose any schedule or terms of
7 payment of such penalty as it may deem appropriate.

8 (2) It shall be no defense to disciplinary action before
9 the board that a person inadvertently, unintentionally or
10 unknowingly violated a provision of this section. The factors
11 under paragraph (1) shall only go to the degree of the
12 penalty to be imposed by the board and not to a finding of a
13 violation itself.

14 (g) Regulations.--The board shall promulgate regulations to
15 effectuate the purposes of this section.

16 § 1518.2. Additional authority.

17 (a) General rule.--The director of the Office of Enforcement
18 Counsel within the bureau may petition a court of record having
19 jurisdiction over information in the possession of an agency in
20 this Commonwealth, or if there is no such court, then the
21 Commonwealth Court for authorization to review or obtain
22 information in the possession of an agency in this Commonwealth
23 by averring specific facts demonstrating that the agency has in
24 its possession information material to a pending investigation
25 or inquiry being conducted by the bureau pursuant to this part
26 and that disclosure or release is in the best interest of the
27 Commonwealth. The petition shall request that the court enter a
28 rule upon the agency to show cause why the agency should not be
29 directed to disclose to the bureau, or identified agents
30 thereof, information in its possession about any pending matter

1 under the jurisdiction of the bureau pursuant to this part. If a
2 respondent is a local agency, a copy of any rule issued pursuant
3 to this section shall be provided to the district attorney of
4 the county in which the local agency is located and the Office
5 of Attorney General. Upon request of a local agency, the
6 district attorney or the Attorney General may elect to enter an
7 appearance to represent the local agency in the proceedings.

8 (b) Procedure.--The filing of a petition pursuant to this
9 section and related proceedings shall be in accordance with
10 court rule, including issuance as of course. A party to the
11 proceeding shall not disclose the filing of a petition or answer
12 or the receipt, content or disposition of a rule or order issued
13 pursuant to this section without leave of court. Any party to
14 the proceedings may request that the record be sealed and
15 proceedings be closed. The court shall grant the request if it
16 is in the best interest of any person or the Commonwealth to do
17 so.

18 (c) Court determination.--Following review of the record,
19 the court shall grant the relief sought by the director of the
20 Office of Enforcement Counsel if the court determines that the
21 agency has in its possession information material to the
22 investigation or inquiry and that disclosure or release of the
23 information is in the best interest of the Commonwealth, that
24 the disclosure or release of the information is not otherwise
25 prohibited by statute or regulation and that the disclosure or
26 release of the information would not inhibit an agency in the
27 performance of the agency's duties. If the court so determines,
28 the court shall enter an order authorizing and directing the
29 information be made available for review in camera.

30 (d) Release of materials or information.--If, after an in

camera review by the court, the director of the Office of Enforcement Counsel seeks to obtain copies of materials in the agency's possession, the court may, if not otherwise prohibited by statute or regulation, enter an order that the requested materials be provided. Any order authorizing the release of materials or other information shall contain direction regarding the safekeeping and use of the materials or other information sufficient to satisfy the court that the materials or information will be sufficiently safeguarded. In making this determination the court shall consider the input of the agency in possession of the information and any input from any agency with which the information originated concerning any pending investigation or ongoing matter and the safety of person and property.

(e) Modification of order.--If subsequent investigation or inquiry by the bureau warrants modification of any order entered pursuant to this section, the director of the Office of Enforcement Counsel may petition to request the modification. Upon such request, the court may modify its orders at any time and in any manner it deems necessary and appropriate. The agency named in the original petition shall be given notice and an opportunity to be heard.

(f) Use of information or materials.--Any person who, by any means authorized by this section, has obtained knowledge of information or materials solely pursuant to this section may use such information or materials in a manner consistent with any directions imposed by the court and appropriate to the proper performance of the person's official duties under this part.

(g) Violation.--In addition to any remedies and penalties provided in this part, any violation of the provisions of this

1 section may be punished as contempt of the court.

