

COMMONWEALTH OF PENNSYLVANIA

LEGISLATIVE JOURNAL

TUESDAY, MAY 24, 2016

SESSION OF 2016

200TH OF THE GENERAL ASSEMBLY

No. 31

HOUSE OF REPRESENTATIVES

The House convened at 11 a.m., e.d.t.

THE SPEAKER (MIKE TURZAI) PRESIDING

PRAYER

HON. HARRY READSHAW, member of the House of Representatives, offered the following prayer:

Thank you, Mr. Speaker.

"This is our story, this is our song, praising our Savior all the day long."

Let us pray:

God of love, who raised Your son from the dead to reign in power, we honor and bless You even as we seek wisdom to follow where You lead. May Your favor rest upon us, Your joy fill our lives, and Your love motivate all we do. Make us instruments of good news who carry Your name to others and share Your blessings with the light. May You bless the United States of America, our homeland; the Commonwealth of Pennsylvania; and all those assembled here today. Amen.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by members and visitors.)

The SPEAKER. Thank you, Representative Readshaw.

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, the approval of the Journal of Monday, May 23, 2016, will be postponed until printed.

BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

SB 1156, PN 1772

By Rep. WATSON

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, in child protective services, further providing for definitions, for disposition and expunction of unfounded reports and general protective services reports, for employees having contact with children and adoptive and foster parents, for volunteers having contact with children and for recertification.

CHILDREN AND YOUTH.

LEAVES OF ABSENCE

The SPEAKER. The Chair is going to turn to leaves of absence.

The majority whip requests leaves of absence for the following: Representative KLUNK of York County for the day, Representative SIMMONS of Lehigh County for the day, and Representative DAY of Lehigh County for the day.

The minority whip requests leaves of absence for the following: Representative BARBIN of Cambria County for the day, Representative BRIGGS of Montgomery County for the day, Representative DeLISSIO of Philadelphia County for the day, Representative FREEMAN of Northampton County for the day, Representative DeLUCA of Allegheny County for the day, Representative KIRKLAND of Delaware County for the day, Representative Pete DALEY of Washington County for the day, Representative GAINEY of Allegheny County for the day, and Representative GALLOWAY of Bucks County for the day.

Without objection, those requests for leaves will be granted.

MASTER ROLL CALL

The SPEAKER. The Chair is about to take the master roll. Members will proceed to vote.

The following roll call was recorded:

PRESENT—189

Acosta	Fabrizio	Mackenzie	Reed
Adolph	Farina	Maher	Reese
Artis	Farry	Mahoney	Regan
Baker	Fee	Major	Roae
Barrar	Flynn	Maloney	Roebuck
Benninghoff	Frankel	Markosek	Ross
Bizzarro	Gabler	Marshall	Rothman
Bloom	Gergely	Marsico	Rozzi
Boback	Gibbons	Masser	Saccone
Boyle	Gillen	Matzie	Sainato
Bradford	Gillespie	McCarter	Samuelson
Brown, R.	Gingrich	McClinton	Sankey
Brown, V.	Godshall	McGinnis	Santarsiero
Bullock	Goodman	McNeill	Santora
Burns	Greiner	Mentzer	Savage
Caltagirone	Grove	Metcalfe	Saylor
Carroll	Hahn	Metzgar	Schemel
Causer	Hanna	Miccarelli	Schlossberg
Christiana	Harhai	Millard	Schreiber
Cohen	Harhart	Miller, B.	Schweyer
Conklin	Harkins	Miller, D.	Sims
Corbin	Harper	Milne	Snyder
Costa, D.	Harris, A.	Moul	Sonney

Costa, P.	Harris, J.	Mullery	Staats
Cox	Heffley	Murt	Stephens
Cruz	Helm	Mustio	Sturla
Culver	Hennessey	Neilson	Tallman
Cutler	Hickernell	Nelson	Taylor
Daley, M.	Hill	Nesbit	Thomas
Davidson	Irvin	Neuman	Tobash
Davis	James	O'Brien	Toepel
Dawkins	Jozwiak	O'Neill	Toohil
Dean	Kampf	Oberlander	Topper
Deasy	Kaufer	Ortitay	Truitt
Delozier	Kauffman	Parker, D.	Vereb
Dermody	Kavulich	Pashinski	Vitali
Diamond	Keller, F.	Payne	Ward
DiGirolamo	Keller, M.K.	Peifer	Warner
Donatucci	Keller, W.	Petrarca	Watson
Driscoll	Kim	Petri	Wentling
Dunbar	Kinsey	Pickett	Wheatley
Dush	Knowles	Pyle	White
Ellis	Kortz	Quigley	Youngblood
Emrick	Kotik	Quinn	Zimmerman
English	Krueger	Rader	
Evankovich	Lawrence	Rapp	Turzai,
Evans	Lewis	Ravenstahl	Speaker
Everett	Longjetti	Readshaw	

ADDITIONS—0

NOT VOTING—0

EXCUSED—13

Barbin	DeLissio	Gainey	Klunk
Briggs	DeLuca	Galloway	Simmons
Daley, P.	Freeman	Kirkland	Wheeland
Day			

LEAVES ADDED—5

Goodman	Rozzi	Santarsiero	Sturla
Keller, W.			

LEAVES CANCELED—5

Briggs	Galloway	Santarsiero	Sturla
Gainey			

The SPEAKER. One hundred and eighty-nine members of the chamber being present on the floor, a quorum is present.

GUESTS INTRODUCED

The SPEAKER. I would like to introduce a special guest. Dick Jewell is here with us today. Dick was president of Grove City College in Mercer County for 11 years and has been a longtime friend of many of us on both sides of the aisle, and he is presently the House Republican Caucus appointee on the Gaming Control Board. President Jewell, great to have you here today.

Members, we have a number of guests that you would like to introduce, so we are going to go through some of them that we will introduce, and then we are going to call on members on unanimous consent to introduce their guests.

Representative Judy Ward's summer intern, Ethan Madey, is here. Ethan is majoring in politics and history at St. Vincent university. Nice to have you, sir.

Representative Santarsiero and Representative Galloway bring Dr. Kevin McHugh, who is superintendent of the

Pennsbury School District, and Dr. Donna Dunar, who is the assistant superintendent. If you will please rise. Thank you so much for being with us today. Thank you.

Daniel Jacobson is attending Cornell University. He is a student in the Dyson School of Applied Economics and Management. He is the guest of Representative John Lawrence. Thanks so much for being with us today.

Representative Mike Vereb has brought his Harrisburg intern, Johnny Nicholson. Johnny, if you will stand. John is part of the Elizabethtown High School's career internship training agreement program. Great to have you here today. Thank you.

In the rear of the House, Representative Jaret Gibbons has brought with us today Mary Lou Gallatin and Michelle and Jamie Baughman. If they will stand, please; great. The family traveled to Harrisburg to support a "stop texting while driving" rally. Thank you so much for being here today. Thank you.

Representative Mike Regan brings with us, in the rear of the House, Emilee and Abby Whitley – if you will please stand – and they attend Harrisburg Academy. Thank you so much for being with us today. Thank you.

Representative Warren Kampf has brought today Eileen Rice and Jim Curran. If you will please stand. Thank you so much for being with us today. Thank you for joining us.

STATEMENT BY MS. BROWN

The SPEAKER. There were two resolutions that passed last week, HR 860 and HR 824, and Representative Vanessa Brown has some guests that she is going to introduce with respect to those resolutions. She is recognized on unanimous consent.

Ms. V. BROWN. Good morning. Thank you, Mr. Speaker.

And thank you to all my colleagues for voting for those resolutions on unanimous consent.

I would like to welcome the guests that I have today in the back of the House. I have the Anti-Violence Network here from Philadelphia. They not only represent constituents from my district, but also from all over the city of Philadelphia. I know that Jordan Harris is represented in the back today. Point Breeze Organization is here.

And I would just like to acknowledge a few of the things that people are doing in Pennsylvania to deal with violence. Violence is not an easy task to conquer. You have to handle it on several fronts, and the organizations that we have here today, we have an organization that helps with the homeless in our community. We have organizations to help with our children. The organizations to help with our children work with afterschool activities, summer camp activities, and they help teach children to do community engagement. I am just so proud to have all of these organizations that embrace and surround Philadelphia here in the Capitol to be celebrated for Community Leaders Day in the Commonwealth of Pennsylvania.

If I could just ask them all to stand up so that we could acknowledge all their contributions to this Commonwealth and to our children in our city of Philadelphia.

I would like to also invite everyone – we are going to have a reception. If you would like to come and just congratulate all of these good people for all of the work that they do in the Commonwealth to surround our communities, to keep our communities whole and safe, please come on by. We will be in Iris 401.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative Brown, and thank you to your guests.

GUESTS INTRODUCED

The SPEAKER. Located in the rear of the hall, the Chair welcomes a guest of Representative Madeleine Dean – her brother, Robert Dean. If you will please stand. Thank you, sir, for joining with us today. Great to have you.

Representative Jim Christiana and Representative Jim Marshall have a special guest today, the sheriff for Beaver County. The Representatives bring us Tony Guy, Beaver County sheriff. Oh, there he is right there. Tony, great to see you, sir.

Representative Roebuck, Representative Lewis, and Representative Cook-Artis would like to be recognized under unanimous consent with respect to some World War II veterans, so I ask them to come to the front. Please come down to the front. Representative Roebuck, Representative Lewis, and Representative Cook-Artis, please come on down.

STATEMENT BY MR. LEWIS

The SPEAKER. Representative Lewis, the floor is yours to start us off on this important announcement.

Mr. LEWIS. Thank you, Mr. Speaker.

Today we recognize Dr. Lewis H. Brown, a gentleman of the highest caliber. As we approach Memorial Day, it is befitting that we acknowledge his service during World War II, in addition to his service as a civil service employee. As he approaches his 95th birthday, it is important that we acknowledge his contributions as an outstanding and upstanding citizen. He has served his family, his community, and his God with dignity. I tip my hat to him and join my colleagues in the Pennsylvania House of Representatives to recognize this extraordinary man of courage and strength. He is my uncle.

Thank you, Mr. Speaker.

STATEMENT BY MR. ROEBUCK

The SPEAKER. Representative Roebuck, the floor is yours, sir.

Mr. ROEBUCK. Thank you, Mr. Speaker.

It is my honor today to recognize Luther James McNeal. He is a native of Monroe, Louisiana, educated in the segregated school system of that town, and one of the first African-Americans to become a Boy Scout in northern Louisiana. His family moved to Oakland, California, in the early 1940s. He worked in the shipyards there.

In January 1944 he was drafted into the Navy, serving at San Francisco, Seattle, and Pearl Harbor, becoming first a Steward Third Class and then a Steward Second Class. He was involved in five major landing operations, one surface battle, numerous air raids, and twice his ship, USS *Tennessee*, was first struck head-on and then struck in the side.

He fought through the Mariana Islands – Saipan, Guam, and Tinian – through the New Hebrides. He was in the Leyte Gulf in the Philippines, and at the time MacArthur returned to the Philippines, he transitioned from being a person who served

below deck to an anti-aircraft naval soldier. He served at Iwo Jima, Okinawa, and at the point of the Japanese surrender in August of 1945, he was in fact in Japan at that point and eventually reached Tokyo.

He continued his service as his ship continued the rest of the way around the world, stopping in Singapore and Colombo in Ceylon, which is now Sri Lanka, and Cape Town, South Africa, before reaching the Philadelphia Navy Yard.

It is to be noted that he then intended to go back to Oakland, California, but found that the patterns of racial discrimination were such that he was glad to stay in Philadelphia, where he worked as an auto technician. He married. He joined Mount Carmel Baptist Church, where he has been a member for, I believe, over 50 years, serving in the choir, president of the credit union and the trustee board. And he is also involved in community work as a block captain, a Democratic committeeman, and he is a member of my legislative staff in my Philadelphia district office.

It is to be noted that Mr. McNeal in fact celebrated his 20th birthday in 1945 in Tokyo, and he completed, by the time he was 21, a trip around the world – a rather remarkable achievement for anyone, but certainly in the context of the time, a measure of his strength, his dedication, and his commitment.

I would then close with the remarks Mr. McNeal wrote at the bottom of the biographical summary he gave to me, and he said he wanted to thank the legislature for this opportunity to share his life with you, if for no other reason, I want you to know I am proud to be an American, and I thank you for your generosity and the courtesy offered to me today.

It is indeed my pleasure as well to recognize a great American, a true hero to all of us.

The SPEAKER. Representative Cook-Artis, would you like to say anything? No.

If Dr. Lewis Brown and Luther McNeal could please stand. Dr. Lewis Brown and his family and Luther McNeal. Thank you.

STATEMENT BY MR. SANTORA

The SPEAKER. Representative Jamie Santora is recognized to come down front, and he is going to introduce some students to you.

Mr. SANTORA. Thank you, Mr. Speaker.

In the back of the House, I am happy to introduce the Drexel Hill Middle School Engineering Team. If you would rise.

These young men and women were part of the National Engineers Week Future City Competition once again here. They won the People's Choice Award for the second year in a row, which is chosen by their peers as the best city project. They also won Best Residential Zone.

They are here with their head of the engineering club, Dr. Hight; their principal, Mr. Frank Salerno; and a parent, Bernadette Ascareggi and her son, Justin are also here.

You have to be selected to be part of this team. You have got to work hard throughout the year, come up with the entire theme, create the project, and present the project, not only within the school, but at these competitions.

I want to acknowledge their success for the second year in a row. Please join me, colleagues, in congratulating them. Thank you.

The SPEAKER. Thank you, Representative Santora.

STATEMENT BY MR. KOTIK

The SPEAKER. Representative Kotik, on unanimous consent.

Mr. KOTIK. Thank you, Mr. Speaker.

Today is our annual Legislative Advocacy Day for the Pennsylvania Fraternal Alliance. All the members of the House have received a candy bar, which is on their desk, from the alliance indicating this is Legislative Advocacy Day.

All the members of the House are cordially invited to attend the annual luncheon, which will commence very shortly and go to 2 o'clock this afternoon, outside the Lieutenant Governor's reception area. So all the members are cordially invited, and I hope you can interact with the members of the alliance, who represent over 700,000 of our mutual constituents here in the Commonwealth.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative, Kotik.

BONNIE GLATFELTER PRESENTED

The SPEAKER. Representative John Taylor is recognized.

I would ask members to please take your seats. We are going to be honoring a person who has given many, many years of service to the constituents of Pennsylvania and to this chamber. So members, I am going to ask you to please take your seats. Any conversations can certainly take place in the anterooms off the chamber.

Representative Taylor, the floor is yours, sir.

Mr. TAYLOR. Thank you, Mr. Speaker.

Good morning, everyone. It is May 24, 2016, and the day has finally come where we say goodbye to Bonnie Glatfelter after many, many years of service, being with me almost the entire time she was here. We want to congratulate her and thank her for everything she has done in those years.

I did my best to dissuade her. She probably tried to retire about five times already, and in my management style, I just ignored her every time she mentioned that she was retiring, and I was hopeful that she would forget about it. But I think her grandkids, whom you will meet in a second, and her husband and her hobbies and her father have called her, and she deserves to be there.

Some 32 years ago I was called into Senator Hank Salvatore's office and introduced to a young woman and was told, "Look, this young lady does not know what she is doing and you do not know what you are doing, so why do not you learn together?" I thought that was a pretty good idea at the time and it turned out that was a very, very wise decision.

Bonnie has made an art form of helping people get through the bureaucracy here in Harrisburg, through different situations in Philadelphia over and over and over. To use the word "secretary" for somebody like Bonnie is really a misnomer. She is really, really an assistant State Representative in every way.

In addition to that, as many of you know, she has helped me run various committees over the years and worked with a variety of executive directors. Going way back – and this will test and this will show, Gene, how few people actually were around when the Federal-State Relations Committee existed – but Bonnie worked with Joyce Shrum on that committee, on Urban Affairs with Diane Warner, on Urban Affairs with Melissa Zorbaugh, on Urban Affairs with our own Christine

Goldbeck, with Marcia Lampman on the Liquor Control Committee, and now with Eric and Dave and Beth on the Transportation Committee. All of that is an art form in itself.

But I think whether you are looking at being able to serve constituents or run a committee or answer questions, it is one thing knowing how to do it, and it is another thing the way she has done it. And I think if there is a word that would describe the way she has proceeded throughout the years, it is that she has worked on all these problems with a great deal of grace. And if it was a problem that had to be done immediately, she did it under fire as smoothly as you could do it. The more important the issue it was, the easier time she seemed to have of it.

So she has been remarkable, not only a great employee for this Commonwealth, but a model to all who work for us. But we owe it to her family to let her go and go into the private sector and to enjoy herself. I want to thank them, her husband, Jim, for all the work she has done, which has been outstanding. With us in the audience, I think, is Ben and Karen and Luke and Owen – we at least have one of the two up there – could you guys stand, please? This is Bonnie's son, daughter-in-law, Karen, and one of – is that Luke or Owen up there? Oh, there is the other one. And also Bonnie's other son is Dan, who is an employee of ours with Representative Hickernell, Chairman Hickernell, and another one of her grandchildren over there. Stand up, Dan.

And with that, Bonnie, if you are really serious that today is the last day, stand up and be thanked and congratulated. So thank you very much for everything.

The SPEAKER. Bonnie, thank you so much for your outstanding service to the citizens of Pennsylvania and to this chamber and to our caucus. We greatly appreciate all that you have done. It is really outstanding that your sons, Dan and Ben, and your two grandchildren can be here on this day too. Enjoy the many days ahead. Come see us. Thank you.

SAMANTHA GRIEBEL PRESENTED

The SPEAKER. Representative Dush is invited to the rostrum for the purpose of presenting a citation.

Representative Dush.

Mr. DUSH. Thank you, Mr. Speaker.

For such a sparsely populated area as ours, we produce some outstanding people that get State and national recognition, and today it is my distinct privilege to recognize Samantha Griebel for capturing the title of national champion in the 8- and 9-year-old girls division of the Elks National Hoop Shoot competition, which was held in Chicago this past April.

Samantha is a straight-A third grade student at Sts. Cosmas and Damian Catholic School. She plays on the fourth grade Punxsutawney Girls Basketball Team, coached by her father, and also plays on the Amateur Athletic Union traveling basketball team. Off the court she enjoys reading, playing the piano, and spending time with her family and friends.

She is joined today by her father, Stephen; mother, Erica; and sisters, Emily, Katelyn, and Danielle.

Following in her sister Danielle's 2015 Elks national finalist footsteps, Samantha competed against eleven girls from around the country in this year's Elks National Hoop Shoot. To her great credit, Samantha made 23 out of 25 shots, 19 out of 20 shots in the quadruple shoot, and finished with an overall score of 42 out of 45 shots. In order for Samantha to reach the

national competition, she had to win locally in Punxsutawney, at the district level in Kittanning, at the State level in State College, and at Wilkes-Barre regionals against athletes from both New Jersey and New York. Due to these stellar achievements, Samantha's name will be permanently inscribed at the Naismith Memorial Basketball Hall of Fame in Springfield, Massachusetts.

Please join me in welcoming Samantha and her family to the State Capitol and recognizing her outstanding accomplishments, both on and off the court.

The SPEAKER. Samantha, it is great to have you here. Congratulations. We are so excited to have you here, and we will take a quick photo and we will make sure everybody can say hello to Samantha.

UNCONTESTED CALENDAR

RESOLUTIONS PURSUANT TO RULE 35

Ms. DONATUCCI called up **HR 178, PN 972**, entitled:

A Resolution recognizing the "Bob Pantano Saturday Night Dance Party" radio program for being the first and longest-running radio dance party in the nation.

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Mrs. R. BROWN called up **HR 897, PN 3384**, entitled:

A Resolution designating the week of May 22 through 28, 2016, as "Character Development Reminder Week" in Pennsylvania.

* * *

Mrs. DAVIS called up **HR 899, PN 3386**, entitled:

A Resolution recognizing the month of May 2016, as "Myositis Awareness Month" in Pennsylvania.

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Ms. McCLINTON called up **HR 901, PN 3388**, entitled:

A Resolution recognizing the month of May 2016 as "National Drug Court Month" in Pennsylvania.

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Ms. McCLINTON called up **HR 902, PN 3389**, entitled:

A Resolution recognizing the month of May 2016 as "National Community Action Month" in Pennsylvania.

* * *

Mr. BIZZARRO called up **HR 903, PN 3398**, entitled:

A Resolution recognizing the week of May 21 through 27, 2016, as "National Safe Boating Week" in Pennsylvania.

On the question,
Will the House adopt the resolutions?

The following roll call was recorded:

YEAS—189

Acosta	Fabrizio	Mackenzie	Reed
Adolph	Farina	Maher	Reese
Artis	Farry	Mahoney	Regan
Baker	Fee	Major	Roae
Barrar	Flynn	Maloney	Roebuck
Benninghoff	Frankel	Markosek	Ross
Bizzarro	Gabler	Marshall	Rothman
Bloom	Gergely	Marsico	Rozzi
Boback	Gibbons	Masser	Saccone
Boyle	Gillen	Matzie	Sainato
Bradford	Gillespie	McCarter	Samuelson
Brown, R.	Gingrich	McClinton	Sankey
Brown, V.	Godshall	McGinnis	Santarsiero
Bullock	Goodman	McNeill	Santora
Burns	Greiner	Mentzer	Savage
Caltagirone	Grove	Metcalfe	Saylor
Carroll	Hahn	Metzgar	Schemel
Causer	Hanna	Miccarelli	Schlossberg
Christiana	Harhai	Millard	Schreiber
Cohen	Harhart	Miller, B.	Schweyer
Conklin	Harkins	Miller, D.	Sims
Corbin	Harper	Milne	Snyder
Costa, D.	Harris, A.	Moul	Sonney
Costa, P.	Harris, J.	Mullery	Staats
Cox	Heffley	Murt	Stephens
Cruz	Helm	Mustio	Sturla
Culver	Hennessey	Neilson	Tallman
Cutler	Hickernell	Nelson	Taylor
Daley, M.	Hill	Nesbit	Thomas
Davidson	Irvin	Neuman	Tobash
Davis	James	O'Brien	Toepel
Dawkins	Jozwiak	O'Neill	Toohil
Dean	Kampf	Oberlander	Topper
Deasy	Kaufert	Ortitay	Truitt
Delozier	Kauffman	Parker, D.	Vereb
Dermody	Kavulich	Pashinski	Vitali
Diamond	Keller, F.	Payne	Ward
DiGirolamo	Keller, M.K.	Peifer	Warner
Donatucci	Keller, W.	Petrarca	Watson
Driscoll	Kim	Petri	Wentling
Dunbar	Kinsey	Pickett	Wheatley
Dush	Knowles	Pyle	White
Ellis	Kortz	Quigley	Youngblood
Emrick	Kotik	Quinn	Zimmerman
English	Krueger	Rader	
Evankovich	Lawrence	Rapp	Turzai,
Evans	Lewis	Ravenstahl	Speaker
Everett	Longiatti	Readshaw	

NAYS—0

NOT VOTING—0

EXCUSED—13

Barbin	DeLissio	Gainey	Clunk
Briggs	DeLuca	Galloway	Simmons
Daley, P.	Freeman	Kirkland	Whealand
Day			

The majority having voted in the affirmative, the question was determined in the affirmative and the resolutions were adopted.

The SPEAKER. In this order – I know that there are members who wish to speak on the uncontested resolutions – it will be Representative Rosemary Brown on HR 897, Representative Donatucci on HR 178, together Representative McClinton and Representative Toohil on HR 901, and then Representative McClinton on HR 902.

STATEMENT BY MRS. BROWN

The SPEAKER. So we will begin with Representative Rosemary Brown. The floor is yours.

Mrs. R. BROWN. Thank you, Mr. Speaker.

I would just like to bring attention to HR 897, which designates May 22 through May 29 as "Character Development Reminder Week" in Pennsylvania. As our society continues to have obstacles and challenges, including those of unnecessary violence and crime, as legislators we are faced with consistent policy decisions. However, I believe that policies and new laws cannot always be the remedy for many of our struggles. That is why I have introduced HR 897 so that we are reminded to work towards individual character development every day, which makes up our interactions with each other. While no individual is perfect, we have the personal responsibility to work to improve our own character as well as those around us. Character reflects those universal principles of moral strength and integrity that lead to good people and good societies.

I would also like to bring attention to an initiative that I have established back home called the "District of Character," where over 25 businesses have joined on as leaders with me to display a character virtue of the month on their doors, their billboards, or any other creative approach that works for their business to remind their customers, employees, and our community of these virtues and the importance they play to us as individuals in a civil society.

I ask in this resolution that my colleagues share this initiative and consider similar initiatives in their districts in hopes that we can continue to recognize the importance of character development in our society. I am also requesting the Department of Education to further enhance and promote character education in our schools in any way possible.

I thank my colleagues for their support of this resolution. Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative Brown.

STATEMENT BY MS. DONATUCCI

The SPEAKER. Representative Donatucci.

Ms. DONATUCCI. Thank you, Mr. Speaker.

I would like to thank my colleagues for their support of HR 178, which recognizes the "Bob Pantano Saturday Night Dance Party" radio program as the first and longest running radio dance party in the country. Although Bob Pantano was unable to join us today, I wanted to say a few words about his accomplishments to show just how important he is to the entertainment industry.

Bob is a south Philadelphia native and Temple University graduate, who is one of the most recognizable radio personalities in both Pennsylvania and New Jersey. Many of us grew up with his Saturday Night Dance Party program, which began back in 1977. It has been the soundtrack to Saturday night festivities ever since. Every Saturday night you can hear

hits from the 1960s, 70s, and 80s on the Bob Pantano Saturday Night Dance Party, which is broadcast live from the Adelpia Restaurant and Nightclub in Deptford, New Jersey. The program is broadcast on 98.1 WOGL-FM in Philadelphia, and in New Jersey on 96.1 WTHH-FM in Atlantic City and 93.1 EZ-FM in Cape May.

I would be remiss if I did not mention Tony Harris, Bob's close friend, who has produced the program for 30 years.

Over his expansive career, Bob Pantano has cemented himself as an entertainment icon in the Philadelphia area. Among his many achievements, Bob has received the Kal Rudman Philadelphia Radio Milestone Award and the Philadelphia Phillies Gamble and Huff Community Partnership Award. He has also been inducted into the Temple University School of Communications and Theater Hall of Fame and the Broadcast Pioneers Hall of Fame, and has received a sidewalk plaque on the Wildwood Avenue of the Stars in New Jersey.

But beyond his accomplishments, Bob Pantano is genuinely a good man whose enthusiasm for his work is infectious. We are lucky to have him in Philadelphia, and I am looking forward to the continued success of his Saturday Night Dance Party.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative Donatucci.

STATEMENT BY MS. McCLINTON

The SPEAKER. Representative Joanna McClinton and Representative Tarah Toohil together are recognized to speak on HR 901.

Ms. McCLINTON. Thank you, Mr. Speaker.

And thank you fellow House members for helping me recognize the importance of Pennsylvania drug courts along with our colleague, Representative Tarah Toohil.

HR 901 declares May 2016 as "National Drug Court Month" in Pennsylvania. National Drug Court Month highlights the collective impact of adult drug courts, juvenile drug courts, family dependency treatment courts, tribal healing and wellness courts, DUI (driving under the influence) courts, and veterans treatment courts. Collectively, these courts have facilitated community partnerships to broadly enhance criminal justice reform, public safety, and public health.

As you may know, the expansion of drug courts has been a key reform in the fight against drug abuse and the criminality of drug addiction in many jurisdictions. Judges in these courts work with a community team to develop a case plan that includes regular court appearances, treatment sessions, monitoring of one's compliance, and aftercare.

The great news is that these courts are actually working. According to the National Institute of Justice, 84 percent of drug court graduates have not been rearrested or charged with a serious crime in the first year after their graduation. In addition, the Urban Institute says for every \$1 that is invested, drug courts provide \$2.21 in benefits, and this adds up to \$3.36 in benefits in programs that are expanded.

Mr. Speaker, I am reminded this morning of a colleague of mine, not from the House but from the practice of law, a young African-American attorney from west Philadelphia. This young man's then future and now current career was saved after he admittedly made a few mistakes. While in college he was arrested and charged with having drugs and selling them. Having no prior record, he was approved for the Philadelphia

drug court program. He completed that program successfully. He finished college, then he went to law school and graduated, and now he is a shining legal star in the Commonwealth of Pennsylvania. This opportunity was thanks to a drug court program. It enabled him to get back on his feet and realize his full potential, and he now is making a difference in our communities.

Again, thank you all for helping us to recognize these important courts and the valuable work that they do.

STATEMENT BY MS. TOOHIL

The SPEAKER. Representative Toohil, please proceed.

Ms. TOOHIL. Thank you, Mr. Speaker.

I obviously could not agree with Representative McClinton more on this issue. Today we recognize drug courts and their results-based reduction in recidivism. We have seen success stories like the one that Representative McClinton just talked about. We have seen these success stories in our own communities, and we have witnessed firsthand drug treatment court having a lasting impact on individuals. The keyword of "treatment plan" or "treatment team," where all of the support systems work together, has historically had tremendous results. We are hoping that by raising awareness this month we will further emulate these types of programs within our communities. When you are dealing with children and youth and people in crisis, social services, and human services, if we would work more in the treatment team model, as the drug courts do, we will have more success.

We currently have drug-addicted individuals crying out for help. Their families are desperate and torn apart.

The mantra of Drug Court Month is that "Drug Courts Save." Drug courts save lives, they save families, and for those people that are interested in this part of it, they do save money. As Representative McClinton had spoken about, there is \$27 saved for every \$1 invested. There is \$13,000 saved per individual. So this is an evidence-based practice that is having results and can save money, and we can spend money more wisely in this way.

Here today all of you, our colleagues on both sides of the aisle, join us to emphasize and support drug treatment courts and pray they continue to be part of the solution for the people suffering in our great Commonwealth.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative McClinton and Representative Toohil.

STATEMENT BY MS. McCLINTON

The SPEAKER. Representative McClinton is recognized to speak on HR 902.

Ms. McCLINTON. Thank you, Mr. Speaker.

Mr. Speaker, I want to thank my colleagues for supporting HR 902 recognizing the entire month of May as "National Community Action Month" here in Pennsylvania. As I am sure many are aware, community action agencies help low-income individuals and families obtain financial self-sufficiency. This worthwhile effort is uniquely designed because the help is offered locally at the community level to help those that are living in that community. The community action network serves

more than 16.2 million individuals and 3 million families nationally in both urban and rural areas. Specifically in Pennsylvania, Community Action Network represents 41 agencies that are serving in all 67 counties.

Helping in my district are the Community Action Agency of Delaware County, and in Philadelphia the Mayor's Office of Community Empowerment and Opportunity. The Community Action Agency of Delaware County serves more than 7,500 people and provides more than 80,000 meals annually. For every Federal dollar it receives, it leverages more than \$23 from other sources. It offers housing assistance, employment training, energy services, tax help, budget counseling, child care, and much more. In Philadelphia it is no different. The Mayor's Office of Community Services, now called the Office of Community Empowerment and Opportunity, has been working to increase opportunities for low-income Philadelphians for more than 40 years. It offers a wide range of services from helping children become prepared for learning to jobs and training opportunities to offering economic and housing assistance.

The goal of these two agencies – of all community action agencies, really – is to meet the specific needs of each community by coordinating efforts and working with other neighborhood services groups to help individuals and families lift themselves out of poverty. These agencies and their representatives and volunteers work tirelessly with compassion, honesty, and reliability to provide essential human services and opportunities for the less fortunate. The Community Action Network gives them the tools that they need to improve living conditions and move them from poverty to self-sufficiency.

Thank you all for helping me to recognize this very valuable work that is happening all across the Commonwealth of Pennsylvania.

The SPEAKER. Thank you, Representative McClinton.

Members, we have a number of resolutions on the regular House calendar.

CALENDAR

RESOLUTIONS PURSUANT TO RULE 35

Mr. SANTARSIERO called up **HR 816, PN 3201**, entitled:

A Resolution recognizing six schools in the Pennsbury School District in Bucks County for their selection as State Schools of Character for 2016.

On the question,
Will the House adopt the resolution?

The SPEAKER. On the resolution, Representative Santarsiero is recognized.

Mr. SANTARSIERO. Thank you, Mr. Speaker.

It is an honor to stand before the House this morning to recognize the Pennsbury School District as being a recipient of – the distinction, I should say – of being a State and National District of Character, and not only is Pennsbury the district a recipient of this distinction, but so too is each individual school within the district. And it is an important thing, and it is something that I want to share with the House today, because it

is something that I think not many people know much about but has the potential to really transform our schools and our districts across Pennsylvania and across the country.

The School Character Program is one that encourages and works with schools to achieve a level of modeling by teachers and other adults in every school to teach kids to behave with a certain level of moral and ethical character, to treat each other with respect, and to understand from within themselves that they can achieve great things when they accept who they are and understand who they are and what their abilities are. It is a great program that also helps to counter bullying in our schools and really does have the ability to be transformative.

Pennsbury has been a leader in the character program now for well over 5 years. The middle school that my children attended, Charles Boehm Middle School, was the first one about 3 years ago to be recognized as a School of Character, and it has really transformed the way that the school teaches kids: taking kids, you know, the entire kid into consideration, not just the academic portion but everything else about who they are. And in working with the faculty and in conjunction with parents, this really can make a huge difference in kids' lives.

So HR 816 recognizes Pennsbury for this very important achievement. But I also want to recognize our two guests who are here today who have really been leaders in making this happen for the Pennsbury School District. The first is Dr. Kevin McHugh, who is the superintendent of Pennsbury, and with him is Dr. Donna Dunar, the assistant superintendent for curriculum and instruction, and if I may, I would like to ask them to stand and be recognized by the House.

Dr. McHugh, after 5 years as the superintendent in Pennsbury, 20 years affiliated with the district both as an administrator and a teacher, and 38 years in education, is retiring next month. Dr. McHugh, on behalf of the House, on behalf of all the people in the Pennsbury School District – and I speak also now for my colleague, John Galloway – we are grateful for your leadership in the district on this particular issue, but also for the many, many lives that you have changed for the better as an educator over the course of your career. Thank you.

Thank you all very much for the recognition of the Pennsbury School District. I ask for an affirmative vote on Resolution 816.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative Santarsiero.

On the question recurring,

Will the House adopt the resolution?

The following roll call was recorded:

YEAS—189

Acosta	Fabrizio	Mackenzie	Reed
Adolph	Farina	Maher	Reese
Artis	Farry	Mahoney	Regan
Baker	Fee	Major	Roae
Barrar	Flynn	Maloney	Roebuck
Benninghoff	Frankel	Markosek	Ross
Bizzarro	Gabler	Marshall	Rothman
Bloom	Gergely	Marsico	Rozzi
Boback	Gibbons	Masser	Saccone
Boyle	Gillen	Matzie	Sainato
Bradford	Gillespie	McCarter	Samuelson
Brown, R.	Gingrich	McClinton	Sankey

Brown, V.	Godshall	McGinnis	Santarsiero
Bullock	Goodman	McNeill	Santora
Burns	Greiner	Mentzer	Savage
Caltagirone	Grove	Metcalfe	Saylor
Carroll	Hahn	Metzgar	Schemel
Causer	Hanna	Miccarelli	Schlossberg
Christiana	Harhai	Millard	Schreiber
Cohen	Harhart	Miller, B.	Schweyer
Conklin	Harkins	Miller, D.	Sims
Corbin	Harper	Milne	Snyder
Costa, D.	Harris, A.	Moul	Sonney
Costa, P.	Harris, J.	Mullery	Staats
Cox	Heffley	Murt	Stephens
Cruz	Helm	Mustio	Sturla
Culver	Hennessey	Neilson	Tallman
Cutler	Hickernell	Nelson	Taylor
Daley, M.	Hill	Nesbit	Thomas
Davidson	Irvin	Neuman	Tobash
Davis	James	O'Brien	Toepel
Dawkins	Jozwiak	O'Neill	Toohil
Dean	Kampf	Oberlander	Topper
Deasy	Kaufert	Ortitay	Truitt
Delozier	Kauffman	Parker, D.	Vereb
Dermody	Kavulich	Pashinski	Vitali
Diamond	Keller, F.	Payne	Ward
DiGirolamo	Keller, M.K.	Peifer	Warner
Donatucci	Keller, W.	Petrarca	Watson
Driscoll	Kim	Petri	Wentling
Dunbar	Kinsey	Pickett	Wheatley
Dush	Knowles	Pyle	White
Ellis	Kortz	Quigley	Youngblood
Emrick	Kotik	Quinn	Zimmerman
English	Krueger	Rader	
Evankovich	Lawrence	Rapp	Turzai,
Evans	Lewis	Ravenstahl	Speaker
Everett	Longietti	Readshaw	

NAYS—0

NOT VOTING—0

EXCUSED—13

Barbin	DeLissio	Gainey	Klunk
Briggs	DeLuca	Galloway	Simmons
Daley, P.	Freeman	Kirkland	Wheeland
Day			

The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

* * *

Mr. CAUSER called up **HR 904, PN 3399**, entitled:

A Resolution commemorating the 200th anniversary of the first settlement of the community now known as Port Allegany.

On the question,

Will the House adopt the resolution?

The following roll call was recorded:

YEAS—189

Acosta	Fabrizio	Mackenzie	Reed
Adolph	Farina	Maher	Reese
Artis	Farry	Mahoney	Regan
Baker	Fee	Major	Roae
Barrar	Flynn	Maloney	Roebuck

Benninghoff	Frankel	Markosek	Ross
Bizzarro	Gabler	Marshall	Rothman
Bloom	Gergely	Marsico	Rozzi
Boback	Gibbons	Masser	Saccone
Boyle	Gillen	Matzie	Sainato
Bradford	Gillespie	McCarter	Samuelson
Brown, R.	Gingrich	McClinton	Sankey
Brown, V.	Godshall	McGinnis	Santarsiero
Bullock	Goodman	McNeill	Santora
Burns	Greiner	Mentzer	Savage
Caltagirone	Grove	Metcalfe	Saylor
Carroll	Hahn	Metzgar	Schemel
Causar	Hanna	Miccarelli	Schlossberg
Christiana	Harhai	Millard	Schreiber
Cohen	Harhart	Miller, B.	Schweyer
Conklin	Harkins	Miller, D.	Sims
Corbin	Harper	Milne	Snyder
Costa, D.	Harris, A.	Moul	Sonney
Costa, P.	Harris, J.	Mullery	Staats
Cox	Heffley	Murt	Stephens
Cruz	Helm	Mustio	Sturla
Culver	Hennessey	Neilson	Tallman
Cutler	Hickernell	Nelson	Taylor
Daley, M.	Hill	Nesbit	Thomas
Davidson	Irvin	Neuman	Tobash
Davis	James	O'Brien	Toepel
Dawkins	Jozwiak	O'Neill	Toohil
Dean	Kampf	Oberlander	Topper
Deasy	Kaufert	Ortitay	Truitt
Delozier	Kauffman	Parker, D.	Vereb
Dermody	Kavulich	Pashinski	Vitali
Diamond	Keller, F.	Payne	Ward
DiGrolamo	Keller, M.K.	Peifer	Warner
Donatucci	Keller, W.	Petrarca	Watson
Driscoll	Kim	Petri	Wentling
Dunbar	Kinsey	Pickett	Wheatley
Dush	Knowles	Pyle	White
Ellis	Kortz	Quigley	Youngblood
Emrick	Kotik	Quinn	Zimmerman
English	Krueger	Rader	
Evankovich	Lawrence	Rapp	Turzai,
Evans	Lewis	Ravenstahl	Speaker
Everett	Longietti	Readshaw	

NAYS—0

NOT VOTING—0

EXCUSED—13

Barbin	DeLissio	Gainey	Klunk
Briggs	DeLuca	Galloway	Simmons
Daley, P.	Freeman	Kirkland	Wheeland
Day			

The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 1856, PN 2870**, entitled:

An Act designating a bridge on that portion of U.S. Route 62 over the Allegheny River in Oil City, Venango County, as the Specialist Jonathan R. Kephart Memorial Bridge.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Members, we are going to be honoring a fallen serviceman.

I would ask that members please take their seats. Please take your seats. Any conversations I would respectfully ask go to the anterooms off the floor.

Representative James, sir, the floor is yours.

Mr. JAMES. Thank you, Mr. Speaker.

Members, thank you very much for your attention. I stand before you today with some emotion to ask for your support for HB 1856. My bill proposes to rename the Petroleum Street Bridge in Oil City, Pennsylvania, after a native son, and we are going to name it the "Specialist Jonathan R. Kephart Memorial Bridge."

Today I would like to say a few words about a brave American and his strong Christian family. Specialist Kephart gave up his life on 8 April 2004 near Baghdad, Iraq, protecting the troops in his unit, the 2d Squad, 4th Platoon, 230th Military Police Company. To quote M. Sgt. Edwin Rossman, who is Jonathan's platoon sergeant, quote, "Specialist Kephart showed exemplary bravery and courage saving the lives of his fellow patrolmen against overwhelming enemy forces."

Here is the story. Jonathan's platoon of 3 vehicles and 11 men and women troops was tasked with rescuing another unit which had been ambushed 4 kilometers from their base at Baghdad Airport. I believe this was the 10th day that Jonathan was in-country. From the time they left the compound they were under fire at any given time by 30 or more enemy on both sides of the road. Jonathan manned the .50-caliber machine gun in his vehicle and was extraordinarily effective inflicting enemy casualties.

In the report on the battle this day, it was determined that the platoon was engaged for approximately 45 minutes with a force of between 300 and 500 enemy personnel – that is 11 men and women versus 500. Jonathan was constantly exposed giving cover fire, but he was determined to get his fellow MPs (military police) out of this ambush, and this he did. Only after a rocket-propelled grenade hit his vehicle did Jonathan stop firing. In the words of Capt. David Beaman, "Jonathan died a hero."

On 8 April 2004, Jonathan's family entered the ranks of the Gold Star Mothers and Families. The gold star on a white flag with a red border denotes a family who lost a son or daughter in the line of duty in wartime. The American Gold Star Mothers was established in 1928 to honor a young American aviator who was lost over France in World War I. In September of 2012, President Obama dedicated the last day in September as "Gold Star Mother's and Family's Day."

Members, will you join me in honoring Specialist Kephart's parents, Mr. Burton and Mrs. Donna Kephart. Join me in recognizing them for their son's ultimate sacrifice. Thank you, members.

Thank you, Mr. Speaker.

The SPEAKER. Representative James, thank you so much.

Members, please remain standing for a moment of silence in honor of Spc. Jonathan R. Kephart.

(Whereupon, the members of the House and all visitors stood in a moment of silence in solemn respect to the memory of Spc. Jonathan R. Kephart.)

The SPEAKER. Members, you may take your seats.

On the question recurring,
Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—189

Acosta	Fabrizio	Mackenzie	Reed
Adolph	Farina	Maher	Reese
Artis	Farry	Mahoney	Regan
Baker	Fee	Major	Roae
Barrar	Flynn	Maloney	Roebuck
Benninghoff	Frankel	Markosek	Ross
Bizzarro	Gabler	Marshall	Rothman
Bloom	Gergely	Marsico	Rozzi
Boback	Gibbons	Masser	Saccone
Boyle	Gillen	Matzie	Sainato
Bradford	Gillespie	McCarter	Samuelson
Brown, R.	Gingrich	McClinton	Sankey
Brown, V.	Godshall	McGinnis	Santarsiero
Bullock	Goodman	McNeill	Santora
Burns	Greiner	Mentzer	Savage
Caltagirone	Grove	Metcalfe	Saylor
Carroll	Hahn	Metzgar	Schemel
Causar	Hanna	Miccarelli	Schlossberg
Christiana	Harhai	Millard	Schreiber
Cohen	Harhart	Miller, B.	Schweyer
Conklin	Harkins	Miller, D.	Sims
Corbin	Harper	Milne	Snyder
Costa, D.	Harris, A.	Moul	Sonney
Costa, P.	Harris, J.	Mullery	Staats
Cox	Heffley	Murt	Stephens
Cruz	Helm	Mustio	Sturla
Culver	Hennessey	Neilson	Tallman
Cutler	Hickernell	Nelson	Taylor
Daley, M.	Hill	Nesbit	Thomas
Davidson	Irvin	Neuman	Tobash
Davis	James	O'Brien	Toepel
Dawkins	Jozwiak	O'Neill	Toohil
Dean	Kampf	Oberlander	Topper
Deasy	Kaufer	Ortitay	Truitt
Delozier	Kauffman	Parker, D.	Vereb
Dermody	Kavulich	Pashinski	Vitali
Diamond	Keller, F.	Payne	Ward
DiGirolamo	Keller, M.K.	Peifer	Warner
Donatucci	Keller, W.	Petrarca	Watson
Driscoll	Kim	Petri	Wentling
Dunbar	Kinsey	Pickett	Wheatley
Dush	Knowles	Pyle	White
Ellis	Kortz	Quigley	Youngblood
Emrick	Kotik	Quinn	Zimmerman
English	Krueger	Rader	
Evankovich	Lawrence	Rapp	Turzai,
Evans	Lewis	Ravenstahl	Speaker
Everett	Longietti	Readshaw	

NAYS—0

NOT VOTING—0

EXCUSED—13

Barbin	DeLissio	Gainey	Klunk
Briggs	DeLuca	Galloway	Simmons
Daley, P.	Freeman	Kirkland	Wheeland
Day			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

RULES AND APPROPRIATIONS COMMITTEE MEETINGS

The SPEAKER. Chairman Adolph is recognized for committee announcements.

Mr. ADOLPH. Thank you very much, Mr. Speaker. Mr. Speaker, I am going to announce two meetings.

There will be an immediate meeting of the Rules Committee in the House Republican conference room.

At 12:15 there will be a meeting of the House Appropriations Committee in the majority caucus room. Thank you.

The SPEAKER. Thank you, sir.

There will be an immediate meeting of the Rules Committee in the House Republican conference room, and at 12:15 there will be a meeting of the House Appropriations Committee in the majority caucus room.

REPUBLICAN CAUCUS

The SPEAKER. Representative Sandra Major, the majority caucus chair, for a caucus announcement.

Ms. MAJOR. Thank you, Mr. Speaker.

