

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1646 Session of 2015

INTRODUCED BY PAYNE, KOTIK, DUNBAR, KAVULICH, KORTZ, MATZIE,  
SANTORA, THOMAS AND HELM, OCTOBER 19, 2015

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, OCTOBER 19, 2015

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
2 Statutes, in licensees, providing for slot machines at  
3 nonprimary or ancillary locations.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Title 4 of the Pennsylvania Consolidated Statutes  
7 is amended by adding a section to read:

8 § 1311.3. Slot machines at nonprimary or ancillary locations.

9 (a) Authorization.--Notwithstanding any other provision of  
10 law, the following licensed gaming entities may apply to the  
11 board for a license to establish nonprimary locations or  
12 ancillary facilities in which to operate slot machines:

13 (1) a licensed corporation as defined in section 102 of  
14 the act of December 17, 1981 (P.L.435, No.135), known as the  
15 Race Horse Industry Reform Act, that is a licensed gaming  
16 entity and has nonprimary locations approved under section  
17 218 of the Race Horse Industry Reform Act; or

18 (2) a slot machine licensee that is licensed as a

1 Category 2 facility under section 1304 (relating to Category  
2 2 slot machine license).

3 (b) Number.--

4 (1) Each licensed corporation under subsection (a) (1)  
5 may operate up to two nonprimary locations for each licensed  
6 racing entity approved under section 218 of the Race Horse  
7 Industry Reform Act and licensed by the board under this  
8 chapter. Notwithstanding any restrictions on the creation of  
9 new or additional nonprimary locations under section 218(g)  
10 of the Race Horse Industry Reform Act, each Category 1 slot  
11 machine licensee may close, open or transfer nonprimary  
12 locations in order to establish up to four nonprimary  
13 locations at which slot machines may be placed.

14 (2) Each Category 2 slot machine licensee may operate up  
15 to two ancillary facilities at locations licensed by the  
16 board under this chapter.

17 (3) Notwithstanding any other provision of law, a  
18 licensed corporation that has established nonprimary  
19 locations prior to the effective date of this section shall  
20 not be prohibited from closing current nonprimary locations  
21 or from opening new or relocated locations in order to  
22 conduct slot machine wagering in accordance with this  
23 section.

24 (4) A licensed corporation that operated and closed a  
25 nonprimary location prior to the effective date of this  
26 section must operate at least one of the nonprimary locations  
27 authorized under paragraph (1) in the same county as the one  
28 or more of the original nonprimary locations were located.  
29 The provisions of this paragraph shall not apply to a  
30 nonprimary location that is within 10 linear air miles of a

1 licensed gaming entity within a city of the first class or  
2 within 20 linear air miles of any other licensed gaming  
3 entity.

4 (c) Requirements.--Each nonprimary location or ancillary  
5 facility may, upon remittance of the fee under this subsection,  
6 place and operate no more than 250 slot machines of the  
7 nonprimary location or ancillary facility's total complement of  
8 slot machines under section 1210 (relating to number of slot  
9 machines) in each authorized nonprimary location or ancillary  
10 facility if all of the following apply:

11 (1) The nonprimary location or ancillary facility is  
12 licensed by the board.

13 (2) Except as provided under this chapter, the  
14 nonprimary location or ancillary facility is not within 10  
15 linear air miles of a licensed gaming entity located within a  
16 city of the first class or within 20 linear air miles of any  
17 other licensed gaming entity. A nonprimary location or  
18 ancillary facility may be located at a distance that is less  
19 than the distances provided under this paragraph if the  
20 licensed corporation that owns the nonprimary location or the  
21 licensed gaming entity enters into an agreement with another  
22 licensed gaming entity and the agreement is filed with the  
23 commission and the board.

24 (3) The licensed corporation that owns the nonprimary  
25 location or licensed Category 2 gaming facility has paid a  
26 fee to the board of \$5,000,000 for each nonprimary location  
27 or ancillary facility where the licensed corporation or  
28 ancillary facility will place and operate slot machines.

29 (d) Application.--An application for a license to operate  
30 slot machines at nonprimary locations or ancillary facilities

1 must be submitted on a form and in a manner as required by the  
2 board. The application must contain the following:

3 (1) The proposed location of the nonprimary location or  
4 ancillary facility.

5 (2) The number of and justification for slot machines  
6 requested at the location.

7 (3) The names, addresses, pictures and other information  
8 required by the board relating to all principals, key  
9 employees and other personnel who will require a license or  
10 permit from the board. Employees who hold a license from the  
11 commission shall be granted a nongaming, gaming or key  
12 employee license, permit or registration as deemed  
13 appropriate by the board.

14 (4) The ability to inspect and approve the physical  
15 plant of the nonprimary location or ancillary facility to  
16 ensure the physical plant's adequacy to serve patrons.

17 (e) Onsite personnel.--The board or the Pennsylvania State  
18 Police shall not have onsite personnel or offices at a  
19 nonprimary location or ancillary facility.

20 (f) Taxes.--

21 (1) A nonprimary location or ancillary facility shall  
22 pay a tax of 54% of the nonprimary location's or ancillary  
23 facility's daily gross terminal revenue from the operation of  
24 slot machines.

25 (2) The taxes collected under this subsection shall be  
26 distributed as follows:

27 (i) Ninety-two percent of the tax shall be deposited  
28 by the department in the General Fund.

29 (ii) Eight percent shall constitute a local share  
30 assessment and shall be distributed by the department on

1        a quarterly basis as follows:

2                (A) Four percent to the county in which the  
3                nonprimary location or ancillary facility is located.

4                (B) Four percent to the municipality in which  
5                the nonprimary location or ancillary facility is  
6                located.

7                (3) All money owed to the Commonwealth, a county or a  
8                municipality under this section shall be held in trust by the  
9                licensed corporation or licensed gaming entity for the  
10               Commonwealth, county or municipality until all funds are  
11               distributed by the department in accordance with this  
12               subsection.

13               (g) Enforcement.--The board shall regulate all aspects of  
14               the placement and operation of slot machines in a nonprimary  
15               location or ancillary facility.

16        Section 2. This act shall take effect in 60 days.