2 (h) Definition.--As used in this section the term "agency"
3 shall mean a "Commonwealth agency" or a "local agency" as those
4 terms are defined in section 102 of the act of February 14, 2008
5 (P.L.6, No.3), known as the Right-to-Know Law.

6 § 1518.3. Applicability of Clean Indoor Air Act.

7 Notwithstanding section 11(b) of the act of June 13, 2008
8 (P.L.182, No.27), known as the Clean Indoor Air Act, the
9 provisions of section 3(b)(11) of the Clean Indoor Air Act shall
10 apply to all licensed facilities.

11 Section 17.1. Section 1521 of Title 4 is amended by adding a
12 subsection to read:

13 § 1521. Liquor licenses at licensed facilities.

14 * * *

15 (b.1) Liquor Code sanctions.--Notwithstanding any other
16 provision of law, a person holding a slot machine license that
17 also holds a license issued by the Pennsylvania Liquor Control
18 Board shall not be subject to the provisions of section 471(c)
19 of the Liquor Code. In addition, if a fine is imposed under
20 section 471(b) of the Liquor Code, it shall be for not less than
21 \$250 nor more than \$25,000. The prior citation history of the
22 slot machine licensee shall be considered in determining the
23 amount of the fine.

24 * * *

25 Section 18. Section 1522 of Title 4 is amended to read:

26 § 1522. Interception of oral communications.

27 The interception and recording of oral communications made in
28 a [counting] count room of a licensed facility by a licensee
29 shall not be subject to the provisions of 18 Pa.C.S. Ch. 57
30 (relating to wiretapping and electronic surveillance). Notice

1 that oral communications are being intercepted and recorded
2 shall be posted conspicuously in the [counting] count room.

3 Section 18.1. Title 4 is amended by adding a section to
4 read:

5 § 1523. Electronic funds transfer terminals.

6 (a) Prohibition.--A slot machine licensee may not install,
7 own or operate or allow another person to install, own or
8 operate on the premises of the licensed facility a slot machine
9 or table game that is played with a device that allows a player
10 to operate the slot machine or table game by transferring funds
11 electronically from a debit card, credit card or by means of an
12 electronic funds transfer terminal.

13 (b) Definitions.--As used in this section, the following
14 words and phrases shall have the meanings given to them in this
15 subsection unless the context clearly indicates otherwise:

16 "Electronic funds transfer terminal." An information-
17 processing device or an automatic teller machine used for
18 executing deposit account transactions between financial
19 institutions and their account holders by either the direct
20 transmission of electronic impulses or the recording of
21 electronic impulses for delayed processing. The fact that a
22 device is used for other purposes shall not prevent it from
23 being considered an electronic funds transfer terminal under
24 this definition.

25 Section 18.2. Title 4 is amended by adding chapters to read:

26 Chapter 16

27 JUNKETS

28 Sec.

29 1601. Gaming junkets authorized.

30 1602. Gaming junket enterprise license.

1 1603. Classification system.
2 1604. Gaming junket representatives.
3 1605. Junket agreements.
4 1606. Conduct of junket.
5 1607. Violation of terms.
6 1608. Records.
7 1609. Report.
8 1610. Gaming junket arrangement.
9 1611. Prohibitions.

10 § 1601. Gaming junkets authorized.

11 The board may authorize the organization and conduct of
12 gaming junkets subject to the provisions of this chapter. No
13 gaming junket shall be organized or permitted to operate in this
14 Commonwealth and no person shall act as a gaming junket
15 representative or gaming junket enterprise except in accordance
16 with this chapter. The board shall establish a reasonable
17 application and authorization fee for any license, permit or
18 other authorization issued under this chapter.

19 § 1602. Gaming junket enterprise license.

20 (a) Gaming junket enterprise license required.--All gaming
21 junket enterprises shall obtain a license from the board prior
22 to acting as a gaming junket enterprise in this Commonwealth.

23 (b) Application.--A gaming junket enterprise license
24 application shall be in a form prescribed by the board and shall
25 include the following:

26 (1) The name, address and photograph of the applicant
27 and all owners, directors, managers and supervisory employees
28 of a gaming junket enterprise.