I would like to announce Republicans will caucus today 12:45. I would ask our Republican members to please report to our caucus room a 12:45. Mr. Speaker, we would be prepared to come back on the floor at 1:30. Thank you.

DEMOCRATIC CAUCUS

The SPEAKER. Representative Dan Frankel, minority caucus chair, for a caucus announcement.

Mr. FRANKEL. Thank you, Mr. Speaker.

Democrats will caucus at 12:45. Democrats will caucus at 12:45.

RECESS

The SPEAKER. The House stands in recess. The House will stand in recess until 1:30. Thank you.

RECESS EXTENDED

The time of recess was extended until 1:45 p.m.; further extended until 2 p.m.; further extended until 2:15 p.m.; further extended until 2:30 p.m.

AFTER RECESS

The time of recess having expired, the House was called to order.

LEAVE OF ABSENCE CANCELED

The SPEAKER. Representative Ed Gainey is on the House floor and should be placed on the master roll.

LEAVES OF ABSENCE

The SPEAKER. Representative Bill KELLER, Representative GOODMAN, and Representative SANTARSIERO have all requested to be placed on leave of absence. Without objection, those will be granted.

BILLS REREPORTED FROM COMMITTEE

HB 1781, PN 3370 By Rep. ADOLPH

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in employees, further providing for commission members.

APPROPRIATIONS.

HB 1799, PN 2759 By Rep. ADOLPH

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in sentencing, further providing for life imprisonment for homicide.

APPROPRIATIONS.

SB 61, PN 1846 By Rep. ADOLPH

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in operation of vehicles, further providing for drivers of emergency vehicles.

APPROPRIATIONS.

SB 489, PN 1847 By Rep. ADOLPH

An Act amending the act of February 18, 1998 (P.L.146, No.22), known as the Check Casher Licensing Act, further providing for definitions, for authority of department, for conditions for licensing and for fees and charges; and providing for recovery of losses due to theft and fraudulent misrepresentation.

APPROPRIATIONS.

**BILLS ON CONCURRENCE
REPORTED FROM COMMITTEE**

HB 150, PN 2573 By Rep. REED

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in registration of vehicles, providing for Share the Road plate.

RULES.

HB 608, PN 3372

By Rep. REED

An Act amending the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act, further providing for authority to control, for schedules of controlled substances, for liquefied ammonia gas, precursors and chemicals and for promulgation of regulations.

RULES.

HB 1484, PN 3338

By Rep. REED

An Act amending the act of October 30, 1987 (P.L.375, No.75), entitled, "An act providing for the designation of certain trees and land on the grounds of the State Capitol in Harrisburg as "Soldiers' Grove" in honor of war veterans; imposing duties upon the Department of General Services; and making an appropriation," further providing for duties of Department of General Services and for appropriation; and providing for preservation of "Soldiers' Grove" and for construction.

RULES.

LEAVE OF ABSENCE CANCELED

The SPEAKER. Representative Galloway is on the House floor and should be placed back on the master roll.

**HOUSE RESOLUTION
INTRODUCED AND REFERRED**

No. 908 By Representatives EVERETT, MILLARD, THOMAS, WHEELAND, ROZZI, O'BRIEN and MAJOR

A Resolution directing the Legislative Budget and Finance Committee to conduct a study of the establishment, implementation and administration of fees for the use of water for the purpose of creating a Water Quality Improvement Fund.

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, May 24, 2016.

**HOUSE BILLS
INTRODUCED AND REFERRED**

No. 1994 By Representatives GILLESPIE, MULLERY, WARNER, MURT, BAKER, TOPPER, HARHAI, DRISCOLL, JOZWIAK, A. HARRIS, GOODMAN, FARRY, SAINATO, MAJOR, ZIMMERMAN, SAYLOR, PHILLIPS-HILL and MOUL

An Act amending Title 71 (State Government) of the Pennsylvania Consolidated Statutes, in retirement for State employees and officers, further defining "enforcement officer."

Referred to Committee on GAME AND FISHERIES, May 24, 2016.

No. 2096 By Representatives CRUZ, YOUNGBLOOD, SCHLOSSBERG, DONATUCCI, BOBACK, McNEILL, WATSON, GILLEN, PHILLIPS-HILL, O'NEILL, TAYLOR, ACOSTA, NEILSON and W. KELLER

An Act amending the act of September 9, 1965 (P.L.497, No.251), known as the Newborn Child Testing Act, further providing for newborn child screening and follow-up program.

Referred to Committee on HEALTH, May 24, 2016.

No. 2097 By Representatives MILNE, PHILLIPS-HILL, ROSS and TRUITT

An Act amending the act of July 5, 2012 (P.L.1102, No.132), known as the State System of Higher Education Intellectual Property Act, further providing for title of act, for short title and for repeal.

Referred to Committee on EDUCATION, May 24, 2016.

CALENDAR CONTINUED

BILLS ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 2003, PN 3211**, entitled:

An Act authorizing the Department of General Services, with the approval of the Pennsylvania Historical and Museum Commission and the Governor, to grant and convey to the Southern Lancaster County Historical Society certain lands situate in Fulton Township, Lancaster County.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

* * *

The House proceeded to second consideration of **HB 2014, PN 3220**, entitled:

An Act authorizing the Department of General Services, with the approval of the Department of Transportation and the Governor, to grant and convey, at a price to be determined through a competitive bid process, certain lands, buildings and improvements situate in Lawrence Township, Clearfield County.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

LEAVE OF ABSENCE CANCELED

The SPEAKER. Representative Santarsiero is on the House floor and should be placed back on the master roll.

LEAVE OF ABSENCE

The SPEAKER. Representative STURLA of Lancaster County has requested to be placed on leave of absence, and without objection, that will be granted.

BILLS ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 1887, PN 3193**, entitled:

An Act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, in administration and enforcement relating to gaming, further providing for compulsive and problem gambling program.

On the question,
Will the House agree to the bill on second consideration?

Mr. **ORTITAY** offered the following amendment
No. **A07269**:

Amend Bill, page 3, line 2, by inserting a bracket before "HEALTH"

Amend Bill, page 3, line 2, by inserting after "HEALTH"
] Drug and Alcohol Programs

On the question,
Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes Representative Ortitay.

Mr. ORTITAY. Thank you, Mr. Speaker.

This amendment deletes a reference to the Department of Health that was missed during the committee amendment and inserts department of "Drug and Alcohol Programs."

The SPEAKER. Thank you, sir.

On the question recurring,
Will the House agree to the amendment?

(Members proceeded to vote.)

LEAVE OF ABSENCE CANCELED

The SPEAKER. Representative Briggs is on the House floor and should be placed back on the master roll.

CONSIDERATION OF HB 1887 CONTINUED

On the question recurring,
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—189

Acosta	Everett	Longietti	Readshaw
Adolph	Fabrizio	Mackenzie	Reed
Artis	Farina	Maher	Reese
Baker	Farry	Mahoney	Regan
Barrar	Fee	Major	Roae
Benninghoff	Flynn	Maloney	Roebuck
Bizzarro	Frankel	Markosek	Ross
Bloom	Gabler	Marshall	Rothman
Boback	Gainey	Marsico	Rozzi
Boyle	Galloway	Masser	Saccone
Bradford	Gergely	Matzie	Sainato
Briggs	Gibbons	McCarter	Samuelson
Brown, R.	Gillen	McClinton	Sankey
Brown, V.	Gillespie	McGinnis	Santarsiero
Bullock	Gingrich	McNeill	Santora
Burns	Godshall	Mentzer	Savage
Caltagirone	Greiner	Metcalfe	Saylor
Carroll	Grove	Metzgar	Schemel
Causar	Hahn	Miccarelli	Schlossberg
Christiana	Hanna	Millard	Schreiber
Cohen	Harhai	Miller, B.	Schweyer
Conklin	Harhart	Miller, D.	Sims
Corbin	Harkins	Milne	Snyder
Costa, D.	Harper	Moul	Sonney

Costa, P.	Harris, A.	Mullery	Staats
Cox	Harris, J.	Murt	Stephens
Cruz	Heffley	Mustio	Tallman
Culver	Helm	Neilson	Taylor
Cutler	Hennessey	Nelson	Thomas
Daley, M.	Hickernell	Nesbit	Tobash
Davidson	Hill	Neuman	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Dean	Jozwiak	Oberlander	Truitt
Deasy	Kampf	Ortitay	Vereb
Delozier	Kaufner	Parker, D.	Vitali
Dermody	Kauffman	Pashinski	Ward
Diamond	Kavulich	Payne	Warner
DiGirolo	Keller, F.	Peifer	Watson
Donatucci	Keller, M.K.	Petrarca	Wentling
Driscoll	Kim	Petri	Wheatley
Dunbar	Kinsey	Pickett	White
Dush	Knowles	Pyle	Youngblood
Ellis	Kortz	Quigley	Zimmerman
Emrick	Kotik	Quinn	
English	Krueger	Rader	Turzai,
Evankovich	Lawrence	Rapp	Speaker
Evans	Lewis	Ravenstahl	

NAYS-0

NOT VOTING-0

EXCUSED-13

Barbin	DeLuca	Keller, W.	Simmons
Daley, P.	Freeman	Kirkland	Sturla
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question,
Will the House agree to the bill on second consideration as amended?

Bill as amended was agreed to.

The SPEAKER. The bill as amended will be reprinted.

* * *

The House proceeded to second consideration of **HB 1925, PN 3194**, entitled:

An Act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, in revenues, further providing for transfers from State Gaming Fund.

On the question,
Will the House agree to the bill on second consideration?

Mr. **PAYNE** offered the following amendment No. **A07622**:

Amend Bill, page 1, lines 1 through 3, by striking out all of said lines and inserting
Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for legislative intent and for definitions; providing for video gaming; in Pennsylvania Gaming Control Board, further providing for general and specific powers, for licensed gaming entity

application appeals from board, for board minutes and records, for regulatory authority of board, for slot machine license fee, for reports of board and for diversity goals of board; in licensees, further providing for Category 3 slot machine license, for slot machine license application, for supplier licenses and for manufacturer licenses, providing for nongaming service provider and further providing for slot machine testing and certification standards and for license renewals; in table games, further providing for authorization to conduct table games, for table game tournaments, for other financial transactions, for table game device and associated equipment testing and certification standards, for table game authorization fee and for local share assessment; providing for interactive gaming, for slot machines at nonprimary locations and for slot machines in qualified airports; in revenues, further providing for establishment of State Gaming Fund and net slot machine revenue distribution, for Pennsylvania Race Horse Development Fund, for Pennsylvania Gaming Economic Development and Tourism Fund and for transfers from State Gaming Fund and establishing the Public School Employees' Retirement Contribution Fund; in administration and enforcement, further providing for responsibility and authority of the Department of Revenue, for compulsive and problem gambling program, providing for child endangerment protection, further providing for financial and employment interests, for regulation requiring exclusion or ejection of certain persons, for repeat offenders excludable from licensed gaming facility, for list of persons self excluded from gaming activities, for investigations and enforcement, for prohibited acts and penalties and providing for casino liquor license; in miscellaneous provisions, further providing for appropriations; making an editorial change; and making a related repeal.

Amend Bill, page 1, lines 6 and 7, by striking out all of said lines and inserting

Section 1. Section 1102 of Title 4 of the Pennsylvania Consolidated Statutes is amended by adding paragraphs to read: § 1102. Legislative intent.

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

* * *

(12.1) The continued growth and success of the commercial gaming industry in this Commonwealth is dependent upon a regulatory environment which promotes and fosters technological advances and encourages the development and delivery of innovative gaming products.

(12.2) It is also the intent of the General Assembly to ensure the sustainability and competitiveness of the commercial gaming industry in this Commonwealth by authorizing interactive gaming, the operation of multistate wide-area progressive slot machines, skill and hybrid slot machines and the operation of slot machines at nonprimary locations.

* * *

Section 2. The definitions of "associated equipment," "cash equivalent," "cheat," "cheating or thieving device," "commission" or "commissions," "conduct of gaming," "contest," "counterfeit chip," "fully automated electronic gaming table," "gaming employee," "gaming school," "gaming service provider," "key employee," "licensed facility," "manufacturer," "manufacturer license," "player," "progressive payout," "progressive system," "slot machine," "supplier," "supplier license" and "table game device" in section 1103 of Title 4 are amended and the section is amended by adding definitions to read: § 1103. Definitions.

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

* * *

"Airport authority." The governing body of a municipal

authority organized and incorporated to oversee the operations of a qualified airport under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) or the governing body of a city of the first class, which regulates the use and control of a qualified airport.

"Airport gaming area." A location or locations within a qualified airport approved for the conduct of authorized interactive games through the use of multi-use computing devices by eligible passengers as approved by the airport authority and the Pennsylvania Gaming Control Board.

* * *

"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with slot machines or table games, including linking devices which connect to progressive slot machines and multistate wide-area progressive slot machines or slot [machines, replacement] machine replacement parts, equipment which affects the proper reporting and counting of gross terminal revenue [and], gross table game revenue and gross interactive gaming revenue, computerized systems for controlling and monitoring slot machines [or], table games or interactive games, including, but not limited to, the central control computer to which all slot machines communicate [and], devices for weighing or counting money[,] and interactive gaming devices and associated equipment necessary for the operation of interactive games as approved by the Pennsylvania Gaming Control Board. The term shall not include count room equipment.

* * *

"Authorized interactive game." An interactive game approved by regulation of the Pennsylvania Gaming Control Board to be suitable for interactive gaming offered by an interactive gaming certificate holder or other persons on behalf of a slot machine licensee in accordance with Chapter 13B (relating to interactive gaming). The term shall include any interactive game approved by regulation of the Pennsylvania Control Board to be suitable for interactive gaming through the use of a multi-use computing device.

* * *

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

- (1) Chips or tokens.
- (2) Travelers checks.
- (3) Foreign currency and coin.
- (4) Certified checks, cashier's checks and money orders.
- (5) Personal checks or drafts.
- (6) A negotiable instrument applied against credit

extended by a certificate holder, an interactive gaming certificate holder, a holder of an interactive gaming license or a financial institution.

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

* * *

"Cheat." To defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine [or], table game[,] or authorized interactive game, including causing, aiding, abetting or conspiring with another person to do so. The term shall also mean to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria which determine:

- (1) The result of a slot machine game [or], table game or authorized interactive game.
- (2) The amount or frequency of payment in a slot machine game [or], table game or authorized interactive game.
- (3) The value of a wagering instrument.
- (4) The value of a wagering credit.

The term does not include altering a slot machine, table game device or associated equipment or interactive gaming device or associated equipment for maintenance or repair with the approval of a slot machine licensee.

"Cheating or thieving device." A device, software or hardware

used or possessed with the intent to be used to cheat during the operation or play of any slot machine [or], table game or authorized interactive game. The term shall also include any device used to alter a slot machine [or], a table game device or associated equipment, an authorized interactive game or interactive gaming device or associated equipment without the slot machine licensee's approval.

* * *

["Commission" or "commissions."] "Commission." The State Horse Racing Commission [or the State Harness Racing Commission, or both as the context may require.] as defined in section 2801-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

* * *

"Concession operator." A person engaged in the sale or offering for sale of consumer goods or services to the public at a qualified airport, or authorized to conduct other commercial activities related to passenger services at a qualified airport, in accordance with the terms and conditions of an agreement or contract with an airport authority, government entity or other person.

"Conduct of gaming." The licensed placement, operation and play of slot machines [and], table games and interactive games under this part, as authorized and approved by the Pennsylvania Gaming Control Board. The term shall include the licensed placement, operation and play of authorized interactive games through the use of multi-use computing devices at a qualified airport, as authorized and approved by the Pennsylvania Gaming Control Board.

"Contest." A slot machine, table game or authorized interactive game competition among players for cash, cash equivalents or prizes.

* * *

"Counterfeit chip." Any object or thing that is:

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

(2) presented to a certificate holder for redemption if the object was not issued by the certificate holder[.];

(3) used or intended to be used to play an authorized interactive game which was not approved by the interactive gaming certificate holder for such use; or

(4) presented during play of an authorized interactive game for redemption, if the object or thing was not issued by the interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

* * *

"Eligible passenger" or "passenger." An individual 21 years of age or older who has cleared security check points with a valid airline boarding pass for travel from one destination to another by airplane.

* * *

"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. The term shall include a multi-use computing device, which through the use of digital, electronic or other communications technology, is capable of simulating a table game.

* * *

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

- (1) Cashiers.
- (2) Change personnel.
- (3) Count room personnel.
- (4) Slot attendants.
- (5) Hosts or other individuals authorized to extend

complimentary services, including employees performing functions similar to those performed by a gaming junket representative.

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

- (7) Security personnel.

(8) Surveillance personnel.

(9) 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.

(10) Boxmen.

(11) Dealers or croupiers.

(12) Floormen.

(13) Personnel authorized to issue promotional play.

(14) Personnel authorized to issue credit.

The term shall include employees of a person holding a supplier's license whose duties are directly involved with the repair or distribution of slot machines, table game devices or associated equipment or interactive gaming devices or associated equipment sold or provided to a licensed facility within this Commonwealth as determined by the Pennsylvania Gaming Control Board. The term shall further include employees of a person authorized by the board to supply goods and services related to interactive gaming or any subcontractor or an employee of a subcontractor that supplies interactive gaming devices, including multi-use computing devices, or associated equipment to a holder of an interactive gaming certificate or interactive gaming license. The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverages, clerical or secretarial personnel, parking attendants, janitorial, stage, sound and light technicians and other nongaming personnel as determined by the board.

"Gaming floor." Any portion of a licensed facility where slot machines or table games have been installed for use or play.

* * *

"Gaming-related restricted area." Any room or area of a licensed facility, as approved by the Pennsylvania Gaming Control Board, used by a slot machine licensee to manage, control and operate gaming activities authorized under this part and where access is limited to individuals specifically designated by the slot machine licensee.

* * *

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

"Gaming service provider." A person that is not required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and:

(1) provides goods or services, including, but not limited to, count room equipment, to a slot machine licensee or an applicant for a slot machine license for use in the operation of a licensed facility; [or] and

(2) provides goods or services [at] to a slot machine licensee or an applicant for a slot machine license that requires access to the gaming floor or a gaming-related restricted area of a licensed facility as determined by the Pennsylvania Gaming Control Board.

* * *

"Gross interactive gaming revenue." The total of all cash or cash equivalent wagers paid by registered players to an interactive gaming certificate holder in consideration for the play of authorized interactive games, minus:

(1) The total of cash or cash equivalents paid out to registered players as winnings.

(2) The cash equivalent value of any personal property or other noncash items or things of value included in a drawing,

contest or tournament and distributed to registered players as a result of playing authorized interactive games.

(3) Any administrative fee, operations fee or tax paid to another state or jurisdiction pursuant to an interactive gaming reciprocal agreement.

Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed may not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue.

* * *

"Hybrid slot machine." A slot machine in which a combination of the skill of the player and elements of chance affects the outcome of the game.

* * *

"Interactive game." Any gambling game offered through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term shall not include:

(1) A lottery game or Internet instant game as defined in the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

(2) Nongambling games that do not otherwise require a license under the laws of this Commonwealth.

For the purposes of this definition, the term "communications technology" shall mean any method used and the components employed to facilitate the transmission and receipt of information, including transmission and reception by systems using wire, wireless, cable, radio, microwave, light, fiber optics, satellite or computer data networks, including the Internet and intranets, as approved by the board.

"Interactive gaming." The placing of bets or wagers with an interactive gaming certificate holder or interactive gaming licensee located in this Commonwealth using a computer network of both Federal and non-Federal interoperable packet switched data networks through which an interactive gaming certificate holder may offer authorized interactive games to registered players. The term shall include the placing of bets or wagers through the use of a multi-use computing device.

"Interactive gaming account." The formal, electronic system implemented by an interactive gaming certificate holder to record the balance of a registered player's debits, credits and other activity related to interactive gaming.

"Interactive gaming account agreement." An agreement entered into between an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder and an individual which governs the terms and conditions of the individual's interactive gaming account and the use of the Internet for purposes of placing bets or wagers on authorized interactive games operated by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

"Interactive gaming agreement." An agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator related to the offering or operation of interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The term shall include an interactive gaming agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator for the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport in accordance with this part.

"Interactive gaming certificate." The authorization issued to a slot machine licensee by the Pennsylvania Gaming Control Board authorizing the operation and conduct of interactive gaming by a slot machine licensee or other person on behalf of a slot machine licensee

in accordance with Chapter 13B.

"Interactive gaming certificate holder." A slot machine licensee that has been granted authorization by the Pennsylvania Gaming Control Board to operate authorized interactive games in accordance with Chapter 13B.

"Interactive gaming device." All hardware and software and other technology, equipment or device of any kind as determined by the Pennsylvania Gaming Control Board to be necessary for the conduct of authorized interactive games.

"Interactive gaming license." A license issued to a person by the Pennsylvania Gaming Control Board under Chapter 13B.

"Interactive gaming licensee." A person who has been issued a license to act as an interactive gaming operator under Chapter 13B.

"Interactive gaming operator." A person, including an affiliate of a slot machine licensee, licensed by the Pennsylvania Gaming Control Board to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder.

"Interactive gaming platform." The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the bets or wagers associated with interactive games, as approved by the Pennsylvania Gaming Control Board. The term shall include any emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved through regulation by the Pennsylvania Gaming Control Board.

"Interactive gaming reciprocal agreement." An agreement negotiated by the Pennsylvania Gaming Control Board on behalf of the Commonwealth with the authorized agency of one or more states or jurisdictions where interactive gaming is legally authorized which will permit the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities in the states or jurisdictions that are parties to the agreement.

"Interactive gaming restricted area." Any room or area, as approved by the Pennsylvania Gaming Control Board, used by an interactive gaming certificate holder or interactive gaming license holder to manage, control and operate interactive gaming, including, where approved by the board, redundancy facilities.

"Interactive gaming skin or skins." The portal or portals to an interactive gaming platform or Internet website through which authorized interactive games are made available to registered players by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder in this Commonwealth or players in any other state or jurisdiction in which an interactive gaming reciprocal agreement has been entered.

"Interactive gaming system." All hardware, software and communications that comprise a type of server-based gaming system for the purpose of offering authorized interactive games.

"Internet website." The interactive gaming skin or skins or Internet portal or portals through which an interactive gaming certificate holder or other person makes authorized interactive games available for play.

* * *

"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine or table game operations or interactive gaming operations, including the general manager and assistant manager of the licensed facility, director of slot operations, director of table game operations, director of interactive gaming, director of cage and/or credit operations, director of surveillance, director of marketing, director of management information systems, director of interactive gaming system programs or other similar job classifications associated with interactive gaming, persons who manage, control or administer interactive gaming or the bets and wagers associated with authorized interactive games, director of security, comptroller and any employee who is not otherwise designated as a gaming employee and who supervises the operations of these departments or to whom these department directors or department heads report and such other positions not otherwise designated or

defined under this part which the Pennsylvania Gaming Control Board shall determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the Pennsylvania Gaming Control Board. All other gaming employees unless otherwise designated by the Pennsylvania Gaming Control Board shall be classified as non-key employees.

* * *

"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 and if authorized under Chapter 13B (relating to interactive gaming), to conduct interactive gaming. 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[.];

(4) for the purposes of Chapter 13D (relating to slot machines at nonprimary locations), the area of a nonprimary location in which a Category 1 slot machine licensee is authorized to place and make slot machines available for play.

The term shall not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Pennsylvania Gaming Control Board and which is maintained and operated by an interactive gaming certificate holder in connection with interactive gaming or by a Category 1 slot machine licensee in connection with the operation of slot machines at a nonprimary location.

* * *

"Licensed racing entity." Any legal entity that has obtained a license to conduct live thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from [either] the State Horse Racing Commission [or the State Harness Racing Commission] pursuant to the act of [December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act] April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

"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 or authorized interactive games for use or play of slot machines [or], table games or authorized interactive games in this Commonwealth for gaming purposes. The term shall not include a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to multi-use computing devices used in connection with the conduct of interactive gaming at a qualified airport.

"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, interactive gaming devices or associated equipment or associated equipment, or casino simulcasting technology or equipment for use in this Commonwealth for gaming purposes.

* * *

"Multi-use computing device." As follows:

(1) A computing device, including, but not limited to, a tablet computer, that:

(i) Allows a player to access an authorized interactive game.

(ii) Is located and accessible to eligible passengers only in an airport gaming area.

(iii) Communicates with a server that is in a location approved by the Pennsylvania Gaming Control Board.

(iv) Is approved by the Pennsylvania Gaming

Control Board.

(v) Has the capability of being linked to and monitored by the department's central control computer system, as applicable for any particular interactive game, in accordance with section 1323 (relating to central control computer system).

(vi) Offers a player additional functions which shall include Internet browsing, the capability of checking flight status and ordering food or beverages.

(2) The term shall not include any tablet or computing device that restricts, prohibits or is incapable of providing access to interactive gaming, interactive gaming skins or interactive gaming platforms.

"Multistate wide-area progressive slot machine system." The linking of slot machines located in this Commonwealth with slot machines located in one or more states or jurisdictions in which the Pennsylvania Gaming Control Board has entered into an agreement authorizing the conduct of a multistate wide-area progressive slot machine system by slot machine licensees in this Commonwealth with gaming entities in such other state or jurisdiction, as approved by the Pennsylvania Gaming Control Board.

* * *

"Nongaming service provider." A person that is not a gaming service provider or required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and that provides goods or services:

(1) to a slot machine licensee or applicant for a slot machine license for use in the operation of a licensed facility; and

(2) that does not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

* * *

"Nonprimary location permit." The permit issued to a Category 1 slot machine licensee authorizing the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

"Nonprimary location permit holder." A Category 1 slot machine licensee that has been approved for and issued a permit to place and make slot machines available for play at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

* * *

"Player." An individual wagering cash, a cash equivalent or other thing of value in the play or operation of a slot machine [or], an authorized interactive game or a 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], authorized interactive game or table game to receive cash, a cash equivalent or other thing of value from another player or a slot machine licensee.

* * *

"Progressive payout." A slot machine wager payout that increases in a monetary amount based on the amounts wagered in a progressive system, including a multistate wide-area progressive slot machine system.

"Progressive system." A computerized system linking slot machines in one or more licensed facilities within this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term shall include the linking of slot machines in a licensed facility in this Commonwealth with a multistate wide-area progressive system operated by gaming entities in one or more states or jurisdictions.

* * *

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

* * *

["Race Horse Industry Reform Act." The act of December 17,

1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.]

"Redundancy facilities." Any and all rooms or areas used by a slot machine licensee for emergency backup, redundancy or secondary operations attendant to interactive gaming as approved by the Pennsylvania Gaming Control Board.

"Registered player." An individual who has entered into an interactive gaming account agreement with an interactive gaming certificate holder.

* * *

"Skill." The knowledge, dexterity, adroitness, acumen or other mental skill of an individual.

"Skill slot machine." A slot machine in which the skill of the player, rather than the elements of chance, is the predominant factor in affecting the outcome of the game.

"Slot machine." Includes:

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

[(1)] (i) May utilize spinning reels or video displays or both.

[(2)] (ii) May or may not dispense coins, tickets or tokens to winning patrons.

[(3)] (iii) May use an electronic credit system for receiving wagers and making payouts.

(2) The term shall include [associated equipment] all of the following:

(i) Associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

(ii) A skill slot machine, hybrid slot machine and the devices or associated equipment necessary to conduct the operation of a skill slot machine or hybrid slot machine.

(iii) A multistate wide-area progressive slot machine and devices and associated equipment as defined by the board through regulations.

(iv) A multi-use computing device which is capable of simulating, either digitally or electronically, a slot machine.

* * *

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any slot machine, table game device or associated equipment, interactive gaming device or associated equipment for use or play of slot machines [or], table games or interactive games in this Commonwealth. The term shall include a person that sells, leases, offers or otherwise provides, distributes or services any multi-use computing device as approved by the Pennsylvania Gaming Control Board.

"Supplier license." A license issued by the Pennsylvania Gaming Control Board authorizing a supplier to provide products or services related to slot machines, table game devices or associated equipment, interactive gaming device, including any multi-use computing device or associated equipment to slot machine licensees for use in this Commonwealth for gaming purposes.

"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 approved by the Pennsylvania Gaming Control Board and used to conduct a table game or that is capable, through the use of digital, electronic or other communications technology, of simulating play of a table game.

* * *

Section 2.1. Title 4 is amended by adding a chapter to read:

CHAPTER 11A
VIDEO GAMING

Sec.

11A01. Definitions.

11A02. Powers and duties.

11A03. Licensing of manufacturers, distributors, terminal operators and service technicians.

11A04. Video gaming license.

11A05. License prohibitions.

11A06. Video gaming limitations.

11A07. Central computer system.

11A08. Video gaming terminal and redemption terminal.

11A09. Unlawful acts.

11A10. Enforcement.

11A11. Multiple types of licenses prohibited.

11A12. Establishment of account and distribution of funds.

11A13. Initial funding.

11A14. Preemption of local taxes and license fees.

11A15. Exemption from State gaming laws.

11A16. Exemption from Federal regulation.

11A17. Preemption.

11A18. Compulsive and problem gambling.

11A19. Provisional licenses.

11A20. Temporary video gaming regulations.

§ 11A01. Definitions.

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

"Central computer system." A central site computer system controlled by the department and accessible by the board that at all times is connected to video gaming terminals at licensed establishments and that, at a minimum, is capable of monitoring, communicating, auditing, retrieving information, generating games, activating and disabling each video gaming terminal.

"Coin-operated amusement game." A machine that requires the insertion of a coin, currency or token to play or activate a game, the outcome of which is predominantly and primarily determined by the skill of the player. The term does not include a video gaming terminal.

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

"Distributor." A person licensed by the board to buy, sell, lease, service or distribute video gaming terminals. The term does not include a terminal operator or a manufacturer.

"Enforcement Bureau." The Bureau of Liquor Control Enforcement of the Pennsylvania State Police.

"Gaming machine." A device or game that has the outcome of play primarily determined by chance. The term includes an antique slot machine under 18 Pa.C.S. § 5513(c) (relating to gambling devices, gambling, etc.) when used for profit. The term shall not include any of the following:

(1) A coin-operated amusement game.

(2) A video gaming terminal that has all of its seals or identification plates.

(3) A slot machine as defined under section 1103 (relating to definitions).

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

(5) A lottery terminal used under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

"Grocery store." A retail establishment, commonly known as a

grocery store, supermarket or delicatessen, where food, food products and supplies are sold for human consumption on or off the premises.

The term shall include a restaurant with an interior connection to, and the separate and segregated portion of, any other retail establishment which is dedicated solely to the sale of food, food products and supplies for the table for human consumption on or off the premises.

"Gross revenue." The total of cash or cash equivalents used for the play of a video gaming terminal minus cash or cash equivalent paid players as a result of playing a video gaming terminal.

"Incentive." Any consideration, including a promotion or prize, provided from a licensee under this chapter or an employee of a licensee to a patron of a licensed establishment as an enticement to play a video gaming terminal.

"Inducement." Any consideration paid directly or indirectly, from a terminal operator, employee of the terminal operator or any other person on behalf of the terminal operator, to a licensed establishment owner or an employee of the licensed establishment, directly or indirectly as an enticement to solicit or maintain the licensed establishment owner's business. The term includes cash, a gift, loan and repayment of gross revenue.

"Licensed establishment." A licensed liquor establishment or a truck stop establishment with a video gaming license granted under § 11A05 (relating to license prohibitions).

"Licensed liquor establishment." A brew pub, club, hotel, privately owned public golf course or restaurant as defined or licensed under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, that operates under a valid liquor or malt or brewed beverage license under Article IV of the Liquor Code. The term shall not include a grocery store or a hotel or restaurant whose place of business is located in a licensed facility as defined in 4 Pa.C.S. § 1103 (relating to definitions).

"Manufacturer." A person that:

(1) is licensed by the board; and

(2) manufactures, produces or assembles video gaming terminals or major parts and components of video gaming terminals.

"Minor." An individual who is less than 21 years of age.

"Redemption terminal." The collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of cash or cash equivalent to a player as a result of playing a video gaming terminal.

"Service technician." An individual licensed by the board to service, maintain and repair video gaming terminals.

"State Lottery." The lottery established and operated under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

"Terminal operator." A person that:

(1) is licensed by the board; and

(2) owns, services or maintains video gaming terminals for placement in licensed establishments.

"Truck stop establishment." A premises that is equipped with diesel islands used for fueling commercial motor vehicles, has sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months, has parking spaces dedicated for commercial motor vehicles, has a convenience store and is situated on a parcel of land not less than three acres.

"Video gaming license." A license issued by the board authorizing the placement and operation of video gaming terminals at the licensed establishment specified in the application for licensure.

"Video gaming terminal." A device or terminal:

(1) that, upon insertion of a coin or currency, will play or simulate the play of a video poker, bingo, keno, slot machine, blackjack or any other game authorized by the board;

(2) that utilizes a video display and microprocessor; and

(3) in which, by the skill of the player or by chance, the player may receive a free game or credit that may be redeemed

for cash at a redemption terminal.

§ 11A02. Powers and duties.

The board shall regulate and adopt standards for video gaming as authorized under this chapter.

§ 11A03. Licensing of manufacturers, distributors, terminal operators and service technicians.

(a) Application.—A person that applies to the board for a manufacturer, distributor, terminal operator or service technician license related to video gaming under this section shall do so on a form prescribed by the board.

(b) Application fee.—

(1) An applicant for a manufacturer or distributor license must pay a nonrefundable application fee of \$50,000.

(2) An applicant for a terminal operator license must pay a nonrefundable application fee of \$10,000.

(3) An applicant for a service technician license must pay a nonrefundable application fee of \$100.

(c) Production of information.—An applicant must produce information, documentation and assurances as required by the board, including:

(1) Written consent by the applicant to provide for the examination of financial and business accounts, bank accounts, tax returns and related records in the applicant's possession or under the applicant's control that establish the financial stability, integrity and responsibility of the license applicant.

(2) Written authorization by the applicant for third parties in possession or control of accounts or records under paragraph (1) to allow for examination of such documents as deemed necessary by the board or the Pennsylvania State Police in conducting background investigations.

(3) If the applicant has conducted a gaming operation in a jurisdiction that permits such activity, a letter of reference from the gaming or casino enforcement or control agency that specifies the experience of the agency with the applicant, the applicant's associates and the applicant's gaming operations. If the applicant is unable to obtain the letter within 60 days of the request, the applicant may submit a copy of the letter requesting the information, together with a statement under oath or affirmation that, during the period activities were conducted, the applicant was in good standing with the appropriate gambling or casino enforcement control agency.

(4) Information, documentation and assurances as required by the board to establish the applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial affairs, business associates, professional associates and personal associates, covering the 10-year period immediately preceding the filing of the application.

(d) Background investigation.—Pennsylvania State Police shall conduct, at the request of the board, a background investigation of an applicant for a manufacturer, distributor or terminal operator license as follows:

(1) The applicant shall consent to a background investigation and provide any and all information requested by the Pennsylvania State Police and consent to a release of any and all information necessary for the completion of the background investigation, which information shall include fingerprints.

(2) The background investigation shall include a security, criminal and credit investigation by the Pennsylvania State Police, which shall include records of criminal arrests and convictions, in any jurisdiction, including Federal criminal history record information. The investigation may utilize information about the applicant compiled by the Pennsylvania Liquor Control Board. The Pennsylvania State Police may share investigation information with the board to the extent permitted by Federal and State law as determined by the Pennsylvania State Police. None of the information obtained by the Pennsylvania State Police may be disclosed publicly nor be subject to

disclosure under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(3) The background investigation shall include an examination of personal, financial or business records, including tax returns, bank accounts, business accounts, mortgages and contracts to which the applicant is a party or has an interest.

(4) The background investigation shall include an examination of personal or business relationships that:

(i) Include a partial ownership or voting interest in a partnership, association or corporation.

(ii) Bear on the fitness of the applicant for licensure.

(5) The applicant shall reimburse the bureau for the actual costs of conducting the background investigation. The board may not approve an applicant that has not fully reimbursed the Pennsylvania State Police for the investigation.

(e) Eligibility.—To be eligible for a license under this section, an applicant for a manufacturer, distributor, terminal operator or service technician license must comply with all of the following:

(1) Be of good moral character and reputation in the community.

(2) Be 18 years of age or older.

(3) Be current in the payment of all taxes, interest and penalties owed to the Commonwealth and political subdivisions of the Commonwealth. This paragraph excludes taxes subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(4) An applicant for a manufacturer, distributor or terminal operator license must also demonstrate sufficient financial resources to support the activities required of, respectively, a manufacturer, distributor or terminal operator related to video gaming terminals.

(f) Review and approval.—The board shall review the information submitted by the applicant and the investigation information provided by the Pennsylvania State Police. If being satisfied that the requirements of subsection (e) have been met, the board may approve the application and grant the applicant a manufacturer, distributor or terminal operator license consistent with all of the following:

(1) The license shall be valid for a period of two years. Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of any change relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(g) Annual fees.—

(1) The annual fee for a terminal operator license shall be \$25,000 for a terminal operator that has placed 50 or fewer video gaming terminals at licensed establishments in this Commonwealth. An additional annual fee of \$500 shall be charged per video gaming terminal license for a terminal operator that has placed more than 50 video gaming terminals at licensed establishments in this Commonwealth.

(2) The annual fee for a distributor license shall be \$10,000.

(3) The annual fee for a manufacturer license shall be \$10,000.

(4) The annual fee for a service technician license shall be \$100.

(h) Renewal and late filing fees.—

(1) Sixty days prior to expiration of the license, the licensee seeking renewal of the license shall submit a renewal application accompanied by the annual fee or the license shall be subject to appropriate late filing fees.

(2) If the renewal application satisfies the requirements of subsection (e), the board may renew the license.

(3) If the board receives a complete renewal application

but fails to act upon the renewal application prior to the expiration of the license, the license shall continue in effect for an additional six-month period or until acted upon by the board, whichever occurs first.

(4) The board may accept renewal applications filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fees and an additional late filing fee of \$100. A renewal application filed on or after the effective date of renewal shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A renewal application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(i) Validation of licenses and late filing fees.—

(1) One year after the issuance or renewal of a license, the licensee shall file an application for validation of the license with the requisite annual fees and tax clearance, at least 60 days before the effective date of the validation or the license shall be subject to appropriate late filing fees.

(2) The board may accept a validation application filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fee and an additional late filing fee of \$100. A validation application filed on or after the effective date of validation shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A validation application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(j) Third-party disclosure.—An applicant must accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss, which may result from disclosure or publication by a third party of material or information requested by the board pursuant to action on an application. The applicant expressly must waive a claim against the board or the Commonwealth and the applicant's employees from damages as a result of disclosure or publication by a third party.

(k) Hearing upon denial.—A person that is denied a license or the renewal of a license under this section has the right to a hearing before the board in accordance with the provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

§ 11A04. Video gaming license.

(a) Application.—A person that applies to the board for a video gaming license under this section shall do so on a form prescribed by the board.

(b) Licensed liquor establishment.—Except as provided in section 11A05 (relating to license prohibitions), the board shall issue a video gaming license to a licensed liquor establishment upon a showing that the establishment's liquor or retail dispenser license is valid and is in good standing with the Pennsylvania Liquor Control Board.

(c) Truck stop establishment.—The board shall issue a license to a truck stop establishment if the person who owns establishment meets the following requirements:

(1) Is of good moral character and reputation in the community.

(2) Is 18 years of age or older.

(3) Is current in the payment of all taxes, interest and penalties owed to the Commonwealth and political subdivisions of the Commonwealth. This paragraph excludes taxes subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(4) Demonstrates sufficient financial resources to support the activities required of a manufacturer, distributor or terminal operator related to video gaming terminals.

(5) Produces information, documentation and assurances as required by the board, including:

(i) Written consent by the applicant to provide for the examination of financial and business accounts,

bank accounts, tax returns and related records in the applicant's possession or under the applicant's control that establish the financial stability, integrity and responsibility of the license applicant.

(ii) Written authorization by the applicant for third parties in possession or control of accounts or records under paragraph (1) to allow for examination of such documents as deemed necessary by the board or the Pennsylvania State Police in conducting background investigations.

(iii) If the applicant has conducted a gaming operation in a jurisdiction that permits such activity, a letter of reference from the gaming or casino enforcement or control agency that specifies the experience of the agency with the applicant, the applicant's associates and the applicant's gaming operations. If the applicant is unable to obtain the letter within 60 days of the request, the applicant may submit a copy of the letter requesting the information, together with a statement under oath or affirmation that, during the period activities were conducted, the applicant was in good standing with the appropriate gambling or casino enforcement control agency.

(iv) The applicant must provide information, documentation and assurances as required by the board to establish the applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial affairs, business associates, professional associates and personal associates, covering the 10-year period immediately preceding the filing of the application.

(6) Consent to a background investigation and provide any and all information requested by the Pennsylvania State Police and consent to a release to obtain any and all information necessary for the completion of the background investigation, which information shall include fingerprints. The background investigation shall include the following:

(i) A security, criminal and credit investigation by the Pennsylvania State Police, which shall include records of criminal arrests and convictions, in any jurisdiction, including Federal criminal history record information. The investigation may utilize information about the applicant compiled by the Pennsylvania Liquor Control Board. The Pennsylvania State Police may share investigation information with the board to the extent permitted by Federal and State law as determined by the Pennsylvania State Police. None of the information obtained by the Pennsylvania State Police shall be disclosed publicly nor be subject to disclosure under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(ii) An examination of personal, financial or business records, including tax returns, bank accounts, business accounts, mortgages and contracts to which the applicant is a party or has an interest.

(iii) An examination of personal or business relationships that include a partial ownership or voting interest in a partnership, association or corporation and bear on the fitness of the applicant for licensure.

(iv) The applicant shall reimburse the bureau for the actual costs of conducting the background investigation. The board may not approve an applicant that has not fully reimbursed the Pennsylvania State Police for the investigation.

(d) Application fee.—A licensed establishment shall pay an application fee of \$100.

(e) Annual fees.—A licensed establishment shall pay an annual

fee of \$1,000 and an annual fee of \$500 per video gaming terminal.

(f) Review and approval.—The board shall review the information submitted by the applicant and, if the applicant is a truck stop establishment, the investigation information provided by the Pennsylvania State Police. If satisfied that the requirements for a video gaming license have been met, the board shall approve the application and grant the applicant a video gaming license consistent with all of the following:

(1) The license shall be valid for a period of two years. Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of any change relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(g) Renewal and late filing fees.—

(1) Sixty days prior to expiration of the license, the licensee seeking renewal of the license shall submit a renewal application accompanied by the renewal fee or the license shall be subject to appropriate late filing fees.

(2) If the renewal application satisfies the requirements for the video gaming license, the board may renew the license.

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

(4) The board may accept a renewal application filed less than 60 days before the effective date of renewal upon the payment of the requisite license and filing fee and an additional late filing fee of \$100. A renewal application filed on or after the effective date of renewal shall be accompanied by the requisite license and filing fee and an additional late filing fee of \$250. A renewal application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(h) Validation of licenses and late filing fees.—

(1) One year after the issuance or renewal of a license, the licensee shall file an application for validation of the license with the requisite annual fees and tax clearance, at least 60 days before the effective date of the validation or the license shall be subject to appropriate late filing fees.

(2) The board may accept a validation application filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fee and an additional late filing fee of \$100. A validation application filed on or after the effective date of validation shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A validation application will not be considered for approval unless accompanied by the requisite filing, license and late filing fees, tax clearance and any other information required by the board.

(i) Third-party disclosure.—An applicant must accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss, which may result from disclosure or publication by a third party of material or information requested by the board pursuant to action on an application. The applicant expressly must waive a claim against the board or the Commonwealth and the applicant's employees from damages as a result of disclosure or publication by a third party.

(j) Hearing upon denial.—A person who is denied a license or the renewal of a license under this section has the right to a hearing before the board in accordance with the provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

§ 11A05. License prohibitions.

(a) Felony conviction prohibition.—A person that has been convicted of a felony in any jurisdiction may not be issued a license under this chapter.

(b) Gambling offense prohibition.—A person that has been convicted in any jurisdiction of a gambling offense, including a violation of 18 Pa.C.S. § 5516 (relating to gambling devices, gambling, etc.), unless 15 years have elapsed from the date of conviction for the offense, may not be issued a license under this chapter.

(c) Factors to be considered.—Following the expiration of any prohibition period applicable to an applicant under subsection (b), in determining whether to issue a license, the board shall consider the following factors:

(1) The nature and seriousness of the offense or conduct.

(2) The circumstances under which the offense or conduct occurred.

(3) The age of the applicant when the offense or conduct was committed.

(4) Whether the offense or conduct was an isolated or repeated incident.

(5) Any evidence of rehabilitation, including good conduct in the community, counseling or psychiatric treatment received and the recommendation of persons who have substantial contact with the applicant.

(d) Felony offenses.—For purposes of this section, a felony offense is any of the following:

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

(2) An offense which, under the laws of another jurisdiction, is:

(i) classified as a felony; or

(ii) punishable by imprisonment for more than five years.

(3) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than five years.

§ 11A06. Video gaming limitations.

(a) General rule.—A licensed establishment shall be subject to the following limitations:

(1) No more than five video gaming terminals may be placed on the premises of the licensed establishment.

(2) With the exception of tickets indicating amounts won, which are redeemable for cash, or which can be reinserted into video gaming machines for play of games authorized by the board, no video gaming terminal may directly dispense a coin, cash, token or anything else of value. The winning ticket may, however, be used in other video gaming terminals in the same licensed establishment.

(3) (i) The licensed establishment must enter into a written video gaming terminal placement agreement with a licensed terminal operator for a minimum 60-month term and a maximum 120-month term. The form of the agreement shall be approved by the board and on file and available for inspection at the licensed establishment. A licensed establishment or licensed establishment applicant, may only sign, or agree to sign, a written agreement with a terminal operator or terminal operator applicant.

(ii) Any person soliciting the execution of a video gaming terminal placement agreement on behalf of an applicant or licensee shall be disclosed to the board.

(iii) No video gaming terminal placement agreement may be transferred or assigned unless the individual or entity making the assignment and the individual or entity receiving the assignment of the video gaming terminal placement agreement are both applicants or licensees under this chapter.

(iv) No payment may be made to an individual or entity for or with respect to the procurement of a video gaming terminal placement agreement to an individual or entity which or whom is not licensed by or disclosed to the board.

(v) If an application for a terminal operator license is denied or withdrawn, the video gaming terminal placement agreement shall be null and void.

(vi) A video gaming terminal placement agreement not in strict compliance with this section is void.

(4) (i) No video gaming terminal may be in an area easily accessible to a minor. A floor-to-ceiling wall is not required.

(ii) The entrance to the video gaming area must be secure and easily seen and observed by the employees or management of the licensed establishment.

(iii) The video gaming area must at all times be monitored by an employee of the licensed establishment, who is at least 18 years of age, either directly or through video surveillance.

(5) (i) Except as may be approved by the board, no licensed establishment with a video gaming license may generally advertise gaming to the general public.

(ii) A customer of a licensed establishment may opt in to receive written advertising materials from a licensed establishment.

(6) No licensed establishment or employee of a licensed establishment may offer an incentive to a patron of the licensed establishment related to the play of a video gaming terminal.

(b) Fines.—A person found in violation of any of the limitations in subsection (a) shall be subject to the following fines:

(1) A fine of not less than \$300, nor more than \$500 for the first violation.

(2) For more than one violation or subsequent violations, a fine of not less than \$500, nor more than \$1,000.

(3) The right to suspend and revoke licenses granted under this chapter shall be in addition to the fines enumerated in this subsection.

§ 11A07. Central computer system.

The department shall establish and procure a central computer system capable of monitoring and communicating with each video gaming terminal. The following shall apply:

(1) All video gaming terminals shall be linked to the central computer system under the control of the department and accessible by the board.

(2) The department may utilize the central control computer system employed by the department to monitor slot machine gaming or the State Lottery.

(3) All communications data collected by the central computer system may be provided to the terminal operator.

(4) Interconnection of jackpots, pursuant to a wide area progressive system, shall be allowed.

§ 11A08. Video gaming terminal and redemption terminal.

(a) Specifications.—

(1) The board shall approve one or more video gaming terminals and redemption terminals that include hardware and software specifications. All video gaming terminals and redemption terminals offered for play or use in this Commonwealth shall conform to the approved specifications.

(2) The board may utilize the standards and models approved by other states, and may contract for the services of the board's testing laboratory.

(b) Service contracts authorized.—The board may also contract for services of one or more independent outside testing laboratories that have been accredited by a national accreditation body and that, in the judgment of the board, are qualified to perform such examinations and tests.

(c) Contents of specifications.—The specifications shall include:

(1) All video gaming terminals shall have the ability to interact with the central communications system.

(2) Unremovable identification plates shall appear on the exterior of the video gaming terminal containing the name of the

manufacturer and the serial and model number of the video gaming terminal.

(3) Rules of play shall be displayed on the video gaming terminal face or screen as promulgated by the board.

(4) A video gaming terminal may not directly dispense coins, cash, tokens or any other article of exchange or value except for tickets. Such tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of the cash award. The player shall be permitted to insert the ticket into another terminal in the same licensed establishment or turn in the ticket for redemption. Redemption shall be made by giving the ticket to the responsible person in charge who is over 18 years of age at the licensed establishment or through the use of an approved redemption machine. A redemption machine is required at the licensed establishment if the establishment has three or more terminals.

(5) The cost of a credit shall be 1¢, 5¢, 10¢ or 25¢ and the maximum wager played per game shall not exceed \$2.50. A game may result in one or more prizes.

(6) No cash award for any individual game may exceed \$1,000.

(7) All video gaming terminals must be designed and manufactured with total accountability to include gross proceeds, net profits, winning percentages and any other information the board requires.

(8) Each video gaming terminal shall pay out a minimum of 85% of the amount wagered.

§ 11A09. Unlawful acts.

(a) General rule.—It shall be unlawful for any person to do any of the following:

(1) To operate or attempt to operate a video gaming terminal or to receive or attempt to receive payment from a redemption terminal if the person is under 21 years of age.

(2) To permit a person under 21 years of age to play a video gaming terminal or to provide payment as a result of playing video gaming to a person under 21 years of age.

(3) To permit a visibly intoxicated person to play a video gaming terminal.

(4) To possess a gaming machine.

(5) To install or operate more video gaming terminals in a licensed establishment than permitted by this chapter or the board.

(6) To tamper with the connection of a video gaming terminal to the central communications system.

(7) To sell, distribute, service, own, operate or place on location a video gaming terminal unless the person holds the appropriate license under this chapter and is in compliance with all requirements of this chapter.

(8) As a terminal operator, to give, or offer to give, directly or indirectly, any type of inducement to a licensed liquor establishment or truck stop establishment to secure a video gaming terminal placement agreement.

(9) As a licensed liquor establishment or truck stop establishment, to accept any inducement from a terminal operator or any other third party, directly or indirectly, associated with a terminal operator.

(b) Penalties and fines.—In addition to any other penalty provided by law, the following shall apply:

(1) A person convicted of violating subsection (a)(1) or (3) is guilty of a summary offense.

(2) A person convicted of violating subsection (a)(4) is guilty of a misdemeanor of the first degree and shall be subject to additional penalties as provided in subsection (c).

(3) Except for subsection (a)(1), (3) or (4):

(i) A person convicted of violating any other provision of subsection (a) is guilty of a misdemeanor of the third degree and shall pay fine of not less than

\$5,000.

(ii) A person convicted of violating any other provision of subsection (a) that is convicted of a second or subsequent violation is guilty of a misdemeanor of the second degree and shall pay a fine of not less than \$15,000.

(c) Seizure, forfeiture and destruction of gaming machines and fines.—

(1) A licensee under this chapter shall consent to seizure of its gaming machines. Gaming machines and the proceeds of gaming machines shall be subject to seizure under sections 1517(e) (relating to investigations and enforcement) and 1518(f) (relating to prohibited acts; penalties).

(2) In the case of a gaming machine seized from a licensed establishment:

(i) For a first violation, the penalty shall be a fine of at least \$10,000 and not more than \$25,000 and a suspension of the licensed establishment owner's liquor license for not less than seven consecutive days.

(ii) For a second or subsequent violation, the penalty shall be a fine of \$50,000 and a suspension of the liquor license for not less than 60 consecutive days, or a revocation of the establishment's license.

(3) In the case of a gaming machine seized from a place of business other than a licensed establishment:

(i) For a first violation, the penalty shall be a fine of at least \$10,000 and not more than \$25,000 against the owner of the business from which the gaming machine was seized, and a suspension of the licensed establishment owner's liquor license for not less than 30 consecutive days.

(ii) For a second or subsequent violation, the penalty shall be a fine of \$50,000, and a suspension of the liquor license for not less than 60 consecutive days.

§ 11A10. Enforcement.

In addition to any other law enforcement agency with jurisdiction, the enforcement bureau shall have the jurisdiction and the authority to enter a business in order to enforce the provisions of this chapter.

§ 11A11. Multiple types of licenses prohibited.

(a) Manufacturer restriction.—A manufacturer may not be licensed as a video gaming terminal distributor or a terminal operator, or own, manage or control a licensed establishment, and shall be licensed only to sell to licensed distributors.

(b) Distributor restriction.—A licensed video gaming terminal distributor may not be licensed as a manufacturer or a terminal operator, or own, manage or control a licensed establishment.

(c) Terminal operator restriction.—A terminal operator may not be licensed as a manufacturer or distributor and shall be licensed only to contract with licensed distributors and licensed establishments.

(d) Licensed establishment restriction.—An owner of a licensed establishment may not be licensed as a manufacturer, distributor or terminal operator.

§ 11A12. Establishment of account and distribution of funds.

(a) Video Gaming Account.—The Video Gaming Account is established as a separate account in the State Treasury. Except as otherwise provided in this chapter, fees and fines collected under this chapter and the portion of gross revenue distributable to the Commonwealth under subsection (c)(3) shall be deposited in the Video Gaming Account.

(b) Video operator accounts.—A video operator shall establish and maintain an account in a State depository in this Commonwealth into which the video operator shall deposit gross revenue generated by the play of all video gaming terminals for which the operator has been issued a video operator license. The sums in the video operator account shall be withdrawn weekly by the department and deposited as provided in subsection (a).

(c) Distribution of gross revenue.—The gross revenue from each

video gaming terminal shall be distributed in the following manner:

(1) To the licensed establishment, 33%.

(2) To the terminal operator, 33%.

(3) To the Commonwealth, 34%.

(d) Video Gaming Account appropriations.—

(1) Money from the Video Gaming Account shall be appropriated to:

(i) The board for its operations related to the licensing and regulation of video gaming.

(ii) To the department for operation of the central management system.

(iii) To the bureau for enforcement of this chapter upon appropriation by the General Assembly.

(2) The board, department and bureau shall prepare and annually submit to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives, an itemized budget consisting of amounts to be appropriated out of the Video Gaming Account necessary to pay such costs.

(e) Payments to municipalities.—On an annual basis, each municipality that has one or more licensed establishments within the municipality shall be paid \$1,000 per licensed terminal located in the municipality from the Video Gaming Account.

(f) Funding for compulsive gambling programs.—The board shall allocate from the Video Gaming Account \$1,000,000 annually for the purpose of treating compulsive gambling in this Commonwealth.

§ 11A13. Initial funding.

The sum of \$10,000,000 is hereby appropriated from the General Fund to the board for the purpose of paying costs associated with the licensing and regulation of video gaming and the initial implementation of this chapter and other costs associated with this chapter by the board. The appropriated amount shall be repaid from the Video Gaming Account to the General Fund by June 30, 2017.

§ 11A14. Preemption of local taxes and license fees.

(a) Statutes.—Video gaming terminals shall be exempt from taxes levied under the following:

(1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

(2) The act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act.

(3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government).

(4) Any statute that confers taxing authority to a political subdivision.

(b) Licensing fees.—

(1) Video gaming terminals are exempt from local licensing fees.

(2) Local licensing fees imposed on all other coin-operated amusement games shall not exceed \$100.

§ 11A15. Exemption from State gaming laws.

Video gaming terminals authorized under this chapter and the use of video gaming terminals as authorized under this chapter are exempt from 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.).

§ 11A16. Exemption from Federal regulation.

The General Assembly declares that the Commonwealth is exempt from section 2 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1172). Shipments of approved video gaming terminals into this Commonwealth in compliance with sections 3 and 4 of the Gambling Devices Transportation Act (15 U.S.C. §§ 1173 and 1174) shall be deemed legal shipments into this Commonwealth.

§ 11A17. Preemption.

This chapter shall preempt all laws of units of local government to the extent they are inconsistent with this chapter.

§ 11A18. Compulsive and problem gambling.

(a) Establishment of program.—

(1) The Department of Health shall develop program

guidelines for public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling specifically in the area of video gaming. The program shall supplement and be complimentary to the existing program under 4 Pa.C.S. § 1509 (relating to compulsive and problem gambling program).

(2) Except as otherwise provided in this subsection, the provisions of 4 Pa.C.S. § 1509 shall be fully applicable to video gaming. The guidelines shall include strategies for the prevention of compulsive and problem gambling. The Department of Health may consult with the board and licensed gaming entities to develop such strategies.

(3) The program shall include the following, specifically with respect to video gaming:

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

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

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

(iv) Conducting studies to identify adults and juveniles in this Commonwealth who are, or are at risk of becoming, problem or compulsive gamblers.

(v) Providing grants to and contracting with organizations which provide services as provided in this section.

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

(b) Notice of availability of assistance.—

(1) A licensed establishment shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. A licensed establishment shall conspicuously post at least two signs containing language similar to the following statement: If you or someone you know has a gambling problem, help is available. Call (toll-free telephone number). The signs shall be posted within 50 feet of each entrance and exit and, within 50 feet of each automated video gaming area within the licensed establishment and in other appropriate public areas of the licensed establishment as determined by the licensed establishment.

(2) A licensed establishment shall have available in its establishment written handout materials in a format prescribed by the Department of Health which contain the same information as the signs referenced in paragraph (1).

(3) A licensed establishment that fails to post or print the warning sign or provide the written materials in accordance with paragraph (1) or (2) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs are not posted as required in this subsection.

(c) Mandatory training.—The board's Office of Compulsive and Problem Gambling shall develop mandatory training for employees and management of a licensed establishment who oversee the video gaming terminal to identify and address compulsory gambling behaviors and provide assistance to problem gamblers. The board shall establish a fee to cover the cost of the training.
§ 11A19. Provisional licenses.

(a) General rule.—The General Assembly has determined that prompt and expedited implementation of video gaming in this Commonwealth is desirable, to the extent that such expedited

implementation can be accomplished without compromising the integrity of gaming. The provisional licensing provisions of this section are found to strike the correct balance between assuring that licensees meet the licensing criteria without causing an undue delay in implementation of this chapter.

(b) Provisional licensing of licensed liquor establishments.—

(1) Within 60 days after the effective date of this section, the board shall make applications for a video gaming license as a licensed liquor establishment available to applicants.

(2) The board shall issue a provisional license to an applicant for a video gaming license as a licensed liquor establishment if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a licensed establishment, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant held a valid liquor license under Article IV of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, on the date of application and has never had the liquor license revoked.

(v) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(3) The board shall issue a provisional license to an applicant for a video gaming license as a licensed liquor establishment, within 60 days after the application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(4) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for a video gaming license as a licensed liquor establishment, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this section or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$100 fee, which is in addition to the applicable fee required for an application for licensure as a licensed establishment.

(7) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional video gaming license as a licensed liquor establishment.

(b) Provisional licensing of terminal operators.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as terminal operator available to applicants.

(2) The board shall accept applications for licensure as a terminal operator beginning 14 days after applications become available.

(3) The board shall issue a provisional license to an applicant for licensure as a terminal operator if the applicant

satisfies, as determined by the board, all of the following criteria:

- (i) The applicant has never been convicted of a felony.
- (ii) The applicant is current on all State taxes.
- (iii) The applicant has submitted a completed application for licensure as a licensed terminal operator, which may be submitted concurrently with the applicant's request for a provisional license.
- (iv) The applicant has never had its terminal operator license or similar gaming license revoked in another jurisdiction.
- (v) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(4) The board shall issue a provisional license to an applicant for licensure as a licensed terminal operator, within 60 days after such application has been received by the board, provided that the board determines that the criteria contained in paragraph (3) has been satisfied. If the board has determined that the criteria contained in paragraph (3) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

- (5) A provisional license shall be valid until:
 - (i) the board either approves or denies the applicant's application for licensure;
 - (ii) the provisional license is terminated for a violation of this chapter; or
 - (iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a terminal operator, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(6) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(7) All requests for provisional licensure under this subsection shall include payment of a \$5,000 fee, which is in addition to the applicable fee required for an application for licensure as a terminal operator.

(8) The board shall initially issue no fewer than 10 provisional licenses to terminal operator applicants, unless the board receives less than 10 applications for provisional licenses.

(9) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a licensed terminal operator.

(c) Provisional licensing of service technicians.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as a service technician available to applicants.

(2) The board shall issue a provisional license to an applicant for licensure as a service technician if the applicant satisfies, as determined by the board, all of the following criteria:

- (i) The applicant has never been convicted of a felony.
- (ii) The applicant is current on all State taxes.
- (iii) The applicant has submitted a completed application for licensure as a service technician, which may be submitted concurrently with the applicant's request for a provisional license.
- (iv) The applicant has never been convicted of any gambling law violation in any jurisdiction.

An individual who has a valid license issued by the Commonwealth that allows the individual to serve as a service technician in a Pennsylvania casino shall be exempt from the requirements of this section and shall automatically be eligible for a provisional license as a service technician.

(3) The board shall issue a provisional license to an applicant for licensure as a service technician, within 60 days after the application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) of this subsection has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

- (4) A provisional license shall be valid until:
 - (i) the board either approves or denies the applicant's application for licensure;
 - (ii) the provisional license is terminated for a violation of this chapter; or
 - (iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a service technician, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$100 fee, which is in addition to the applicable fee required for an application for licensure as a service technician.

(7) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a service technician.

(d) Provisional licensing of manufacturers and distributors.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as manufacturers or distributors available to applicants.

(2) The board shall issue a provisional license to an applicant for licensure as a licensed manufacturer or distributor if the applicant satisfies, as determined by the board, all of the following criteria:

- (i) The applicant has never been convicted of a felony.
- (ii) The applicant is current on all State taxes.
- (iii) The applicant has submitted a completed application for licensure as a manufacturer or distributor, which may be submitted concurrently with the applicant's request for a provisional license;
- (iv) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(3) The board shall issue a provisional license to an applicant for licensure as a manufacturer or distributor, within 60 days after such application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

- (4) A provisional license shall be valid until:
 - (i) the board either approves or denies the applicant's application for licensure;
 - (ii) the provisional license is terminated for a violation of this chapter; or
 - (iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a manufacturer or distributor, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$1,000 fee, which is in addition to the applicable fee required for an application for licensure as a manufacturer or distributor.

(7) If the board has not acted upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a licensed manufacturer or distributor.

§ 11A20. Temporary video gaming regulations.

(a) General rule.—Regulations promulgated by the board under this chapter shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

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

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

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

(b) Expiration.—The board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.—The board shall begin publishing temporary regulations governing video gaming within 120 days after the effective date of this section.

Section 3. Section 1202(a)(1) and (b)(20) and (23) of Title 4 are amended and subsection (b) is amended by adding paragraphs to read: § 1202. General and specific powers.

(a) General powers.—

(1) The board shall have general and sole regulatory authority over the conduct of gaming [or] and related activities as described in this part. The board shall ensure the integrity of the acquisition and operation of slot machines, table games, table game devices and associated equipment and authorized interactive games and interactive gaming devices and associated equipment and shall have sole regulatory authority over every aspect of the authorization, operation and play of slot machines [and], including the operation of slot machines at nonprimary locations, table games and interactive gaming devices and associated equipment and the implementation and regulation of airport gaming.

* * *

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

* * *

(12.2) At its discretion, to award, revoke, suspend, condition or deny an interactive gaming certificate or an interactive gaming license in accordance with Chapter 13B (relating to interactive gaming).

(12.3) At its discretion, to award, revoke, suspend, condition or deny authorization for the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

* * *

(20) In addition to the power of the board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes or seeks to furnish to a slot machine licensee directly or indirectly any goods, services or property related to slot machines, table games, table game

devices or associated equipment, interactive games and interactive gaming devices and associated equipment or through any arrangements under which that person receives payment based directly or indirectly on earnings, profits or receipts from the slot machines, table games, table game devices and associated equipment, interactive games, interactive gaming devices and associated equipment. The board may require any such person to comply with the requirements of this part and the regulations of the board and may prohibit the person from furnishing the goods, services or property.

* * *

(23) The board shall not approve an application for or issue or renew a license, certificate, registration or permit unless it is satisfied that the applicant has demonstrated by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of slot machine [or], including the operation of slot machines at nonprimary locations and qualified airports, table game operations or interactive gaming operations, or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine or table game operations, interactive gaming operations or the carrying on of the business and financial arrangements incidental thereto.

* * *

(27.2) Within six months of the effective date of this section, to publish on the board's Internet website a complete list of all slot machine licensees who filed a petition seeking authorization to conduct interactive gaming and the status of each petition or interactive gaming certificate.

* * *

(35) To review detailed site plans identifying the interactive gaming restricted area or room where a slot machine licensee proposes to manage, administer or control interactive gaming operations to determine the adequacy of the proposed internal and external security and proposed surveillance measures.

(36) To require each slot machine licensee that holds an interactive gaming certificate to provide on a quarterly basis the following information with respect to interactive gaming:

(i) the name of any person, entity or firm to whom any payment, remuneration or other benefit or thing of value has been made or conferred for professional services, including, but not limited to, interactive gaming system operations or management, legal, consulting and lobbying services;

(ii) the amount or value of the payments, remuneration, benefit or thing of value;

(iii) the date on which the payments, remuneration, benefit or thing of value was submitted; and

(iv) the reason or purpose for the procurement of the services.

(37) To review and approve detailed site and architectural plans identifying the area of a nonprimary location where a Category 1 slot machine licensee proposes to place and make slot machines available for play in accordance with Chapter 13D in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

(38) To review and approve detailed site and architectural plans identifying the area of a licensed facility where a slot machine licensee proposes to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play in order to determine the adequacy of proposed internal and external

controls, security and proposed surveillance measures.

Section 4. Sections 1204 and 1206(f)(1) of Title 4 are amended to read:

§ 1204. Licensed gaming entity application appeals from board.

The Supreme Court of Pennsylvania shall be vested with exclusive appellate jurisdiction to consider appeals of any final order, determination or decision 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 or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a nonprimary location permit or an airport gaming operation certificate. Notwithstanding the provisions of 2 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 or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a nonprimary location permit or an airport gaming 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.

§ 1206. Board minutes and records.

* * *

(f) Confidentiality of information.—

(1) The following information submitted by an applicant, permittee, certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements) [or], 1308(a.1) (relating to applications for license or permit), 13B12 (relating to interactive gaming certificate required and content of petition), 13B14 (relating to interactive gaming operators), 13D11 (relating to application for nonprimary location permit) or 13E12 (relating to application) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

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

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant, licensee [or], permittee, including the holder of an interactive gaming certificate, interactive gaming license, nonprimary location permit or airport gaming operation certificate or the immediate family thereof.

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

(iv) Security information, including risk prevention plans, detection and countermeasures, location of count rooms, location of interactive gaming restricted areas and redundancy facilities, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud

prevention plans and countermeasures.

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

(vi) Records of an applicant or licensee not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78l) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78o).

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

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

* * *

Section 5. Section 1207(1), (3), (4), (5), (6), (8), (9), (10) and (21) of Title 4 are amended and the section is amended by adding paragraphs to read:

§ 1207. Regulatory authority of board.

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

(1) Deny, deny the renewal, revoke, condition or suspend any license [or], permit, certificate, registration or other authorizations provided for in this part if the board finds in its sole discretion that a licensee [or], permittee, registrant or certificate holder, including any interactive gaming operator, under this part, or its officers, employees or agents, have furnished false or misleading information to the board or failed to comply with the provisions of this part or the rules and regulations of the board and that it would be in the public interest to deny, deny the renewal, revoke, condition or suspend the license [or], permit, certificate, registration or other authorizations.

* * *

(3) Prescribe and require periodic financial reporting and internal control requirements for all licensed entities, including, in the case of interactive gaming, all interactive gaming operators.

(4) Require that each licensed entity, including, in the case of interactive gaming, each interactive gaming operator, provide to the board its audited annual financial statements, with such additional detail as the board from time to time shall require, which information shall be submitted not later than 90 days after the end of the licensee's fiscal year.

(5) Prescribe the procedures to be followed by slot machine licensees for any financial event that occurs in the operation and play of slot machines [or], table games, authorized interactive games or multi-use computing devices.

(6) Prescribe criteria and conditions for the operation of slot machine progressive systems, including multistate wide-area progressive slot machine systems. A wide area progressive slot system shall be collectively administered by participating slot machine licensees in accordance with the terms of a written agreement executed by each participating slot machine licensee and, in the case of a multistate wide-area progressive slot machine system, in accordance with the terms of an agreement executed by the slot machine licensee and authorized gaming entities in other states or jurisdictions, as approved by the board.

(6.1) Collaborate with the appropriate gaming authorities in other states or jurisdictions to facilitate the establishment of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth and, if

determined necessary, enter into the necessary agreements with such other states or jurisdictions as necessary for the operation of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth.

* * *

(7.2) Enforce prescribed hours for the operation of authorized interactive games so that an interactive gaming certificate holder or interactive gaming licensee may conduct authorized interactive games on any day during the year in order to meet the needs of registered players or to meet competition.

(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines [or], playing table games or participating in interactive gaming.

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

(10) Require that no slot machine or authorized interactive game that replicates the play of a slot machine may be set to pay out less than the theoretical payout percentage, which shall be no less than 85%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a slot machine game based on the total value of the jackpots expected to be paid by a play or a slot machine game divided by the total value of slot machine wagers expected to be made on that play or slot machine game during the same portion of the game cycle. In so doing, the board shall decide whether the calculation shall include the entire cycle of a slot machine game or any portion thereof. Except that, in the case of skill slot machines and hybrid slot machines, the board shall adopt regulations to define the player's win percentage based on the relative skill of the player or the combination of skill and the elements of chance of the game. In the case of multistate wide-area progressive slot machine system, the theoretical payout percentage or a player's win percentage shall be as set forth in the agreement, as approved by the board.

* * *

(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine contests or tournaments, table game tournaments or contests in accordance with section 13A22.1 (relating to table game tournaments) or interactive gaming contests or tournaments and adopt regulations governing the conduct of such tournaments and contests.

(21.1) Authorize, at its discretion, a slot machine licensee to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play at licensed facilities.

(21.2) Adopt and promulgate regulations to govern the operation and placement of skill slot machines and hybrid slot machines by slot machine licensees at licensed facilities. In order to facilitate the operation and placement of skill and hybrid slot machines at licensed facilities pursuant to this paragraph, regulations promulgated by the board shall be deemed temporary regulations which shall expire two years after the date of publication in the Pennsylvania Bulletin.

(22) License, regulate, investigate and take any other action determined necessary regarding all aspects of interactive gaming and the operation of slot machines at nonprimary locations and qualified airports.

(23) Define and limit the areas of operation and the rules of authorized interactive games, including odds, devices and associated equipment permitted and the method of operation of authorized interactive games and interactive gaming devices and associated equipment.

(24) Require, as applicable, that all wagering offered through interactive gaming display online the permissible

minimum and maximum wagers associated with each authorized interactive game.

(25) Negotiate and enter into interactive gaming reciprocal agreements on behalf of the Commonwealth to govern the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities of other states or jurisdictions. Notwithstanding any provision of this part, wagers may be accepted in accordance with this part and regulations of the board from persons in other states or jurisdictions if the board determines that such wagering is not inconsistent with Federal law or the law of the state or jurisdiction, including a foreign jurisdiction, in which the person is located, or such wagering is conducted pursuant to an interactive gaming reciprocal agreement to which this Commonwealth is a party that is not inconsistent with Federal law. The board, with the approval of the Governor, is hereby designated as the agency of the Commonwealth with the sole power and authority to enter into interactive gaming reciprocal agreements with other states or jurisdictions.

(27) Enter into agreements with other states for the operation of multistate wide-area progressive slot machine systems.

(28) Authorize, at its discretion, a Category 1 slot machine licensee to enter into an agreement with a Category 2 or Category 3 slot machine licensee for the conduct of casino simulcasting and approve any such agreement.

(29) Adopt, in consultation with the commission, regulations to govern the conduct of casino simulcasting by a Category 2 or Category 3 slot machine licensee.

(30) Adopt and promulgate regulations to govern the installation of video display technology in approved areas of a Category 1 licensed facility to enable the delivery of simulcast horse race meetings to patrons through video walls and other such video display technology. The board may consult with the commission to facilitate the installation of video display monitors in accordance with this paragraph and to facilitate the conduct of casino simulcasting under paragraph (28).

Section 5.1. Section 1209(b) of Title 4 is amended to read:

§ 1209. Slot machine license fee.

* * *

(b) Term.—A slot machine license, after payment of the fee, shall be in effect unless suspended, revoked or not renewed by the board upon good cause consistent with the license requirements as provided for in this part. Slot machine licensees shall be required to update the information in their initial applications annually, and the license of a licensee in good standing shall be renewed every [three] five years. Nothing in this subsection 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 other information contained in the application materials on file with the board. As to the renewal of a license, except as required in subsection (f)(3), no additional license fee pursuant to subsection (a) shall be required.

* * *

Section 6. Section 1211 of Title 4 is amended by adding subsections to read:

§ 1211. Reports of board.

* * *

(a.4) Interactive gaming reporting requirements.—

(1) The annual report submitted by the board in accordance with subsection (a) shall include information on the conduct of interactive games as follows:

(i) Total gross interactive gaming revenue.

(ii) The number and win by type of authorized interactive game at each licensed facility conducting interactive gaming during the previous year.

(iii) All taxes, fees, fines and other revenue collected and, where appropriate, revenue disbursed during the previous year. The department shall

collaborate with the board to carry out the requirements of this subparagraph.

(2) The board may require interactive gaming certificate holders and other persons involved in the operation of interactive gaming on behalf of a slot machine licensee to provide information to the board to assist in the preparation of the report.
* * *

(d.1) Impact of interactive gaming, annual report.—One year after the issuance of the first interactive gaming certificate, an annual report shall be prepared and distributed to the Governor and the standing committees of the General Assembly with jurisdiction over this part on the impact of interactive gaming on compulsive and problem gambling and gambling addiction in this Commonwealth. The report shall be prepared by a private organization or entity with expertise in serving and treating the needs of persons with compulsive gambling addictions, which organization or entity shall be selected by the Department of Drug and Alcohol Programs. The report may be prepared and distributed in coordination with the board. Any costs associated with the preparation and distribution of the report shall be borne by slot machine licensees who have been authorized by the board to conduct interactive gaming. The board shall be authorized to assess a fee against each slot machine licensee for these purposes.

(d.2) Additional information and annual reporting.—

(1) One year after the commencement of the operation of skill slot machines, hybrid slot machines, the operation of slot machines at nonprimary locations in accordance with Chapter 13D (relating to slot machines at nonprimary locations) and the operation of a multistate wide-area slot machine system, the report required under subsection (a) shall include information related to the following:

(i) The operation of skill slot machines and hybrid slot machines.

(ii) The operation of a multistate wide-area progressive slot machine system.

(iii) The operation of slot machines at nonprimary locations.

(2) Information on revenue, taxes, fees and fines, if any, collected during the preceding calendar year and any other information, data or recommendations related to the operation of multistate wide-area progressive slot machines, skill slot machines and hybrid slot machines and the operation of slot machines at nonprimary locations as determined by the board, in consultation with the commission, to be necessary under this part shall be included in the report.

(d.3) Annual report.—In addition to its duties under subsection (d), the board shall have the continuing duty to study and annually report to the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate and to the chairperson and minority chairperson of the Gaming Oversight Committee of the House of Representatives on developments in gaming technology and the impact, if any, new technologies are having or will have on the sustainability and competitiveness of the commercial gaming industry in this Commonwealth. The report shall specifically address the following:

(1) Awareness and growth, to the extent known, of any unregulated commercial gaming products, such as e-Sports and other such digital-based computer or video technology.

(2) New gaming products, if any, which have been introduced in other jurisdictions, both foreign and domestic.

(3) Any gaming products which the board may have the authority to authorize pursuant to its regulatory authority under this part.

(4) Any legislative or administrative concerns regarding traditional, new or emerging gaming technologies with recommendations regarding resolution of such concerns.

(d.4) Time of submission and reports.—Notwithstanding any provision of this part, all reports and studies required to be submitted under subsections (d.1), (d.2) and (d.3) after the effective date of this

subsection shall be submitted initially by October 1, 2017, and by October 1 of each year thereafter.

* * *

Section 7. Section 1212(e) of Title 4 is amended by adding a paragraph to read:

§ 1212. Diversity goals of board.

* * *

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

* * *

(9) Technology related to interactive gaming and interactive gaming devices and associated equipment.

Section 8. Section 1305 of Title 4 is amended to read:

§ 1305. Category 3 slot machine license.

(a) Eligibility.—

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2 slot machine license and the person is seeking to locate a Category 3 licensed facility in a well-established resort hotel having no fewer than 275 guest rooms under common ownership and having substantial year-round [recreational] guest amenities. The applicant for a Category 3 license shall be the owner or be a wholly owned subsidiary of the owner of the well-established resort hotel. [A Category 3 license may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

(i) A registered overnight guest of the well-established resort hotel.

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

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

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

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

(i) The duration of the membership.

(ii) The amenity covered by the membership.

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

(2) Notwithstanding section 1512(a) and (a.1) (relating to public official financial interest), if at the time of application an applicant has terminated public office or employment as an executive-level public employee within the last calendar year, the applicant shall be eligible to apply for a slot machine license under this section but may not be issued a license until one year following the date of termination as a public official or executive-level public employee. An application submitted in accordance with this paragraph shall not constitute a violation of section 1512(a) or (a.1).

(3) If the person seeking a slot machine license proposes to place the licensed facility upon land designated a subzone, an

expansion subzone or an improvement subzone under the act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, the person shall, at any time prior to the application being approved, submit a statement waiving the exemptions, deductions, abatements or credits granted under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act if the board approves the application.

(b) Location.—The following shall apply:

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

(1.1) A Category 3 license established on or after [July 20, 2017] January 1, 2016, shall [not be located by the board within 30 linear miles of another licensed facility.] only be located in a county that:

(i) does not contain a licensed facility; and

(ii) does not share a geographic border at any point with a county where a licensed facility, regardless of category, is located or may be located.

(2) Within five days of approving a license for an applicant with a proposed licensed facility consisting of land designated a subzone, an expansion subzone or an improvement subzone under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act for a slot machine license under this section, the board shall notify the Department of Community and Economic Development. The notice shall include a description of the land of the proposed licensed facility which is designated a subzone, an expansion subzone or an improvement subzone. Within five days of receiving the notice required by this paragraph, the Secretary of Community and Economic Development shall decertify the land of the proposed license facility as being a subzone, an expansion subzone or an improvement subzone. Upon decertification in accordance with this paragraph and notwithstanding Chapter 3 of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, a political subdivision may amend the ordinance, resolution or other required action which granted the exemptions, deductions, abatements or credits required by the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act to repeal the exemptions, deductions, abatements or credits for the land decertified.

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

(c.1) Additional slot machines.—Upon submission of a petition to the board, in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility. An increase in the number of slot machines by a Category 3 slot machine licensee pursuant to this subsection may not, at the discretion of the board, exceed 250 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsection (c).

(c.2) Increase in number.—Upon submission of a petition to the board in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility for the conduct of a slot machine tournament or contest. An increase in the number of slot machines by a Category 3 slot machine licensee under this subsection may not, at the discretion of the board, exceed 75 additional slot

machines, which shall be in addition to the number of permissible slot machines authorized under subsections (c) and (c.1).

(d) Category 3 license fee.—The board shall impose a one-time Category 3 license fee to be paid by each successful applicant in the amount of \$5,000,000 to be deposited in the State Gaming Fund. The provisions of section 1209(b), (c), (d) and (e) shall apply to a Category 3 licensee[.], except that the holder of a Category 3 slot machine license approved and issued by the board on or after January 1, 2016, shall pay a fee of \$8,500,000 for deposit in the General Fund.

(d.1) Additional fee.—Notwithstanding subsection (d), no later than 60 days after the effective date of subsection (a), each holder of an existing Category 3 slot machine license issued by the board before January 1, 2016, shall pay a one-time fee of \$1,000,000 for deposit in the General Fund.

(d.2) Fee for additional slot machines.—Notwithstanding subsection (d), no later than 60 days after the board approves a request for an increase in the number of slot machines submitted by a Category 3 slot machine licensee in accordance with subsection (c.1), the Category 3 slot machine licensee shall pay a one-time fee of \$2,500,000 for deposit into the General Fund.

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

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

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

Section 9. Section 1309(a.1) heading of Title 4 is amended and the subsection is amended by adding a paragraph to read:
§ 1309. Slot machine license application.

* * *

(a.1) Table games and interactive gaming information.—

* * *

(3) Notwithstanding paragraph (2), the board may permit an applicant for a slot machine license that has an application pending before the board to supplement its application with all information required under Chapters 13B (relating to interactive gaming) and 13D (relating to slot machines at nonprimary locations) and to request that the board consider its application for a slot machine license, a table game operation certificate, an interactive gaming certificate or a nonprimary location permit concurrently. All fees for an interactive gaming certificate and a nonprimary location permit shall be paid by the applicant in accordance with the requirements of this part.
* * *

Section 10. Sections 1317(a) and (c) and 1317.1(a), (b), (c), (c.1), (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, interactive gaming devices or associated equipment or multi-use computing devices to a slot machine licensee or an interactive gaming licensee within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for 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 [initial license shall be for a period of one year, and, if renewed under subsection (d), the] license shall be issued for a period of [three] five years and shall be renewed in accordance with subsection (d). 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.
- (2) The license shall be nontransferable.
- (3) Any other condition established by the board.

* * *

(c.2) Abbreviated process for supplier.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a supplier license to supply slot machines used in a multistate wide-area progressive slot machine system, skill slot machines, hybrid slot machines and devices or associated equipment used in connection with multistate wide-area progressive slot machine systems, skill or hybrid slot machines, interactive gaming devices or associated equipment used in connection with interactive gaming, including multi-use computing devices, if the applicant holds a valid supplier license issued by the board to supply slot machines or associated equipment or table games or table game devices and associated equipment. The requirements of subsection (c.1)(2) and (3) shall apply to this subsection.

(2) An applicant for a supplier's license to supply slot machines used in a multistate wide-area progressive systems, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

* * *

§ 1317.1. Manufacturer licenses.

(a) Application.—A person seeking to manufacture slot machines, table game devices and associated equipment or interactive gaming 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) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies; the principals and key employees of each business; and a list of employees and their positions within each business, as well as any financial information required by the board.
- (2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not slot machine licensees.
- (3) The consent to a background investigation of the applicant, its principals and key employees or other persons required by the board and a release to obtain any and all information necessary for the completion of the background investigation.
- (4) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this part are permitted and consent for the board to acquire copies of applications submitted or licenses issued in connection therewith.
- (5) The type of slot machines, table game devices or associated equipment or interactive gaming devices or associated equipment to be manufactured or repaired.
- (6) Any other information determined by the board to be

appropriate.

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

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

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(c.1) Abbreviated process.—In the event an applicant for a manufacturer license to manufacture table game devices or associated equipment used in connection with table games is licensed by the board under this section to manufacture 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 manufacture 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, certificate or permit through the normal application process. The board may only use the abbreviated process if all of the following apply:

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

(2) The person to whom the manufacturer 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.

(c.2) Abbreviated process for manufacturer.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a manufacturer license to manufacture multistate wide-area progressive slot machines, skill slot machines, hybrid slot machines or associated equipment used in connection with multistate wide-area progressive slot machines, skill or hybrid slot machines or interactive gaming devices or associated equipment used in connection with interactive gaming, if the applicant holds a valid manufacturer license issued by the board to manufacturer slot machines or associated equipment or table games or table game devices or associated equipment. The requirements of subsection (c.1) (2) and (3) shall apply to this subsection.

(2) An applicant for a manufacturer license to manufacture slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

* * *

(d.1) Authority.—The following shall apply to a licensed manufacturer:

- (1) A manufacturer or its designee, as licensed by the board, may supply or repair any slot machine, table game device or associated equipment or interactive gaming device or associated equipment manufactured by the manufacturer, provided the manufacturer holds the appropriate manufacturer license.

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

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

(4) A manufacturer may contract with a supplier under section 1317 to provide slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment, interactive gaming devices or associated equipment to a slot machine licensee, provided that the manufacturer is licensed to manufacture slot machines used in a multistate wide-area progressive slot machine system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment used in connection with interactive games.

(e) Prohibitions.—

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

(2) Except as permitted in section 13A23.1 (relating to training equipment), no slot machine licensee may use slot machines, table game devices or associated equipment, authorized interactive games or interactive gaming devices or associated equipment unless the slot machines, table game devices or associated equipment, interactive games or interactive gaming devices or associated equipment were manufactured by a person that has been issued the appropriate manufacturer license under this section.

(3) No person issued a license under this section shall apply for or be issued a license under section 1317.

(4) No limitation shall be placed on the number of manufacturer licenses issued or the time period to submit applications for licensure, except as required to comply with section 1306 (relating to order of initial license issuance). Section 10.1. Title 4 is amended by adding a section to read:

§ 1317.3. Nongaming service provider.

(a) Notification required.—

(1) A slot machine licensee or applicant for a slot machine license that contracts with or otherwise engages in business with a nongaming service provider shall provide notification to the board prior to:

(i) the nongaming service provider's provision of goods or services at a licensed facility; or

(ii) the provision of goods or services for use in the operation of a licensed facility.

(2) Notification under this section shall be on a form and in a manner as determined by the board. The board may impose a fee, not to exceed \$100, which must accompany the notification.

(b) Contents of notification.—Notification under this section shall include:

(1) The name and business address of the nongaming service provider.

(2) A description of the type or nature of the goods or services to be provided.

(3) An affirmation from the slot machine licensee or applicant for a slot machine license that the goods or services to be provided by the nongaming service provider will not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

(4) An affirmation from the slot machine licensee or applicant for a slot machine license certifying that the licensee or applicant has performed due diligence regarding the nongaming service provider and believes that the nongaming service provider and its employees will not adversely affect the public interest or integrity of gaming.

(5) Any other information that the board may require.

(c) Duration of notification.—The nongaming service provider notification required under subsection (a) may be valid for three years unless modified by the board. In determining the duration of a nongaming service provider notification, the board shall consider the following:

(1) The type or nature of the goods or services.

(2) The frequency of business transactions related to the provision of such goods or services.

(3) The monetary value of the goods or services provided or expected to be provided.

(4) Any other information the board deems necessary and appropriate.

(d) Conditions.—A slot machine licensee or applicant for a slot machine license that contracts or otherwise engages in business with a nongaming service provider shall be subject to the following conditions:

(1) The nongaming service provider or its employees shall only provide the goods and services described in the notification under this section.

(2) The slot machine licensee or applicant for a slot machine license shall notify the board of any material change in the information provided in the notification under this section. No fee shall be required for a subsequent change during the time for which the notification remains valid under subsection (c).

(3) The slot machine licensee or applicant for a slot machine license shall ensure that employees of the nongaming service provider do not enter the gaming floor or a gaming-related restricted area of the licensed facility.

(4) The slot machine licensee or applicant for a slot machine license shall report to the board an employee of a nongaming service provider that does any of the following:

(i) Enters the gaming floor or a gaming-related restricted area of the licensed facility.

(ii) Commits an act that adversely affects the public interest or integrity of gaming.

(5) The board may prohibit a nongaming service provider and any employees from providing goods or services to a slot machine licensee or applicant for a slot machine license at a licensed facility if the bureau determines the prohibition is necessary to protect the public interest or integrity of gaming.

(e) Authority to exempt.—The board may exempt a nongaming service provider from the notification requirements of this section if the board determines any of the following:

(1) The nongaming service provider or the type or nature of the nongaming service provider's business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court.

(2) Notification is not necessary to protect the public interest or integrity of gaming.

(f) Additional authority of board.—The board, at its discretion, may require an employee, individual or entity associated with a nongaming service provider to obtain a license, permit, registration, certification or any other authorization required by the board under this part.

(g) Criminal history record information.—Notwithstanding any other provision of this part or regulation of the board, a nongaming service provider shall provide a criminal history record information check obtained from the Pennsylvania State Police as defined in 18 Pa.C.S. § 9102 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b) (relating to general regulations).

(h) Emergency notification.—

(1) A slot machine licensee may use a nongaming service provider prior to the board receiving notification under this section when a threat to public health, welfare or safety exists or circumstances outside the control of the slot machine licensee require immediate action to mitigate damage or loss to the slot machine licensee's licensed facility or to the Commonwealth.

(2) A slot machine licensee that uses a nongaming service provider in accordance with paragraph (1) shall:

(i) Notify the board immediately upon engaging a nongaming service provider for which the board has not previously received notification in accordance with subsection (a).

(ii) Provide the notification required under subsection (a) within a reasonable time as established by the board.

(i) Nongaming service provider list.—

(1) The board shall have the authority to prohibit a nongaming service provider from engaging in business with a slot machine licensee upon a finding by the bureau that the prohibition is necessary to protect the public interest and the integrity of gaming.

(2) The board shall develop and maintain a list of prohibited nongaming service providers.

(3) A slot machine licensee or applicant for a slot machine license may not enter into an agreement or engage in business with a nongaming service provider appearing on the list under this subsection.

(j) Duties of nongaming service provider.—A nongaming service provider shall:

(1) Cooperate with the board and bureau regarding an investigation, hearing, enforcement action or disciplinary action.

(2) Comply with each condition, restriction, requirement, order or ruling of the board in accordance with this part.

(3) Report any change in circumstances to the slot machine licensee or applicant for a slot machine license that may render the nongaming service provider ineligible, unqualified or unsuitable for the provision of goods or services at a licensed facility or use in the operation of a licensed facility. The slot machine licensee shall report any change in circumstances to the board in such form and manner as the board may establish.

(k) Construction.—Nothing in this section shall be construed to limit the powers and authority of the board under section 1202 (relating to general and specific powers of the board) or the regulatory authority of the board under section 1207 (relating to regulatory authority of the board).

Section 10.2. Section 1320(a) of Title 4 is amended and the section is amended by adding a subsection to read:
§ 1320. Slot machine testing and certification standards.

(a) Use of other state standards.—[Until such time as the board establishes an independent testing and certification facility pursuant to subsection (b), the] The board may determine, at its discretion, whether the slot machine testing and certification standards of another jurisdiction within the United States in which an applicant for a manufacturer license 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 a manufacturer through a licensed supplier as provided in section 1317 (relating to supplier [and manufacturer licenses application] licenses) to deploy those slot machines which have met the slot machine testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by a board-established independent facility. In the event slot machines of an applicant for a manufacturer license are licensed in such other jurisdiction, 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 slot machine certification to such an applicant.

[Alternatively, the board in its discretion may also rely upon the certification of a slot machine that has met the testing and certification standards of a board-approved private testing and certification facility until such time as the board establishes an independent testing and certification facility pursuant to subsection (b). Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.]

* * *

(b.1) Use of private testing and certification facilities.— Notwithstanding any other provisions of this part or regulation of the board, if a slot machine is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a slot machine certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

(1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

(2) Specify the form and content of the application for registration.

(3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the bureau.

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of slot machines.

(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of slot machines.

(6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify slot machines.

(7) Establish fees that must be paid by licensed manufacturers.

(8) Require slot machines submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.

(9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and certification facility and the reinstatement of a suspended or revoked registration, as determined appropriate by the board.

* * *

Section 11. Sections 1326(a) and (b), 13A11(b), 13A22.1(c) and 13A27(c) of Title 4 are amended to read:

§ 1326. [License renewals] Renewals.