29 (2) The details of a gaming junket enterprise license or
30 similar license applied for or granted or denied to the

1 applicant by another jurisdiction.

2 (3) Consent for the bureau to conduct a background
3 investigation, the scope of which shall be determined by the
4 board.

5 (4) All releases necessary for the bureau and the board
6 to acquire licensing documents and other information
7 necessary to conduct a background investigation or otherwise
8 evaluate the application.

9 (5) A list of all civil judgments obtained against the
10 applicant pertaining to any gaming junket enterprise with
11 which the applicant has been associated.

12 (6) A description of the operation and organization of
13 the gaming junket enterprise.

14 (7) Any additional information required by the board.

15 (c) Enforcement information.--If the applicant has held a
16 gaming junket license or other gaming license in another
17 jurisdiction, the applicant may submit a letter of reference
18 from the gaming enforcement agency in the other jurisdiction.
19 The letter shall specify the experiences of the agency with the
20 applicant, the applicant's associates and the applicant's gaming
21 junket enterprise or gaming activity. If no letter is received
22 within 30 days following the applicant's request, the applicant
23 may submit a statement under oath, subject to the penalty for
24 false swearing under 18 Pa.C.S. § 4903 (relating to false
25 swearing), that the applicant is in good standing with the
26 gaming enforcement agency in the other jurisdiction.

27 (d) Issuance.--Following review of the application,
28 completion of the background investigation and payment of the
29 license fee established by the board under section 1601(a)
30 (relating to gaming junkets authorized), the board may issue a

gaming junket enterprise license to the applicant if the
applicant has proven by clear and convincing evidence that the
applicant is a person of good character, honesty and integrity
and that the applicant's activities, criminal record,
reputation, habits and associations do not pose a threat to the
public interest or suitable or legitimate operation of gaming.

(e) Failure to cooperate.--Failure to provide required
information or releases under this section shall result in the
immediate denial of an application for a license.

(f) Nontransferability.--A license issued under this section
shall be nontransferable.

§ 1603. Classification system.

The board shall develop a classification system for the
regulation of gaming junket enterprises and the individuals and
entities associated with gaming junket enterprises.

§ 1604. Gaming junket representatives.

(a) Occupation permit.--Except as otherwise provided in
subsection (e), a gaming junket representative shall obtain an
occupation permit from the board in accordance with section 1318
(relating to occupation permit application).

(b) Application.--In addition to the requirements of section
1308 (relating to applications for license or permit), the
application for a gaming junket representative occupation permit
shall be in a form prescribed by the board and shall include the
following:

(1) Verification of employment status as a gaming junket
representative with a licensed gaming junket enterprise or an
applicant for a gaming junket enterprise license.

(2) A description of employment responsibilities.

(3) A consent form to allow the bureau to conduct a

1 background investigation, the scope of which shall be
2 determined by the board.

3 (4) A release for the bureau and the board to acquire
4 copies of information from government agencies, employers and
5 others as necessary to complete the investigation.

6 (5) Fingerprints which shall be submitted to the
7 Pennsylvania State Police.

8 (6) A photograph that meets the standards of the
9 Commonwealth Photo Imaging Network.

10 (7) Details relating to a similar license, permit or
11 other authorization obtained in another jurisdiction, if any.

12 (8) Any additional information required by the board.

13 (c) Issuance.--Following review of the application,
14 background investigation and payment of the permit fee
15 established by the board under section 1601(a) (relating to
16 gaming junkets authorized), the board may issue an occupation
17 permit if the applicant has proven by clear and convincing
18 evidence that the applicant is a person of good character,
19 honesty and integrity and is eligible and suitable to receive an
20 occupation permit.

21 (d) Nontransferability.--An occupation permit issued under
22 this section shall be nontransferable.

23 (e) Holder of occupation permit.--Nothing in this section
24 shall be construed to prohibit an individual who holds a valid
25 occupation permit and who is employed by a slot machine licensee
26 from acting as a junket representative. A gaming junket
27 representative need not be a resident of this Commonwealth.

28 § 1605. Junket agreements.