(a) Renewal.—All permits [and], licenses, registrations or certificates issued under this part unless otherwise provided shall be subject to renewal every [three] five years. Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license, permit, certificate or registration or to any other information contained in the application materials on file with the board. The application for renewal shall be submitted at least [60] 180 days prior to the expiration of the permit [or], license, registration or certificate and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. Unless otherwise specifically provided in this part, the amount of any renewal fee shall be calculated by the board to reflect the longer renewal period. A permit [or], license, registration or certificate for which a completed renewal application and fee, if required, has been received by the board will continue in effect unless and until the board sends written notification to the holder of the permit [or], license,

registration or certificate that the board has denied the renewal of such permit [or], license, registration or certificate.

(b) Revocation or failure to renew.—In addition to any other sanctions the board may impose under this part, the board may at its discretion suspend, revoke or deny renewal of any permit [or], license, registration or certificate issued under this part if it receives any information from any source that the applicant or any of its officers, directors, owners or key employees is in violation of any provision of this part, that the applicant has furnished the board with false or misleading information or that the information contained in the applicant's initial application or any renewal application is no longer true and correct. In the event of a revocation or failure to renew, the applicant's authorization to conduct the previously approved activity shall immediately cease, and all fees paid in connection therewith shall be deemed to be forfeited. In the event of a suspension, the applicant's authorization to conduct the previously approved activity shall immediately cease until the board has notified the applicant that the suspension is no longer in effect.

§ 13A11. Authorization to conduct table games.

* * *

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

(2) A Category 3 slot machine licensee awarded a table game operation certificate may operate up to 50 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.]

(2.1) A Category 3 slot machine licensee awarded a table game operation certificate may petition the board for additional table games at its licensed facility. The board may authorize up to 15 additional gaming tables. The additional tables shall be used to play nonbanking games. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

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

§ 13A22.1. Table game tournaments.

* * *

(c) Exemptions and additional tables.—The following shall apply:

(1) For a Category 1 or Category 2 licensed facility, gaming tables used in tournaments shall be exempt from section 13A11 (b)(1) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate.

(2) For a Category 3 licensed facility, the executive director may authorize the licensed facility to operate up to 15 additional gaming tables for use in tournaments. [The executive director may grant the use of the additional gaming tables for tournaments authorized under this paragraph only one day per month.] Additional gaming tables for use in tournaments shall be

exempt from section 13A11(b)(2) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate. The executive director may grant the use of additional gaming tables on the dates and times listed in the proposed schedule of tournaments submitted by the Category 3 slot machine licensee in accordance with subsection (b).

* * *

§ 13A27. Other financial transactions.

* * *

(c) Credit application verification.—Prior to approving an application for credit, a certificate holder shall verify:

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

(2) That the applicant's name is not included on an exclusion list under section 1514 (relating to regulation requiring exclusion [or], ejection or denial of access of certain persons) or 1516 (relating to list of persons self excluded from gaming activities) or the voluntary credit suspension list under subsection (h).

* * *

Section 12. Section 13A41 of Title 4 is amended by adding a subsection to read:

§ 13A41. Table game device and associated equipment testing and certification standards.

* * *

(b.1) Use of private testing and certification facilities.—Notwithstanding any provision of this part or regulation of the board, if a table game device or associated equipment is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a table game device or associated equipment certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

(1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

(2) Specify the form and content of the application for registration.

(3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the board.

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of table game devices and associated equipment.

(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of table game devices and associated equipment.

(6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify table game devices and associated equipment.

(7) Establish fees that must be paid by a licensed manufacturer.

(8) Require table game devices and associated equipment submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed

conditionally approved.

(9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and certification facility and the reinstatement of a suspended or revoked registration.

Section 13. Sections 13A61(a) and (f) and 13A63(b)(4) of Title 4 are amended to read:

§ 13A61. 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 13A12 (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 under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$24,750,000.

(2) A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$7,500,000. A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$11,250,000.

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

(3.1) Notwithstanding paragraphs (2) and (3), the holder of a Category 3 slot machine license issued on or after January 1, 2016, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$8,500,000.

(3.2) Notwithstanding any other provision of this part, no later than 60 days after the board approves a request for additional table games in accordance with section 13A11 (relating to authorization to conduct table games) submitted by the holder of a Category 3 slot machine license issued prior to January 1, 2016, the Category 3 slot machine licensee shall pay a one-time nonrefundable fee in the amount of \$1,000,000.

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

* * *

(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all table game authorization fees and other 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.

§ 13A63. Local share assessment.

* * *

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

* * *

(4) The following apply:

(i) If the facility is a Category 3 licensed facility located in a county of the second class A: 50% of the licensed facility's local share assessment shall be [deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to

be used exclusively for grants or guarantees for projects in the county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Waste Water Infrastructure Program).] distributed as follows:

(A) Seventy-five percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting the maintenance and refurbishment of the Parks and Heritage sites throughout the county in which the licensee is located.

(B) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting a child advocacy center located within the county in which the licensee is located.

(C) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensee is located.

(ii) Except as provided in subparagraph (i), if the facility is a Category 3 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established under section 1403(c)(2)(iv) for distribution with those funds.

* * *

Section 14. Title 4 is amended by adding chapters to read:

CHAPTER 13B

INTERACTIVE GAMING

Subchapter

- A. General Provisions
- B. Interactive Gaming Authorized
- C. Conduct of Interactive Gaming
- D. Facilities and Equipment
- E. Testing and Certification
- F. Taxes and Fees
- G. Miscellaneous Provisions

SUBCHAPTER A GENERAL PROVISIONS

Sec.

- 13B01. Legislative findings.
- 13B02. Regulatory authority.
- 13B03. Temporary interactive gaming regulations.
- § 13B01. Legislative findings.

The General Assembly finds and declares that:

(1) The primary objective of the Pennsylvania Race Horse Development and Gaming Act, to which all other objectives are secondary, is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful.

(2) Legislative authorization of slot machine gaming and the conduct of table games is intended to enhance live horse racing, breeding programs, entertainment and employment in this Commonwealth.

(3) Legalized gaming was seen as a means to provide a source of revenue for property and wage tax relief, promote economic development and enhance development of tourism markets throughout this Commonwealth.

(4) Legalized gaming in the Category 1, Category 2 and

Category 3 licensed facilities geographically dispersed in this Commonwealth has become a critical component of economic development and, if gaming activities continue to be properly regulated and fostered, it will provide a substantial contribution to the general health, welfare and prosperity of this Commonwealth and its citizens.

(5) The General Assembly remains committed to ensuring a robust gaming industry in this Commonwealth that is capable of competing internationally, nationally and regionally at the highest levels of quality while maintaining strict regulatory oversight to ensure the integrity of all gaming operations as supervised by the board.

(6) Since its development, the Internet has provided the opportunity for millions of people worldwide to engage in online gambling, mostly through illegal, unregulated off-shore gambling operations.

(7) In 2006, the United States Congress passed and the President of the United States signed the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5361 et seq.), which generally prohibits the use of banking instruments, including credit cards, checks and money transfers for interstate Internet gambling.

(8) Although the Unlawful Internet Gambling Enforcement Act of 2006 prohibits interstate Internet gambling by United States citizens, it permits individual states to create a regulatory framework to govern intrastate Internet or interactive gambling.

(9) Interactive gaming is illegal in this Commonwealth and without legislative authorization and strict regulation, the public's trust and confidence in legalized commercial gaming may be impacted.

(10) In this Commonwealth, interactive gaming has been conducted without oversight, regulation or enforcement, all of which raises significant concerns for the protection of the health, welfare and safety of the citizens of this Commonwealth.

(11) An effective regulatory, licensing and enforcement system for Interactive gaming in this Commonwealth would inhibit underage wagering and otherwise protect vulnerable individuals, ensure that the games offered through the Internet are fair and safe, stop sending much-needed jobs, tax and other revenue offshore to illegal operators, provide a significant source of taxable revenue, create jobs and economic development and address the concerns of law enforcement.

(12) By legalizing interactive gaming and subjecting it to the regulatory oversight of the Pennsylvania Gaming Control Board, the General Assembly is assuring the citizens of this Commonwealth that only those persons licensed by the board to conduct slot machine gaming and table games and to operate interactive games or interactive gaming systems, in accordance with the requirements of this part, have been determined to be suitable to facilitate and conduct interactive gaming activities in this Commonwealth.

(13) An effective regulatory, licensing and enforcement system to govern interactive gaming in this Commonwealth is consistent with the original objectives and intent of the Pennsylvania Race Horse Development and Gaming Act, thereby ensuring the public trust and confidence in the commercial gaming industry in this Commonwealth.

(14) The Commonwealth has a legitimate State interest in protecting the integrity of State-authorized interactive gaming by licensing those entities already engaged in the conduct of gaming in this Commonwealth, which are subject to the scrutiny and discipline of the board and other regulatory agencies and which are in good standing with those agencies.

§ 13B02. Regulatory authority.

(a) Authority.—The board shall promulgate and adopt rules and regulations to govern the conduct of interactive gaming in order to ensure that it will be implemented in a manner that provides for the

security and effective management, administration and control of interactive gaming, including, but not limited to, regulations:

(1) Ensuring that interactive gaming is offered for play in this Commonwealth in a manner that is consistent with Federal law and the provisions of this chapter.

(2) Establishing standards and procedures for testing and approving interactive games and interactive gaming devices and associated equipment, and any variations or composites of authorized interactive games, provided that the board determines that the interactive games and any new interactive games or any variations or composites are suitable for use after a test or experimental period under any terms and conditions as the board may deem appropriate. The board may give priority to the testing of interactive games, interactive gaming devices and associated equipment or other gaming equipment which a slot machine licensee has certified that it will use to conduct interactive gaming in this Commonwealth. Nothing in this paragraph shall be construed to prohibit the board from using the testing and certification standards of another state or jurisdiction in which interactive gaming is conducted, if it determines that the standards of the jurisdiction are comprehensive, thorough and provide similar and adequate safeguards as those required under this part. If the board makes such a determination and the applicant for an interactive gaming certificate or an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of a certification under this chapter. The board, in its discretion, may also rely upon the certification of interactive games that have met the testing and certification standards of a board-approved private testing and certification facility.

(3) Establishing standards and rules to govern the conduct of interactive gaming and the system of and wagering associated with interactive gaming, including internal controls and accounting controls, and the type, number, payout, wagering limits and rules for interactive games.

(4) Establishing the method for calculating gross interactive gaming revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of authorized interactive games and ensure that internal controls and accounting controls are followed, including the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing these regulations.

(5) Establishing notice requirements pertaining to minimum and maximum wagers on authorized interactive games.

(6) Ensuring that all facilities and interactive gaming devices and associated equipment are arranged in a manner to promote appropriate security for interactive gaming.

(7) Establishing technical standards for the approval of interactive games, interactive gaming devices and associated equipment, including mechanical, electrical or program reliability, security against tampering and any other standards as it may deem necessary to protect registered players from fraud or deception.

(8) Governing the creation and utilization of interactive gaming accounts by registered players, including requiring that:

(i) Interactive gaming accounts be possessed by a natural person and not in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

(ii) Interactive gaming accounts shall not be assignable or otherwise transferable.

(iii) No account be established for an individual under 21 years of age.

(9) Establishing procedures for registered players to log into their interactive gaming accounts, authenticate identities,

agree to terms, conditions and rules applicable to authorized interactive games and log out of interactive gaming accounts, including procedures for automatically logging off registered players from an interactive game after a specified period of inactivity.

(10) Establishing procedures for:

(i) Depositing funds in an interactive gaming account by cash, transfer or other means, as approved by the board.

(ii) The withdrawal of funds from interactive gaming accounts.

(iii) The suspension of interactive gaming account activity for security reasons.

(iv) The termination of interactive gaming accounts and disposition of proceeds in accounts.

(v) The disposition of unclaimed amounts in dormant interactive gaming accounts.

(11) Establishing mechanisms by which registered players may place limits on the amount of money being wagered per authorized interactive game or during any specified time period or the amount of losses incurred during any specified time period.

(12) Establishing mechanisms to exclude from interactive gaming persons not eligible to play by reason of age, identity or location or inclusion on a list of persons denied access to interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(13) Establishing procedures for the protection, security and reliability of interactive gaming accounts, authorized interactive games, interactive gaming devices and associated equipment and mechanisms to prevent tampering or utilization by unauthorized persons.

(14) Establishing data security standards to govern age, identity and location verification of persons engaged in interactive gaming activity.

(15) Requiring each interactive gaming certificate holder to:

(i) Provide written information on its interactive gaming skin or Internet website, which explains the rules for each authorized interactive game, payoffs or winning wagers and other information as the board may require.

(ii) Designate one or more interactive gaming restricted areas where interactive gaming will be managed, administered or controlled.

(iii) Provide the board with access to the interactive gaming skin or website, interactive gaming platform, signal or transmission used in connection with interactive gaming and interactive gaming restricted areas.

(iv) Adopt procedures for the recordation, replication and storage of all play and transactions for a period to be determined by the board.

(v) Provide statements on its interactive gaming skin or website about the permissible minimum and maximum wagers for each authorized interactive game, as applicable.

(vi) Adopt policies or procedures to prohibit any unauthorized person from having access to interactive gaming devices and associated equipment, including software, system programs, hardware and any other gaming equipment or devices which are used to manage, administer or control interactive gaming.

(vii) Adopt data security standards to verify the age, identity and location of persons engaged in interactive gaming activity and prevent unauthorized

access by any person whose age and location have not been verified or whose age and location cannot be verified in accordance with regulations adopted by the board.

(viii) Adopt standards to protect the privacy and security of registered players engaged in interactive gaming.

(ix) Collect, report and pay any and all applicable taxes and fees and maintain all books, records and documents related to the interactive gaming certificate holder's interactive gaming activities in a manner and in a location within this Commonwealth as approved by the board or the department. All books, records and documents shall be immediately available for inspection during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the board shall by regulation require.

(b) Additional authority.—

(1) At its discretion, the board may determine whether persons that provide the following goods or services and any other goods or services related to interactive gaming as the board may determine shall be required to obtain a license, permit or other authorization:

(i) Payment processing and related money transmitting and services.

(ii) Customer identity or age verification and geospatial technology services.

(iii) General telecommunications services, which are not specifically designed for or related to interactive gaming.

(iv) Other goods or services that are not specifically designed for use with interactive gaming if the persons providing the goods or services are not paid a percentage of gaming revenue or of money wagered on interactive games or of any fees, not including fees to financial institutions and payment providers for facilitating a deposit by an interactive gaming account holder.

(2) The board shall develop a classification system for the licensure, permitting or other authorization of persons that provide the following goods or services related to interactive gaming:

(i) Persons that provide interactive games and interactive gaming devices and associated equipment.

(ii) Persons that manage, control or administer the interactive games or the wagers associated with interactive games.

(iii) Providers of customer lists comprised of persons identified or selected, in whole or in part, because they placed or may place wagers on interactive gaming.

(c) Definition.—For the purposes of subsection (a)(12), (14) and (15)(viii) and (ix), the term "person" shall mean a natural person. § 13B03. Temporary interactive gaming regulations.

(a) Promulgation.—

(1) In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation in the Pennsylvania Bulletin and on the board's publicly accessible Internet website.

(2) The board may promulgate temporary regulations not subject to:

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

(ii) Sections 204(b) and 301(10) of the act of

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

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

(b) Temporary regulations.—The board shall begin publishing temporary regulations governing the rules for interactive gaming, the issuance of interactive gaming certificates and interactive gaming licenses, standards for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, including age and location verification software or system programs and security and surveillance standards in the Pennsylvania Bulletin within 30 days of the effective date of this subsection.

(c) Expiration of temporary regulations.—Except for temporary regulations governing the rules for issuing certificates and licenses under this chapter, for new interactive games, for approving interactive games or variations thereof, interactive gaming devices and associated equipment and for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

SUBCHAPTER B INTERACTIVE GAMING AUTHORIZED

Sec.

13B11. Authorization to conduct interactive gaming.

13B12. Interactive gaming certificate required and content of petition.

13B13. Issuance of interactive gaming certificate.

13B14. Interactive gaming operators.

13B15. Interactive gaming certificate and license.

13B16. Timing of initial interactive gaming authorizations.

§ 13B11. Authorization to conduct interactive gaming.

(a) Authority of board.—

(1) The board may authorize a slot machine licensee:

(i) To conduct interactive gaming, including contests and tournaments and any other game which is determined by the board to be suitable for interactive gaming.

(ii) To deploy interactive gaming skins or Internet websites to facilitate the conduct of interactive gaming activities.

(2) Except as provided in this part, all individuals playing authorized interactive games must be physically located within this Commonwealth or within a state or jurisdiction in which the board has entered an interactive gaming reciprocal agreement. No individual under 21 years of age shall open, maintain, use or have access to an interactive gaming account.

(b) Authority to play interactive games.—Notwithstanding any other provision of law, an individual who is 21 years of age or older is hereby permitted to participate as a registered player in interactive gaming and wagering associated with playing an authorized interactive game offered by an interactive gaming certificate holder in accordance with regulations of the board.

§ 13B12. Interactive gaming certificate required and content of petition.

(a) Certificate required.—No slot machine licensee or any other person associated with or representing a slot machine licensee shall operate or conduct or attempt to operate or conduct interactive gaming, except for test purposes or open interactive gaming to the public in this Commonwealth without first obtaining an interactive gaming certificate or an interactive gaming license from the board. A slot machine licensee may seek approval to conduct interactive gaming by filing a petition for an interactive gaming certificate with the board. The board shall prescribe the form and manner to govern the submission of a petition for an interactive gaming certificate.

(b) Content of petition.—In addition to information and documentation demonstrating that the slot machine licensee is qualified

for an interactive gaming certificate under this chapter, a petition seeking board approval to conduct interactive gaming within this Commonwealth shall include the following:

(1) The name, business address and contact information of the slot machine licensee.

(2) The name, business address and contact information of any affiliate, interactive gaming operator or other person that will be a party to an agreement related to the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.

(3) The name and business address, job title and a photograph of each principal and key employee of the slot machine licensee who will be involved in the conduct of interactive gaming and who is not currently licensed by the board, if known.

(4) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and interactive gaming licensee, if any, who will be involved in the conduct of interactive gaming and who is currently licensed by the board.

(5) An itemized list of the interactive games and any other game or games the slot machine licensee plans to offer over the Internet for which authorization is being sought. The slot machine licensee shall, in accordance with regulations promulgated by the board, file any changes in the number of authorized interactive games offered through interactive gaming with the board.

(6) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if interactive gaming is authorized and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the slot machine licensee's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(7) A brief description of the economic benefits expected to be realized by the Commonwealth, the host municipalities and residents if interactive gaming is authorized.

(8) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate interactive gaming and to otherwise fund the cost of commencing interactive gaming.

(9) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the slot machine licensee, and information or documentation concerning any interactive gaming operator that will operate interactive gaming or an interactive gaming system on behalf of the slot machine licensee, as the board may require.

(10) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has sufficient business ability and experience to conduct a successful interactive gaming operation. In making this determination, the board may consider the results of the slot machine licensee's slot machine and table game operations, including financial information, employment data and capital investment.

(11) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has or will have the financial ability to pay the interactive gaming authorization fee.

(12) Detailed site plans identifying the proposed interactive gaming restricted area where interactive gaming operations will be managed, administered or controlled as approved by the board.

(13) A detailed description of all of the following:

(i) The slot machine licensee's initial system of internal and accounting controls applicable to interactive

gaming.

(ii) The slot machine licensee's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) How the slot machine licensee will facilitate compliance with all of the requirements set forth in this chapter and in section 802(a) of the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5362(10)(B)), including, but not limited to, all of the following:

(A) Age, identity and location verification requirements designed to block access to individuals under 21 years of age.

(B) Appropriate data security standards to prevent unauthorized access by any person whose age, identity and location have not been verified or whose age, identity and location cannot be verified in accordance with this chapter and applicable regulations of the board.

(C) Except as provided in this chapter, the requirement that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively within this Commonwealth.

(iv) The slot machine licensee's proposed age, identity and location verification standards designed to block access to persons under 21 years of age and persons excluded or prohibited from participating in interactive gaming under this chapter.

(v) The procedures the slot machine licensee will use to register individuals who wish to participate in interactive gaming.

(vi) The procedures the slot machine licensee will use to establish interactive gaming accounts for registered players.

(vii) The interactive games and services the slot machine licensee proposes to offer to registered players.

(viii) Documentation and information relating to all proposed subcontractors of the slot machine licensee, including, but not limited to, all of the following:

(A) A description of the services to be provided by each subcontractor.

(B) Information on the experience and qualifications of each subcontractor to provide the services anticipated.

(C) The names of all proposed subcontractors, owners, executives and employees that will be directly or indirectly involved in the slot machine licensee's interactive gaming operations, as well as sufficient personal identifying information on each such person to conduct background checks as may be required by the board.

(14) The interactive gaming devices and associated equipment, including the interactive gaming network, interactive gaming system or systems, that the slot machine licensee plans to or will utilize to manage, administer or control its interactive gaming operations.

(15) Compliance certification of its interactive gaming devices and associated equipment, including interactive gaming software and hardware, by a board-approved gaming laboratory to ensure that the gaming software and hardware comply with the requirements of this chapter and regulations of the board.

(16) Detailed description of accounting systems, including, but not limited to, accounting systems for all of the following:

(i) Interactive gaming accounts.

(ii) Per-hand charges, if applicable.

(iii) Transparency and reporting to the board and the department.

(iv) Distribution of revenue to the Commonwealth and winnings to registered players.

(v) Ongoing auditing and internal control compliance reviews.

(17) Detailed information on security systems at the licensed facility to protect the interactive gaming skins or Internet website from internal and external breaches and threats.

(18) Any other information the board may require.

(c) Confidentiality.—Information submitted to the board under subsection (b) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13B13. Issuance of interactive gaming certificate.

(a) Requirements for approval of petition.—

(1) The board may approve a petition under section 13B12 (relating to interactive gaming certificate required and content of petition) upon finding clear and convincing evidence of all of the following:

(i) The slot machine licensee's conduct of interactive gaming complies in all respects with the requirements of this chapter and regulations promulgated by the board.

(ii) Age, identity and location verification requirements designed to block access to individuals under 21 years of age and persons otherwise prohibited from engaging in interactive gaming in accordance with this chapter, as approved by the board, have been implemented by the slot machine licensee.

(iii) The slot machine licensee has implemented or will implement appropriate data security standards to prevent unauthorized access by any person whose age, identity and location has not been verified or cannot be verified in accordance with the regulations promulgated and adopted by the board.

(iv) The slot machine licensee has implemented or will implement appropriate standards to protect the privacy and security of registered players.

(v) The slot machine licensee's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and regulations promulgated and adopted by the board.

(vi) The slot machine licensee is in good standing with the board.

(vii) The slot machine licensee agrees that the number of slot machines and table games in operation at its licensed facility, as of the effective date of this section, will not be reduced as a result of the authorization and commencement of interactive gaming.

(2) It shall be an express condition of any interactive gaming certificate that a slot machine licensee shall collect, report and pay all applicable taxes and fees and shall maintain all books, records and documents pertaining to the slot machine licensee's interactive gaming operations in a manner and location within this Commonwealth as approved by the board. All books, records and documents shall be immediately available for inspection by the board and the department during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the board shall require.

(b) Issuance of interactive gaming certificate.—

(1) Upon approval of a petition for an interactive gaming certificate, the board shall issue an interactive gaming certificate to the slot machine licensee. The issuance of an interactive

gaming certificate prior to the full payment of the authorization fee required under section 13B51 (relating to interactive gaming authorization fee) shall not relieve the slot machine licensee from the obligation to pay the authorization fee in accordance with the requirements of section 13B51.

(2) Upon issuing an interactive gaming certificate, the board shall amend the slot machine licensee's statement of conditions to include conditions pertaining to the requirements of this chapter.

(c) Term of interactive gaming certificate.—Subject to the power of the board to deny, revoke or suspend an interactive gaming certificate issued in accordance with the requirements of this section, an interactive gaming certificate shall be renewed every five years and shall be subject to the requirements of section 1326 (relating to renewals).

(d) Sanctions.—A slot machine licensee that fails to abide by the requirements of this chapter or any condition contained in the slot machine licensee's statement of conditions governing the operation of interactive gaming shall be subject to board-imposed administrative sanctions or other penalties authorized under this part. The imposition of administrative sanctions in accordance with this subsection shall apply to any interactive gaming operator that fails to abide by the requirements of this chapter and regulations of the board.

(e) Background investigations.—Each petition for an interactive gaming certificate shall be accompanied by a nonrefundable fee established by the board to cover the cost of background investigations. The board shall determine by regulation the persons involved, directly or indirectly, in a slot machine licensee's interactive gaming operations and persons involved in the operations of an interactive gaming operator who shall be subject to background investigation. Any additional costs and expenses incurred in any background investigation or other investigation or proceeding under this chapter shall be reimbursed to the board.

§ 13B14. Interactive gaming operators.

(a) License required.—No person shall serve or attempt to serve as an interactive gaming operator without first obtaining an interactive gaming license from the board. A person may seek approval to serve as an interactive gaming operator by filing an application with the board. The board shall prescribe the form and manner to govern the submission of an application for an interactive gaming license. The board shall provide for the licensure of interactive gaming operators that operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The board shall:

(1) Determine suitability and provide for the licensure, permitting, registration or certification, as it deems appropriate, of interactive gaming operators or other persons directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee. The board shall determine suitability in accordance with the applicable requirements of this part, provided that the board may extend suitability to a holder of a valid license, permit, registration, certificate or other authorizations approved and issued under this part, which is in good standing, without additional investigation. The extension of suitability in accordance with this paragraph shall not relieve the holder of a valid license, permit, registration or certificate issued under this chapter from payment of all fees imposed under this chapter.

(2) Provide for the approval of the terms and conditions of all agreements entered into by or between an interactive gaming certificate holder and an interactive gaming operator or any other person related to the operation of interactive games or an interactive gaming system on behalf of the interactive gaming certificate holder.

(b) Classification and approval of employees.—

(1) The board shall establish a classification system for employees of interactive gaming operators or other persons who provide products or services associated with or related to interactive gaming, interactive gaming platforms and interactive

gaming systems.

(2) The board shall provide for the licensure, permitting, registration or certification, as it deems appropriate, of employees in each employee classification established by it in accordance with paragraph (1).

(c) Applicability of certain provisions.—Interactive gaming operators shall be subject to the applicable provisions of this part that apply to interactive gaming certificate holders, as determined by the board.

(d) Operators owned, controlled by slot machine licensee.—This section shall not apply to an interactive gaming operator that is owned by, affiliated with or otherwise controlled by a slot machine licensee that has been approved for and issued an interactive gaming certificate under this chapter. The board shall determine by regulation the criteria or conditions necessary to determine whether an interactive gaming operator is owned by, affiliated with or otherwise controlled by a slot machine licensee to effectuate the purpose of this subsection.

(e) Interactive gaming license and conditional authorization.—

(1) The following shall apply:

(i) During the first 18 months after the effective date of this section, the board may issue conditional authorizations to persons seeking licensure as interactive gaming operators.

(ii) Conditional authorization awarded to an interactive gaming operator may remain in effect until the shorter of 12 months after the date of issue or the date by which the board considers the subject application.

(iii) Conditional authorization may be renewed by the board not more than once, upon a showing of good cause.

(iv) Conditional authorization shall allow an applicant for an interactive gaming license to engage in all of the functions of a licensed interactive gaming operator for the duration of the conditional authorization.

(2) No conditional authorization may be issued unless:

(i) The applicant has submitted a complete application for an interactive gaming license to the board.

(ii) The applicant agrees to pay or has paid the fee prescribed in section 13B51 (relating to interactive gaming authorization fee) prior to the issuance of conditional authorization, which may be refundable in the event the license is not approved and issued by the board.

(iii) The bureau has no objection to the issuance of a conditional authorization to the applicant.

(3) Within 45 days of the date that the bureau receives the completed application for an interactive gaming license from an applicant for investigation, the bureau shall conduct a preliminary investigation of the applicant and any key interactive gaming employee of the applicant, as determined by the board, which shall include a criminal background investigation of the applicant and any interactive gaming employees of the applicant, as determined by the board in accordance with section 1202(b) (relating to general and specific powers).

(4) If the bureau's preliminary investigation discloses no adverse information that would impact suitability for licensure, the bureau shall provide the board with a statement of no objection to issuance of conditional authorization to the applicant.

(5) If the bureau's preliminary investigation discloses adverse information that would impact suitability for licensure, it shall register an objection and no conditional authorization may be issued until the bureau's concerns are resolved.

(6) Any conditional authorization approved and issued to an applicant for an interactive gaming license under this subsection may be suspended or withdrawn by the board upon a showing of good cause by the bureau.

§ 13B15. Interactive gaming certificate and license.

The following shall apply:

(1) An interactive gaming certificate and interactive gaming license shall be in effect unless:

(i) The certificate or license is suspended or revoked by the board consistent with the requirements of this part.

(ii) The slot machine license is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The slot machine licensee relinquishes or does not seek renewal of its slot machine license.

(iv) The slot machine licensee does not seek renewal of its interactive gaming certificate.

(2) The interactive gaming certificate may include an initial itemized list by number and type of authorized interactive games for interactive gaming to be conducted by the interactive gaming certificate holder or interactive gaming operator or other person on behalf of an interactive gaming certificate holder. The slot machine licensee may increase or decrease the number of interactive games authorized for play on its interactive gaming skin or Internet website or change the type of authorized interactive games played on its interactive gaming skin or Internet website upon notice, if required by the board, to the board and approval by the board or a designated employee of the board. Unless approved by the board or a designated employee of the board, the total number and type of authorized interactive games offered for play by an interactive gaming certificate holder may not differ from the number and type approved by the board and authorized in the interactive gaming certificate.

(3) A slot machine licensee shall be required to update the information in its initial interactive gaming petition at times and in the form and manner as prescribed by the board.

§ 13B16. Timing of initial interactive gaming authorizations.

The board shall prescribe the date on which petitions for an interactive gaming certificate and applications for an interactive gaming license must be filed with the board and shall approve or deny a petition or application within 90 days following receipt.

SUBCHAPTER B.1

MULTI-USE COMPUTING DEVICES

Sec.

13B20. Authorization.

13B20.1. Board authorization required.

13B20.2. Standard for review of applications.

13B20.3. Fees.

13B20.4. Multi-use gaming device tax.

13B20.5. Local share assessment.

13B20.6. Regulations.

13B20.7. Construction.

§ 13B20. Authorization.

(a) Authority.—

(1) Notwithstanding any provision of this part or regulation of the board, an interactive gaming certificate holder may provide for the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or enter into a written agreement with an interactive gaming operator that provides for the conduct of such interactive gaming by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(2) An interactive gaming certificate holder seeking to make authorized interactive games available for play through the use of multi-use computing devices at a qualified airport shall file a petition with the board in such form and manner as the board, through regulations, shall require.

(b) Place of conduct.—The board, at its discretion, may authorize an interactive gaming certificate holder or an interactive gaming operator to place and make authorized interactive games available for play at a qualified airport through the use of multi-use computing devices in accordance with the requirements of this subchapter and

regulations of the board.

(c) Satisfaction of contingencies.—Authorization for an interactive gaming certificate holder to conduct interactive gaming at a qualified airport in accordance with subsection (a) shall be contingent upon the following:

(1) The interactive gaming certificate holder has submitted a petition to the board seeking authorization to manage the conduct of interactive gaming at the qualified airport and the board has approved the petition.

(2) The interactive gaming certificate holder has disclosed that it has or will enter into an agreement with an interactive gaming operator who will manage, operate and control the conduct of interactive gaming at a qualified airport on behalf of the interactive gaming certificate holder and the interactive gaming operator has petitioned the board for approval and the board has approved the agreement and the petition.

(3) The interactive gaming certificate holder and interactive gaming operator, as the case may be, has entered into an agreement with the concession operator at the qualified airport for the use of multi-use computing devices within the airport gaming area.

(4) The interactive gaming certificate holder or interactive gaming operator, as applicable, has provided adequate assurances that the conduct of interactive gaming at the qualified airport will be conducted and operated in accordance with this part and regulations promulgated by the board.

(5) The interactive gaming certificate holder has paid or will pay all applicable taxes and fees.

(d) Agreement required.—The following shall apply:

(1) An interactive gaming certificate holder may seek authorization for the operation and placement of authorized interactive games at a qualified airport or may enter into an agreement with an interactive gaming operator to provide for the conduct of interactive gaming at the qualified airport.

(2) An agreement entered into in accordance with this subsection shall be in writing and shall be submitted to the board for review and approval.

§ 13B20.1. Board authorization required.

(a) Contents of petition.—An interactive gaming certificate holder seeking authorization to conduct interactive gaming at a qualified airport through the use of a multi-use computing device shall petition the board for approval. The petition shall include:

(1) The name, business address and contact information of the interactive gaming certificate holder or the name, business address and contact information of the interactive gaming operator, if an interactive gaming operator will manage the operation of interactive gaming at a qualified airport on behalf of an interactive gaming certificate holder pursuant to an interactive gaming agreement.

(2) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and, if relevant, the interactive gaming operator who will be directly involved in the conduct of authorized interactive games at the qualified airport and who is not currently licensed by the board, if known.

(3) The name and business address of the airport authority, the location of the qualified airport and the names of the governing body of the airport authority, if the airport authority is incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities).

(4) If the use and control of a qualified airport is regulated by a city of the first class, an identification of the municipal agency and primary officials of a city of the first class, which regulates the use and control of the qualified airport.

(5) The name and job title of the person or persons who will be responsible for ensuring the operation and integrity of the conduct of interactive gaming at a qualified airport and reviewing reports of suspicious transactions.

(6) The brand name of the multi-use computing devices that will be placed in operation at the qualified airport. The board, at its discretion, may require any additional information related to the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or persons that manufacture or supply multi-use computing devices that it may determine necessary and appropriate to ensure the integrity of interactive gaming at a qualified airport and protect the public interest.

(7) An itemized list of the interactive games for which authorization is being sought.

(8) Information, as the board may require, on any computer applications or apps, including gaming apps, which can be accessed on the multi-use computing devices.

(9) Information on the terms and conditions of any interactive gaming agreement entered into by or between an interactive gaming certificate holder and interactive gaming operator or other person related to the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport, if the board deems necessary and appropriate.

(10) Detailed site plans illustrating the location of the proposed airport gaming area at the qualified airport.

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

(12) Any other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(8), (9), (11) and (12) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

(c) Approval of petition.—Upon approval of a petition as required under this section, the board shall authorize an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport through the use of multi-use computing devices. The authorization of an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport in accordance with this chapter prior to the full payment of the authorization fee under section 13B20.3 (relating to fees) shall not relieve the interactive gaming certificate holder or interactive gaming operator, as applicable, from the obligation to pay the authorization fee in accordance with section 13B20.3.

§ 13B20.2. Standard for review of petitions.

The board shall approve a petition under section 13B20.1 (relating to board authorization required) if the interactive gaming operator has been or will be issued an interactive gaming license under section 13B14 (relating to interactive gaming operators), and if it establishes, by clear and convincing evidence, all of the following:

(1) The interactive gaming certificate holder or interactive gaming operator, as the case may be, has entered into an agreement with a concession operator for the conduct of interactive gaming through the use of multi-use computing devices within the airport gaming area of a qualified airport.

(2) The interactive gaming operator has an agreement with an interactive gaming certificate holder relating to the conduct of authorized interactive games by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(3) The board has approved the agreements under paragraphs (1) and (2), as applicable.

(4) The interactive gaming operator has paid the authorization fee under section 13B51 (relating to interactive gaming authorization fee).

(5) The interactive gaming operator possesses the necessary funds or has secured adequate financing to commence the conduct of interactive gaming at the qualified airport.

(6) The proposed internal and external security and

surveillance measures within the airport gaming area of the qualified airport are adequate.

§ 13B20.3. Fees.

(a) Required fees.—An interactive gaming certificate holder shall pay a one-time, nonrefundable fee of \$1,000,000 upon the authorization to conduct interactive gaming at a qualified airport through the use of multi-use computing devices in accordance with this chapter.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13B20.4. Multi-use gaming device tax.

(a) Imposition.—

(1) Each interactive gaming certificate holder authorized to conduct interactive gaming at a qualified airport in accordance with the provisions of this subchapter shall report to the department and pay from its daily gross interactive gaming revenue generated from the conduct of interactive gaming through multi-use computing devices at the qualified airport, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue generated from multi-use computing devices at the qualified airport and a local share assessment.

(2) The tax imposed under subsection (a) shall be payable to the department on a daily basis and shall be based upon the gross interactive gaming revenue generated from multi-use computing devices at a qualified airport derived during the previous week.

(3) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the interactive gaming certificate holder until the funds are paid to the department. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue from multi-use computing devices shall be deposited and maintained until such time as the funds are paid to the department under this section.

(4) The department shall transfer the tax revenues collected under this section to the General Fund.

§ 13B20.5. Local share assessment.

(a) Required payment.—In addition to the tax imposed under section 13B20.4 (relating to multi-use gaming device tax), each interactive gaming certificate holder shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the fund. All funds owed under this section shall be held in trust by the interactive gaming certificate holder until the funds are paid into the account. Funds in the account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distributions to qualified airports.—

(1) The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to qualified airports.

(2) Notwithstanding paragraph (1) or any other provision of law, the multi-use computing device local share assessment generated at a qualified airport located in a city of the first class which regulates the use and control of a qualified airport shall be distributed to the school district of the city of the first class for pre-kindergarten programs.

(c) Definition.—As used in this section, the term "multi-use computing device local share assessment" means 20% of an interactive gaming certificate holder's gross interactive gaming revenue from multi-use computing devices at qualified airports.

§ 13B20.6. Regulations.

(a) Regulations.—The board shall promulgate regulations related to the operation of authorized interactive games through the use of multi-use computing devices at qualified airports, including, but not limited to:

(1) Procedures for the creation of temporary or

provisional interactive gaming accounts that take into consideration the nature of interactive gaming through multi-use computing devices at qualified airports.

(2) Procedures to govern credits, debits, deposits and payments to interactive gaming accounts established through multi-use computing devices at qualified airports.

(3) Procedures, in consultation with the department, to govern financial transactions between an interactive gaming certificate holder, an interactive gaming operator or other persons that relates to the reporting of gross interactive gaming revenue generated through the use of multi-use computing devices at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations. The board may promulgate temporary regulations not subject to:

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

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

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

§ 13B20.7. Construction.

Nothing in this subchapter shall be construed to:

(1) Create a separate license governing the use of multi-use computing devices for the conduct of interactive games at eligible airports by interactive gaming certificate holders within this Commonwealth.

(2) Limit the board's authority to determine the suitability of any person who may be directly or indirectly involved in or associated with the operation of interactive gaming at a qualified airport to ensure the integrity of interactive gaming and protect the public interest.

SUBCHAPTER C

CONDUCT OF INTERACTIVE GAMING

Sec.

13B21. Situs of interactive gaming operations.

13B22. Establishment of interactive gaming accounts.

13B23. Interactive gaming account credits, debits, deposits and payments.

13B24. Acceptance of account wagers.

13B25. Dormant interactive gaming accounts.

13B26. Log-in procedure required.

13B27. Information provided at login.

13B28. Prohibitions.

13B29. Commencement of interactive gaming operations.

§ 13B21. Situs of interactive gaming operations.

Except as provided in this chapter, all wagers made through interactive gaming shall be deemed to be initiated, received or otherwise made within the geographic boundaries of this Commonwealth. The intermediate routing of electronic data associated or in connection with interactive gaming shall not determine the location or locations in which a bet or wager is initiated, received or otherwise made.

§ 13B22. Establishment of interactive gaming accounts.

(a) Registration restrictions.—Only a natural person who has first established an interactive gaming account shall be permitted to play an authorized interactive game or place any bet or wager associated with an authorized interactive game. An interactive gaming account shall be in the name of a natural person and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity. An interactive gaming certificate holder shall not permit an individual to establish an interactive gaming account unless the person is 21 years of age or older.

(b) Establishment of interactive gaming accounts.—

(1) An interactive gaming account may be executed in person, provided that the board shall, through regulations, provide procedures for the establishment of interactive gaming accounts over the Internet through the interactive gaming certificate holder's interactive gaming skin or portal or Internet website. Each interactive gaming account shall comply with the internal controls of the interactive gaming certificate holder that, at a minimum, require the following:

(i) The filing and execution of an interactive gaming account application, the form of which has been preapproved by the board.

(ii) Proof of age, identity and residency as demonstrated by at least two forms of identification approved by the board through regulation.

(iii) Physical address or the principal residence of the prospective account holder, e-mail address of the prospective account holder and other contact information, as the board or interactive gaming certificate holder may require.

(iv) Password or other secured identification provided by the interactive gaming certificate holder to access the interactive gaming account or some other mechanism approved by the board to authenticate the player as the holder to the interactive gaming account.

(v) An acknowledgment under penalty of perjury that false or misleading statements made in regard to an application for an interactive gaming account may subject the applicant to civil and criminal penalties.

(2) The interactive gaming certificate holder may accept or reject an application after receipt and review of the application and verification of age and identity for compliance with the provisions of this chapter. The interactive gaming certificate holder shall have the right, at any time with or without cause, to suspend or close any interactive gaming account at its sole discretion.

(3) The address provided by the applicant in the application for an interactive gaming account shall be deemed the address of record for the purposes of mailing checks, account withdrawals, notices and other materials to the interactive gaming account holder.

(4) An interactive gaming account shall not be assignable or otherwise transferable and an interactive gaming certificate holder may, at any time, declare all or any part of an interactive gaming account to be closed for wagering.

(c) Password required.—As part of the application process, the interactive gaming certificate holder shall provide the prospective interactive gaming account holder with a password to access the interactive gaming account or shall establish some other method approved by the board to authenticate the individual as the holder of the interactive gaming account and allow the registered player access to the interactive gaming account.

(d) Grounds for rejection.—Any individual who provides false or misleading information in the application for an interactive gaming account may be subject to rejection of the application or cancellation of the account by the interactive gaming certificate holder.

(e) Suspension of interactive gaming account.—The interactive gaming certificate holder shall have the right to suspend or close any interactive gaming account at its discretion.

(f) Persons prohibited from establishing or maintaining an interactive gaming account.—The following persons shall not be entitled to establish or maintain an interactive gaming account:

(1) Any person under 21 years of age.

(2) Any person on the list of persons who are or will be excluded or ejected from or denied access to any licensed facility under section 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) or

1516 (relating to list of persons self excluded from gaming activities).

(3) Any gaming employee, key employee or principal employee of a slot machine licensee and any employee or key employee of an interactive gaming operator or any other person directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.

§ 13B23. Interactive gaming account credits, debits, deposits and payments.

(a) Duty of board.—The board shall, by regulation, develop procedures to govern credits, debits and deposits to interactive gaming accounts. Notwithstanding any provision of this part to the contrary, all credits, debits and deposits to interactive gaming accounts shall be made in accordance with regulations promulgated by the board, in consultation with the department, and all payments of winnings shall be made in accordance with the rules of each particular authorized interactive game.

(b) Rights of interactive gaming certificate holder.—An interactive gaming certificate holder shall have the right to:

(1) Credit an interactive gaming account as part of a promotion.

(2) Refuse all or part of any wager or deposit to the interactive gaming account of a registered player.

(c) Interest prohibited.—Funds deposited in a registered player's interactive gaming account shall not bear interest to the account holder.

§ 13B24. Acceptance of account wagers.

(a) Acceptance.—An interactive gaming certificate holder may accept interactive gaming wagers or bets only as follows:

(1) The wager shall be placed directly with the interactive gaming certificate holder by the registered player, after the interactive gaming certificate holder has verified that the individual seeking to place a wager or bet is the registered player.

(2) The registered player provides the slot machine licensee with the correct password or other authentication information for access to the interactive gaming account.

(b) Nonacceptance.—An interactive gaming certificate holder may not accept an account wager in an amount in excess of funds on deposit in an interactive gaming account of the registered player placing the bet or wager. Funds on deposit include amounts credited to a registered player's interactive gaming account in accordance with regulations of the board and any funds in the account at the time the wager is placed.

§ 13B25. Dormant interactive gaming accounts.

Before closing a dormant interactive gaming account, the interactive gaming certificate holder shall attempt to contact the interactive gaming account holder by mail and phone or e-mail to inform the account holder that the interactive gaming account is inactive and may be subject to termination at such time and manner as determined by regulation of the board.

§ 13B26. Log-in procedure required.

Each interactive gaming certificate holder shall establish a log-in procedure for registered players to access interactive gaming. The log-in procedure shall include the provision of the appropriate authentication information by the registered player for access to the interactive gaming account. The interactive gaming certificate holder shall not allow a registered player to log in and access the interactive gaming account unless the correct password or other authentication information is provided.

§ 13B27. Information provided at login.

The interactive gaming certificate holder shall configure its interactive gaming skin to include a link that, upon login, will allow a registered player to access all of the following information:

(1) The current amount of funds in the interactive gaming account.

(2) The wins and losses since the interactive gaming account was established.

(3) The wins and losses at the beginning of the current gaming session and the wins and losses at the end of the current

gaming session.

(4) The complete text in searchable format of the rules of each authorized interactive game offered by the interactive gaming certificate holder and any other information as the board may require.

§ 13B28. Prohibitions.

Except as provided in this part, no interactive gaming certificate holder or any person licensed under this part to operate interactive gaming or an interactive gaming system and no person acting on behalf of, or under any arrangement with, an interactive gaming certificate holder or other person licensed under this part shall:

(1) Make any loan to any person for the purpose of crediting an interactive gaming account.

(2) Release or discharge any debt, either in whole or in part, or make any loan which represents any losses incurred by any registered player while playing authorized interactive games without maintaining a written record thereof in accordance with regulations of the board.

§ 13B29. Commencement of interactive gaming operations.

An interactive gaming certificate holder may not operate or offer interactive games for play on its interactive gaming skin until the board determines that:

(1) The interactive gaming certificate holder is in compliance with the requirements of this chapter.

(2) The interactive gaming certificate holder's internal, administrative and accounting controls are sufficient to meet the requirements of section 13B32 (relating to internal, administrative and accounting controls).

(3) The interactive gaming certificate holder's interactive gaming employees, where applicable, are licensed, permitted, registered, certified or otherwise authorized by the board to perform their respective duties.

(4) The employees of the interactive gaming operator are, where applicable, licensed, permitted or otherwise authorized by the board to perform their duties.

(5) The interactive gaming certificate holder is prepared in all respects to offer interactive gaming to the public over its interactive gaming skin.

(6) The interactive gaming certificate holder has implemented necessary internal, administrative and accounting controls, security arrangements and surveillance systems for the operation of interactive gaming.

(7) The interactive gaming certificate holder is in compliance with or will comply with section 13B31 (relating to responsibilities of interactive gaming certificate holder).

(8) The board has approved an agreement entered between the interactive gaming certificate holder and an interactive gaming operator or other person related to the operation of interactive gaming or the operation of an interactive gaming system on behalf of such interactive gaming certificate holder.

SUBCHAPTER D FACILITIES AND EQUIPMENT

Sec.

13B31. Responsibilities of interactive gaming certificate holder.

13B32. Internal, administrative and accounting controls.

§ 13B31. Responsibilities of interactive gaming certificate holder.

(a) Facilities and equipment.—All facilities and interactive gaming devices and associated equipment shall:

(1) Be arranged in a manner promoting appropriate security for interactive gaming.

(2) Include a closed-circuit video monitoring system according to rules or specifications approved by the board, with board absolute access to the interactive gaming certificate holder's interactive gaming skin, Internet website and platform, signal or transmission used in connection with interactive gaming.

(3) Not be designed in any way that might interfere with

or impede the board in its regulation of interactive gaming.

(4) Comply in all respects with regulations of the board.

(b) Location of equipment and interactive gaming restricted areas.—

(1) All interactive gaming devices and associated equipment used by an interactive gaming certificate holder or an interactive gaming licensee to conduct interactive gaming may be located, with the prior approval of the board, in an interactive gaming restricted area on the premises of the licensed facility, in an interactive gaming restricted area within the geographic limits of the county in this Commonwealth where the licensed facility is situated or in any other area approved by the board.

(2) All wagers associated with interactive gaming shall be deemed to be placed when received by the interactive gaming certificate holder.

§ 13B32. Internal, administrative and accounting controls.

(a) Submissions to board.—Notwithstanding any provision of this part, each slot machine licensee who holds or has applied for an interactive gaming certificate in accordance with this chapter shall submit a description of its system of internal procedures and administrative and accounting controls for interactive gaming to the board, including provisions that provide for real-time monitoring, recordation or storage of all interactive games and a description of any changes to its procedures and controls. The submission shall be made at least 90 days before authorized interactive gaming is to commence or at least 90 days before any change in those procedures or controls is to take effect, unless otherwise directed by the board.

(b) Filing.—Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder upon the filing of the procedures and controls with the board. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized with regard to interactive gaming, including, but not limited to:

(1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the interactive gaming operations.

(2) Procedures, forms and, where appropriate, formulas to govern the following:

- (i) calculation of hold percentages;
- (ii) revenue drops;
- (iii) expense and overhead schedules;
- (iv) complimentary services; and
- (v) cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in interactive gaming operations, including employees of an interactive gaming operator, and identifying primary and secondary management and supervisory positions for areas of responsibility, salary structure and personnel practices.

(4) Procedures for the registration of players and establishment of interactive gaming accounts, including a procedure for authenticating the age, identity and location of applicants for interactive gaming accounts.

(5) Procedures for terminating a registered player's interactive gaming account and the return of any funds remaining in the interactive gaming account to the registered player.

(6) Procedures for suspending or terminating a dormant interactive gaming account.

(7) Procedures for the logging in and authentication of a registered player in order to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of registered players' interactive gaming accounts.

(9) Procedures for cashing checks, receiving electronic

negotiable instruments and for redeeming chips, tokens or other cash equivalents.

(10) Procedures for withdrawing funds from an interactive gaming account by the registered player.

(11) Procedures for the protection of player funds, including the segregation of player funds from operating funds.

(12) Procedures for recording transactions pertaining to interactive gaming.

(13) Procedures for the security and sharing of personal identifiable information of registered players and other information as required by the board and funds in interactive gaming accounts. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to registered players related to its sharing of personal identifiable information. For the purpose of this paragraph, "personal identifiable information" shall mean any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of interactive gaming devices and associated equipment within an interactive gaming restricted area on the premises of the licensed facility or in a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a licensed facility as approved by the board.

(16) Procedures and security standards as to receipt of and the handling and storage of interactive gaming devices and associated equipment.

(17) Procedures and security standards to protect the interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment from hacking or tampering by any person.

(18) Procedures for responding to suspected or actual hacking or tampering with an interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment, including partial or complete suspension of interactive gaming or the suspension of any or all interactive gaming accounts when warranted.

(19) Procedures to verify each registered player's physical location each time a wager is placed on an interactive game.

(20) Procedures to ensure, to a reasonable degree of certainty, that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent reasonably possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets or wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures reasonably intended to prevent a person from participating in interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(22) Procedures to govern emergencies, including suspected or actual cyber attacks, hacking or tampering with the interactive gaming certificate holder's interactive gaming portal, platform or Internet website.

(c) Review of submissions.—

(1) The board shall review each submission required by subsections (a) and (b) and shall determine whether the submission conforms to the requirements of this chapter and

regulations promulgated by the board and whether the system submitted provides adequate and effective controls for interactive gaming of the particular interactive gaming certificate holder.

(2) If the board determines that insufficiencies exist, it shall specify the insufficiencies in writing to the interactive gaming certificate holder, who shall make appropriate alterations to ensure compliance with the requirements of this chapter and regulations of the board. When the board determines a submission to be adequate in all respects, it shall notify the interactive gaming certificate holder.

(3) Except as otherwise provided in subsection (a), no interactive gaming certificate holder, interactive gaming operator or other person shall commence or alter interactive gaming operations unless and until the system of procedures, controls and alternations is approved by the board.

SUBCHAPTER E TESTING AND CERTIFICATION

Sec.

13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

§ 13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

(a) Testing required.—

(1) No interactive game or interactive gaming device or associated equipment shall be used to conduct interactive gaming unless it has been tested and approved by the board. The board may, in its discretion and for the purpose of expediting the approval process, refer testing to any testing laboratory as approved by the board.

(2) The board shall establish, by regulation, technical standards for approval of interactive games and interactive gaming devices and associated equipment, including standards to govern mechanical, electrical or program reliability and security against tampering and threats, as it may deem necessary to protect the registered player from fraud or deception and to ensure the integrity of interactive gaming.

(b) Independent testing and certification facility.—Any costs associated with the board's testing and certification facility shall be assessed on persons authorized by the board to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices and associated equipment to interactive gaming certificate holders or to interactive gaming operators in this Commonwealth. The costs shall be assessed in accordance with a schedule adopted by the board.

(c) Use of other state standards.—The board may determine whether the testing and certification standards for interactive games and interactive gaming devices and associated equipment as adopted by another jurisdiction within the United States or any of the testing and certification standards used by an interactive gaming certificate holder are comprehensive and thorough and provide similar and adequate safeguards as those required by this chapter and regulations of the board. If the board makes that determination, it may permit the person authorized to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices or associated equipment to furnish interactive games or interactive gaming devices and associated equipment to interactive gaming certificate holders in this Commonwealth without undergoing the full testing and certification process by the board's independent testing and certification facility.

SUBCHAPTER F TAXES AND FEES

Sec.

13B51. Interactive gaming authorization fee.

13B52. Interactive gaming tax.

13B53. Local share assessment.

13B54. Compulsive and problem gambling.

§ 13B51. Interactive gaming authorization fee.

(a) Amount of authorization fee.—

(1) Each slot machine licensee that is issued an interactive gaming certificate to conduct interactive gaming in accordance with section 13B11 (relating to authorization to conduct interactive gaming) shall pay a one-time nonrefundable authorization fee in the amount of \$8,000,000.

(2) Each interactive gaming operator or an affiliate of an interactive gaming certificate holder that is issued an interactive gaming license under this chapter to operate interactive gaming or an interactive gaming system on behalf of a slot machine licensee pursuant to an interactive gaming agreement and that is not owned, affiliated with or otherwise controlled by a slot machine licensee shall pay a one-time nonrefundable authorization fee in the amount of \$2,000,000.

(3) Each interactive gaming operator that has been approved by the board to provide for the conduct of interactive gaming on behalf of an interactive gaming certificate holder at a qualified airport in accordance with Subchapter B.1 shall pay a one-time nonrefundable authorization fee in the amount of \$1,000,000.

(b) Payment of fee.—Persons required to pay the authorization fee under subsection (a) shall remit the fee to the board within 60 days of the board's approval of its petition, license or conditional license to conduct interactive gaming or to operate interactive gaming or an interactive gaming system. The board may allow the fee to be paid in installments, provided that all such installments are paid within the 60-day period and that the installment payments are made in accordance with the terms of an agreement between the board and the interactive gaming certificate holder or an interactive gaming operator under subsection (a)(2) that sets forth the terms of the installment payment.

(c) Renewal fee.—

(1) Notwithstanding any other provision of this chapter, an interactive gaming certificate holder shall pay a renewal fee in the amount of \$250,000 upon the renewal of its interactive gaming certificate in accordance with sections 1326 (relating to renewals) and 13B13(c) (relating to issuance of interactive gaming certificate).

(2) Each interactive gaming operator under subsection (a)(2) shall pay a renewal fee of \$100,000 upon the renewal of its interactive gaming license in accordance with this chapter.

(d) Deposit of fees.—The fees imposed and collected under this section shall be deposited in the General Fund.

§ 13B52. Interactive gaming tax.

(a) Imposition of tax.—Each interactive gaming certificate holder that conducts interactive gaming shall report to the department and pay from its daily gross interactive gaming revenue, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue and a local share assessment as provided in section 13B53 (relating to local share assessment).

(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 interactive gaming 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 interactive gaming certificate holder until the funds are paid to the department for deposit in the General Fund. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(c) Taxes on out-of-State wagering.—The tax rate which shall be assessed and collected by the department with respect to any wagers placed by registered players located in this Commonwealth with an interactive gaming operator outside of this Commonwealth, but authorized under an interactive gaming reciprocal agreement shall be

governed by the agreement but may not exceed 16% of gross interactive gaming revenue derived from registered players located in this Commonwealth.

(d) Deposit of funds.—The tax imposed under subsection (a) shall be collected by the department for deposit in the General Fund.

§ 13B53. Local share assessment.

(a) Required payment.—

(1) In addition to the tax imposed under section 13B52 (relating to interactive gaming tax), each interactive gaming certificate holder that conducts interactive gaming shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to all counties in this Commonwealth, to economic development authorities or redevelopment authorities within each county, for grants for economic development projects, community improvement projects and other projects in the public interest.

(2) The Department of Community and Economic Development shall develop policies and procedures to govern the distribution of grants from the local share assessment established under paragraph (1). The policies and procedures shall be of sufficient scope to ensure equal access to grant funds by all counties in this Commonwealth.

(b) Definitions.—As used in this section, the following words and phrases shall have the meaning given to them in this subsection:

"Local share assessment." Two percent of an interactive gaming certificate holder's daily gross interactive gaming revenue.

§ 13B54. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13B52 (relating to interactive gaming tax), \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed in section 13B52, \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred to the Department of Drug and Alcohol Programs to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

SUBCHAPTER G

MISCELLANEOUS PROVISIONS

Sec.

13B61. Participation in interactive gaming by persons outside Commonwealth.

13B62. Institutional investors.

13B63. Internet cafes and prohibition.

§ 13B61. Participation in interactive gaming by persons outside Commonwealth.

Notwithstanding any other provision of this chapter to the contrary, an interactive gaming certificate holder may accept interactive gaming wagers from a person who is not physically present in this Commonwealth, if the board determines the following:

(1) Participation in interactive gaming and acceptance of wagers associated with interactive gaming from a person not physically present in this Commonwealth is not inconsistent with Federal law or regulation or the law or regulation of the jurisdiction, including any foreign jurisdiction, in which the person is located.

(2) Participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement between

the Commonwealth and another state or jurisdiction, including a foreign jurisdiction, to which the Commonwealth is a party and the interactive gaming reciprocal agreement is not inconsistent with Federal law or regulation.

§ 13B62. Institutional investors.

(a) Declaration of investment intent.—Notwithstanding any other provision of this part, the following shall apply:

(1) An institutional investor holding 20% or less of the equity securities of an interactive gaming certificate holder's, interactive gaming operator's or applicant's holding, subsidiary or intermediary companies shall be granted a waiver of any investigation of suitability or other requirement if the securities are those of a corporation, whether publicly traded or privately held, and the holdings of the securities were purchased for investment purposes only. The institutional investor shall file a certified statement that it has no intention of influencing or affecting the affairs of the interactive gaming certificate holder, interactive gaming operator, applicant or any holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant. However, an institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(2) The board may grant a waiver to an institutional investor holding a higher percentage of securities upon a showing of good cause and if the conditions specified in paragraph (1) are met.

(3) An institutional investor granted a waiver under this subsection who subsequently decides to influence or affect the affairs of an interactive gaming certificate holder, interactive gaming operator or applicant's holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall provide not less than 30 days' notice of intent and shall file with the board a request for determination of suitability before taking any action that may influence or affect the affairs of the issuer. An institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(4) If an institutional investor changes its investment intent or if the board finds reasonable cause to believe that the institutional investor may be found unsuitable, no action other than divestiture shall be taken by the institutional investor with respect to its security holdings until there has been compliance with any requirements established by the board, which may include the execution of a trust agreement in accordance with section 1332 (relating to appointment of trustee).

(5) The interactive gaming certificate holder or interactive gaming operator or applicant or any holding, intermediary or subsidiary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall notify the board immediately of any information about, or actions of, an institutional investor holding its equity securities where the information or action may impact the eligibility of the institutional investor for a waiver under this subsection.

(b) Failure to declare.—If the board finds:

(1) that an institutional investor holding any security of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant or, where relevant, of another subsidiary company of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant which is related in any way to the financing of the interactive gaming certificate holder or interactive gaming operator or applicant, fails to comply with the provisions of subsection (a); or

(2) by reason of the extent or nature of its holdings, an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of an interactive gaming certificate holder or interactive gaming operator or applicant that investigation and determination of suitability of the institutional

investor is necessary to protect the public interest; then the board may take any necessary action otherwise authorized under this chapter to protect the public interest.
§ 13B63. Internet cafes and prohibition.

(a) General rule.—No organization or commercial enterprise shall operate a place of public accommodation, club, including a club or association limited to dues-paying members or similar restricted groups, or similar establishment in which computer terminals or similar access devices are advertised or made available to be used principally for the purpose of accessing authorized interactive games. No interactive gaming certificate holder or interactive gaming operator shall offer or make available computer terminals or similar access devices to be used principally for the purpose of accessing interactive games within a licensed facility.

(b) Construction.—Nothing in this section shall be construed to:

(1) require the owner or operator of a hotel or motel or other public place of general use in this Commonwealth to prohibit or block guests from playing interactive games; or

(2) require an interactive gaming certificate holder or an interactive gaming operator to prohibit registered players within a licensed facility from playing interactive games.

CHAPTER 13C

(RESERVED)

CHAPTER 13D

SLOT MACHINES AT

NONPRIMARY LOCATIONS

Subchapter

A. General Provisions

B. Category 1 Licensed Gaming Entities and Nonprimary Locations

C. Application and Issuance of Nonprimary Location Permit

D. Fees and Taxes

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

13D01. (Reserved).

13D02. Authority to place slot machines at nonprimary locations.

13D03. Temporary regulations.

§ 13D01. (Reserved).

§ 13D02. Authority to place slot machines at nonprimary locations.

(a) Placement of slot machines at nonprimary locations.

Notwithstanding any provision of this part, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other law or regulation to the contrary, a Category 1 licensed gaming entity that is a licensed racing entity under Article XXVIII-D of The Administrative Code of 1929 shall apply to the board for a nonprimary location permit to place and make slot machines available for play at nonprimary locations.

(b) Duty of the board and commission.—The board shall have general and regulatory authority over the placement and operation of slot machines at nonprimary locations and shall, in consultation with the commission, promulgate regulations to govern the placement and operation of slot machines at nonprimary locations. Except that, any regulations specific to the operation of nonprimary locations by licensed racing entities promulgated under 58 Pa. Code Ch. 171 (relating to nonprimary locations) or any regulations related to the operation of nonprimary locations which may be adopted by the commission subsequent to the effective date of this chapter shall be adopted as regulations under this chapter, unless the board, in consultation with the commission, determine that such regulations are not sufficient for the administration and enforcement of this chapter. In that event, the board shall, in consultation with the commission, promulgate such regulations specific to the operation of slot machines at nonprimary locations as the board and commission deem necessary to facilitate the administration and enforcement of this chapter.

§ 13D03. Temporary regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board

or commission shall be deemed temporary regulations which shall expire not later than two years after the publication of the temporary regulation in the Pennsylvania Bulletin. The board may promulgate temporary regulations not subject to:

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

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

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

(b) Expiration.—The authority of the board and the commission to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.—The board, in consultation with the commission, shall begin publishing temporary regulations governing placement and operation of slot machines at nonprimary locations in the Pennsylvania Bulletin within 60 days of the effective date of this section.

SUBCHAPTER B

CATEGORY 1 LICENSED GAMING ENTITIES AND NONPRIMARY LOCATIONS

Sec.

13D07. Authority to place slot machines at nonprimary locations.

§ 13D07. Authority to place slot machines at nonprimary locations.

(a) Category 1 licensed gaming entity and operation of slot machines at nonprimary locations.—The following shall apply:

(1) Each Category 1 licensed gaming entity that is a licensed racing entity under section 13D02 (relating to authority to place slot machines at nonprimary locations) that is authorized to hold horse race meetings at a racetrack at which more than one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved in accordance with regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(2) Each Category 1 licensed gaming entity under section 13D02 that is authorized to hold horse race meetings at a racetrack at which only one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved in accordance with regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(3) A Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall not be authorized to place and make slot machines available for play at any nonprimary location which is within the primary market area of another licensed racing entity, regardless of whether the licensed racing entity is authorized to conduct horse race meetings or harness horse race meetings, or both, at the racetrack.

(4) No Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall be authorized to place and make slot machines available for play at a nonprimary location which is located within the primary market area of another licensed facility or another nonprimary location.

(5) A nonprimary location may be located within the

primary market area of a licensed facility if the Category 1 licensed gaming entity owns the nonprimary location and the licensed gaming entity enters into an agreement with the affected licensed gaming entity or entities and the agreement is filed with the commission and the board.

(6) A Category 1 licensed gaming entity that places and makes slot machines available for play at a nonprimary location shall be subject to the requirements of section 1303(a), (b) and (d) (relating to additional Category 1 slot machine license requirements).

(8) For the purposes of this subsection, the term "primary market area" shall mean the area within 50 linear miles of a licensed facility or nonprimary location.

(b) Existing and newly established nonprimary locations.—

Notwithstanding any provision of Article XXVIII-D of The Administrative Code of 1929 or any other law or regulation to the contrary, the following shall apply:

(1) A licensed racing entity that operated nonprimary locations prior to the effective date of this subsection shall not be prohibited from reopening a previously closed nonprimary location or relocating an existing nonprimary location in order to place and make slot machines available for play in a reopened or relocated nonprimary location:

Provided, that, the previously closed or a relocated nonprimary location complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(2) A licensed racing entity may establish a new nonprimary location in accordance with Article XXVIII-D of The Administrative Code of 1929 in order to place and make slot machines available for play and operate race horse simulcasting: Provided, that, the new nonprimary location complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(c) Permissible number of slot machines.—

(1) Notwithstanding section 1210 (relating to number of slot machines), a Category 1 licensed gaming entity, upon approval of the board and remittance of the fee under section 13D17 (relating to nonprimary location permit fee), may place and make available for play no more than 250 slot machines at a nonprimary location.

(2) The permissible number of slot machines that may be placed and made available for play at a nonprimary location under this subsection shall not be included in the complement of slot machines authorized for a Category 1 licensed facility under section 1210.

(3) In determining the permissible number of slot machines that may be placed at a nonprimary location in accordance with this subsection, the board shall consider the appropriateness of the physical space of the nonprimary location where the slot machines will be placed and the convenience of the public patronizing the nonprimary location. The board may also consider the potential benefit to economic development, employment, tourism, the race horse industry and enhanced revenues to the Commonwealth and the municipality where the nonprimary location is situated.

SUBCHAPTER C

APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

Sec.

13D11. Application for nonprimary location permit.

13D12. Issuance and terms of nonprimary location permit.

13D13. Confidentiality.

13D14. Key employees and occupation permits.

§ 13D11. Application for nonprimary location permit.

(a) Application.—An application for a nonprimary location permit to place and make slot machines available for play at a nonprimary location shall be submitted on a form and in a manner as shall be required by the board. In reviewing and approving each application, the board shall:

(1) Ensure that the proposed location of the nonprimary location complies with the location requirements set forth in section 13D07(a)(3), (4) and (5) (relating to authority to place slot machines at nonprimary locations).

(2) Confirm that the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee) has been paid or will be paid in accordance section 13D17.

(b) Required information.—An application for a nonprimary location permit shall include, at a minimum:

(1) The name of the Category 1 slot machine licensee and the licensed racing entity and location of the existing nonprimary location, if any, or the location of any proposed relocated or new nonprimary location.

(2) The name, address and current photograph of the applicant and of all directors and owners and key employees and their positions within the licensed racing entity, if required by the board.

(3) The proposed location of the slot machine area or areas in the nonprimary location, if known.

(4) Detailed site and architectural plans of the proposed area or areas within the nonprimary location where slot machines will be placed and made available for play.

(5) The number of slot machines requested.

(6) The current status of the licensed racing entity's horse racing license, if required by the board.

(7) The current status of the slot machine license issued under this part, if required by the board.

(8) The details of any loans or other financing obtained or that will be obtained to fund an expansion, modification or construction project at an existing nonprimary location, a relocated nonprimary location or a proposed or newly approved nonprimary location to accommodate slot machines at the nonprimary location.

(9) The consent to conduct a background investigation by the bureau, the scope of which shall be determined by the bureau at its discretion consistent with the provisions of this part, and a release signed by all persons subject to the investigation of all information required to complete the investigation, if the bureau, at its discretion, determines that a background investigation is necessary under this chapter.

(10) Any other information determined to be necessary and appropriate by the board.

§ 13D12. Issuance and terms of nonprimary location permit.

(a) Issuance of permit.—Upon approval of an application for a nonprimary location permit and payment of the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee), the board shall issue a nonprimary location permit to a Category 1 licensed gaming entity authorizing it to place and make slot machines available for play at a nonprimary location.

(b) Terms of permit.—A nonprimary location permit approved and issued by the board in accordance with subsection (a) shall be in effect unless suspended or revoked by the board upon good cause consistent with the requirements of this part, regulations promulgated pursuant to this part or regulations of the commission.

(c) Notification of change in status.—Nothing in this section shall relieve a nonprimary location permit holder of the affirmative duty to notify the board of any changes relating to the status of its nonprimary location permit, its horse racing license or to any other information contained in the application materials on file with the board.

§ 13D13. Confidentiality.

Information submitted to the board under section 13D11 (relating to application for nonprimary location permit) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13D14. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and

13A (relating to table games) or who holds a license under Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to obtain a separate license, permit or registration to be employed in a permit holder's slot machine operation at a nonprimary location under this chapter, if the board determines, in consultation with the commission, that licensure under the provisions of this part or Article XXVIII-D of The Administrative Code of 1929, is sufficient and will not compromise the integrity of the operation of slot machines at nonprimary locations.

SUBCHAPTER D FEES AND TAXES

Sec.

13D17. Nonprimary location permit fee.

13D18. Nonprimary location taxes, imposition, deposits and distributions.

§ 13D17. Nonprimary location permit fee.

(a) Amount of fee.—At the time a nonprimary location permit is issued under section 13D12(a) (relating to issuance and terms of nonprimary location permit), the board shall impose a one-time fee of \$5,000,000 to be paid by the Category 1 licensed gaming entity for each nonprimary location where it will place and make slot machines available for play.

(b) Renewal fee not required.—A nonprimary location permit shall not be subject to renewal or payment of any nonprimary location permit renewal fee.

(c) Deposit of fee into General Fund.—Notwithstanding section 1208 (relating to collection of fees and fines), all nonprimary location permit fees and penalties collected by the board under this section shall be deposited in the General Fund.

§ 13D18. Nonprimary location taxes, imposition, deposits and distributions.

(a) Imposition.—The department shall determine and each nonprimary location permit holder shall pay a daily tax of 54% from its daily gross terminal revenue from the slot machines in operation at its nonprimary location.

(b) Distribution.—

(1) The tax imposed and collected under subsection (a) shall be distributed as follows:

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

(ii) Eight percent shall constitute a local share assessment and be distributed by the department on a quarterly basis as follows:

(A) Four percent to the county in which the nonprimary location is located.

(B) Four percent to the municipality in which the nonprimary location is located.

(2) All money owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed racing entity or licensed gaming entity for the Commonwealth, county or municipality until all funds are distributed by the department in accordance with this subsection.

(c) Payments and deposits.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross slot machine revenue derived from the operation of slot machines at a nonprimary location during the previous week.

(2) All money owed to the Commonwealth and collected by the department in accordance with this subchapter shall be deposited in the General Fund.

CHAPTER 13E SLOT MACHINES IN QUALIFIED AIRPORTS

Subchapter

A. Preliminary Provisions

B. Airport Gaming Authorized

C. Conduct of Airport Gaming

D. Airport Gaming Fees and Taxes

E. Miscellaneous Provisions

SUBCHAPTER A PRELIMINARY PROVISIONS

Sec.

13E01. Definitions.

§ 13E01. Definitions.

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

"Airport authority." The governing body of a municipal authority organized and incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee the operations of a qualified airport. The term shall include the governing body of any joint municipal authority which operates a qualified airport and the governing body of a city of the first class which owns and operates a qualified airport located in a county of the first class.

"Airport gaming." The licensed placement, operation and play of slot machines in a qualified airport as authorized and approved by the board.

"Airport gaming certificate holder." The authorization issued under this chapter to conduct airport gaming.

"Airport gaming operation certificate." A certificate issued by the Pennsylvania Gaming Control Board under Chapter 13B (relating to interactive gaming) that authorizes a slot machine licensee to conduct airport gaming in accordance with this chapter.

"Airport gaming revenue." The daily gross terminal revenue derived from the conduct of airport gaming.

"Applicant." A slot machine licensee.

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

"Specified area." The secure area of a qualified airport where slot machines are placed and made available to play and members of the public, other than passengers, are prohibited from entering.

SUBCHAPTER B AIRPORT GAMING AUTHORIZED

Sec.

13E11. Authorization.

13E12. Application.

13E13. Standard for review of applications.

13E14. Approval of application.

13E15. Airport gaming operation certificate.

13E16. Timing of initial airport gaming authorizations.

§ 13E11. Authorization.

(a) General rule.—Upon application of a slot machine licensee, the board may authorize the slot machine licensee to conduct airport gaming. A slot machine licensee seeking authorization to conduct airport gaming must enter into an agreement with the governing body of a qualified airport and submit the agreement to the board for approval. No person shall cause or make slot machines available for play at a qualified airport without first obtaining an airport gaming operation certificate in accordance with the provisions of this chapter.

(b) Conditions.—Authorization shall be contingent upon the slot machine licensee's agreement to ensure that slot machine operations will be conducted in accordance with this part and any other conditions established by the board. The agreement shall specify the fees to be paid to the qualified airport by the slot machine licensee for the privilege of conducting airport gaming. Nothing in this part shall be construed to create a separate license governing the conduct of airport gaming by slot machine licensees within this Commonwealth.

(c) Number of slot machines.—The board shall approve the maximum number of slot machines that a slot machine licensee may operate at a qualified airport. The board, in making its determination, shall consider the physical space where the slot machines will be located and the convenience of passengers. The board may also consider the potential employment, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision.

§ 13E12. Application.

(a) Information to be provided.—An applicant seeking authorization to conduct airport gaming shall provide the following information to the board:

(1) The name, business address and contact information of the applicant, and the name, business address and contact information of the airport authority and the location of the qualified airport.

(2) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of airport gaming and who is not currently licensed by the board, if known.

(3) The number of slot machines for which authorization is being sought.

(4) The estimated number of full-time and part-time employment positions that will be created at the qualified airport if the slot machine licensee is authorized to operate slot machines under this chapter and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the employment representation of diverse groups and Commonwealth residents.

(5) The details of any financing obtained or that will be obtained to fund an expansion or modification of the qualified airport to accommodate the conduct of airport gaming and to otherwise fund the cost of commencing airport gaming operations.

(6) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(7) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to conduct airport gaming. In making this determination, the board may consider the results of the applicant's slot machine operation, including financial information, employment data and capital investment.

(8) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has or will have the financial ability to pay the required fee under section 13E51 (relating to fees).

(9) Detailed site plans identifying the applicant's proposed specified area.

(10) A copy of the agreement entered into by the slot machine licensee and the qualified airport. The agreement shall identify the members of the governing board of the airport authority and all employees of the airport authority who, directly or indirectly, regulate the use and control of the qualified airport and who will oversee airport gaming at the qualified airport.

(11) Other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(6), (7), (8), (9) and (10) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13E13. Standard for review of applications.

The board shall approve an application if the applicant establishes, by clear and convincing evidence, all of the following:

(1) The applicant's slot machine license is in good standing with the board, and the applicant has an agreement with the airport authority authorizing the placement of slot machines at the qualified airport.

(2) The applicant possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the qualified airport to accommodate the conduct of airport gaming if required in the agreement with the governing body of the airport authority.

(ii) Pay the required fee in accordance with section 13E51 (relating to fees).

(iii) Commence airport gaming operations at the qualified airport.

(3) The applicant has the financial stability, integrity and responsibility to conduct airport gaming.

(4) The applicant has sufficient business ability and experience to create and maintain airport gaming.

(5) The applicant's proposed internal and external security and proposed surveillance measures within the specified area where the applicant seeks to conduct airport gaming are adequate.

(6) The applicant agrees that the number of slot machines in operation at its licensed facility will not be permanently reduced in order to conduct airport gaming.

§ 13E14. Approval of application.
Upon approval of an application, the board shall issue an airport gaming operation certificate to the applicant. Issuing an airport gaming operation certificate prior to the payment in full of the fee required by section 13E51 (relating to fees) shall not relieve the applicant from complying with the provisions of section 13E51.

§ 13E15. Airport gaming operation certificate.

The following shall apply:

(1) An airport gaming operation certificate shall be in effect unless:

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

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

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

(iv) The agreement between the airport gaming certificate holder and the governing body of the authority is not renewed.

(2) The airport gaming operation certificate shall include the maximum number of slot machines approved by the board and permitted in the specified area. The airport gaming certificate holder may increase or decrease the number of slot machines permitted in the specified area or change the configuration of the slot machines upon notice to and approval by the board. Unless approved by the board, the total number of slot machines in operation in the specified area may not exceed the number authorized in the airport gaming operation certificate.

(3) A airport gaming certificate holder shall be required to update the information in its initial airport gaming application at times prescribed by the board.

§ 13E16. Timing of initial airport gaming authorizations.

The board shall approve or deny an application within 180 days following receipt of the completed application.

SUBCHAPTER C CONDUCT OF AIRPORT GAMING

Sec.

13E31. Authorized locations for operation.

13E32. Commencement of airport gaming operations.

13E33. Condition of continued operation.

13E34. Airport gaming accounting controls and audit protocols.

13E35. Cash equivalents.

13E36. Occupation permits.

§ 13E31. Authorized locations for operation.

(a) Restriction.—An airport gaming certificate holder shall only be permitted to operate slot machines in the specified area authorized by the board.

(b) Powers and duties of board.—No airport gaming certificate holder may be approved to operate slot machines unless the specified area is equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of airport gaming. An authorization granted under this section may not impose any criteria or requirements

regarding the contents or structure of a qualified airport which are unrelated to the conduct of airport gaming.

§ 13E32. Commencement of airport gaming operations.

An airport gaming certificate holder may not operate or offer slot machines for play at a qualified airport until the board determines that:

- (1) The airport gaming certificate holder is in compliance with the requirements of this part.
- (2) The airport gaming certificate holder's internal controls and audit protocols are sufficient to meet the requirements of section 13E34 (relating to airport gaming accounting controls and audit protocols).
- (3) The airport gaming certificate holder's gaming employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective duties.
- (4) The airport gaming certificate holder is prepared in all respects to offer slot machine play to eligible passengers at the qualified airport.
- (5) The airport gaming certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of airport gaming.
- (6) The airport gaming certificate holder is in compliance with or has complied with section 13E51 (relating to fees).
- (7) All slot machines certified and approved for use under this chapter have been approved by the board and are compatible with the central control computer and protocol specifications approved by the department.
- (8) The airport gaming certificate holder has implemented or will implement the necessary procedures and safeguards to ensure that no individual under 21 years of age will be permitted to enter the specified area of the qualified airport.

§ 13E33. Condition of continued operation.

As a condition of continued operation, an airport gaming certificate holder shall maintain all books, records and documents pertaining to airport gaming in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to airport gaming 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 the licensee's slot machine operations at a licensed facility and a qualified airport;
- (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 at the qualified airport in accordance with regulations promulgated by the board; and
- (3) be maintained for a period as the board, by regulation, may require.

§ 13E34. Airport gaming accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of airport gaming operations, an airport gaming certificate holder shall submit to the board for approval all proposed site plans, internal and accounting control systems and audit protocols for the airport gaming certificate holder's airport gaming operations.

(b) Minimum requirements.—The airport gaming certificate holder's internal and accounting controls and audit protocols shall meet the requirements set forth in section 1322(b) and (c) (relating to slot machine accounting controls and audits).

§ 13E35. Cash equivalents.

Notwithstanding any other provisions of this part, the board may, through regulations, determine the cash equivalents that may be authorized and accepted by an airport gaming certificate holder in the conduct of airport gaming.

§ 13E36. Occupation permits.

- (a) Application.—Any person who desires to be a gaming

employee and has a bona fide offer of employment from a airport gaming certificate holder authorized to operate slot machines under this chapter shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless and until that person holds an appropriate occupation permit issued under this section. The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with the objectives of this part.

(b) Requirements.—The application for an occupation permit shall include, at a minimum:

- (1) The name and home address of the person.
- (2) The previous employment history of the person.
- (3) The criminal history record of the person, as well as the person's consent for the Pennsylvania State Police to conduct a background investigation.
- (4) A current photograph of the person.
- (5) Evidence of the offer of employment and the nature and scope of the proposed duties of the person, if known.
- (6) The details of any occupation permit or similar license granted or denied to the person in other jurisdictions.
- (7) Any other information determined by the board to be appropriate.

(c) Prohibition.—No airport gaming certificate holder may employ or permit any person under 18 years of age to render any service in any specified area where slot machines are physically located.

(d) Construction.—Nothing in this part shall be construed to require any person who holds a principal license, a key employee license or gaming employee occupation permit under Chapter 13 (relating to licensees) to obtain a separate license, permit, certificate, registration or other authorization to be employed in an airport gaming certificate holder's airport gaming operations.

SUBCHAPTER D

AIRPORT GAMING FEES AND TAXES

Sec.

13E51. Fees.

13E52. Airport gaming tax and assessment.

§ 13E51. Fees.

(a) Required fees.—A slot machine licensee shall pay:

(1) Except as set forth in paragraph (2) or (3), a one-time, nonrefundable fee of \$1,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport.

(2) A one-time, nonrefundable fee of \$5,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a city of the first class.

(3) A one-time, nonrefundable fee of \$2,500,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a county of the second class.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13E52. Airport gaming tax and assessment.

(a) Imposition.—Each airport gaming certificate holder shall report to the department and pay from its airport gaming revenue, on a form and in the manner prescribed by the department, a tax of 34% of its airport gaming revenue and an airport local share assessment.

(b) Deposits and distributions.—

(1) The tax and local share assessment imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross terminal 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 airport gaming certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a airport

gaming certificate holder shall establish a separate bank account into which gross terminal revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(3) The department shall transfer the tax revenues collected under this section to the General Fund.

(4) The department shall quarterly distribute to each qualified airport the airport local share assessment from the airport gaming revenue generated from airport gaming at each qualified airport.

(c) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Airport local share assessment." Twenty percent of an airport gaming certificate holder's airport gaming revenue.

SUBCHAPTER E MISCELLANEOUS PROVISIONS

Sec.

13E91. Regulations.

§ 13E91. Regulations.

(a) Regulations.—The board shall promulgate regulations consistent with the provisions of this part to govern the conduct of airport gaming at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

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

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

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

(c) Expiration.—The board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

Section 15. Sections 1403(b), (c)(2)(ii)(D), (iii)(A) and (iv)(B), 1405, 1407 and 1408(c) of Title 4 are amended to read:

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

* * *

(b) Slot machine tax.—The department shall determine and each slot machine licensee shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its licensed facility and a local share assessment as provided in subsection (c). All funds owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed gaming entity for the Commonwealth, the county and the municipality until the funds are paid or transferred to the fund. Unless otherwise agreed to by the board, a licensed gaming entity shall establish a separate bank account to maintain gross terminal revenue until such time as the funds are paid or transferred under this section. Moneys in the fund are hereby appropriated to the department on a continuing basis for the purposes set forth in subsection (c). For the purpose of this subsection, the term licensed facility shall not be construed to include a nonprimary location at which a Category 1 slot machine licensee is authorized to place and make slot machines available for play in accordance with Chapter 13D (relating to slot machines at nonprimary locations) or the physical land-based location of a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

(c) Transfers and distributions.—The department shall:

* * *

(2) From the local share assessment established in

subsection (b), make quarterly distributions among the counties hosting a licensed facility in accordance with the following schedule:

* * *

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

* * *

(D) A county of the third class: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located. Notwithstanding the provisions of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

* * *

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

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class. [The first \$5,000,000] Fifty percent or \$5,000,000, whichever is greater, of the total amount distributed annually to the county of the first class shall be distributed to the Philadelphia School District.

* * *

(iv) * * *

(B) If the facility is a Category 3 licensed facility located in a county of the second class A, 2% of the gross terminal revenue [from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the host county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Wastewater Infrastructure Program).] to the county hosting the licensed facility from each such licensed facility shall be deposited as follows:

(I) Seventy-five percent shall be deposited for the purpose of supporting the maintenance and refurbishment of the parks and heritage sites throughout the county in which the licensed facility is located.

(II) Twelve and one-half percent shall be deposited for the purpose of supporting a child advocacy center located within the county in which the licensed facility is located.

(III) Twelve and one-half percent shall be deposited for the

purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensed facility is located.

* * *

§ 1405. Pennsylvania Race Horse Development Fund.

(b) Pennsylvania race horse improvement assessment.—Each active and operating licensed gaming entity shall pay a daily assessment to the Pennsylvania Race Horse Development Fund as determined by the department. Subject to the daily assessment cap established under subsection (c), the licensed gaming entity's assessment shall be a percentage of each licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility, equal to an amount calculated as "A" multiplied by "B", with "A" being equal to each licensed gaming entity's gross terminal revenue for that day divided by the total gross terminal revenue for that day from all licensed gaming entities, and "B" being equal to 18% of that day's gross terminal revenue for all active and operating Category 1 licensees conducting live racing.

(c) Daily assessment cap.—If the resulting daily assessment for a licensed gaming entity exceeds 12% of that licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility for the day, the licensed gaming entity shall pay a daily assessment of 12% of its gross terminal revenue for that day.

(e) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

(a) Fund established.—There is hereby established a Pennsylvania Gaming Economic Development and Tourism Fund within the State Treasury.

(b) Fund administration and distribution.—The Pennsylvania Gaming Economic Development and Tourism Fund shall be administered by the Department of Community and Economic Development. All moneys in the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed pursuant to a subsequently enacted Economic Development Capital Budget that appropriates money from the fund pursuant to this section. The procedures for enactment, authorization and release of economic development and tourism funds authorized under this section for both capital projects and operational expenditures shall be the same as those provided for in sections 303(a), (b) and (c) and 318(a) of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, without reference to the nature or purpose of the project, and any other statutory provision, if any, necessary to effectuate the release of funds appropriated in such economic development capital budget.

(c) Pennsylvania Gaming Economic Development and Tourism Fund Assessment.—Each licensed gaming entity shall pay a daily assessment of 5% of its gross terminal revenue from the slot machines in operation at its licensed facility to the Pennsylvania Gaming Economic Development and Tourism Fund.

(d) Restrictions on projects for certain counties and cities.—Except as set forth in subsection (d.1), for a ten-year period beginning with the first fiscal year during which deposits are made into this fund, no moneys from the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout this Commonwealth. Moneys from the fund for projects within cities and

counties of the first and second classes may only be used for the following projects during this ten-year period:

(1) for reimbursement to a city of the first class for debt service made by such city to the extent that such payments have been made for the expansion of the Pennsylvania Convention Center;

(2) for distribution to the General Fund to the extent that the Commonwealth has made debt service payments for the expansion of the Pennsylvania Convention Center;

(3) for reimbursement to a city of the first class for payments made by such city for the operation expenses of the Pennsylvania Convention Center during the prior calendar year;

(4) for debt service and for development and economic development projects for an international airport located in a county of the second class;

(5) for distribution to a community infrastructure development fund of a county of the second class to fund construction, development, improvement and maintenance of infrastructure projects;

(6) for the retirement of the indebtedness of an urban redevelopment authority created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, in a city of the second class which is financed in part with the utilization of funds transferred to the regional asset district pursuant to Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code;

(8) for retirement of indebtedness of a county of the second class development fund created pursuant to the authority of Article XXXI-B of the Second Class County Code and the Urban Redevelopment Law;

(9) for retirement of indebtedness of a convention center in a city of the second class established pursuant to the authority of the Public Auditorium Authorities Law;

(10) for payment of the operating deficit for the operation of a convention center in a city of the second class established pursuant to the Public Auditorium Authorities Law.

(d.1) Community and economic development.—
(1) Notwithstanding subsection (b) or any other provision of law to the contrary, the money authorized but not expended under former subsection (d)(7) as of the effective date of this subsection shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority exclusively for eligible applications submitted by the redevelopment authority of a county of the second class created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, for economic development, infrastructure development, job training, community improvement, public safety or other projects in the public interest located in a county of the second class. Community development corporations, political subdivisions, urban redevelopment authorities, municipal authorities, for-profit entities and nonprofit entities located in a county of the second class shall be eligible to receive funds made available under this paragraph.

(2) Notwithstanding the Capital Facilities Debt Enabling Act, funding under the paragraph (1) may be utilized as local matching funds for grants or loans from the Commonwealth.

(e) Annual report.—The Office of the Budget, in cooperation with the Department of Community and Economic Development and the Commonwealth Financing Authority, shall submit an annual report of all distribution of funds under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives. The report shall include detailed information relating to transfers made from the Pennsylvania Gaming Economic Development and Tourism

Fund and all reimbursements, distributions and payments made under subsection (b) or 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. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

(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) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

Amend Bill, page 2, lines 15 and 16, by striking out all of said lines and inserting

Section 15.1. Title 4 is amended by adding a section to read:
§ 1410. Public School Employees' Retirement Contribution Fund.

(a) Establishment.—The Public School Employees' Retirement Contribution Fund is established within the State Treasury.

(b) Contents of fund.—The fund shall contain the money transferred to the fund under subsection (c) and any other money transferred to or deposited into the fund.

(c) Transfers to fund.—Notwithstanding any provision of this part, the following shall apply:

(1) For the 2016-2017 fiscal year, \$303,000,000 of the receipts deposited into the General Fund under Chapters 13A (relating to table games), 13B (relating to interactive gaming), 13D (relating to slot machines at nonprimary locations) and 13E (relating to slot machines in qualified airports) shall be transferred to the fund. The transfers required by this paragraph shall be made in equal monthly amounts beginning on the first day of the first month following the effective date of this paragraph.

(2) For the 2017-2018 fiscal year and each fiscal year thereafter, \$310,000,000 of the receipts deposited into the General Fund under Chapters 13A, 13B, 13D and 13E shall be transferred to the fund. The transfers required by this paragraph shall be made in equal monthly amounts beginning on July 1, 2017.

(d) Use of money in fund.—Money in the fund is hereby appropriated to the Department of Education as an augmentation to the appropriation for required contribution for public school employees' retirement.

(e) Definition.—As used in this section, the term "fund" means the Public School Employees' Retirement Contribution Fund.

Section 15.2. Sections 1501(b) and 1509(c) of Title 4 are amended to read:

§ 1501. Responsibility and authority of department.

* * *

(b) Application of rules and regulations.—The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping

to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of slot machines [and], including slot machines at nonprimary locations and qualified airports, table games and interactive gaming under this part.

* * *

§ 1509. Compulsive and problem gambling program.

* * *

(c) Notice of availability of assistance.—

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post at least 20 signs similar to the following statement:

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

The signs must be posted within 50 feet of each entrance and exit, within 50 feet of each automated teller machine location within the licensed facility and in other appropriate public areas of the licensed facility as determined by the slot machine licensee.

(2) Each racetrack where slot machines or table games are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

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

(2.1) Each interactive gaming certificate holder, interactive gaming operator or other person that operates interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder:

(i) Shall cause the words:

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

or some comparable language approved by the board, which language shall include the words "gambling problem" and "call 1-800-XXXX," to be prominently and continuously displayed to any person visiting or logged onto the interactive gaming certificate holder's interactive gaming skin or Internet website.

(ii) Shall provide a mechanism by which an interactive gaming account holder may establish the following controls on wagering activity through the interactive gaming account:

(A) A limit on the amount of money lost within a specified period of time and the length of time the account holder will be unable to participate in gaming if the holder reaches the established loss limit.

(B) A limit on the maximum amount of any single wager on any interactive game.

(C) A temporary suspension of interactive gaming through the account for any number of hours or days.