29 Agreements entered into between a slot machine licensee and a
30 gaming junket enterprise or a gaming junket representative shall

1 include a provision for the termination of the agreement without
2 liability on the part of the slot machine licensee if:

3 (1) The board orders the suspension, limitation,
4 conditioning, denial or revocation of the license of a gaming
5 junket representative license or occupation permit of a
6 gaming junket representative.

7 (2) The board disapproves the agreement and requires its
8 termination.

9 Failure to expressly include the termination requirement under
10 this section in the agreement shall not constitute a defense in
11 an action brought relating to the termination of the agreement.

12 § 1606. Conduct of junket.

13 A slot machine licensee shall be responsible for the conduct
14 of a gaming junket representative or gaming junket enterprise
15 with which the slot machine licensee has an agreement and for
16 the terms and conditions of a gaming junket on its premises.

17 § 1607. Violation of terms.

18 Notwithstanding any other provision of this part, if the
19 board determines that the terms of an agreement to conduct a
20 gaming junket were violated by a slot machine licensee, gaming
21 junket enterprise or gaming junket representative, the board may
22 do any or all of the following:

23 (1) Order restitution to the gaming junket participant.

24 (2) Assess civil penalties or sanctions under section
25 1518 (relating to prohibited acts; penalties) for a violation
26 or deviation from the terms of the junket agreement.

27 § 1608. Records.

28 The board shall prescribe procedures and forms to retain
29 records relating to the conduct of a gaming junket by a slot
30 machine licensee. A slot machine licensee shall:

1 (1) Maintain a current report of the operations of
2 gaming junkets conducted at its licensed facility.

3 (2) Submit to the board and the bureau a list of all its
4 employees who conduct business on behalf of the slot machine
5 licensee with gaming junket representatives on a full-time,
6 part-time or temporary basis.

7 (3) Maintain records of all agreements entered into with
8 a gaming junket enterprise or gaming junket representative
9 for a minimum of five years.

10 (4) Provide any other information relating to a gaming
11 junket required by the board or bureau.

12 § 1609. Report.

13 A slot machine licensee, gaming junket representative or
14 gaming junket enterprise shall file a report with the bureau on
15 each list of gaming junket participants or potential gaming
16 junket participants purchased by the slot machine licensee,
17 gaming junket representative or gaming junket enterprise. The
18 report shall include the source of the list and zip codes of
19 participants or potential participants on a list purchased
20 directly or indirectly by a slot machine licensee, gaming junket
21 representative or gaming junket enterprise. Nothing in this
22 section shall require the reporting or maintenance of personal
23 identifying information pertaining to participants or potential
24 participants.

25 § 1610. Gaming junket arrangement.

26 Upon petition by a slot machine licensee, the board may grant
27 an exemption from the permit requirements of this chapter to a
28 gaming junket representative. The board shall consult with the
29 bureau prior to granting an exemption under this section and
30 shall consider the following:

1 (1) The terms of the gaming junket arrangement.

2 (2) The number and scope of gaming junkets.

3 (3) Whether the exemption is consistent with the
4 policies and purposes of this part.

5 (4) Any other factor deemed necessary by the bureau or
6 board.

7 The board may condition, limit or restrict the exemption.

8 § 1611. Prohibitions.

9 A gaming junket enterprise or gaming junket representative
10 shall not do any of the following:

11 (1) Engage in efforts to collect on any check provided
12 by a gaming junket participant that has been returned by a
13 financial institution without payment.

14 (2) Exercise approval authority over the authorization
15 or issuance of credit under section 1327A (relating to other
16 financial transactions).

17 (3) Receive or retain a fee from an individual for the
18 privilege of participating in a gaming junket.

19 (4) Pay for any service, including transportation, or
20 other thing of value provided to a participant participating
21 in a gaming junket except as authorized by this part.

22 CHAPTER 17

23 GAMING SCHOOLS

24 Sec.

25 1701. Curriculum.

26 1701.1. (Reserved).

27 1702. Gaming school gaming equipment.

28 § 1701. Curriculum.