(iii) Shall not mail or otherwise forward any gaming-related promotional material or e-mail to a registered player during any period in which interactive gaming through the registered players' interactive gaming account has been suspended or terminated. The interactive gaming certificate holder shall provide a mechanism by which a registered player may change the controls, except that, while interactive gaming through the interactive gaming account is suspended, the registered player may not change gaming controls until the suspension expires, but the registered player shall continue to have access to the account and shall be permitted to withdraw funds from the account upon proper application for the funds to the interactive gaming

certificate holder.

(3) A [licensed facility] licensed gaming entity which fails to post or print the warning sign in accordance with paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine of \$1,000 a day for each day the minimum number of signs are not posted or the required statement is not printed as provided in this subsection.

(4) An interactive gaming certificate holder or interactive gaming license holder, as the case may be, that fails to establish the mechanisms, controls and systems in accordance with paragraph (2.1)(ii) and (iii) shall be assessed a fine of not less than \$5,000 per day for each day the mechanisms, controls and systems are not available to interactive gaming account holders.

* * *

Section 16. Title 4 is amended by adding a section to read:
§ 1509.2. Child endangerment protection.

(a) Posting of signs.—The following shall apply:

(1) Each licensed gaming entity shall post the necessary signage to notify patrons of the prohibition against leaving a child unattended in a vehicle under section 1518(a)(18) (relating to prohibited acts; penalties) and underage gambling under section 1518(a)(13) and (13.1) and the penalty for violations.

(2) The signs shall be conspicuously posted in clear view of all parking areas and other public areas of the licensed facility and, including where applicable, nonprimary locations, as determined by the licensed gaming entity and approved by the board.

(3) The board shall determine the written content and minimum number of signs to be posted at each licensed facility.

(b) Fine.—A licensed gaming entity that fails to post signage in accordance with subsection (a) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs as prescribed by the board are not posted.

Section 17. Section 1512 of Title 4 is amended by adding a subsection to read:

§ 1512. Financial and employment interests.

* * *

(a.6) Prohibition related to interactive gaming.—

(1) 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 immediate family member thereof shall hold, directly or indirectly, a financial interest in, be employed by or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including, but not limited to, consulting or similar services from any holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, or any business, association, enterprise or other entity that is organized in whole or in part for the purpose of promoting, advocating for or advancing the interests of the interactive gaming industry generally or any interactive gaming-related business or businesses in connection with any cause, application or matter. The financial interest and employment prohibitions under this paragraph shall remain in effect for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(2) Notwithstanding paragraph (1), a member of the immediate family of an executive-level public employee, public official or party officer may hold employment with the holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or

intermediary company with respect thereto, if in the judgment of the State Ethics Commission or the Supreme Court, as appropriate, employment will not interfere with the responsibilities of the executive-level public employee, public official or party officer and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest on the part of the executive-level public employee, public official or party officer.

(3) The financial interest and employment prohibitions specified in paragraphs (1) and (2) shall apply to slot machines at nonprimary locations under Chapter 13D (relating to slot machines at nonprimary locations).

* * *

Section 18. Sections 1514 heading, (a), (d), (e) and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title 4 are amended to read:
§ 1514. Regulation requiring exclusion [or], ejection or denial of access of certain persons.

(a) General rule.—The board shall by regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed facility or who may be denied access to interactive gaming or slot machines at nonprimary locations. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a licensed facility or whose access to interactive gaming and slot machines at nonprimary locations would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

* * *

(d) Sanctions.—The board may impose sanctions upon a licensed gaming entity or interactive gaming licensee in accordance with this part if the licensed gaming entity knowingly fails to exclude or eject from the premises of any licensed facility or deny access to interactive gaming or to slot machines at a nonprimary location any person placed by the board on the list of persons to be excluded [or], ejected or denied access.

(e) List not all-inclusive.—Any list compiled by the board of persons to be excluded [or], ejected or denied access shall not be deemed an all-inclusive list, and a licensed gaming entity shall have a duty to keep from the licensed facility and from interactive gaming and slot machines at a nonprimary location persons known to it to be within the classifications declared in this section and the regulations promulgated under this section whose presence in a licensed facility or whose participation in interactive gaming and the play of slot machines at a nonprimary location would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, as defined in standards established by the board.

(f) Notice.—Whenever the bureau seeks to place the name of any person on a list pursuant to this section, the bureau shall serve notice of this fact to such person by personal service or certified mail at the last known address of the person. The notice shall inform the person of the right to request a hearing under subsection (g). The bureau may also provide notice by e-mail, if the electronic mail address of the person is known to the bureau.

* * *

§ 1515. Repeat offenders excludable from licensed gaming facility.

A licensed gaming entity may exclude or eject from its licensed facility or deny access to interactive gaming and slot machines at a nonprimary location any person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of any licensed facility. Nothing in this section or in any other law of this Commonwealth shall limit the right of a licensed gaming entity to exercise its common law right to exclude or eject permanently from its licensed facility or permanently deny access to its interactive gaming and slot machines at a nonprimary location any person who disrupts the operations of its premises or its interactive gaming or the operation of slot machines at a nonprimary location, threatens the security of its premises or its occupants or is disorderly or intoxicated[,] or who threatens the security of its licensed facility, including the area of a

nonprimary location where slot machines are placed and made available for play or the area of a licensed facility where interactive gaming operations are managed, administered or controlled.
§ 1516. List of persons self excluded from gaming activities.

(a) General rule.—The board shall provide by regulation for the establishment of a list of persons self excluded from gaming activities, including interactive gaming and the play of slot machines at nonprimary locations, at all licensed facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the board that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at licensed facilities, including interactive gaming and the play of slot machines at a nonprimary location.

(b) Regulations.—The regulations of the board shall establish procedures for placements on and removals from the list of self-excluded persons. The regulations shall establish procedures for the transmittal to licensed gaming entities of identifying information concerning self-excluded persons and shall require licensed gaming entities to establish procedures designed at a minimum to deny self-excluded persons access to interactive gaming and the play of slot machines at nonprimary locations and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentaries, check cashing privileges, club programs and other similar benefits.

(c) Liability.—A licensed gaming entity or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed gaming entity to withhold gaming privileges from or restore gaming privileges to a self-excluded person; [or]

(1.1) the failure of a interactive gaming certificate holder or interactive gaming licensee to withhold interactive gaming privileges from or restore interactive gaming privileges to a self-excluded person;

(1.2) the failure of a Category 1 licensed gaming entity to withhold or restore access to slot machines at a nonprimary location to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in gaming activity in the facility or participate in interactive gaming or slot machine play at a nonprimary location while on the list of self-excluded persons.

(d) Disclosure.—Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection. Nothing in this section, however, shall be construed to prohibit a licensed gaming entity from disclosing the identity of persons self excluded pursuant to this section to affiliated gaming entities in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by affiliated licensed gaming entities.

§ 1517. Investigations and enforcement.

(b) Powers and duties of department.—

(1) The department shall at all times have the power of access to examine and audit equipment and records relating to all aspects of the operation of slot machines [or], including slot machines at nonprimary locations and, consistent with airport security rules, at qualified airports, table games or interactive games under this part.

(c) Powers and duties of the Pennsylvania State Police.—The Pennsylvania State Police shall have the following powers and duties:

(12) Conduct audits or verification of information of slot machine [or], table game operations, including the operation of slot machines used in a multistate wide-area progressive slot

machine system and in the operation of skill or hybrid slot machines, interactive gaming operations and the operation of slot machines at a nonprimary location and in the specified area of a qualified airport 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 licensee.

(e) Inspection, seizure and warrants.—

(1) The bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties:

(i) Inspect and examine all premises, including the premises of a nonprimary location and the specified area of a qualified airport, where slot machine [or], table game and interactive gaming operations are conducted, slot machines, table game devices and associated equipment, interactive gaming devices and associated equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained.

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

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

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

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, count room or its equipment, interactive gaming devices and associated equipment or slot machine [or], table game or interactive gaming operations.

Section 19. Section 1518(a)(1), (2), (3), (4), (5), (7.1), (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4 are amended, subsections (a) and (b) are amended by adding paragraphs and subsection (c)(1) is amended by adding a subparagraph to read:

§ 1518. Prohibited acts; penalties.

(a) Criminal offenses.—

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

(2) It shall be unlawful for a person to willfully:

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

(ii) attempt in any manner to evade or defeat any license fee, authorization fee, permit fee, registration fee, tax or assessment or any other fee imposed under this part.

(3) It shall be unlawful for any licensed entity, gaming employee, key employee or any other person to permit a slot machine, table game or table game device, interactive game or interactive gaming device or associated equipment to be operated, transported, repaired or opened on the premises of a licensed facility by a person other than a person licensed or permitted by the board pursuant to this part.

(3.1) It shall be unlawful for any person who does not

possess a valid and then effective interactive gaming certificate or interactive gaming license issued by the board in accordance with Chapter 13B (relating to interactive gaming) to accept any wager associated with any authorized interactive game from any individual without verifying the age, identity and physical location of the player at the time of play or wager.

(3.2) It shall be unlawful for any person who does not possess a valid nonprimary location permit issued by the board in accordance with section 13D12 (relating to issuance and terms of nonprimary location permit) to place and make slot machines available for play at a nonprimary location.

(4) It shall be unlawful for any licensed entity or other person to manufacture, supply or place slot machines, table games, table game devices or associated equipment, authorized interactive game or interactive gaming devices or associated equipment into play or display slot machines, including slot machines at a nonprimary location or in a specified area of a qualified airport, table games, table game devices or associated equipment on the premises of a licensed facility without the authority of the board.

(4.1) It shall be unlawful for any slot machine licensee to offer interactive games into play or display such games on its interactive gaming skin or Internet website without the approval of the board.

(4.2) It shall be unlawful for any licensed entity or other person to manufacture, supply or place interactive gaming devices or associated equipment into operation at a licensed facility without the approval of the board.

(4.3) It shall be unlawful for any Category 1 slot machine licensee to place and make slot machines available for play at a nonprimary location or in a specified area of a qualified airport without the approval of the board.

(5) Except as provided for in section 1326 (relating to [license] renewals), it shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine, including slot machines at a nonprimary location, table game, table game device or associated equipment, interactive game or interactive gaming device or associated equipment after the person's license has expired and prior to the actual renewal of the license.

* * *

(7.1) It shall be unlawful for an individual to do any of the following:

(i) Use or possess counterfeit, marked, loaded or tampered with table game devices or associated equipment, chips or other cheating devices in the conduct of gaming under this part, except that an authorized employee of a licensee or an authorized employee of the board may possess and use counterfeit chips or table game devices or associated equipment that have been marked, loaded or tampered with, or other cheating devices or any unauthorized interactive gaming device or associated equipment in performance of the duties of employment for training, investigative or testing purposes only.

(ii) Knowingly, by a trick or sleight of hand performance or by fraud or fraudulent scheme, or manipulation, table game device or other device, or interactive gaming device for himself or for another, win or attempt to win any cash, property or prize at a licensed facility or to reduce or attempt to reduce a losing wager.

(7.2) It shall be unlawful for a person to knowingly alter, tamper or manipulate interactive gaming devices or associated equipment, including software, system programs, hardware and any other device or associated equipment used in interactive gaming operations, in order to alter the odds or the payout of an interactive game or to disable the interactive game from operating according to the rules of the game as authorized by the

board.

(7.3) It shall be unlawful for a person to knowingly offer or allow to be offered any authorized interactive game that has been altered, tampered with or manipulated in a way that affects the odds or the payout of an authorized interactive game or disables the interactive game from operating according to the authorized rules of the game as authorized by the board.

* * *

(11) It shall be unlawful for a licensed gaming entity that is a licensed racing entity and that has lost the license issued to it by [either] the State Horse Racing Commission [or the State Harness Racing Commission under the Race Horse Industry Reform Act] under Article XXVIII-D of the act of April 19, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or that has had that license suspended to operate slot machines [or], table games or authorized interactive games at the racetrack or nonprimary location for which its slot machine license was issued unless the license issued to it by either the State Horse Racing Commission or the State Harness Racing Commission will be subsequently reissued or reinstated within 30 days after the loss or suspension.

* * *

(13) It shall be unlawful for an individual under 21 years of age to enter and remain in any area of a licensed facility where slot machines are operated, including any area of a nonprimary location or a specified area of a qualified airport, or the play of table games is conducted, except that an individual 18 years of age or older employed by a slot machine licensee, a gaming service provider, the board or any other regulatory or emergency response agency may enter and remain in any such area while engaged in the performance of the individual's employment duties.

(13.1) It shall be unlawful for an individual under 21 years of age to wager, play or attempt to play a slot machine or table game, or wager, play or attempt to play an interactive game at a licensed facility, including a nonprimary location and the specified area of a qualified airport.

(13.2) It shall be unlawful to allow a person under 21 years of age to open, maintain or use in any way an interactive gaming account. Any interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder or interactive gaming licensee or other such person who knowingly allows a person under 21 years of age to open, maintain or use an interactive gaming account shall be subject to the penalty set forth in this section, except that the establishment of all of the following facts by an interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder, interactive gaming licensee or other such person shall constitute a defense to any regulatory action by the board or the penalty authorized under this section:

(i) the underage person falsely represented that he was of the permitted 21 years of age in the application for an interactive gaming account; and

(ii) the establishment of the interactive gaming account was made in good faith reliance upon such representation and in the reasonable belief that the underage person was 21 years of age.

* * *

(15) It shall be unlawful for a licensed gaming entity to require a wager to be greater than the stated minimum wager or less than the stated maximum wager. However, a wager made by a player and not rejected by a licensed gaming entity prior to commencement of play shall be treated as a valid wager. A wager accepted by a dealer or through an authorized interactive game shall be paid or lost in its entirety in accordance with the rules of the game, notwithstanding that the wager exceeded the current table maximum wager or authorized interactive game

wager or was lower than the current table minimum wager or minimum interactive game wager.

* * *

(17) It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a slot machine, including from slot machines at a nonprimary location or in a specified area of a qualified airport, gaming table or other table game device, interactive game or interactive gaming device with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, any component of any slot machine, including slot machines at a nonprimary location or in a specified area of a qualified airport, table game or table game device, interactive game or interactive gaming device in a manner contrary to the designed and normal operational purpose.

(18) Notwithstanding any other provision of law, it shall be unlawful for an individual driving or in charge of a motor vehicle to permit a child under 14 years of age to remain unattended in the vehicle if the vehicle is located on property owned, leased or controlled by a licensed gaming entity or its affiliate, intermediary, subsidiary or holding company. In addition to the penalties in subsection (b), the individual shall be subject to exclusion or ejection from licensed facilities under sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons) and 1515 (relating to repeat offenders excludable from licensed gaming facility). Notwithstanding any of the provisions of 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the investigating officer in the jurisdiction in which the vehicle is located shall be responsible for providing written notice of the violation within 48 hours to the director of the county children and youth service agency of the county where the violation occurred. The notice shall contain:

- (i) The name of the individual charged under this section.
- (ii) The address or addresses at which the individual resides.
- (iii) The name of the child or children left unattended.

(b) Criminal penalties and fines.—

(1) (i) A person that commits a first offense in violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits an offense to be graded in accordance with the applicable section violated. A person that is convicted of a second or subsequent violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits a felony of the second degree.

(ii) A person that violates subsection (a)(2), (3) and (4) through (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3) and (4) through (12) or (17) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through (12) or (17), a person shall be sentenced to pay a fine of:

- (A) not less than \$75,000 nor more than \$150,000 if the person is an individual;
- (B) not less than \$300,000 nor more than \$600,000 if the person is a licensed gaming

entity or an interactive gaming licensee; or

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

(ii) For a second or subsequent violation of subsection (a)(1), (2), (3) and (4) through (12) or (17), a person shall be sentenced to pay a fine of:

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

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

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

(2.1) A person that commits an offense in violation of subsection (a)(3.1) or (3.2) commits a felony and, upon conviction, shall be sentenced to pay a fine of not less than \$500,000 nor more than \$1,000,000. A person that is convicted of a second or subsequent violation of subsection (a)(3.1) commits a felony of the first degree and shall be sentenced to pay a fine of not less than \$1,000,000 nor more than \$2,500,000.

(3) An individual who commits an offense in violation of subsection (a)(13) [or], (13.1) or (13.2) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than \$200 nor more than \$1,000. An individual that is convicted of a second or subsequent offense under subsection (a)(13) [or], (13.1) or (13.2) shall be sentenced to pay a fine of not less than \$500 nor more than \$1,500. In addition to the fine imposed, an individual convicted of an offense under subsection (a)(13) [or], (13.1) or (13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

(3.1) Notwithstanding paragraph (3), whenever an individual is convicted of a second or subsequent offense under subsection (a)(13) or (13.1), the court, including a court not of record if it is exercising jurisdiction pursuant to 42 Pa.C.S. § 1515(a) (relating to jurisdiction and venue), shall order the operating privileges of the individual suspended. A copy of the court order shall be transmitted to the Department of Transportation.

(3.2) When the department suspends the operating privilege of a person under paragraph (3.1), the duration of the suspension shall be as follows:

(i) For a first offense, a period of 90 days from the date of suspension.

(ii) For a second offense, a period of one year from the date of suspension.

(iii) For a third offense, and any offense thereafter, a period of two years from the date of suspension. Any multiple sentences imposed shall be served consecutively.

Reinstatement of operating privilege shall be governed by 75 Pa.C.S. § 1545 (relating to restoration of operating privilege).

* * *

(5) An individual who commits an offense in violation of subsection (a)(18) commits a misdemeanor of the third degree for the first offense. A person that is convicted of a second or subsequent violation of subsection (a)(18) commits a misdemeanor of the second degree.

(c) Board-imposed administrative sanctions.—

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

* * *

(x) Assess a fine for failure to report a violation under subsection (a)(18), of which the licensed gaming entity knew or should have known, to the appropriate law

enforcement authority. The amount of the fine shall be not less than \$75,000 nor more than \$150,000 for a first violation of this subparagraph, and not less than \$150,000 nor more than \$300,000 for a second or subsequent violation of this subparagraph.

* * *

Section 20. Title 4 is amended by adding a section to read:
§ 1521.1. Casino liquor license.

(a) Application.—Notwithstanding section 1521 (relating to liquor license at licensed facilities) or any provision of law or regulation to the contrary, a slot machine licensee holding a restaurant liquor or eating place retail dispenser license under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, may apply to the Pennsylvania Liquor Control Board for a casino liquor license. The Pennsylvania Liquor Control Board may issue a casino liquor license to a slot machine licensee for use at its licensed facility in accordance with this section.

(b) Fees.—Each application for a casino license under this section shall be accompanied by a fee of \$1,000,000.

(c) Renewal.—

(1) The license must be renewed on an annual basis.

(2) For each year of the first four years after the initial issue of the license, the license shall not be subject to an annual renewal fee.

(3) After the expiration of the four-year license period under paragraph (2), the licensee shall be subject to an annual renewal fee of \$50,000.

(4) All fees collected or received by the Pennsylvania Liquor Control Board under this subsection shall be paid into the State Treasury through the Department of Revenue for deposit into the General Fund.

(d) Disposition of restaurant liquor or eating place retail dispenser license.—

(1) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license issued under the authority of the Liquor Code may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon the issuance of a license under this section, the applicant must surrender the restaurant liquor or eating place retail dispenser license to the Pennsylvania Liquor Control Board.

(2) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license purchased through private sale may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon issuance of a license under this section, the applicant may sell the previously purchased restaurant liquor or eating place retail dispenser license.

(e) Hours of operation.—Notwithstanding any other provision of law to the contrary, a holder of a casino liquor license may sell or serve liquor and malt or brewed beverages 24 hours a day, seven days a week.

(f) Transfers.—Licenses issued under this section are nontransferable, provided that nothing in this subsection shall preclude a transfer of ownership of a casino liquor license to another eligible person to be used at the same licensed facility.

(g) Expiration.—Licenses under this section shall expire under the following circumstances:

(1) revocation by an administrative law judge under section 471 of the Liquor Code;

(2) nonrenewal by the Pennsylvania Liquor Control Board under section 470 of the Liquor Code;

(3) nonrenewal of the license by the slot machine licensee; or

(4) upon request by the slot machine licensee.

(h) New applicant.—The Pennsylvania Liquor Control Board may issue a license under this section at any time to a new applicant

even if the previous license had:

(1) been revoked by an administrative law judge under section 471 of the Liquor Code;

(2) not been renewed by the Pennsylvania Liquor Control Board under section 470 of the Liquor Code;

(3) not been renewed by the slot machine licensee; or

(4) expired upon request by the slot machine licensee.

(i) Restrictions and privileges.—Licenses issued under this section are subject to the following additional restrictions and privileges:

(1) Sales may be made at any time the facility is open to the public.

(2) Liquor or malt or brewed beverages may be transported and consumed off the gaming floor so long as it remains within the premises of the licensed facility.

(3) Sales of malt or brewed beverages for off-premises consumption are prohibited.

(4) In addition to the provisions of section 493(24)(ii) of the Liquor Code, the holder of a casino liquor license may give liquor and malt or brewed beverages free of charge to any person attending an invitation-only event held anywhere on the premises of the licensed facility.

(5) Licenses issued under this section shall not be subject to:

(i) the proximity provisions of sections 402 and 404 of the Liquor Code;

(ii) the restrictions on discount pricing practices set forth in section 406(g) of the Liquor Code;

(iii) the quota restrictions of section 461 of the Liquor Code;

(iv) the provisions of section 493(10) of the Liquor Code, except as it relates to lewd, immoral or improper entertainment;

(v) the prohibition against minors frequenting as described in section 493(14) of the Liquor Code;

(vi) the cost and total display area limitations of section 493(20)(i) of the Liquor Code;

(vii) the restrictions on events, tournaments or contests set forth in 40 Pa. Code § 5.32 (relating to restrictions/exceptions); and

(viii) the restrictions on the awarding of trophies, prizes or premiums set forth in 40 Pa. Code § 5.32.

(6) The authorization to sell or serve liquor and malt or brewed beverages by a holder of a casino liquor license pursuant to subsection (e) shall not apply to the operation of slot machines at a nonprimary location or at a qualified airport.

(j) Multiple licenses.—More than one license issued by the Pennsylvania Liquor Control Board may be in effect at a licensed facility at any one time. However, no more than one license issued under this section shall be in effect at any specific location within the premises of a licensed facility at the same time.

Section 21. Section 1901(a) of Title 4 is amended by adding a paragraph to read:

§ 1901. Appropriations.

(a) Appropriation to board.—

* * *

(3) The sum of \$5,000,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the board for the activities authorized under this act. This appropriation shall be a supplemental appropriation for fiscal year 2015-2016 and shall be in addition to the appropriation contained in the act of July 2, 2015 (P.L. , No.), known as the Gaming Control Appropriation Act of 2015.

* * *

Section 22. The amendment of 4 Pa.C.S. § 1305 in the act of

January 7, 2010 (P.L.1, No.1), entitled "An act amending 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, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," shall take effect on January 1, 2016, if all Category 3 licensed facilities authorized by 4 Pa.C.S. Pt. II before the effective date of this section have commenced the operation of slot machines.

Section 23. Repeals are as follows:

(1) The General Assembly finds that the repeal under paragraph (2) is necessary to effectuate this act.

(2) Section 21(2) of the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending 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, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget

reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," is repealed.

Section 24. This act shall take effect immediately.

On the question,

Will the House agree to the amendment?

The SPEAKER. On that question, just for explanatory purposes to outline what is in amendment 7622, the Chair recognizes Representative John Payne.

Mr. PAYNE. Thank you, Mr. Speaker.

Mr. Speaker, amendment 07622 is the omnibus gaming amendment that authorizes VGTs (video gaming terminals) at licensed liquor establishments or truck stops, iGaming on tablets, iGaming at airports, slots at airports, slots at offtrack betting parlors for Category 1s, casino liquor license and changes to the Cat 3 casino limitations, and other changes of Title 4.

Thank you, Mr. Speaker.

BILL PASSED OVER TEMPORARILY

The SPEAKER. We are going to go over the bill at this time temporarily.

* * *

The House proceeded to second consideration of **HB 585, PN 3369**, entitled:

An Act amending Title 20 (Decedents, Estates and Fiduciaries) of the Pennsylvania Consolidated Statutes, in anatomical gifts, further providing for manner of executing anatomical gifts.

On the question,

Will the House agree to the bill on second consideration?

The SPEAKER. At this time there are a number of amendments. Representative Saccone had filed amendments 7496 and 7500. Both have been ruled out of order because they are violative of single subject.

PARLIAMENTARY INQUIRY

The SPEAKER. Representative Lawrence, sir, for what purpose do you rise?

Mr. LAWRENCE. Parliamentary inquiry, Mr. Speaker.

The SPEAKER. Yes, sir, you may.

Mr. LAWRENCE. May I ask for the basis under which the amendments offered by the gentleman from Washington County were deemed nongermane?

The SPEAKER. Yes, sir. In speaking with the Parliamentarian, the underlying bill addresses providing for the manner of executing anatomical gifts, and the amendments concern unlawful discrimination by an employer with respect to carrying a concealed firearm. So one deals with donation of parts of the body and the other deals with an employer discrimination in the area of concealed weapons.

Mr. LAWRENCE. Thank you, Mr. Speaker.

So is the view then of the Speaker that that is not germane to the underlying subject matter of the legislation at hand?

The SPEAKER. Well, it is actually – and I know they are related, single subject and germaneness – but this is on the basis of single subject.

Mr. LAWRENCE. Thank you.

Just to clarify, Mr. Speaker, it is the opinion of the Speaker then that the amendments offered by the gentleman from Washington County do not comport with the underlying legislation under the single-subject provision.

The SPEAKER. Correct.

Mr. LAWRENCE. Thank you. Thank you for that clarification, Mr. Speaker.

The SPEAKER. Thank you, sir.

So this is on second consideration. I do not believe that any other amendments have been filed.

On the question recurring,

Will the House agree to the bill on second consideration?

Bill was agreed to.

SUPPLEMENTAL CALENDAR A

BILLS ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 1799, PN 2759**, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in sentencing, further providing for life imprisonment for homicide.

On the question,

Will the House agree to the bill on third consideration?

Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Representative Vitali, on HB 1799.

Mr. VITALI. Thank you, Mr. Speaker.

Will the prime sponsor of the bill stand for brief interrogation?

The SPEAKER. Representative Hahn has agreed to stand for interrogation.

Representative Vitali, you may proceed.

Mr. VITALI. Okay. Just to summarize, this bill would provide a mandatory sentence of life imprisonment for a second commission of third-degree murder of an unborn child. That is essentially what the bill does: mandatory life sentence, second offense.

Ms. HAHN. Correct.

Mr. VITALI. Okay. I am trying to get out, what fact scenarios is this bill aimed to get at? What you are trying to— Is there a reoccurring problem here you are trying to get at? Was there an incident this is directed at, or what are we trying to get at with this bill? What problem are we trying to solve?

Ms. HAHN. There was a court case where a mother was murdered who was pregnant and they could only get the sentence for the mother and not the unborn child.

Mr. VITALI. Okay. So a mother who was expecting was killed, and the problem was you only got one murder conviction and not two murder convictions.

Ms. HAHN. Correct.

Mr. VITALI. Okay. I get that.

A couple questions. One, would this bill require, in getting a second murder conviction, knowledge on the part of the offender of the pregnancy? In other words, would there have to be an intent to kill two people to—

Ms. HAHN. Yes. It has to be done with malice.

Mr. VITALI. Now, not malice with regard to one killing but knowledge that the shooter or the knifer or whoever is actually killing two people instead of one. In other words, would there have to be a knowledge of the pregnancy to get the conviction for—

Ms. HAHN. Third-degree murder of a child requires malice, so yes, he or she would have to know that the woman would be pregnant.

Mr. VITALI. I do not see that in this bill. I do not see that in here anywhere.

Ms. HAHN. Okay. So it is part of the— The charges would be, you have to kill the victim with malice and then the unborn child would also be included in that.

Mr. VITALI. Okay. Would it be possible to be convicted under this statute in one of the two of that second degree? Could the first and second offense occur in the same transaction?

Ms. HAHN. As long as the conviction preceded – one preceded the other.

Mr. VITALI. In other words, could an incident where a mother and her fetus or whatever, could just one incident trigger a second offense, or would the other conviction, would that have to have occurred in the past and the conviction be made by a judge at a prior time before this happening, or could this all occur—

Ms. HAHN. Right; it would be the same.

Mr. VITALI. Do you know what I am getting at? So this could be triggered – the second offense could be triggered— You could have two offenses and one set of facts.

Ms. HAHN. Yes.

Mr. VITALI. Okay. Just changing the subject a little bit. And whenever you hear murder of an unborn child, the issue of abortion arises in many people's minds. Is it contemplated that this statute in any way, shape, or form be applied to a doctor who performs an abortion?

Ms. HAHN. No.

Mr. VITALI. This is not – I mean, just in establishing legislative intent – just to be clear, this is not meant in any way to apply to physicians who perform abortions?

Ms. HAHN. Correct. It does not change the current law for murder of an unborn child.

Mr. VITALI. Right. But this mandatory life sentence is not – the intent is not to have this applicable to doctors who perform abortions?

Ms. HAHN. Correct.

Mr. VITALI. Correct; you said correct. Okay. That concludes my interrogation.

The SPEAKER. Thank you, Representative Vitali.

Do you wish to speak on the bill?

Mr. VITALI. Just real briefly.

I salute the lady for her intent here, and I understand that. I do have some concerns. I have the general concerns with regard to the mandatory sentence generally, but another concern here goes towards the idea of one could be convicted of a second murder without even knowledge that the woman was expecting, without the actual intent to kill two people instead of one.

So there are some concerns I have generally with the bill. Thank you, Mr. Speaker.

The SPEAKER. Thank you, sir.

Representative Dawkins, on the underlying bill, HB 1799.

Mr. DAWKINS. Thank you, Mr. Speaker.

I rise today in opposition to this bill, and I was in opposition to this bill in committee as well, and I raised some of these same questions, similar to the previous speaker, in regards to mandatory minimums, especially for life sentencings. I believe that should be a discretion left up to the judge.

In regards to the unborn child, there is nothing in the bill that states when life starts in this bill, which means if an individual is pregnant for a mere 10 hours and that individual happens to lose their life, and the child, the unborn child or the unborn fetus loses its life, then we are charging that same person with a mandatory life sentence.

I think this bill is not clear. I think the intent of the maker is genuine. I just think that the language of the bill is kind of vague, and for those reasons, Mr. Speaker, I will be voting against this bill. Thank you.

The SPEAKER. Does anybody else wish to be recognized on HB 1799?

On the question recurring,
Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—152

Adolph	Gergely	Major	Rapp
Baker	Gibbons	Maloney	Ravenstahl
Barrar	Gillen	Markosek	Readshaw
Benninghoff	Gillespie	Marshall	Reed
Bizzarro	Gingrich	Marsico	Reese
Bloom	Godshall	Masser	Regan
Boback	Greiner	Matzie	Roae
Brown, R.	Grove	McGinnis	Ross
Burns	Hahn	Mentzer	Rothman
Caltagirone	Hanna	Metcalfe	Saccone
Carroll	Harhai	Metzgar	Sainato
Causer	Harhart	Miccarelli	Samuelson
Christiana	Harkins	Millard	Sankey
Conklin	Harper	Miller, B.	Santora

Corbin	Harris, A.	Miller, D.	Saylor
Costa, D.	Heffley	Milne	Schemel
Costa, P.	Helm	Moul	Schweyer
Cox	Hennessey	Mullery	Snyder
Culver	Hickernell	Murt	Sonney
Cutler	Hill	Mustio	Staats
Davis	Irvin	Neilson	Stephens
Deasy	James	Nelson	Tallman
Delozier	Jozwiak	Nesbit	Taylor
Diamond	Kampf	Neuman	Tobash
DiGirolamo	Kaufner	O'Neill	Toepel
Dunbar	Kauffman	Oberlander	Toohil
Dush	Kavulich	Ortitay	Topper
Ellis	Keller, F.	Parker, D.	Truitt
Emrick	Keller, M.K.	Pashinski	Vereb
English	Knowles	Payne	Ward
Evankovich	Kortz	Peifer	Warner
Everett	Kotik	Petrarca	Watson
Fabrizio	Krueger	Petri	Wentling
Farina	Lawrence	Pickett	White
Farry	Lewis	Pyle	Zimmerman
Fee	Longietti	Quigley	
Flynn	Mackenzie	Quinn	Turzai,
Gabler	Maher	Rader	Speaker
Galloway	Mahoney		

NAYS—37

Acosta	Davidson	Harris, J.	Santarsiero
Artis	Dawkins	Kim	Savage
Boyle	Dean	Kinsey	Schlossberg
Bradford	Dermody	McCarter	Schreiber
Briggs	Donatucci	McClinton	Sims
Brown, V.	Driscoll	McNeill	Thomas
Bullock	Evans	O'Brien	Vitali
Cohen	Frankel	Roebuck	Wheatley
Cruz	Gainey	Rozzi	Youngblood
Daley, M.			

NOT VOTING—0

EXCUSED—13

Barbin	DeLuca	Keller, W.	Simmons
Daley, P.	Freeman	Kirkland	Sturla
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

* * *

The House proceeded to third consideration of **SB 489, PN 1847**, entitled:

An Act amending the act of February 18, 1998 (P.L.146, No.22), known as the Check Casher Licensing Act, further providing for definitions, for authority of department, for conditions for licensing and for fees and charges; and providing for recovery of losses due to theft and fraudulent misrepresentation.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—189

Acosta	Everett	Longiotti	Readshaw
Adolph	Fabrizio	Mackenzie	Reed
Artis	Farina	Maher	Reese
Baker	Farry	Mahoney	Regan
Barrar	Fee	Major	Roae
Benninghoff	Flynn	Maloney	Roebuck
Bizzarro	Frankel	Markosek	Ross
Bloom	Gabler	Marshall	Rothman
Boback	Gainey	Marsico	Rozzi
Boyle	Galloway	Masser	Saccone
Bradford	Gergely	Matzie	Sainato
Briggs	Gibbons	McCarter	Samuelson
Brown, R.	Gillen	McClinton	Sankey
Brown, V.	Gillespie	McGinnis	Santarsiero
Bullock	Gingrich	McNeill	Santora
Burns	Godshall	Mentzer	Savage
Caltagirone	Greiner	Metcalfe	Saylor
Carroll	Grove	Metzgar	Schemel
Causer	Hahn	Miccarelli	Schlossberg
Christiana	Hanna	Millard	Schreiber
Cohen	Harhai	Miller, B.	Schweyer
Conklin	Harhart	Miller, D.	Sims
Corbin	Harkins	Milne	Snyder
Costa, D.	Harper	Moul	Sonney
Costa, P.	Harris, A.	Mullery	Staats
Cox	Harris, J.	Murt	Stephens
Cruz	Heffley	Mustio	Tallman
Culver	Helm	Neilson	Taylor
Cutler	Hennessey	Nelson	Thomas
Daley, M.	Hickernell	Nesbit	Tobash
Davidson	Hill	Neuman	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Dean	Jozwiak	Oberlander	Truitt
Deasy	Kampf	Ortitay	Vereb
Delozier	Kaufner	Parker, D.	Vitali
Dermody	Kauffman	Pashinski	Ward
Diamond	Kavulich	Payne	Warner
DiGrolamo	Keller, F.	Peifer	Watson
Donatucci	Keller, M.K.	Petrarca	Wentling
Driscoll	Kim	Petri	Wheatley
Dunbar	Kinsey	Pickett	White
Dush	Knowles	Pyle	Youngblood
Ellis	Kortz	Quigley	Zimmerman
Emrick	Kotik	Quinn	
English	Krueger	Rader	Turzai,
Evankovich	Lawrence	Rapp	Speaker
Evens	Lewis	Ravenstahl	

NAYS—0

NOT VOTING—0

EXCUSED—13

Barbin	DeLuca	Keller, W.	Simmons
Daley, P.	Freeman	Kirkland	Sturla
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk return the same to the Senate with the information that the House has passed the same with amendment in which the concurrence of the Senate is requested.

* * *

The House proceeded to third consideration of **SB 61, PN 1846**, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in operation of vehicles, further providing for drivers of emergency vehicles.

On the question,

Will the House agree to the bill on third consideration?

Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—188

Acosta	Fabrizio	Mackenzie	Readshaw
Adolph	Farina	Maher	Reed
Artis	Farry	Mahoney	Reese
Baker	Fee	Major	Regan
Barrar	Flynn	Maloney	Roae
Benninghoff	Frankel	Markosek	Roebuck
Bizzarro	Gabler	Marshall	Ross
Bloom	Gainey	Marsico	Rothman
Boback	Galloway	Masser	Rozzi
Boyle	Gergely	Matzie	Saccone
Bradford	Gibbons	McCarter	Sainato
Briggs	Gillen	McClinton	Samuelson
Brown, R.	Gillespie	McGinnis	Sankey
Brown, V.	Gingrich	McNeill	Santarsiero
Bullock	Godshall	Mentzer	Santora
Burns	Greiner	Metcalfe	Savage
Caltagirone	Grove	Metzgar	Saylor
Carroll	Hahn	Miccarelli	Schemel
Causer	Hanna	Millard	Schlossberg
Christiana	Harhai	Miller, B.	Schreiber
Cohen	Harhart	Miller, D.	Schweyer
Conklin	Harkins	Milne	Sims
Corbin	Harper	Moul	Snyder
Costa, D.	Harris, A.	Mullery	Sonney
Costa, P.	Harris, J.	Murt	Staats
Cox	Heffley	Mustio	Stephens
Cruz	Helm	Neilson	Tallman
Culver	Hennessey	Nelson	Taylor
Cutler	Hickernell	Nesbit	Thomas
Daley, M.	Hill	Neuman	Tobash
Davidson	Irvin	O'Brien	Toepel
Davis	James	O'Neill	Toohil
Dawkins	Jozwiak	Oberlander	Topper
Dean	Kampf	Ortitay	Truitt

Deasy	Kaufer	Parker, D.	Vereb
Delozier	Kauffman	Pashinski	Vitali
Dermody	Kavulich	Payne	Ward
Diamond	Keller, F.	Peifer	Warner
DiGirolamo	Keller, M.K.	Petrarca	Watson
Driscoll	Kim	Petri	Wentling
Dunbar	Kinsey	Pickett	Wheatley
Dush	Knowles	Pyle	White
Ellis	Kortz	Quigley	Youngblood
Emrick	Kotik	Quinn	Zimmerman
English	Krueger	Rader	
Evankovich	Lawrence	Rapp	Turzai,
Evans	Lewis	Ravenstahl	Speaker
Everett	Longietti		

NAYS-1

Donatucci

NOT VOTING-0

EXCUSED-13

Barbin	DeLuca	Keller, W.	Simmons
Daley, P.	Freeman	Kirkland	Sturla
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk return the same to the Senate with the information that the House has passed the same with amendment in which the concurrence of the Senate is requested.

VOTE CORRECTION

The SPEAKER. Representative Donatucci.

Ms. DONATUCCI. The last bill, my buttons were stuck. You will see I was the only "no" vote on the board. So I want to be registered in the "yes," and I need somebody to look at my buttons. Thank you.

The SPEAKER. The record will reflect that Representative Donatucci wishes to be a "yes" vote on SB 61 and that it is a unanimous vote for SB 61.

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 1781, PN 3370**, entitled:

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in employees, further providing for commission members.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS-189

Acosta	Everett	Longietti	Readshaw
Adolph	Fabrizio	Mackenzie	Reed
Artis	Farina	Maher	Reese
Baker	Farry	Mahoney	Regan
Barrar	Fee	Major	Roae
Benninghoff	Flynn	Maloney	Roebuck
Bizzarro	Frankel	Markosek	Ross
Bloom	Gabler	Marshall	Rothman
Boback	Gainey	Marsico	Rozzi
Boyle	Galloway	Masser	Saccone
Bradford	Gergely	Matzie	Sainato
Briggs	Gibbons	McCarter	Samuelson
Brown, R.	Gillen	McClinton	Sankey
Brown, V.	Gillespie	McGinnis	Santarsiero
Bullock	Gingrich	McNeill	Santora
Burns	Godshall	Mentzer	Savage
Caltagirone	Greiner	Metcalfe	Saylor
Carroll	Grove	Metzgar	Schemel
Causer	Hahn	Miccarelli	Schlossberg
Christiana	Hanna	Millard	Schreiber
Cohen	Harhai	Miller, B.	Schweyer
Conklin	Harhart	Miller, D.	Sims
Corbin	Harkins	Milne	Snyder
Costa, D.	Harper	Moul	Sonney
Costa, P.	Harris, A.	Mullery	Staats
Cox	Harris, J.	Murt	Stephens
Cruz	Heffley	Mustio	Tallman
Culver	Helm	Neilson	Taylor
Cutler	Hennessey	Nelson	Thomas
Daley, M.	Hickernell	Nesbit	Tobash
Davidson	Hill	Neuman	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Dean	Jozwiak	Oberlander	Truitt
Deasy	Kampf	Ortitay	Vereb
Delozier	Kaufer	Parker, D.	Vitali
Dermody	Kauffman	Pashinski	Ward
Diamond	Kavulich	Payne	Warner
DiGirolamo	Keller, F.	Peifer	Watson
Donatucci	Keller, M.K.	Petrarca	Wentling
Driscoll	Kim	Petri	Wheatley
Dunbar	Kinsey	Pickett	White
Dush	Knowles	Pyle	Youngblood
Ellis	Kortz	Quigley	Zimmerman
Emrick	Kotik	Quinn	
English	Krueger	Rader	Turzai,
Evankovich	Lawrence	Rapp	Speaker
Evans	Lewis	Ravenstahl	

NAYS-0

NOT VOTING-0

EXCUSED-13

Barbin	DeLuca	Keller, W.	Simmons
Daley, P.	Freeman	Kirkland	Sturla
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

SUPPLEMENTAL CALENDAR B

BILLS ON CONCURRENCE IN SENATE AMENDMENTS

The House proceeded to consideration of concurrence in Senate amendments to HB 150, PN 2573, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in registration of vehicles, providing for Share the Road plate.

On the question, Will the House concur in Senate amendments?

The SPEAKER. Moved by the gentleman, Mr. Maloney, that the House concur in the amendments inserted by the Senate.

On the question recurring, Will the House concur in Senate amendments?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS-189

Table listing names of members who voted 'YEAS' for HB 150, PN 2573. Includes names like Acosta, Adolph, Artis, Baker, Barrar, Benninghoff, Bizzarro, Bloom, Boback, Boyle, Bradford, Briggs, Brown, R., Brown, V., Bullock, Burns, Caltagirone, Carroll, Causer, Christiana, Cohen, Conklin, Corbin, Costa, D., Costa, P., Cox, Cruz, Culver, Cutler, Daley, M., Davidson, Davis, Dawkins, Dean, Deasy, Delozier, Dermody, Diamond, DiGirolamo, Donatucci, Driscoll, Dunbar, Dush, Ellis, Everett, Fabrizio, Farina, Farry, Fee, Flynn, Frankel, Gabler, Gainey, Galloway, Gergely, Gibbons, Gillen, Gillen, Gillespie, Gingrich, Godshall, Greiner, Grove, Hahn, Hanna, Harhai, Harhart, Harkins, Harper, Harris, A., Harris, J., Heffley, Helm, Hennessey, Hickernell, Hill, Irvin, James, Jozwiak, Kampf, Kaufner, Kauffman, Kavulich, Keller, F., Keller, M.K., Kim, Kinsey, Knowles, Kortz, Longiotti, Mackenzie, Maher, Mahoney, Major, Maloney, Markosek, Marshall, Marsico, Masser, Matzie, McCarter, McClinton, McGinnis, McNeill, Mentzer, Metcalfe, Metzgar, Miccarelli, Millard, Miller, B., Miller, D., Milne, Moul, Mullery, Murt, Mustio, Neilson, Nesbit, Neuman, O'Brien, O'Neill, Oberlander, Ortitay, Parker, D., Pashinski, Payne, Peifer, Petrarca, Petri, Pickett, Pyle, Quigley, Readshaw, Reed, Reese, Regan, Roae, Roebuck, Ross, Rothman, Rozzi, Saccone, Sainato, Samuelson, Sankey, Santarsiero, Santora, Savage, Saylor, Schemel, Schlossberg, Schreiber, Schweyer, Sims, Snyder, Sonney, Staats, Stephens, Tallman, Taylor, Thomas, Tobash, Toepel, Toohil, Topper, Truitt, Vereb, Vitali, Ward, Warner, Watson, Wentling, Wheatley, White, Youngblood, Zimmerman.

Table listing names of members who did not vote or were excused for HB 150, PN 2573. Includes names like Emrick, English, Evankovich, Evans, Kotik, Krueger, Lawrence, Lewis, Quinn, Rader, Rapp, Ravenstahl, Turzai, Speaker.

NAYS-0

NOT VOTING-0

EXCUSED-13

Table listing names of members who were excused for HB 150, PN 2573. Includes names like Barbin, Daley, P., Day, DeLuca, Freeman, Goodman, Keller, W., Kirkland, Klunk, Simmons, Sturla, Wheeland.

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the amendments were concurred in.

Ordered, That the clerk inform the Senate accordingly.

The House proceeded to consideration of concurrence in Senate amendments to HB 608, PN 3372, entitled:

An Act amending the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act, further providing for authority to control, for schedules of controlled substances, for liquefied ammonia gas, precursors and chemicals and for promulgation of regulations.

On the question, Will the House concur in Senate amendments?

The SPEAKER. Moved by the gentleman, Representative Baker, that the House concur in the amendments inserted by the Senate.

On the question recurring, Will the House concur in Senate amendments?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS-188

Table listing names of members who voted 'YEAS' for HB 608, PN 3372. Includes names like Acosta, Adolph, Artis, Baker, Barrar, Benninghoff, Bizzarro, Bloom, Boback, Boyle, Bradford, Briggs, Brown, R., Brown, V., Bullock, Burns, Caltagirone, Carroll, Causer, Christiana, Everett, Fabrizio, Farina, Farry, Fee, Flynn, Frankel, Gabler, Gainey, Galloway, Gergely, Gibbons, Gillen, Gillen, Gillespie, Gingrich, Godshall, Greiner, Grove, Hahn, Hanna, Longiotti, Mackenzie, Maher, Mahoney, Major, Maloney, Markosek, Marshall, Marsico, Masser, Matzie, McCarter, McClinton, McGinnis, McNeill, Mentzer, Metcalfe, Metzgar, Miccarelli, Millard, Ravenstahl, Readshaw, Reed, Reese, Regan, Roae, Roebuck, Ross, Rothman, Rozzi, Saccone, Sainato, Samuelson, Sankey, Santarsiero, Santora, Savage, Saylor, Schemel, Schlossberg.