29 The Department of Labor and Industry, in consultation with
30 the Department of Education and the board, shall, within 60 days

following the effective date of this section, develop curriculum guidelines, including minimum proficiency requirements established by the board, for gaming school instruction. The guidelines shall, at a minimum, establish courses of instruction that will provide individuals with adequate job training necessary to obtain employment as a gaming employee with a licensed gaming entity.

§ 1701.1. (Reserved).

§ 1702. Gaming school gaming equipment.

(a) Use of gaming equipment.--All gaming equipment utilized by a gaming school, including slot machines, table game devices, associated equipment and all representations of value, shall be used for training, instructional and practice purposes only. The use of any such gaming equipment for actual gaming by any person is prohibited.

(b) Chips.--Unless the board otherwise determines, all gaming chips and other representations of value utilized by a gaming school shall be distinctly dissimilar to any chips utilized by a slot machine licensee.

(c) Possession, removal and transport of equipment.--No gaming school shall possess, remove or transport, or cause to be removed or transported, any slot machine, table game device or associated equipment except in accordance with this part.

(d) Serial numbers.--Each slot machine, table game device and associated equipment on the premises of a gaming school shall have permanently affixed on it a serial number which, together with the location of the machine or table game device, shall be filed with the board.

(e) Security.--Each gaming school shall provide adequate security for the slot machines, table games, table game devices

1 and associated equipment on the gaming school premises.

2 (f) Notice to board and bureau.--No gaming school shall sell
3 or transfer any slot machine, table game, table game device or
4 associated equipment except upon prior written notice to the
5 board and the bureau.

6 (g) Additional training.--Each individual attending gaming
7 school shall be trained in cardiopulmonary resuscitation.

8 Section 18.3. Section 1901(a) of Title 4 is amended to read:

9 § 1901. Appropriations.

10 (a) Appropriation to board.--

11 (1) The sum of \$7,500,000 is hereby appropriated to the
12 Pennsylvania Gaming Control Board for the fiscal period July
13 1, 2004, to June 30, 2006, to implement and administer the
14 provisions of this part. The money appropriated in this
15 subsection shall be considered a loan from the General Fund
16 and shall be repaid to the General Fund quarterly commencing
17 with the date slot machine licensees begin operating slot
18 machines under this part. This appropriation shall be a two-
19 year appropriation and shall not lapse until June 30, 2006.

20 (2) The sum of \$2,100,000 is hereby appropriated from
21 the State Gaming Fund to the Pennsylvania Gaming Control
22 Board for salaries, wages and all necessary expenses for the
23 proper operation and administration of the Pennsylvania
24 Gaming Control Board for the expansion of gaming associated
25 with table games. This appropriation shall be a supplemental
26 appropriation for fiscal year 2009-2010 and shall be in
27 addition to the appropriation contained in the act of August
28 19, 2009 (P.L. , No.9A), known as the Gaming Control
29 Appropriation Act of 2009.

30 * * *

1 Section 18.4. Title 4 is amended by adding a section to
2 read:

3 § 1901.2. Commonwealth Financing Authority.

4 The Commonwealth Financing Authority shall establish
5 accounts, administer and distribute the funds deposited into the
6 accounts and perform all other duties of the Commonwealth
7 Financing Authority required under this part.

8 Section 19. No later than 90 days after the effective date
9 of this section, the Pennsylvania Gaming Control Board shall
10 transfer the sum of \$12,500,000 from the amounts previously
11 appropriated to the Pennsylvania Gaming Control Board pursuant
12 to 4 Pa.C.S. § 1408 to the General Fund.

13 Section 19.1. No later than ten business days after the
14 effective date of this section, the Department of Revenue shall
15 pay to each Category 1 and Category 2 slot machine licensee from
16 its existing account established under 4 Pa.C.S. § 1401(a) an
17 amount sufficient to bring the balance in the account to
18 \$1,500,000.