Cohen	Harhai	Miller, B.	Schreiber
Conklin	Harhart	Miller, D.	Schweyer
Corbin	Harkins	Milne	Sims
Costa, D.	Harper	Moul	Snyder
Costa, P.	Harris, A.	Mullery	Sonney
Cox	Harris, J.	Murt	Staats
Cruz	Heffley	Mustio	Stephens
Culver	Helm	Neilson	Tallman
Cutler	Hennessey	Nelson	Taylor
Daley, M.	Hickernell	Nesbit	Thomas
Davidson	Hill	Neuman	Tobash
Davis	Irvin	O'Brien	Toepel
Dawkins	James	O'Neill	Toohil
Dean	Jozwiak	Oberlander	Topper
Deasy	Kampf	Ortitay	Verb
Delozier	Kaufner	Parker, D.	Vitali
Dermody	Kauffman	Pashinski	Ward
Diamond	Kavulich	Payne	Warner
DiGirolamo	Keller, F.	Peifer	Watson
Donatucci	Keller, M.K.	Petrarca	Wentling
Driscoll	Kim	Petri	Wheatley
Dunbar	Kinsey	Pickett	White
Dush	Knowles	Pyle	Youngblood
Ellis	Kortz	Quigley	Zimmerman
Emrick	Kotik	Quinn	
English	Krueger	Rader	Turzai,
Evankovich	Lawrence	Rapp	Speaker
Evans	Lewis		

NAYS-1

Truitt

NOT VOTING-0

EXCUSED-13

Barbin	DeLuca	Keller, W.	Simmons
Daley, P.	Freeman	Kirkland	Sturla
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the amendments were concurred in.

Ordered, That the clerk inform the Senate accordingly.

* * *

The House proceeded to consideration of concurrence in Senate amendments to **HB 1484, PN 3338**, entitled:

An Act amending the act of October 30, 1987 (P.L.375, No.75), entitled, "An act providing for the designation of certain trees and land on the grounds of the State Capitol in Harrisburg as "Soldiers' Grove" in honor of war veterans; imposing duties upon the Department of General Services; and making an appropriation," further providing for duties of Department of General Services and for appropriation; and providing for preservation of "Soldiers' Grove" and for construction.

On the question,
Will the House concur in Senate amendments?

The SPEAKER. Moved by the gentleman, Representative Gillen, that the House concur in the amendments inserted by the Senate.

On the question recurring,
Will the House concur in Senate amendments?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS-189

Acosta	Everett	Longiatti	Readshaw
Adolph	Fabrizio	Mackenzie	Reed
Artis	Farina	Maher	Reese
Baker	Farry	Mahoney	Regan
Barrar	Fee	Major	Roae
Benninghoff	Flynn	Maloney	Roebuck
Bizzarro	Frankel	Markosek	Ross
Bloom	Gabler	Marshall	Rothman
Boback	Gainey	Marsico	Rozzi
Boyle	Galloway	Masser	Saccone
Bradford	Gergely	Matzie	Sainato
Briggs	Gibbons	McCarter	Samuelson
Brown, R.	Gillen	McClinton	Sankey
Brown, V.	Gillespie	McGinnis	Santarsiero
Bullock	Gingrich	McNeill	Santora
Burns	Godshall	Mentzer	Savage
Caltagirone	Greiner	Metcalfe	Saylor
Carroll	Grove	Metzgar	Schemel
Causar	Hahn	Miccarelli	Schlossberg
Christiana	Hanna	Millard	Schreiber
Cohen	Harhai	Miller, B.	Schweyer
Conklin	Harhart	Miller, D.	Sims
Corbin	Harkins	Milne	Snyder
Costa, D.	Harper	Moul	Sonney
Costa, P.	Harris, A.	Mullery	Staats
Cox	Harris, J.	Murt	Stephens
Cruz	Heffley	Mustio	Tallman
Culver	Helm	Neilson	Taylor
Cutler	Hennessey	Nelson	Thomas
Daley, M.	Hickernell	Nesbit	Tobash
Davidson	Hill	Neuman	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Dean	Jozwiak	Oberlander	Truitt
Deasy	Kampf	Ortitay	Verb
Delozier	Kaufner	Parker, D.	Vitali
Dermody	Kauffman	Pashinski	Ward
Diamond	Kavulich	Payne	Warner
DiGirolamo	Keller, F.	Peifer	Watson
Donatucci	Keller, M.K.	Petrarca	Wentling
Driscoll	Kim	Petri	Wheatley
Dunbar	Kinsey	Pickett	White
Dush	Knowles	Pyle	Youngblood
Ellis	Kortz	Quigley	Zimmerman
Emrick	Kotik	Quinn	
English	Krueger	Rader	Turzai,
Evankovich	Lawrence	Rapp	Speaker
Evans	Lewis	Ravenstahl	

NAYS-0

NOT VOTING-0

EXCUSED-13

Barbin	DeLuca	Keller, W.	Simmons
Daley, P.	Freeman	Kirkland	Sturla
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the amendments were concurred in.

Ordered, That the clerk inform the Senate accordingly.

BILLS SIGNED BY SPEAKER

Bills numbered and entitled as follows having been prepared for presentation to the Governor, and the same being correct, the titles were publicly read as follows:

HB 150, PN 2573

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in registration of vehicles, providing for Share the Road plate.

HB 608, PN 3372

An Act amending the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act, further providing for authority to control, for schedules of controlled substances, for liquefied ammonia gas, precursors and chemicals and for promulgation of regulations.

HB 1484, PN 3338

An Act amending the act of October 30, 1987 (P.L.375, No.75), entitled, "An act providing for the designation of certain trees and land on the grounds of the State Capitol in Harrisburg as "Soldiers' Grove" in honor of war veterans; imposing duties upon the Department of General Services; and making an appropriation," further providing for duties of Department of General Services and for appropriation; and providing for preservation of "Soldiers' Grove" and for construction.

Whereupon, the Speaker, in the presence of the House, signed the same.

LEAVE OF ABSENCE

The SPEAKER. Representative ROZZI has requested to be placed on leave of absence. Without objection, that will be granted.

CONSIDERATION OF HB 1925 CONTINUED

On the question recurring,
Will the House agree to the bill on second consideration?

The clerk read the following amendment No. **A07622**:

Amend Bill, page 1, lines 1 through 3, by striking out all of said lines and inserting
Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for legislative intent and for definitions; providing for video gaming; in Pennsylvania Gaming Control Board, further providing for general and specific powers, for licensed gaming entity application appeals from board, for board minutes and records, for regulatory authority of board, for slot machine license fee, for reports of board and for diversity goals of board; in licensees, further providing for Category 3 slot machine license, for slot machine license application, for supplier licenses and for manufacturer licenses, providing for nongaming service provider and further providing for slot machine testing and certification standards and for license renewals; in table games, further providing for authorization to conduct table games, for table game tournaments, for other financial transactions, for table game device and associated equipment testing and certification standards, for table game authorization fee and for local share assessment; providing for interactive gaming, for slot machines at nonprimary locations and for slot machines in qualified

airports; in revenues, further providing for establishment of State Gaming Fund and net slot machine revenue distribution, for Pennsylvania Race Horse Development Fund, for Pennsylvania Gaming Economic Development and Tourism Fund and for transfers from State Gaming Fund and establishing the Public School Employees' Retirement Contribution Fund; in administration and enforcement, further providing for responsibility and authority of the Department of Revenue, for compulsive and problem gambling program, providing for child endangerment protection, further providing for financial and employment interests, for regulation requiring exclusion or ejection of certain persons, for repeat offenders excludable from licensed gaming facility, for list of persons self excluded from gaming activities, for investigations and enforcement, for prohibited acts and penalties and providing for casino liquor license; in miscellaneous provisions, further providing for appropriations; making an editorial change; and making a related repeal.

Amend Bill, page 1, lines 6 and 7, by striking out all of said lines and inserting

Section 1. Section 1102 of Title 4 of the Pennsylvania Consolidated Statutes is amended by adding paragraphs to read:
§ 1102. Legislative intent.

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

* * *

(12.1) The continued growth and success of the commercial gaming industry in this Commonwealth is dependent upon a regulatory environment which promotes and fosters technological advances and encourages the development and delivery of innovative gaming products.

(12.2) It is also the intent of the General Assembly to ensure the sustainability and competitiveness of the commercial gaming industry in this Commonwealth by authorizing interactive gaming, the operation of multistate wide-area progressive slot machines, skill and hybrid slot machines and the operation of slot machines at nonprimary locations.

* * *

Section 2. The definitions of "associated equipment," "cash equivalent," "cheat," "cheating or thieving device," "commission" or "commissions," "conduct of gaming," "contest," "counterfeit chip," "fully automated electronic gaming table," "gaming employee," "gaming school," "gaming service provider," "key employee," "licensed facility," "manufacturer," "manufacturer license," "player," "progressive payout," "progressive system," "slot machine," "supplier," "supplier license" and "table game device" in section 1103 of Title 4 are amended and the section is amended by adding definitions to read:
§ 1103. Definitions.

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

* * *

"Airport authority." The governing body of a municipal authority organized and incorporated to oversee the operations of a qualified airport under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) or the governing body of a city of the first class, which regulates the use and control of a qualified airport.

"Airport gaming area." A location or locations within a qualified airport approved for the conduct of authorized interactive games through the use of multi-use computing devices by eligible passengers as approved by the airport authority and the Pennsylvania Gaming Control Board.

* * *

"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with slot machines or table games, including linking devices which connect to progressive slot machines and multistate

wide-area progressive slot machines or slot [machines, replacement] machine replacement parts, equipment which affects the proper reporting and counting of gross terminal revenue [and], gross table game revenue and gross interactive gaming revenue, computerized systems for controlling and monitoring slot machines [or], table games or interactive games, including, but not limited to, the central control computer to which all slot machines communicate [and], devices for weighing or counting money[.] and interactive gaming devices and associated equipment necessary for the operation of interactive games as approved by the Pennsylvania Gaming Control Board. The term shall not include count room equipment.

* * *

"Authorized interactive game." An interactive game approved by regulation of the Pennsylvania Gaming Control Board to be suitable for interactive gaming offered by an interactive gaming certificate holder or other persons on behalf of a slot machine licensee in accordance with Chapter 13B (relating to interactive gaming). The term shall include any interactive game approved by regulation of the Pennsylvania Control Board to be suitable for interactive gaming through the use of a multi-use computing device.

* * *

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

- (1) Chips or tokens.
- (2) Travelers checks.
- (3) Foreign currency and coin.
- (4) Certified checks, cashier's checks and money orders.
- (5) Personal checks or drafts.
- (6) A negotiable instrument applied against credit

extended by a certificate holder, an interactive gaming certificate holder, a holder of an interactive gaming license or a financial institution.

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

* * *

"Cheat." To defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine [or], table game[,] or authorized interactive game, including causing, aiding, abetting or conspiring with another person to do so. The term shall also mean to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria which determine:

- (1) The result of a slot machine game [or], table game or authorized interactive game.
- (2) The amount or frequency of payment in a slot machine game [or], table game or authorized interactive game.
- (3) The value of a wagering instrument.
- (4) The value of a wagering credit.

The term does not include altering a slot machine, table game device or associated equipment or interactive gaming device or associated equipment for maintenance or repair with the approval of a slot machine licensee.

"Cheating or thieving device." A device, software or hardware used or possessed with the intent to be used to cheat during the operation or play of any slot machine [or], table game or authorized interactive game. The term shall also include any device used to alter a slot machine [or], a table game device or associated equipment, an authorized interactive game or interactive gaming device or associated equipment without the slot machine licensee's approval.

* * *

["Commission" or "commissions."] "Commission." The State Horse Racing Commission [or the State Harness Racing Commission, or both as the context may require.] as defined in section 2801-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

* * *

"Concession operator." A person engaged in the sale or offering

for sale of consumer goods or services to the public at a qualified airport, or authorized to conduct other commercial activities related to passenger services at a qualified airport, in accordance with the terms and conditions of an agreement or contract with an airport authority, government entity or other person.

"Conduct of gaming." The licensed placement, operation and play of slot machines [and], table games and interactive games under this part, as authorized and approved by the Pennsylvania Gaming Control Board. The term shall include the licensed placement, operation and play of authorized interactive games through the use of multi-use computing devices at a qualified airport, as authorized and approved by the Pennsylvania Gaming Control Board.

"Contest." A slot machine, table game or authorized interactive game competition among players for cash, cash equivalents or prizes.

* * *

"Counterfeit chip." Any object or thing that is:

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

(2) presented to a certificate holder for redemption if the object was not issued by the certificate holder[.];

(3) used or intended to be used to play an authorized interactive game which was not approved by the interactive gaming certificate holder for such use; or

(4) presented during play of an authorized interactive game for redemption, if the object or thing was not issued by the interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

* * *

"Eligible passenger" or "passenger." An individual 21 years of age or older who has cleared security check points with a valid airline boarding pass for travel from one destination to another by airplane.

* * *

"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. The term shall include a multi-use computing device, which through the use of digital, electronic or other communications technology, is capable of simulating a table game.

* * *

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

- (1) Cashiers.
- (2) Change personnel.
- (3) Count room personnel.
- (4) Slot attendants.
- (5) Hosts or other individuals authorized to extend

complimentary services, including employees performing functions similar to those performed by a gaming junket representative.

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

(7) Security personnel.

(8) Surveillance personnel.

(9) 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.

(10) Boxmen.

(11) Dealers or croupiers.

(12) Floormen.

(13) Personnel authorized to issue promotional play.

(14) Personnel authorized to issue credit.

The term shall include employees of a person holding a supplier's license whose duties are directly involved with the repair or distribution of slot machines, table game devices or associated

equipment or interactive gaming devices or associated equipment sold or provided to a licensed facility within this Commonwealth as determined by the Pennsylvania Gaming Control Board. The term shall further include employees of a person authorized by the board to supply goods and services related to interactive gaming or any subcontractor or an employee of a subcontractor that supplies interactive gaming devices, including multi-use computing devices, or associated equipment to a holder of an interactive gaming certificate or interactive gaming license. The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverages, clerical or secretarial personnel, parking attendants, janitorial, stage, sound and light technicians and other nongaming personnel as determined by the board.

"Gaming floor." Any portion of a licensed facility where slot machines or table games have been installed for use or play.

* * *

"Gaming-related restricted area." Any room or area of a licensed facility, as approved by the Pennsylvania Gaming Control Board, used by a slot machine licensee to manage, control and operate gaming activities authorized under this part and where access is limited to individuals specifically designated by the slot machine licensee.

* * *

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

"Gaming service provider." A person that is not required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and:

(1) provides goods or services, including, but not limited to, count room equipment, to a slot machine licensee or an applicant for a slot machine license for use in the operation of a licensed facility; [or] and

(2) provides goods or services [at] to a slot machine licensee or an applicant for a slot machine license that requires access to the gaming floor or a gaming-related restricted area of a licensed facility as determined by the Pennsylvania Gaming Control Board.

* * *

"Gross interactive gaming revenue." The total of all cash or cash equivalent wagers paid by registered players to an interactive gaming certificate holder in consideration for the play of authorized interactive games, minus:

(1) The total of cash or cash equivalents paid out to registered players as winnings.

(2) The cash equivalent value of any personal property or other noncash items or things of value included in a drawing, contest or tournament and distributed to registered players as a result of playing authorized interactive games.

(3) Any administrative fee, operations fee or tax paid to another state or jurisdiction pursuant to an interactive gaming reciprocal agreement.

Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed may not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue.

* * *

"Hybrid slot machine." A slot machine in which a combination of the skill of the player and elements of chance affects the outcome of

the game.

* * *

"Interactive game." Any gambling game offered through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term shall not include:

(1) A lottery game or Internet instant game as defined in the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

(2) Nongambling games that do not otherwise require a license under the laws of this Commonwealth.

For the purposes of this definition, the term "communications technology" shall mean any method used and the components employed to facilitate the transmission and receipt of information, including transmission and reception by systems using wire, wireless, cable, radio, microwave, light, fiber optics, satellite or computer data networks, including the Internet and intranets, as approved by the board.

"Interactive gaming." The placing of bets or wagers with an interactive gaming certificate holder or interactive gaming licensee located in this Commonwealth using a computer network of both Federal and non-Federal interoperable packet switched data networks through which an interactive gaming certificate holder may offer authorized interactive games to registered players. The term shall include the placing of bets or wagers through the use of a multi-use computing device.

"Interactive gaming account." The formal, electronic system implemented by an interactive gaming certificate holder to record the balance of a registered player's debits, credits and other activity related to interactive gaming.

"Interactive gaming account agreement." An agreement entered into between an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder and an individual which governs the terms and conditions of the individual's interactive gaming account and the use of the Internet for purposes of placing bets or wagers on authorized interactive games operated by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

"Interactive gaming agreement." An agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator related to the offering or operation of interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The term shall include an interactive gaming agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator for the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport in accordance with this part.

"Interactive gaming certificate." The authorization issued to a slot machine licensee by the Pennsylvania Gaming Control Board authorizing the operation and conduct of interactive gaming by a slot machine licensee or other person on behalf of a slot machine licensee in accordance with Chapter 13B.

"Interactive gaming certificate holder." A slot machine licensee that has been granted authorization by the Pennsylvania Gaming Control Board to operate authorized interactive games in accordance with Chapter 13B.

"Interactive gaming device." All hardware and software and other technology, equipment or device of any kind as determined by the Pennsylvania Gaming Control Board to be necessary for the conduct of authorized interactive games.

"Interactive gaming license." A license issued to a person by the Pennsylvania Gaming Control Board under Chapter 13B.

"Interactive gaming licensee." A person who has been issued a license to act as an interactive gaming operator under Chapter 13B.

"Interactive gaming operator." A person, including an affiliate of

a slot machine licensee, licensed by the Pennsylvania Gaming Control Board to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder.

"Interactive gaming platform." The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the bets or wagers associated with interactive games, as approved by the Pennsylvania Gaming Control Board. The term shall include any emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved through regulation by the Pennsylvania Gaming Control Board.

"Interactive gaming reciprocal agreement." An agreement negotiated by the Pennsylvania Gaming Control Board on behalf of the Commonwealth with the authorized agency of one or more states or jurisdictions where interactive gaming is legally authorized which will permit the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities in the states or jurisdictions that are parties to the agreement.

"Interactive gaming restricted area." Any room or area, as approved by the Pennsylvania Gaming Control Board, used by an interactive gaming certificate holder or interactive gaming license holder to manage, control and operate interactive gaming, including, where approved by the board, redundancy facilities.

"Interactive gaming skin or skins." The portal or portals to an interactive gaming platform or Internet website through which authorized interactive games are made available to registered players by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder in this Commonwealth or players in any other state or jurisdiction in which an interactive gaming reciprocal agreement has been entered.

"Interactive gaming system." All hardware, software and communications that comprise a type of server-based gaming system for the purpose of offering authorized interactive games.

"Internet website." The interactive gaming skin or skins or Internet portal or portals through which an interactive gaming certificate holder or other person makes authorized interactive games available for play.

* * *

"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine or table game operations or interactive gaming operations, including the general manager and assistant manager of the licensed facility, director of slot operations, director of table game operations, director of interactive gaming, director of cage and/or credit operations, director of surveillance, director of marketing, director of management information systems, director of interactive gaming system programs or other similar job classifications associated with interactive gaming, persons who manage, control or administer interactive gaming or the bets and wagers associated with authorized interactive games, director of security, comptroller and any employee who is not otherwise designated as a gaming employee and who supervises the operations of these departments or to whom these department directors or department heads report and such other positions not otherwise designated or defined under this part which the Pennsylvania Gaming Control Board shall determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the Pennsylvania Gaming Control Board. All other gaming employees unless otherwise designated by the Pennsylvania Gaming Control Board shall be classified as non-key employees.

* * *

"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 and if authorized under Chapter 13B (relating to interactive gaming), to conduct interactive gaming. 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[.];

(4) for the purposes of Chapter 13D (relating to slot machines at nonprimary locations), the area of a nonprimary location in which a Category 1 slot machine licensee is authorized to place and make slot machines available for play.

The term shall not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Pennsylvania Gaming Control Board and which is maintained and operated by an interactive gaming certificate holder in connection with interactive gaming or by a Category 1 slot machine licensee in connection with the operation of slot machines at a nonprimary location.

* * *

"Licensed racing entity." Any legal entity that has obtained a license to conduct live thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from [either] the State Horse Racing Commission [or the State Harness Racing Commission] pursuant to the act of [December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act] April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

"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 or authorized interactive games for use or play of slot machines [or], table games or authorized interactive games in this Commonwealth for gaming purposes. The term shall not include a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to multi-use computing devices used in connection with the conduct of interactive gaming at a qualified airport.

"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, interactive gaming devices or associated equipment or associated equipment, or casino simulcasting technology or equipment for use in this Commonwealth for gaming purposes.

* * *

"Multi-use computing device." As follows:

(1) A computing device, including, but not limited to, a tablet computer, that:

(i) Allows a player to access an authorized interactive game.

(ii) Is located and accessible to eligible passengers only in an airport gaming area.

(iii) Communicates with a server that is in a location approved by the Pennsylvania Gaming Control Board.

(iv) Is approved by the Pennsylvania Gaming Control Board.

(v) Has the capability of being linked to and monitored by the department's central control computer system, as applicable for any particular interactive game, in accordance with section 1323 (relating to central control computer system).

(vi) Offers a player additional functions which shall include Internet browsing, the capability of checking flight status and ordering food or beverages.

(2) The term shall not include any tablet or computing device that restricts, prohibits or is incapable of providing access to interactive gaming, interactive gaming skins or interactive gaming platforms.

"Multistate wide-area progressive slot machine system." The

linking of slot machines located in this Commonwealth with slot machines located in one or more states or jurisdictions in which the Pennsylvania Gaming Control Board has entered into an agreement authorizing the conduct of a multistate wide-area progressive slot machine system by slot machine licensees in this Commonwealth with gaming entities in such other state or jurisdiction, as approved by the Pennsylvania Gaming Control Board.

* * *

"Nongaming service provider." A person that is not a gaming service provider or required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and that provides goods or services:

(1) to a slot machine licensee or applicant for a slot machine license for use in the operation of a licensed facility; and

(2) that does not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

* * *

"Nonprimary location permit." The permit issued to a Category 1 slot machine licensee authorizing the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

"Nonprimary location permit holder." A Category 1 slot machine licensee that has been approved for and issued a permit to place and make slot machines available for play at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

* * *

"Player." An individual wagering cash, a cash equivalent or other thing of value in the play or operation of a slot machine [or], an authorized interactive game or a 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], authorized interactive game or table game to receive cash, a cash equivalent or other thing of value from another player or a slot machine licensee.

* * *

"Progressive payout." A slot machine wager payout that increases in a monetary amount based on the amounts wagered in a progressive system, including a multistate wide-area progressive slot machine system.

"Progressive system." A computerized system linking slot machines in one or more licensed facilities within this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term shall include the linking of slot machines in a licensed facility in this Commonwealth with a multistate wide-area progressive system operated by gaming entities in one or more states or jurisdictions.

* * *

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

* * *

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

"Redundancy facilities." Any and all rooms or areas used by a slot machine licensee for emergency backup, redundancy or secondary operations attendant to interactive gaming as approved by the Pennsylvania Gaming Control Board.

"Registered player." An individual who has entered into an interactive gaming account agreement with an interactive gaming certificate holder.

* * *

"Skill." The knowledge, dexterity, adroitness, acumen or other mental skill of an individual.

"Skill slot machine." A slot machine in which the skill of the player, rather than the elements of chance, is the predominant factor in

affecting the outcome of the game.

"Slot machine." Includes:

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

[(1)] (i) May utilize spinning reels or video displays or both.

[(2)] (ii) May or may not dispense coins, tickets or tokens to winning patrons.

[(3)] (iii) May use an electronic credit system for receiving wagers and making payouts.

(2) The term shall include [associated equipment] all of the following:

(i) Associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

(ii) A skill slot machine, hybrid slot machine and the devices or associated equipment necessary to conduct the operation of a skill slot machine or hybrid slot machine.

(iii) A multistate wide-area progressive slot machine and devices and associated equipment as defined by the board through regulations.

(iv) A multi-use computing device which is capable of simulating, either digitally or electronically, a slot machine.

* * *

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any slot machine, table game device or associated equipment, interactive gaming device or associated equipment for use or play of slot machines [or], table games or interactive games in this Commonwealth. The term shall include a person that sells, leases, offers or otherwise provides, distributes or services any multi-use computing device as approved by the Pennsylvania Gaming Control Board.

"Supplier license." A license issued by the Pennsylvania Gaming Control Board authorizing a supplier to provide products or services related to slot machines, table game devices or associated equipment, interactive gaming device, including any multi-use computing device or associated equipment to slot machine licensees for use in this Commonwealth for gaming purposes.

"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 approved by the Pennsylvania Gaming Control Board and used to conduct a table game or that is capable, through the use of digital, electronic or other communications technology, of simulating play of a table game.

* * *

Section 2.1. Title 4 is amended by adding a chapter to read:

**CHAPTER 11A
VIDEO GAMING**

Sec.

11A01. Definitions.

11A02. Powers and duties.

11A03. Licensing of manufacturers, distributors, terminal operators and service technicians.

11A04. Video gaming license.
11A05. License prohibitions.
11A06. Video gaming limitations.
11A07. Central computer system.
11A08. Video gaming terminal and redemption terminal.
11A09. Unlawful acts.
11A10. Enforcement.
11A11. Multiple types of licenses prohibited.
11A12. Establishment of account and distribution of funds.
11A13. Initial funding.
11A14. Preemption of local taxes and license fees.
11A15. Exemption from State gaming laws.
11A16. Exemption from Federal regulation.
11A17. Preemption.
11A18. Compulsive and problem gambling.
11A19. Provisional licenses.
11A20. Temporary video gaming regulations.
§ 11A01. Definitions.

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

"Central computer system." A central site computer system controlled by the department and accessible by the board that at all times is connected to video gaming terminals at licensed establishments and that, at a minimum, is capable of monitoring, communicating, auditing, retrieving information, generating games, activating and disabling each video gaming terminal.

"Coin-operated amusement game." A machine that requires the insertion of a coin, currency or token to play or activate a game, the outcome of which is predominantly and primarily determined by the skill of the player. The term does not include a video gaming terminal.

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

"Distributor." A person licensed by the board to buy, sell, lease, service or distribute video gaming terminals. The term does not include a terminal operator or a manufacturer.

"Enforcement Bureau." The Bureau of Liquor Control Enforcement of the Pennsylvania State Police.

"Gaming machine." A device or game that has the outcome of play primarily determined by chance. The term includes an antique slot machine under 18 Pa.C.S. § 5513(c) (relating to gambling devices, gambling, etc.) when used for profit. The term shall not include any of the following:

- (1) A coin-operated amusement game.
- (2) A video gaming terminal that has all of its seals or identification plates.
- (3) A slot machine as defined under section 1103 (relating to definitions).
- (4) A game of chance under the act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.
- (5) A lottery terminal used under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

"Grocery store." A retail establishment, commonly known as a grocery store, supermarket or delicatessen, where food, food products and supplies are sold for human consumption on or off the premises. The term shall include a restaurant with an interior connection to, and the separate and segregated portion of, any other retail establishment which is dedicated solely to the sale of food, food products and supplies for the table for human consumption on or off the premises.

"Gross revenue." The total of cash or cash equivalents used for the play of a video gaming terminal minus cash or cash equivalent paid players as a result of playing a video gaming terminal.

"Incentive." Any consideration, including a promotion or prize, provided from a licensee under this chapter or an employee of a licensee to a patron of a licensed establishment as an enticement to play a video gaming terminal.

"Inducement." Any consideration paid directly or indirectly,

from a terminal operator, employee of the terminal operator or any other person on behalf of the terminal operator, to a licensed establishment owner or an employee of the licensed establishment, directly or indirectly as an enticement to solicit or maintain the licensed establishment owner's business. The term includes cash, a gift, loan and prepayment of gross revenue.

"Licensed establishment." A licensed liquor establishment or a truck stop establishment with a video gaming license granted under § 11A05 (relating to license prohibitions).

"Licensed liquor establishment." A brew pub, club, hotel, privately owned public golf course or restaurant as defined or licensed under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, that operates under a valid liquor or malt or brewed beverage license under Article IV of the Liquor Code. The term shall not include a grocery store or a hotel or restaurant whose place of business is located in a licensed facility as defined in 4 Pa.C.S. § 1103 (relating to definitions).

"Manufacturer." A person that:

(1) is licensed by the board; and

(2) manufactures, produces or assembles video gaming terminals or major parts and components of video gaming terminals.

"Minor." An individual who is less than 21 years of age.

"Redemption terminal." The collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of cash or cash equivalent to a player as a result of playing a video gaming terminal.

"Service technician." An individual licensed by the board to service, maintain and repair video gaming terminals.

"State Lottery." The lottery established and operated under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

"Terminal operator." A person that:

(1) is licensed by the board; and

(2) owns, services or maintains video gaming terminals for placement in licensed establishments.

"Truck stop establishment." A premises that is equipped with diesel islands used for fueling commercial motor vehicles, has sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months, has parking spaces dedicated for commercial motor vehicles, has a convenience store and is situated on a parcel of land not less than three acres.

"Video gaming license." A license issued by the board authorizing the placement and operation of video gaming terminals at the licensed establishment specified in the application for licensure.

"Video gaming terminal." A device or terminal:

(1) that, upon insertion of a coin or currency, will play or simulate the play of a video poker, bingo, keno, slot machine, blackjack or any other game authorized by the board;

(2) that utilizes a video display and microprocessor; and

(3) in which, by the skill of the player or by chance, the player may receive a free game or credit that may be redeemed for cash at a redemption terminal.

§ 11A02. Powers and duties.

The board shall regulate and adopt standards for video gaming as authorized under this chapter.

§ 11A03. Licensing of manufacturers, distributors, terminal operators and service technicians.

(a) Application.—A person that applies to the board for a manufacturer, distributor, terminal operator or service technician license related to video gaming under this section shall do so on a form prescribed by the board.

(b) Application fee.—

(1) An applicant for a manufacturer or distributor license must pay a nonrefundable application fee of \$50,000.

(2) An applicant for a terminal operator license must pay

a nonrefundable application fee of \$10,000.

(3) An applicant for a service technician license must pay a nonrefundable application fee of \$100.

(c) Production of information.—An applicant must produce information, documentation and assurances as required by the board, including:

(1) Written consent by the applicant to provide for the examination of financial and business accounts, bank accounts, tax returns and related records in the applicant's possession or under the applicant's control that establish the financial stability, integrity and responsibility of the license applicant.

(2) Written authorization by the applicant for third parties in possession or control of accounts or records under paragraph (1) to allow for examination of such documents as deemed necessary by the board or the Pennsylvania State Police in conducting background investigations.

(3) If the applicant has conducted a gaming operation in a jurisdiction that permits such activity, a letter of reference from the gaming or casino enforcement or control agency that specifies the experience of the agency with the applicant, the applicant's associates and the applicant's gaming operations. If the applicant is unable to obtain the letter within 60 days of the request, the applicant may submit a copy of the letter requesting the information, together with a statement under oath or affirmation that, during the period activities were conducted, the applicant was in good standing with the appropriate gambling or casino enforcement control agency.

(4) Information, documentation and assurances as required by the board to establish the applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial affairs, business associates, professional associates and personal associates, covering the 10-year period immediately preceding the filing of the application.

(d) Background investigation.—Pennsylvania State Police shall conduct, at the request of the board, a background investigation of an applicant for a manufacturer, distributor or terminal operator license as follows:

(1) The applicant shall consent to a background investigation and provide any and all information requested by the Pennsylvania State Police and consent to a release of any and all information necessary for the completion of the background investigation, which information shall include fingerprints.

(2) The background investigation shall include a security, criminal and credit investigation by the Pennsylvania State Police, which shall include records of criminal arrests and convictions, in any jurisdiction, including Federal criminal history record information. The investigation may utilize information about the applicant compiled by the Pennsylvania Liquor Control Board. The Pennsylvania State Police may share investigation information with the board to the extent permitted by Federal and State law as determined by the Pennsylvania State Police. None of the information obtained by the Pennsylvania State Police may be disclosed publicly nor be subject to disclosure under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(3) The background investigation shall include an examination of personal, financial or business records, including tax returns, bank accounts, business accounts, mortgages and contracts to which the applicant is a party or has an interest.

(4) The background investigation shall include an examination of personal or business relationships that:

(i) Include a partial ownership or voting interest in a partnership, association or corporation.

(ii) Bear on the fitness of the applicant for licensure.

(5) The applicant shall reimburse the bureau for the actual costs of conducting the background investigation. The

board may not approve an applicant that has not fully reimbursed the Pennsylvania State Police for the investigation.

(e) Eligibility.—To be eligible for a license under this section, an applicant for a manufacturer, distributor, terminal operator or service technician license must comply with all of the following:

(1) Be of good moral character and reputation in the community.

(2) Be 18 years of age or older.

(3) Be current in the payment of all taxes, interest and penalties owed to the Commonwealth and political subdivisions of the Commonwealth. This paragraph excludes taxes subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(4) An applicant for a manufacturer, distributor or terminal operator license must also demonstrate sufficient financial resources to support the activities required of, respectively, a manufacturer, distributor or terminal operator related to video gaming terminals.

(f) Review and approval.—The board shall review the information submitted by the applicant and the investigation information provided by the Pennsylvania State Police. If being satisfied that the requirements of subsection (e) have been met, the board may approve the application and grant the applicant a manufacturer, distributor or terminal operator license consistent with all of the following:

(1) The license shall be valid for a period of two years. Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of any change relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(g) Annual fees.—

(1) The annual fee for a terminal operator license shall be \$25,000 for a terminal operator that has placed 50 or fewer video gaming terminals at licensed establishments in this Commonwealth. An additional annual fee of \$500 shall be charged per video gaming terminal license for a terminal operator that has placed more than 50 video gaming terminals at licensed establishments in this Commonwealth.

(2) The annual fee for a distributor license shall be \$10,000.

(3) The annual fee for a manufacturer license shall be \$10,000.

(4) The annual fee for a service technician license shall be \$100.

(h) Renewal and late filing fees.—

(1) Sixty days prior to expiration of the license, the licensee seeking renewal of the license shall submit a renewal application accompanied by the annual fee or the license shall be subject to appropriate late filing fees.

(2) If the renewal application satisfies the requirements of subsection (e), the board may renew the license.

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

(4) The board may accept renewal applications filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fees and an additional late filing fee of \$100. A renewal application filed on or after the effective date of renewal shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A renewal application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(i) Validation of licenses and late filing fees.—

(1) One year after the issuance or renewal of a license, the licensee shall file an application for validation of the license with the requisite annual fees and tax clearance, at least 60 days before the effective date of the validation or the license shall be subject to appropriate late filing fees.

(2) The board may accept a validation application filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fee and an additional late filing fee of \$100. A validation application filed on or after the effective date of validation shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A validation application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(j) Third-party disclosure.—An applicant must accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss, which may result from disclosure or publication by a third party of material or information requested by the board pursuant to action on an application. The applicant expressly must waive a claim against the board or the Commonwealth and the applicant's employees from damages as a result of disclosure or publication by a third party.

(k) Hearing upon denial.—A person that is denied a license or the renewal of a license under this section has the right to a hearing before the board in accordance with the provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

§ 11A04. Video gaming license.

(a) Application.—A person that applies to the board for a video gaming license under this section shall do so on a form prescribed by the board.

(b) Licensed liquor establishment.—Except as provided in section 11A05 (relating to license prohibitions), the board shall issue a video gaming license to a licensed liquor establishment upon a showing that the establishment's liquor or retail dispenser license is valid and is in good standing with the Pennsylvania Liquor Control Board.

(c) Truck stop establishment.—The board shall issue a license to a truck stop establishment if the person who owns establishment meets the following requirements:

(1) Is of good moral character and reputation in the community.

(2) Is 18 years of age or older.

(3) Is current in the payment of all taxes, interest and penalties owed to the Commonwealth and political subdivisions of the Commonwealth. This paragraph excludes taxes subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(4) Demonstrates sufficient financial resources to support the activities required of a manufacturer, distributor or terminal operator related to video gaming terminals.

(5) Produces information, documentation and assurances as required by the board, including:

(i) Written consent by the applicant to provide for the examination of financial and business accounts, bank accounts, tax returns and related records in the applicant's possession or under the applicant's control that establish the financial stability, integrity and responsibility of the license applicant.

(ii) Written authorization by the applicant for third parties in possession or control of accounts or records under paragraph (1) to allow for examination of such documents as deemed necessary by the board or the Pennsylvania State Police in conducting background investigations.

(iii) If the applicant has conducted a gaming operation in a jurisdiction that permits such activity, a letter of reference from the gaming or casino enforcement or control agency that specifies the

experience of the agency with the applicant, the applicant's associates and the applicant's gaming operations. If the applicant is unable to obtain the letter within 60 days of the request, the applicant may submit a copy of the letter requesting the information, together with a statement under oath or affirmation that, during the period activities were conducted, the applicant was in good standing with the appropriate gambling or casino enforcement control agency.

(iv) The applicant must provide information, documentation and assurances as required by the board to establish the applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial affairs, business associates, professional associates and personal associates, covering the 10-year period immediately preceding the filing of the application.

(6) Consent to a background investigation and provide any and all information requested by the Pennsylvania State Police and consent to a release to obtain any and all information necessary for the completion of the background investigation, which information shall include fingerprints. The background investigation shall include the following:

(i) A security, criminal and credit investigation by the Pennsylvania State Police, which shall include records of criminal arrests and convictions, in any jurisdiction, including Federal criminal history record information. The investigation may utilize information about the applicant compiled by the Pennsylvania Liquor Control Board. The Pennsylvania State Police may share investigation information with the board to the extent permitted by Federal and State law as determined by the Pennsylvania State Police. None of the information obtained by the Pennsylvania State Police shall be disclosed publicly nor be subject to disclosure under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(ii) An examination of personal, financial or business records, including tax returns, bank accounts, business accounts, mortgages and contracts to which the applicant is a party or has an interest.

(iii) An examination of personal or business relationships that include a partial ownership or voting interest in a partnership, association or corporation and bear on the fitness of the applicant for licensure.

(iv) The applicant shall reimburse the bureau for the actual costs of conducting the background investigation. The board may not approve an applicant that has not fully reimbursed the Pennsylvania State Police for the investigation.

(d) Application fee.—A licensed establishment shall pay an application fee of \$100.

(e) Annual fees.—A licensed establishment shall pay an annual fee of \$1,000 and an annual fee of \$500 per video gaming terminal.

(f) Review and approval.—The board shall review the information submitted by the applicant and, if the applicant is a truck stop establishment, the investigation information provided by the Pennsylvania State Police. If satisfied that the requirements for a video gaming license have been met, the board shall approve the application and grant the applicant a video gaming license consistent with all of the following:

(1) The license shall be valid for a period of two years. Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of any change relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(g) Renewal and late filing fees.

(1) Sixty days prior to expiration of the license, the licensee seeking renewal of the license shall submit a renewal application accompanied by the renewal fee or the license shall be subject to appropriate late filing fees.

(2) If the renewal application satisfies the requirements for the video gaming license, the board may renew the license.

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

(4) The board may accept a renewal application filed less than 60 days before the effective date of renewal upon the payment of the requisite license and filing fee and an additional late filing fee of \$100. A renewal application filed on or after the effective date of renewal shall be accompanied by the requisite license and filing fee and an additional late filing fee of \$250. A renewal application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(h) Validation of licenses and late filing fees.

(1) One year after the issuance or renewal of a license, the licensee shall file an application for validation of the license with the requisite annual fees and tax clearance, at least 60 days before the effective date of the validation or the license shall be subject to appropriate late filing fees.

(2) The board may accept a validation application filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fee and an additional late filing fee of \$100. A validation application filed on or after the effective date of validation shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A validation application will not be considered for approval unless accompanied by the requisite filing, license and late filing fees, tax clearance and any other information required by the board.

(i) Third-party disclosure.—An applicant must accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss, which may result from disclosure or publication by a third party of material or information requested by the board pursuant to action on an application. The applicant expressly must waive a claim against the board or the Commonwealth and the applicant's employees from damages as a result of disclosure or publication by a third party.

(j) Hearing upon denial.—A person who is denied a license or the renewal of a license under this section has the right to a hearing before the board in accordance with the provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

§ 11A05. License prohibitions.

(a) Felony conviction prohibition.—A person that has been convicted of a felony in any jurisdiction may not be issued a license under this chapter.

(b) Gambling offense prohibition.—A person that has been convicted in any jurisdiction of a gambling offense, including a violation of 18 Pa.C.S. § 5516 (relating to gambling devices, gambling, etc.), unless 15 years have elapsed from the date of conviction for the offense, may not be issued a license under this chapter.

(c) Factors to be considered.—Following the expiration of any prohibition period applicable to an applicant under subsection (b), in determining whether to issue a license, the board shall consider the following factors:

(1) The nature and seriousness of the offense or conduct.

(2) The circumstances under which the offense or conduct occurred.

(3) The age of the applicant when the offense or conduct was committed.

(4) Whether the offense or conduct was an isolated or repeated incident.

(5) Any evidence of rehabilitation, including good conduct in the community, counseling or psychiatric treatment received and the recommendation of persons who have substantial contact with the applicant.

(d) Felony offenses.—For purposes of this section, a felony offense is any of the following:

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

(2) An offense which, under the laws of another jurisdiction, is:

(i) classified as a felony; or

(ii) punishable by imprisonment for more than five years.

(3) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than five years.

§ 11A06. Video gaming limitations.

(a) General rule.—A licensed establishment shall be subject to the following limitations:

(1) No more than five video gaming terminals may be placed on the premises of the licensed establishment.

(2) With the exception of tickets indicating amounts won, which are redeemable for cash, or which can be reinserted into video gaming machines for play of games authorized by the board, no video gaming terminal may directly dispense a coin, cash, token or anything else of value. The winning ticket may, however, be used in other video gaming terminals in the same licensed establishment.

(3) (i) The licensed establishment must enter into a written video gaming terminal placement agreement with a licensed terminal operator for a minimum 60-month term and a maximum 120-month term. The form of the agreement shall be approved by the board and on file and available for inspection at the licensed establishment. A licensed establishment or licensed establishment applicant, may only sign, or agree to sign, a written agreement with a terminal operator or terminal operator applicant.

(ii) Any person soliciting the execution of a video gaming terminal placement agreement on behalf of an applicant or licensee shall be disclosed to the board.

(iii) No video gaming terminal placement agreement may be transferred or assigned unless the individual or entity making the assignment and the individual or entity receiving the assignment of the video gaming terminal placement agreement are both applicants or licensees under this chapter.

(iv) No payment may be made to an individual or entity for or with respect to the procurement of a video gaming terminal placement agreement to an individual or entity which or whom is not licensed by or disclosed to the board.

(v) If an application for a terminal operator license is denied or withdrawn, the video gaming terminal placement agreement shall be null and void.

(vi) A video gaming terminal placement agreement not in strict compliance with this section is void.

(4) (i) No video gaming terminal may be in an area easily accessible to a minor. A floor-to-ceiling wall is not required.

(ii) The entrance to the video gaming area must be secure and easily seen and observed by the employees or management of the licensed establishment.

(iii) The video gaming area must at all times be monitored by an employee of the licensed establishment.

who is at least 18 years of age, either directly or through video surveillance.

(5) (i) Except as may be approved by the board, no licensed establishment with a video gaming license may generally advertise gaming to the general public.

(ii) A customer of a licensed establishment may opt in to receive written advertising materials from a licensed establishment.

(6) No licensed establishment or employee of a licensed establishment may offer an incentive to a patron of the licensed establishment related to the play of a video gaming terminal.

(b) Fines.—A person found in violation of any of the limitations in subsection (a) shall be subject to the following fines:

(1) A fine of not less than \$300, nor more than \$500 for the first violation.

(2) For more than one violation or subsequent violations, a fine of not less than \$500, nor more than \$1,000.

(3) The right to suspend and revoke licenses granted under this chapter shall be in addition to the fines enumerated in this subsection.

§ 11A07. Central computer system.

The department shall establish and procure a central computer system capable of monitoring and communicating with each video gaming terminal. The following shall apply:

(1) All video gaming terminals shall be linked to the central computer system under the control of the department and accessible by the board.

(2) The department may utilize the central control computer system employed by the department to monitor slot machine gaming or the State Lottery.

(3) All communications data collected by the central computer system may be provided to the terminal operator.

(4) Interconnection of jackpots, pursuant to a wide area progressive system, shall be allowed.

§ 11A08. Video gaming terminal and redemption terminal.

(a) Specifications.—

(1) The board shall approve one or more video gaming terminals and redemption terminals that include hardware and software specifications. All video gaming terminals and redemption terminals offered for play or use in this Commonwealth shall conform to the approved specifications.

(2) The board may utilize the standards and models approved by other states, and may contract for the services of the board's testing laboratory.

(b) Service contracts authorized.—The board may also contract for services of one or more independent outside testing laboratories that have been accredited by a national accreditation body and that, in the judgment of the board, are qualified to perform such examinations and tests.

(c) Contents of specifications.—The specifications shall include:

(1) All video gaming terminals shall have the ability to interact with the central communications system.

(2) Unremovable identification plates shall appear on the exterior of the video gaming terminal containing the name of the manufacturer and the serial and model number of the video gaming terminal.

(3) Rules of play shall be displayed on the video gaming terminal face or screen as promulgated by the board.