19 Section 19.2. The Pennsylvania Gaming Control Board shall
20 receive and accept for consideration additional applications for
21 a Category 3 license in accordance with 4 Pa.C.S. § 1305 if the
22 license has not been approved by the board on the effective date
23 of this section. An applicant that filed an application for a
24 Category 3 license prior to the effective date of this section
25 shall not be required to resubmit the application. The
26 additional application period shall be for 90 days from the
27 effective date of this section. This section shall supersede any
28 prior application period established under 4 Pa.C.S. Pt. II.

29 Section 19.3. The provisions of this act are severable. If
30 any provision of this act or its application to any person or

1 circumstance is held invalid, the invalidity shall not affect
2 other provisions or applications of this act which can be given
3 effect without the invalid provision or application.

4 Section 19.4. The amendment of 4 Pa.C.S. § 1201(h)(13)(i)
5 shall not apply to individuals employed on the effective date of
6 this section by the Pennsylvania Gaming Control Board until July
7 1, 2010.

8 Section 19.5. Repeals are as follows:

9 (1) The General Assembly declares that the repeal under
10 paragraph (2) is necessary to effectuate the amendment or
11 addition of 4 Pa.C.S. § 1407(d)(7) and (d.1).

12 (2) The following provisions of the act of July 25, 2007
13 (P.L.342, No.53), known as the Pennsylvania Gaming Economic
14 Development and Tourism Fund Capital Budget Itemization Act
15 of 2007, are repealed to the extent specified:

16 (i) Section 3(2)(i)(G), absolutely.

17 (ii) Section 4(7), absolutely.

18 (iii) Section 5, insofar as inconsistent with this
19 act.

20 Section 19.6. The amendment of 4 Pa.C.S. § 1406(a) shall
21 apply retroactively to January 1, 2010.

22 Section 20. The following shall apply:

23 (1) The amendment of 4 Pa.C.S. § 1213 shall not apply to
24 any of the following:

25 (i) An application submitted before the effective
26 date of this section.

27 (ii) Any license or permit issued prior to the
28 effective date of this section.

29 (iii) The renewal of any license or permit issued or
30 applied for prior to the effective date of this section.

1 (2) The amendment of 4 Pa.C.S. § 1202(a)(2) and the
2 addition of 4 Pa.C.S. § 1517(c)(1.1) shall not apply to an
3 individual:

4 (i) who, on July 1, 2009, was serving officially or
5 acting as Executive Director of the Pennsylvania Gaming
6 Control Board, Chief Counsel of the board, or the
7 Director of the Office of Enforcement Counsel within the
8 Bureau of Investigations and Enforcement; and

9 (ii) on whom the bureau or the Pennsylvania State
10 Police completed a background investigation as a
11 condition of employment with the board.

12 (3) The amendment or addition of 4 Pa.C.S. § 1201(h)
13 (4.1) and (5) shall not apply to:

14 (i) an individual appointed to the Pennsylvania
15 Gaming Control Board before July 1, 2010; or

16 (ii) an individual under subparagraph (i) who is
17 reappointed to the Pennsylvania Gaming Control Board.

18 Section 21. This act shall take effect as follows:

19 (1) The following provisions shall take effect July 1,
20 2011:

21 (i) The amendment of 4 Pa.C.S. § 1407.

22 (ii) Section 19.5 of this act.

23 (2) The amendment of 4 Pa.C.S. § 1307 increasing the
24 number of Category 3 licensed facilities authorized by 4
25 Pa.C.S. Pt. II from two to three shall take effect:

26 (i) on July 20, 2017, if all Category 3 licensed
27 facilities authorized by 4 Pa.C.S. Pt. II before the
28 effective date of this subparagraph have commenced the
29 operation of slot machines; or

30 (ii) if all Category 3 licensed facilities

1 authorized by 4 Pa.C.S. Pt. II before the effective date
2 of this subparagraph have not commenced operation on or
3 before July 20, 2017, upon a written determination of the
4 Pennsylvania Gaming Control Board issued after July 20,
5 2017, that all Category 3 licensed facilities authorized
6 by 4 Pa.C.S. Pt. II before the effective date of this
7 subparagraph have commenced the operation of slot
8 machines.

9 (3) The remainder of this act shall take effect immediately.