(4) A video gaming terminal may not directly dispense coins, cash, tokens or any other article of exchange or value except for tickets. Such tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of the cash award. The player shall be permitted to insert the ticket into another terminal in the same licensed establishment or turn in the ticket for redemption. Redemption shall be made by giving the ticket to the responsible person in charge who is over 18 years of age at the licensed establishment or through the use of

an approved redemption machine. A redemption machine is required at the licensed establishment if the establishment has three or more terminals.

(5) The cost of a credit shall be 1¢, 5¢, 10¢ or 25¢ and the maximum wager played per game shall not exceed \$2.50. A game may result in one or more prizes.

(6) No cash award for any individual game may exceed \$1,000.

(7) All video gaming terminals must be designed and manufactured with total accountability to include gross proceeds, net profits, winning percentages and any other information the board requires.

(8) Each video gaming terminal shall pay out a minimum of 85% of the amount wagered.

§ 11A09. Unlawful acts.

(a) General rule.—It shall be unlawful for any person to do any of the following:

(1) To operate or attempt to operate a video gaming terminal or to receive or attempt to receive payment from a redemption terminal if the person is under 21 years of age.

(2) To permit a person under 21 years of age to play a video gaming terminal or to provide payment as a result of playing video gaming to a person under 21 years of age.

(3) To permit a visibly intoxicated person to play a video gaming terminal.

(4) To possess a gaming machine.

(5) To install or operate more video gaming terminals in a licensed establishment than permitted by this chapter or the board.

(6) To tamper with the connection of a video gaming terminal to the central communications system.

(7) To sell, distribute, service, own, operate or place on location a video gaming terminal unless the person holds the appropriate license under this chapter and is in compliance with all requirements of this chapter.

(8) As a terminal operator, to give, or offer to give, directly or indirectly, any type of inducement to a licensed liquor establishment or truck stop establishment to secure a video gaming terminal placement agreement.

(9) As a licensed liquor establishment or truck stop establishment, to accept any inducement from a terminal operator or any other third party, directly or indirectly, associated with a terminal operator.

(b) Penalties and fines.—In addition to any other penalty provided by law, the following shall apply:

(1) A person convicted of violating subsection (a)(1) or (3) is guilty of a summary offense.

(2) A person convicted of violating subsection (a)(4) is guilty of a misdemeanor of the first degree and shall be subject to additional penalties as provided in subsection (c).

(3) Except for subsection (a)(1), (3) or (4):

(i) A person convicted of violating any other provision of subsection (a) is guilty of a misdemeanor of the third degree and shall pay fine of not less than \$5,000.

(ii) A person convicted of violating any other provision of subsection (a) that is convicted of a second or subsequent violation is guilty of a misdemeanor of the second degree and shall pay a fine of not less than \$15,000.

(c) Seizure, forfeiture and destruction of gaming machines and fines.—

(1) A licensee under this chapter shall consent to seizure of its gaming machines. Gaming machines and the proceeds of gaming machines shall be subject to seizure under sections 1517(e) (relating to investigations and enforcement) and 1518(f) (relating to prohibited acts; penalties).

(2) In the case of a gaming machine seized from a

licensed establishment:

(i) For a first violation, the penalty shall be a fine of at least \$10,000 and not more than \$25,000 and a suspension of the licensed establishment owner's liquor license for not less than seven consecutive days.

(ii) For a second or subsequent violation, the penalty shall be a fine of \$50,000 and a suspension of the liquor license for not less than 60 consecutive days, or a revocation of the establishment's license.

(3) In the case of a gaming machine seized from a place of business other than a licensed establishment:

(i) For a first violation, the penalty shall be a fine of at least \$10,000 and not more than \$25,000 against the owner of the business from which the gaming machine was seized, and a suspension of the licensed establishment owner's liquor license for not less than 30 consecutive days.

(ii) For a second or subsequent violation, the penalty shall be a fine of \$50,000, and a suspension of the liquor license for not less than 60 consecutive days.

§ 11A10. Enforcement.

In addition to any other law enforcement agency with jurisdiction, the enforcement bureau shall have the jurisdiction and the authority to enter a business in order to enforce the provisions of this chapter.

§ 11A11. Multiple types of licenses prohibited.

(a) Manufacturer restriction.—A manufacturer may not be licensed as a video gaming terminal distributor or a terminal operator, or own, manage or control a licensed establishment, and shall be licensed only to sell to licensed distributors.

(b) Distributor restriction.—A licensed video gaming terminal distributor may not be licensed as a manufacturer or a terminal operator, or own, manage or control a licensed establishment.

(c) Terminal operator restriction.—A terminal operator may not be licensed as a manufacturer or distributor and shall be licensed only to contract with licensed distributors and licensed establishments.

(d) Licensed establishment restriction.—An owner of a licensed establishment may not be licensed as a manufacturer, distributor or terminal operator.

§ 11A12. Establishment of account and distribution of funds.

(a) Video Gaming Account.—The Video Gaming Account is established as a separate account in the State Treasury. Except as otherwise provided in this chapter, fees and fines collected under this chapter and the portion of gross revenue distributable to the Commonwealth under subsection (c)(3) shall be deposited in the Video Gaming Account.

(b) Video operator accounts.—A video operator shall establish and maintain an account in a State depository in this Commonwealth into which the video operator shall deposit gross revenue generated by the play of all video gaming terminals for which the operator has been issued a video operator license. The sums in the video operator account shall be withdrawn weekly by the department and deposited as provided in subsection (a).

(c) Distribution of gross revenue.—The gross revenue from each video gaming terminal shall be distributed in the following manner:

(1) To the licensed establishment, 33%.

(2) To the terminal operator, 33%.

(3) To the Commonwealth, 34%.

(d) Video Gaming Account appropriations.—

(1) Money from the Video Gaming Account shall be appropriated to:

(i) The board for its operations related to the licensing and regulation of video gaming.

(ii) To the department for operation of the central management system.

(iii) To the bureau for enforcement of this chapter upon appropriation by the General Assembly.

(2) The board, department and bureau shall prepare and

annually submit to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives, an itemized budget consisting of amounts to be appropriated out of the Video Gaming Account necessary to pay such costs.

(e) Payments to municipalities.—On an annual basis, each municipality that has one or more licensed establishments within the municipality shall be paid \$1,000 per licensed terminal located in the municipality from the Video Gaming Account.

(f) Funding for compulsive gambling programs.—The board shall allocate from the Video Gaming Account \$1,000,000 annually for the purpose of treating compulsive gambling in this Commonwealth. § 11A13. Initial funding.

The sum of \$10,000,000 is hereby appropriated from the General Fund to the board for the purpose of paying costs associated with the licensing and regulation of video gaming and the initial implementation of this chapter and other costs associated with this chapter by the board. The appropriated amount shall be repaid from the Video Gaming Account to the General Fund by June 30, 2017.

§ 11A14. Preemption of local taxes and license fees.

(a) Statutes.—Video gaming terminals shall be exempt from taxes levied under the following:

(1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

(2) The act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act.

(3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government).

(4) Any statute that confers taxing authority to a political subdivision.

(b) Licensing fees.—

(1) Video gaming terminals are exempt from local licensing fees.

(2) Local licensing fees imposed on all other coin-operated amusement games shall not exceed \$100.

§ 11A15. Exemption from State gaming laws.

Video gaming terminals authorized under this chapter and the use of video gaming terminals as authorized under this chapter are exempt from 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.).

§ 11A16. Exemption from Federal regulation.

The General Assembly declares that the Commonwealth is exempt from section 2 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1172). Shipments of approved video gaming terminals into this Commonwealth in compliance with sections 3 and 4 of the Gambling Devices Transportation Act (15 U.S.C. §§ 1173 and 1174) shall be deemed legal shipments into this Commonwealth.

§ 11A17. Preemption.

This chapter shall preempt all laws of units of local government to the extent they are inconsistent with this chapter.

§ 11A18. Compulsive and problem gambling.(a) Establishment of program.—

(1) The Department of Health shall develop program guidelines for public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling specifically in the area of video gaming. The program shall supplement and be complimentary to the existing program under 4 Pa.C.S. § 1509 (relating to compulsive and problem gambling program).

(2) Except as otherwise provided in this subsection, the provisions of 4 Pa.C.S. § 1509 shall be fully applicable to video gaming. The guidelines shall include strategies for the prevention of compulsive and problem gambling. The Department of Health may consult with the board and licensed gaming entities to develop such strategies.

(3) The program shall include the following, specifically with respect to video gaming:

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

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

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

(iv) Conducting studies to identify adults and juveniles in this Commonwealth who are, or are at risk of becoming, problem or compulsive gamblers.

(v) Providing grants to and contracting with organizations which provide services as provided in this section.

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

(b) Notice of availability of assistance.—

(1) A licensed establishment shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. A licensed establishment shall conspicuously post at least two signs containing language similar to the following statement: If you or someone you know has a gambling problem, help is available. Call (toll-free telephone number). The signs shall be posted within 50 feet of each entrance and exit and, within 50 feet of each automated video gaming area within the licensed establishment and in other appropriate public areas of the licensed establishment as determined by the licensed establishment.

(2) A licensed establishment shall have available in its establishment written handout materials in a format prescribed by the Department of Health which contain the same information as the signs referenced in paragraph (1).

(3) A licensed establishment that fails to post or print the warning sign or provide the written materials in accordance with paragraph (1) or (2) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs are not posted as required in this subsection.

(c) Mandatory training.—The board's Office of Compulsive and Problem Gambling shall develop mandatory training for employees and management of a licensed establishment who oversee the video gaming terminal to identify and address compulsory gambling behaviors and provide assistance to problem gamblers. The board shall establish a fee to cover the cost of the training.

§ 11A19. Provisional licenses.

(a) General rule.—The General Assembly has determined that prompt and expedited implementation of video gaming in this Commonwealth is desirable, to the extent that such expedited implementation can be accomplished without compromising the integrity of gaming. The provisional licensing provisions of this section are found to strike the correct balance between assuring that licensees meet the licensing criteria without causing an undue delay in implementation of this chapter.

(b) Provisional licensing of licensed liquor establishments.—

(1) Within 60 days after the effective date of this section, the board shall make applications for a video gaming license as a licensed liquor establishment available to applicants.

(2) The board shall issue a provisional license to an applicant for a video gaming license as a licensed liquor establishment if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a

felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a licensed establishment, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant held a valid liquor license under Article IV of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, on the date of application and has never had the liquor license revoked.

(v) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(3) The board shall issue a provisional license to an applicant for a video gaming license as a licensed liquor establishment, within 60 days after the application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(4) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for a video gaming license as a licensed liquor establishment, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this section or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$100 fee, which is in addition to the applicable fee required for an application for licensure as a licensed establishment.

(7) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional video gaming license as a licensed liquor establishment.

(b) Provisional licensing of terminal operators.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as terminal operator available to applicants.

(2) The board shall accept applications for licensure as a terminal operator beginning 14 days after applications become available.

(3) The board shall issue a provisional license to an applicant for licensure as a terminal operator if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a licensed terminal operator, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant has never had its terminal operator license or similar gaming license revoked in another jurisdiction.

(v) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(4) The board shall issue a provisional license to an

applicant for licensure as a licensed terminal operator, within 60 days after such application has been received by the board, provided that the board determines that the criteria contained in paragraph (3) has been satisfied. If the board has determined that the criteria contained in paragraph (3) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(5) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a terminal operator, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(6) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(7) All requests for provisional licensure under this subsection shall include payment of a \$5,000 fee, which is in addition to the applicable fee required for an application for licensure as a terminal operator.

(8) The board shall initially issue no fewer than 10 provisional licenses to terminal operator applicants, unless the board receives less than 10 applications for provisional licenses.

(9) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a licensed terminal operator.

(c) Provisional licensing of service technicians.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as a service technician available to applicants.

(2) The board shall issue a provisional license to an applicant for licensure as a service technician if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a service technician, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant has never been convicted of any gambling law violation in any jurisdiction.

An individual who has a valid license issued by the Commonwealth that allows the individual to serve as a service technician in a Pennsylvania casino shall be exempt from the requirements of this section and shall automatically be eligible for a provisional license as a service technician.

(3) The board shall issue a provisional license to an applicant for licensure as a service technician, within 60 days after the application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) of this subsection has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(4) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a service technician, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$100 fee, which is in addition to the applicable fee required for an application for licensure as a service technician.

(7) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a service technician.

(d) Provisional licensing of manufacturers and distributors.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as manufacturers or distributors available to applicants.

(2) The board shall issue a provisional license to an applicant for licensure as a licensed manufacturer or distributor if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a manufacturer or distributor, which may be submitted concurrently with the applicant's request for a provisional license;

(iv) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(3) The board shall issue a provisional license to an applicant for licensure as a manufacturer or distributor, within 60 days after such application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(4) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a manufacturer or distributor, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$1,000 fee, which is in addition to the applicable fee required for an application for licensure as a manufacturer or distributor.

(7) If the board has not acted upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a licensed manufacturer or distributor.

(a) General rule.—Regulations promulgated by the board under this chapter shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

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

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

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

(b) Expiration.—The board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.—The board shall begin publishing temporary regulations governing video gaming within 120 days after the effective date of this section.

Section 3. Section 1202(a)(1) and (b)(20) and (23) of Title 4 are amended and subsection (b) is amended by adding paragraphs to read: § 1202. General and specific powers.

(a) General powers.—

(1) The board shall have general and sole regulatory authority over the conduct of gaming [or] and related activities as described in this part. The board shall ensure the integrity of the acquisition and operation of slot machines, table games, table game devices and associated equipment and authorized interactive games and interactive gaming devices and associated equipment and shall have sole regulatory authority over every aspect of the authorization, operation and play of slot machines [and], including the operation of slot machines at nonprimary locations, table games and interactive gaming devices and associated equipment and the implementation and regulation of airport gaming.

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

(12.2) At its discretion, to award, revoke, suspend, condition or deny an interactive gaming certificate or an interactive gaming license in accordance with Chapter 13B (relating to interactive gaming).

(12.3) At its discretion, to award, revoke, suspend, condition or deny authorization for the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

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

(23) The board shall not approve an application for or issue or renew a license, certificate, registration or permit unless it is satisfied that the applicant has demonstrated by clear and

convincing evidence that the applicant is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of slot machine [or], including the operation of slot machines at nonprimary locations and qualified airports, table game operations or interactive gaming operations, or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine or table game operations, interactive gaming operations or the carrying on of the business and financial arrangements incidental thereto.

(27.2) Within six months of the effective date of this section, to publish on the board's Internet website a complete list of all slot machine licensees who filed a petition seeking authorization to conduct interactive gaming and the status of each petition or interactive gaming certificate.

(35) To review detailed site plans identifying the interactive gaming restricted area or room where a slot machine licensee proposes to manage, administer or control interactive gaming operations to determine the adequacy of the proposed internal and external security and proposed surveillance measures.

(36) To require each slot machine licensee that holds an interactive gaming certificate to provide on a quarterly basis the following information with respect to interactive gaming:

(i) the name of any person, entity or firm to whom any payment, remuneration or other benefit or thing of value has been made or conferred for professional services, including, but not limited to, interactive gaming system operations or management, legal, consulting and lobbying services;

(ii) the amount or value of the payments, remuneration, benefit or thing of value;

(iii) the date on which the payments, remuneration, benefit or thing of value was submitted; and

(iv) the reason or purpose for the procurement of the services.

(37) To review and approve detailed site and architectural plans identifying the area of a nonprimary location where a Category 1 slot machine licensee proposes to place and make slot machines available for play in accordance with Chapter 13D in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

(38) To review and approve detailed site and architectural plans identifying the area of a licensed facility where a slot machine licensee proposes to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

Section 4. Sections 1204 and 1206(f)(1) of Title 4 are amended to read:

§ 1204. Licensed gaming entity application appeals from board.

The Supreme Court of Pennsylvania shall be vested with exclusive appellate jurisdiction to consider appeals of any final order, determination or decision 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[,] or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a nonprimary location permit or an airport gaming operation certificate. Notwithstanding the provisions of 2 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 or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a nonprimary location permit or an airport gaming 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.

§ 1206. Board minutes and records.

* * *

(f) Confidentiality of information.—

(1) The following information submitted by an applicant, permittee, certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements) [or], 1308(a.1) (relating to applications for license or permit), 13B12 (relating to interactive gaming certificate required and content of petition), 13B14 (relating to interactive gaming operators), 13D11 (relating to application for nonprimary location permit) or 13E12 (relating to application) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

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

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant, licensee [or], permittee, including the holder of an interactive gaming certificate, interactive gaming license, nonprimary location permit or airport gaming operation certificate or the immediate family thereof.

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

(iv) Security information, including risk prevention plans, detection and countermeasures, location of count rooms, location of interactive gaming restricted areas and redundancy facilities, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud prevention plans and countermeasures.

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

(vi) Records of an applicant or licensee not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 780).

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

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

* * *

Section 5. Section 1207(1), (3), (4), (5), (6), (8), (9), (10) and (21) of Title 4 are amended and the section is amended by adding paragraphs to read:

§ 1207. Regulatory authority of board.

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

(1) Deny, deny the renewal, revoke, condition or suspend any license [or], permit, certificate, registration or other authorizations provided for in this part if the board finds in its sole discretion that a licensee [or], permittee, registrant or certificate holder, including any interactive gaming operator, under this part, or its officers, employees or agents, have furnished false or misleading information to the board or failed to comply with the provisions of this part or the rules and regulations of the board and that it would be in the public interest to deny, deny the renewal, revoke, condition or suspend the license [or], permit, certificate, registration or other authorizations.

* * *

(3) Prescribe and require periodic financial reporting and internal control requirements for all licensed entities, including, in the case of interactive gaming, all interactive gaming operators.

(4) Require that each licensed entity, including, in the case of interactive gaming, each interactive gaming operator, provide to the board its audited annual financial statements, with such additional detail as the board from time to time shall require, which information shall be submitted not later than 90 days after the end of the licensee's fiscal year.

(5) Prescribe the procedures to be followed by slot machine licensees for any financial event that occurs in the operation and play of slot machines [or], table games, authorized interactive games or multi-use computing devices.

(6) Prescribe criteria and conditions for the operation of slot machine progressive systems, including multistate wide-area progressive slot machine systems. A wide area progressive slot system shall be collectively administered by participating slot machine licensees in accordance with the terms of a written agreement executed by each participating slot machine licensee and, in the case of a multistate wide-area progressive slot machine system, in accordance with the terms of an agreement executed by the slot machine licensee and authorized gaming entities in other states or jurisdictions, as approved by the board.

(6.1) Collaborate with the appropriate gaming authorities in other states or jurisdictions to facilitate the establishment of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth and, if determined necessary, enter into the necessary agreements with such other states or jurisdictions as necessary for the operation of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth.

* * *

(7.2) Enforce prescribed hours for the operation of authorized interactive games so that an interactive gaming certificate holder or interactive gaming licensee may conduct authorized interactive games on any day during the year in order to meet the needs of registered players or to meet competition.

(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines [or], playing table games or participating in interactive gaming.

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

(10) Require that no slot machine or authorized interactive game that replicates the play of a slot machine may be set to pay out less than the theoretical payout percentage, which shall be no less than 85%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a slot machine game based on the total value of the jackpots expected to be paid by a play or a slot machine game divided by the total value of slot machine wagers expected to be made on that play or slot machine game during the same portion of the game cycle. In so doing, the board shall decide whether the calculation shall include the entire cycle of a slot machine game or any portion thereof. Except that, in the case of skill slot machines and hybrid slot machines, the board shall adopt regulations to define the player's win percentage based on the relative skill of the player or the combination of skill and the elements of chance of the game. In the case of multistate wide-area progressive slot machine system, the theoretical payout percentage or a player's win percentage shall be as set forth in the agreement, as approved by the board.

* * *

(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine contests or tournaments, table game tournaments or contests in accordance with section 13A22.1 (relating to table game tournaments) or interactive gaming contests or tournaments and adopt regulations governing the conduct of such tournaments and contests.

(21.1) Authorize, at its discretion, a slot machine licensee to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play at licensed facilities.

(21.2) Adopt and promulgate regulations to govern the operation and placement of skill slot machines and hybrid slot machines by slot machine licensees at licensed facilities. In order to facilitate the operation and placement of skill and hybrid slot machines at licensed facilities pursuant to this paragraph, regulations promulgated by the board shall be deemed temporary regulations which shall expire two years after the date of publication in the Pennsylvania Bulletin.

(22) License, regulate, investigate and take any other action determined necessary regarding all aspects of interactive gaming and the operation of slot machines at nonprimary locations and qualified airports.

(23) Define and limit the areas of operation and the rules of authorized interactive games, including odds, devices and associated equipment permitted and the method of operation of authorized interactive games and interactive gaming devices and associated equipment.

(24) Require, as applicable, that all wagering offered through interactive gaming display online the permissible minimum and maximum wagers associated with each authorized interactive game.

(25) Negotiate and enter into interactive gaming reciprocal agreements on behalf of the Commonwealth to govern the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities of other states or jurisdictions. Notwithstanding any provision of this part, wagers may be accepted in accordance with this part and regulations of the board from persons in other states or jurisdictions if the board determines that such wagering is not inconsistent with Federal law or the law of the state or jurisdiction, including a foreign jurisdiction, in which the person is located, or such wagering is conducted pursuant to an interactive gaming reciprocal agreement to which this

Commonwealth is a party that is not inconsistent with Federal law. The board, with the approval of the Governor, is hereby designated as the agency of the Commonwealth with the sole power and authority to enter into interactive gaming reciprocal agreements with other states or jurisdictions.

(27) Enter into agreements with other states for the operation of multistate wide-area progressive slot machine systems.

(28) Authorize, at its discretion, a Category 1 slot machine licensee to enter into an agreement with a Category 2 or Category 3 slot machine licensee for the conduct of casino simulcasting and approve any such agreement.

(29) Adopt, in consultation with other states, the commission, regulations to govern the conduct of casino simulcasting by a Category 2 or Category 3 slot machine licensee.

(30) Adopt and promulgate regulations to govern the installation of video display technology in approved areas of a Category 1 licensed facility to enable the delivery of simulcast horse race meetings to patrons through video walls and other such video display technology. The board may consult with the commission to facilitate the installation of video display monitors in accordance with this paragraph and to facilitate the conduct of casino simulcasting under paragraph (28).

Section 5.1. Section 1209(b) of Title 4 is amended to read:

§ 1209. Slot machine license fee.

* * *

(b) Term.—A slot machine license, after payment of the fee, shall be in effect unless suspended, revoked or not renewed by the board upon good cause consistent with the license requirements as provided for in this part. Slot machine licensees shall be required to update the information in their initial applications annually, and the license of a licensee in good standing shall be renewed every [three] five years. Nothing in this subsection 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 other information contained in the application materials on file with the board. As to the renewal of a license, except as required in subsection (f)(3), no additional license fee pursuant to subsection (a) shall be required.

* * *

Section 6. Section 1211 of Title 4 is amended by adding subsections to read:

§ 1211. Reports of board.

* * *

(a.4) Interactive gaming reporting requirements.—

(1) The annual report submitted by the board in accordance with subsection (a) shall include information on the conduct of interactive games as follows:

(i) Total gross interactive gaming revenue.

(ii) The number and win by type of authorized interactive game at each licensed facility conducting interactive gaming during the previous year.

(iii) All taxes, fees, fines and other revenue collected and, where appropriate, revenue disbursed during the previous year. The department shall collaborate with the board to carry out the requirements of this subparagraph.

(2) The board may require interactive gaming certificate holders and other persons involved in the operation of interactive gaming on behalf of a slot machine licensee to provide information to the board to assist in the preparation of the report.

* * *

(d.1) Impact of interactive gaming, annual report.—One year after the issuance of the first interactive gaming certificate, an annual report shall be prepared and distributed to the Governor and the standing committees of the General Assembly with jurisdiction over this part on the impact of interactive gaming on compulsive and problem gambling and gambling addiction in this Commonwealth. The report shall be prepared by a private organization or entity with expertise in serving

and treating the needs of persons with compulsive gambling addictions, which organization or entity shall be selected by the Department of Drug and Alcohol Programs. The report may be prepared and distributed in coordination with the board. Any costs associated with the preparation and distribution of the report shall be borne by slot machine licensees who have been authorized by the board to conduct interactive gaming. The board shall be authorized to assess a fee against each slot machine licensee for these purposes.

(d.2) Additional information and annual reporting.—

(1) One year after the commencement of the operation of skill slot machines, hybrid slot machines, the operation of slot machines at nonprimary locations in accordance with Chapter 13D (relating to slot machines at nonprimary locations) and the operation of a multistate wide-area slot machine system, the report required under subsection (a) shall include information related to the following:

(i) The operation of skill slot machines and hybrid slot machines.

(ii) The operation of a multistate wide-area progressive slot machine system.

(iii) The operation of slot machines at nonprimary locations.

(2) Information on revenue, taxes, fees and fines, if any, collected during the preceding calendar year and any other information, data or recommendations related to the operation of multistate wide-area progressive slot machines, skill slot machines and hybrid slot machines and the operation of slot machines at nonprimary locations as determined by the board, in consultation with the commission, to be necessary under this part shall be included in the report.

(d.3) Annual report.—In addition to its duties under subsection (d), the board shall have the continuing duty to study and annually report to the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate and to the chairperson and minority chairperson of the Gaming Oversight Committee of the House of Representatives on developments in gaming technology and the impact, if any, new technologies are having or will have on the sustainability and competitiveness of the commercial gaming industry in this Commonwealth. The report shall specifically address the following:

(1) Awareness and growth, to the extent known, of any unregulated commercial gaming products, such as e-Sports and other such digital-based computer or video technology.

(2) New gaming products, if any, which have been introduced in other jurisdictions, both foreign and domestic.

(3) Any gaming products which the board may have the authority to authorize pursuant to its regulatory authority under this part.

(4) Any legislative or administrative concerns regarding traditional, new or emerging gaming technologies with recommendations regarding resolution of such concerns.

(d.4) Time of submission and reports.—Notwithstanding any provision of this part, all reports and studies required to be submitted under subsections (d.1), (d.2) and (d.3) after the effective date of this subsection shall be submitted initially by October 1, 2017, and by October 1 of each year thereafter.

* * *

Section 7. Section 1212(e) of Title 4 is amended by adding a paragraph to read:

§ 1212. Diversity goals of board.

* * *

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

* * *

(9) Technology related to interactive gaming and interactive gaming devices and associated equipment.

Section 8. Section 1305 of Title 4 is amended to read:

§ 1305. Category 3 slot machine license.

(a) Eligibility.—

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2 slot machine license and the person is seeking to locate a Category 3 licensed facility in a well-established resort hotel having no fewer than 275 guest rooms under common ownership and having substantial year-round [recreational] guest amenities. The applicant for a Category 3 license shall be the owner or be a wholly owned subsidiary of the owner of the well-established resort hotel. [A Category 3 license may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

(i) A registered overnight guest of the well-established resort hotel.

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

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

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

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

(i) The duration of the membership.

(ii) The amenity covered by the membership.

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

(2) Notwithstanding section 1512(a) and (a.1) (relating to public official financial interest), if at the time of application an applicant has terminated public office or employment as an executive-level public employee within the last calendar year, the applicant shall be eligible to apply for a slot machine license under this section but may not be issued a license until one year following the date of termination as a public official or executive-level public employee. An application submitted in accordance with this paragraph shall not constitute a violation of section 1512(a) or (a.1).

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

(b) Location.—The following shall apply:

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

(1.1) A Category 3 license established on or after [July

20, 2017] January 1, 2016, shall [not be located by the board within 30 linear miles of another licensed facility.] only be located in a county that:

(i) does not contain a licensed facility; and

(ii) does not share a geographic border at any point with a county where a licensed facility, regardless of category, is located or may be located.

(2) Within five days of approving a license for an applicant with a proposed licensed facility consisting of land designated a subzone, an expansion subzone or an improvement subzone under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act for a slot machine license under this section, the board shall notify the Department of Community and Economic Development. The notice shall include a description of the land of the proposed licensed facility which is designated a subzone, an expansion subzone or an improvement subzone. Within five days of receiving the notice required by this paragraph, the Secretary of Community and Economic Development shall decertify the land of the proposed license facility as being a subzone, an expansion subzone or an improvement subzone. Upon decertification in accordance with this paragraph and notwithstanding Chapter 3 of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, a political subdivision may amend the ordinance, resolution or other required action which granted the exemptions, deductions, abatements or credits required by the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act to repeal the exemptions, deductions, abatements or credits for the land decertified.

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

(c.1) Additional slot machines.—Upon submission of a petition to the board, in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility. An increase in the number of slot machines by a Category 3 slot machine licensee pursuant to this subsection may not, at the discretion of the board, exceed 250 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsection (c).

(c.2) Increase in number.—Upon submission of a petition to the board in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility for the conduct of a slot machine tournament or contest. An increase in the number of slot machines by a Category 3 slot machine licensee under this subsection may not, at the discretion of the board, exceed 75 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsections (c) and (c.1).

(d) Category 3 license fee.—The board shall impose a one-time Category 3 license fee to be paid by each successful applicant in the amount of \$5,000,000 to be deposited in the State Gaming Fund. The provisions of section 1209(b), (c), (d) and (e) shall apply to a Category 3 licensee[,], except that the holder of a Category 3 slot machine license approved and issued by the board on or after January 1, 2016, shall pay a fee of \$8,500,000 for deposit in the General Fund.

(d.1) Additional fee.—Notwithstanding subsection (d), no later than 60 days after the effective date of subsection (a), each holder of an existing Category 3 slot machine license issued by the board before January 1, 2016, shall pay a one-time fee of \$1,000,000 for deposit in the General Fund.

(d.2) Fee for additional slot machines.—Notwithstanding subsection (d), no later than 60 days after the board approves a request for an increase in the number of slot machines submitted by a Category 3 slot machine licensee in accordance with subsection (c.1), the Category 3 slot machine licensee shall pay a one-time fee of \$2,500,000 for deposit into the General Fund.

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

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

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

Section 9. Section 1309(a.1) heading of Title 4 is amended and the subsection is amended by adding a paragraph to read:

§ 1309. Slot machine license application.

* * *

(a.1) Table games and interactive gaming information.—

* * *

(3) Notwithstanding paragraph (2), the board may permit an applicant for a slot machine license that has an application pending before the board to supplement its application with all information required under Chapters 13B (relating to interactive gaming) and 13D (relating to slot machines at nonprimary locations) and to request that the board consider its application for a slot machine license, a table game operation certificate, an interactive gaming certificate or a nonprimary location permit concurrently. All fees for an interactive gaming certificate and a nonprimary location permit shall be paid by the applicant in accordance with the requirements of this part.

* * *

Section 10. Sections 1317(a) and (c) and 1317.1(a), (b), (c), (c.1), (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, interactive gaming devices or associated equipment or multi-use computing devices to a slot machine licensee or an interactive gaming licensee within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for 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 [initial license shall be for a period of one year, and, if renewed under subsection (d), the] license shall be issued for a period of [three] five years and shall be renewed in accordance with subsection (d). 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.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

* * *

(c.2) Abbreviated process for supplier.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a supplier license to supply slot machines used in a multistate wide-area progressive slot machine system, skill slot machines, hybrid slot machines and devices or associated equipment used in connection with multistate wide-area progressive slot machine systems, skill or hybrid slot machines, interactive gaming devices or associated equipment used in connection with interactive gaming, including multi-use computing devices, if the applicant holds a valid supplier license issued by the board to supply slot machines or associated equipment or table games or table game devices and associated equipment. The requirements of subsection (c.1)(2) and (3) shall apply to this subsection.

(2) An applicant for a supplier's license to supply slot machines used in a multistate wide-area progressive systems, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

* * *

§ 1317.1. Manufacturer licenses.

(a) Application.—A person seeking to manufacture slot machines, table game devices and associated equipment or interactive gaming 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) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies; the principals and key employees of each business; and a list of employees and their positions within each business, as well as any financial information required by the board.

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not slot machine licensees.

(3) The consent to a background investigation of the applicant, its principals and key employees or other persons required by the board and a release to obtain any and all information necessary for the completion of the background investigation.

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

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

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

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

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

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(c.1) Abbreviated process.—In the event an applicant for a manufacturer license to manufacture table game devices or associated equipment used in connection with table games is licensed by the board under this section to manufacture 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 manufacture 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, certificate or permit through the normal application process. The board may only use the abbreviated process if all of the following apply:

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

(2) The person to whom the manufacturer 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.

(c.2) Abbreviated process for manufacturer.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a manufacturer license to manufacture multistate wide-area progressive slot machines, skill slot machines, hybrid slot machines or associated equipment used in connection with multistate wide-area progressive slot machines, skill or hybrid slot machines or interactive gaming devices or associated equipment used in connection with interactive gaming, if the applicant holds a valid manufacturer license issued by the board to manufacturer slot machines or associated equipment or table games or table game devices or associated equipment. The requirements of subsection (c.1) (2) and (3) shall apply to this subsection.

(2) An applicant for a manufacturer license to manufacture slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

* * *

(d.1) Authority.—The following shall apply to a licensed manufacturer:

(1) A manufacturer or its designee, as licensed by the board, may supply or repair any slot machine, table game device or associated equipment or interactive gaming device or associated equipment manufactured by the manufacturer, provided the manufacturer holds the appropriate manufacturer license.

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

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

(4) A manufacturer may contract with a supplier under section 1317 to provide slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or

associated equipment, interactive gaming devices or associated equipment to a slot machine licensee, provided that the manufacturer is licensed to manufacture slot machines used in a multistate wide-area progressive slot machine system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment used in connection with interactive games.

(e) Prohibitions.—

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

(2) Except as permitted in section 13A23.1 (relating to training equipment), no slot machine licensee may use slot machines, table game devices or associated equipment, authorized interactive games or interactive gaming devices or associated equipment unless the slot machines, table game devices or associated equipment, interactive games or interactive gaming devices or associated equipment were manufactured by a person that has been issued the appropriate manufacturer license under this section.

(3) No person issued a license under this section shall apply for or be issued a license under section 1317.

(4) No limitation shall be placed on the number of manufacturer licenses issued or the time period to submit applications for licensure, except as required to comply with section 1306 (relating to order of initial license issuance). Section 10.1. Title 4 is amended by adding a section to read:

§ 1317.3. Nongaming service provider.

(a) Notification required.—

(1) A slot machine licensee or applicant for a slot machine license that contracts with or otherwise engages in business with a nongaming service provider shall provide notification to the board prior to:

(i) the nongaming service provider's provision of goods or services at a licensed facility; or

(ii) the provision of goods or services for use in the operation of a licensed facility.

(2) Notification under this section shall be on a form and in a manner as determined by the board. The board may impose a fee, not to exceed \$100, which must accompany the notification.

(b) Contents of notification.—Notification under this section shall include:

(1) The name and business address of the nongaming service provider.

(2) A description of the type or nature of the goods or services to be provided.

(3) An affirmation from the slot machine licensee or applicant for a slot machine license that the goods or services to be provided by the nongaming service provider will not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

(4) An affirmation from the slot machine licensee or applicant for a slot machine license certifying that the licensee or applicant has performed due diligence regarding the nongaming service provider and believes that the nongaming service provider and its employees will not adversely affect the public interest or integrity of gaming.

(5) Any other information that the board may require.

(c) Duration of notification.—The nongaming service provider notification required under subsection (a) may be valid for three years unless modified by the board. In determining the duration of a nongaming service provider notification, the board shall consider the following:

(1) The type or nature of the goods or services.

(2) The frequency of business transactions related to the

provision of such goods or services.

(3) The monetary value of the goods or services provided or expected to be provided.

(4) Any other information the board deems necessary and appropriate.

(d) Conditions.—A slot machine licensee or applicant for a slot machine license that contracts or otherwise engages in business with a nongaming service provider shall be subject to the following conditions:

(1) The nongaming service provider or its employees shall only provide the goods and services described in the notification under this section.

(2) The slot machine licensee or applicant for a slot machine license shall notify the board of any material change in the information provided in the notification under this section. No fee shall be required for a subsequent change during the time for which the notification remains valid under subsection (c).

(3) The slot machine licensee or applicant for a slot machine license shall ensure that employees of the nongaming service provider do not enter the gaming floor or a gaming-related restricted area of the licensed facility.

(4) The slot machine licensee or applicant for a slot machine license shall report to the board an employee of a nongaming service provider that does any of the following:

(i) Enters the gaming floor or a gaming-related restricted area of the licensed facility.

(ii) Commits an act that adversely affects the public interest or integrity of gaming.

(5) The board may prohibit a nongaming service provider and any employees from providing goods or services to a slot machine licensee or applicant for a slot machine license at a licensed facility if the bureau determines the prohibition is necessary to protect the public interest or integrity of gaming.

(e) Authority to exempt.—The board may exempt a nongaming service provider from the notification requirements of this section if the board determines any of the following:

(1) The nongaming service provider or the type or nature of the nongaming service provider's business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court.

(2) Notification is not necessary to protect the public interest or integrity of gaming.

(f) Additional authority of board.—The board, at its discretion, may require an employee, individual or entity associated with a nongaming service provider to obtain a license, permit, registration, certification or any other authorization required by the board under this part.

(g) Criminal history record information.—Notwithstanding any other provision of this part or regulation of the board, a nongaming service provider shall provide a criminal history record information check obtained from the Pennsylvania State Police as defined in 18 Pa.C.S. § 9102 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b) (relating to general regulations).

(h) Emergency notification.—

(1) A slot machine licensee may use a nongaming service provider prior to the board receiving notification under this section when a threat to public health, welfare or safety exists or circumstances outside the control of the slot machine licensee require immediate action to mitigate damage or loss to the slot machine licensee's licensed facility or to the Commonwealth.

(2) A slot machine licensee that uses a nongaming service provider in accordance with paragraph (1) shall:

(i) Notify the board immediately upon engaging a nongaming service provider for which the board has not previously received notification in accordance with subsection (a).

(ii) Provide the notification required under

subsection (a) within a reasonable time as established by the board.

(i) Nongaming service provider list.—

(1) The board shall have the authority to prohibit a nongaming service provider from engaging in business with a slot machine licensee upon a finding by the bureau that the prohibition is necessary to protect the public interest and the integrity of gaming.

(2) The board shall develop and maintain a list of prohibited nongaming service providers.

(3) A slot machine licensee or applicant for a slot machine license may not enter into an agreement or engage in business with a nongaming service provider appearing on the list under this subsection.

(j) Duties of nongaming service provider.—A nongaming service provider shall:

(1) Cooperate with the board and bureau regarding an investigation, hearing, enforcement action or disciplinary action.

(2) Comply with each condition, restriction, requirement, order or ruling of the board in accordance with this part.

(3) Report any change in circumstances to the slot machine licensee or applicant for a slot machine license that may render the nongaming service provider ineligible, unqualified or unsuitable for the provision of goods or services at a licensed facility or use in the operation of a licensed facility. The slot machine licensee shall report any change in circumstances to the board in such form and manner as the board may establish.

(k) Construction.—Nothing in this section shall be construed to limit the powers and authority of the board under section 1202 (relating to general and specific powers of the board) or the regulatory authority of the board under section 1207 (relating to regulatory authority of the board).

Section 10.2. Section 1320(a) of Title 4 is amended and the section is amended by adding a subsection to read:
§ 1320. Slot machine testing and certification standards.

(a) Use of other state standards.—[Until such time as the board establishes an independent testing and certification facility pursuant to subsection (b), the] The board may determine, at its discretion, whether the slot machine testing and certification standards of another jurisdiction within the United States in which an applicant for a manufacturer license 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 a manufacturer through a licensed supplier as provided in section 1317 (relating to supplier [and manufacturer licenses application] licenses) to deploy those slot machines which have met the slot machine testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by a board-established independent facility. In the event slot machines of an applicant for a manufacturer license are licensed in such other jurisdiction, 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 slot machine certification to such an applicant. [Alternatively, the board in its discretion may also rely upon the certification of a slot machine that has met the testing and certification standards of a board-approved private testing and certification facility until such time as the board establishes an independent testing and certification facility pursuant to subsection (b). Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.]

* * *

(b.1) Use of private testing and certification facilities.—Notwithstanding any other provisions of this part or regulation of the board, if a slot machine is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a slot

machine certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

(1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

(2) Specify the form and content of the application for registration.

(3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the bureau.

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of slot machines.

(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of slot machines.

(6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify slot machines.

(7) Establish fees that must be paid by licensed manufacturers.

(8) Require slot machines submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.

(9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and certification facility and the reinstatement of a suspended or revoked registration, as determined appropriate by the board.

* * *

Section 11. Sections 1326(a) and (b), 13A11(b), 13A22.1(c) and 13A27(c) of Title 4 are amended to read:
§ 1326. [License renewals] Renewals.

(a) Renewal.—All permits [and], licenses, registrations or certificates issued under this part unless otherwise provided shall be subject to renewal every [three] five years. Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license, permit, certificate or registration or to any other information contained in the application materials on file with the board. The application for renewal shall be submitted at least [60] 180 days prior to the expiration of the permit [or], license, registration or certificate and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. Unless otherwise specifically provided in this part, the amount of any renewal fee shall be calculated by the board to reflect the longer renewal period. A permit [or], license, registration or certificate for which a completed renewal application and fee, if required, has been received by the board will continue in effect unless and until the board sends written notification to the holder of the permit [or], license, registration or certificate that the board has denied the renewal of such permit [or], license, registration or certificate.

(b) Revocation or failure to renew.—In addition to any other sanctions the board may impose under this part, the board may at its discretion suspend, revoke or deny renewal of any permit [or], license, registration or certificate issued under this part if it receives any information from any source that the applicant or any of its officers, directors, owners or key employees is in violation of any provision of this part, that the applicant has furnished the board with false or misleading information or that the information contained in the applicant's initial application or any renewal application is no longer true and correct. In the event of a revocation or failure to renew, the applicant's authorization to conduct the previously approved activity shall immediately cease, and all fees paid in connection therewith shall

be deemed to be forfeited. In the event of a suspension, the applicant's authorization to conduct the previously approved activity shall immediately cease until the board has notified the applicant that the suspension is no longer in effect.

§ 13A11. Authorization to conduct table games.

* * *

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

(2) A Category 3 slot machine licensee awarded a table game operation certificate may operate up to 50 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.]

(2.1) A Category 3 slot machine licensee awarded a table game operation certificate may petition the board for additional table games at its licensed facility. The board may authorize up to 15 additional gaming tables. The additional tables shall be used to play nonbanking games. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

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

§ 13A22.1. Table game tournaments.

* * *

(c) Exemptions and additional tables.—The following shall apply:

(1) For a Category 1 or Category 2 licensed facility, gaming tables used in tournaments shall be exempt from section 13A11 (b)(1) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate.

(2) For a Category 3 licensed facility, the executive director may authorize the licensed facility to operate up to 15 additional gaming tables for use in tournaments. [The executive director may grant the use of the additional gaming tables for tournaments authorized under this paragraph only one day per month.] Additional gaming tables for use in tournaments shall be exempt from section 13A11(b)(2) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate. The executive director may grant the use of additional gaming tables on the dates and times listed in the proposed schedule of tournaments submitted by the Category 3 slot machine licensee in accordance with subsection (b).

* * *

§ 13A27. Other financial transactions.

* * *

(c) Credit application verification.—Prior to approving an application for credit, a certificate holder shall verify:

(1) The identity, creditworthiness and indebtedness information of the applicant by conducting a comprehensive

review of the information submitted with the application and any information regarding the applicant's credit activity at other licensed facilities which the certificate holder may obtain through a casino credit bureau and, if appropriate, through direct contact with other slot machine licensees.

(2) That the applicant's name is not included on an exclusion list under section 1514 (relating to regulation requiring exclusion [or] ejection or denial of access of certain persons) or 1516 (relating to list of persons self excluded from gaming activities) or the voluntary credit suspension list under subsection (h).

* * *

Section 12. Section 13A41 of Title 4 is amended by adding a subsection to read:

§ 13A41. Table game device and associated equipment testing and certification standards.

* * *

(b.1) Use of private testing and certification facilities.—Notwithstanding any provision of this part or regulation of the board, if a table game device or associated equipment is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a table game device or associated equipment certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

(1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

(2) Specify the form and content of the application for registration.

(3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the board.

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of table game devices and associated equipment.

(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of table game devices and associated equipment.

(6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify table game devices and associated equipment.

(7) Establish fees that must be paid by a licensed manufacturer.

(8) Require table game devices and associated equipment submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.

(9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and certification facility and the reinstatement of a suspended or revoked registration.

Section 13. Sections 13A61(a) and (f) and 13A63(b)(4) of Title 4 are amended to read:

§ 13A61. 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 13A12 (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 under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$24,750,000.

(2) A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$7,500,000. A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$11,250,000.

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

(3.1) Notwithstanding paragraphs (2) and (3), the holder of a Category 3 slot machine license issued on or after January 1, 2016, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$8,500,000.

(3.2) Notwithstanding any other provision of this part, no later than 60 days after the board approves a request for additional table games in accordance with section 13A11 (relating to authorization to conduct table games) submitted by the holder of a Category 3 slot machine license issued prior to January 1, 2016, the Category 3 slot machine licensee shall pay a one-time nonrefundable fee in the amount of \$1,000,000.

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

(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all table game authorization fees and other 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.

§ 13A63. Local share assessment.
* * *

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

(4) The following apply:

(i) If the facility is a Category 3 licensed facility located in a county of the second class A: 50% of the licensed facility's local share assessment shall be [deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Waste Water Infrastructure Program).] distributed as follows:

(A) Seventy-five percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting the maintenance and refurbishment of the Parks and Heritage sites throughout the county in which the licensee is located.

(B) Twelve and one-half percent shall be

distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting a child advocacy center located within the county in which the licensee is located.

(C) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensee is located.

(ii) Except as provided in subparagraph (i), if the facility is a Category 3 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established under section 1403(c)(2)(iv) for distribution with those funds.

* * *

Section 14. Title 4 is amended by adding chapters to read:

CHAPTER 13B
INTERACTIVE GAMING

Subchapter

- A. General Provisions
- B. Interactive Gaming Authorized
- C. Conduct of Interactive Gaming
- D. Facilities and Equipment
- E. Testing and Certification
- F. Taxes and Fees
- G. Miscellaneous Provisions

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

13B01. Legislative findings.

13B02. Regulatory authority.

13B03. Temporary interactive gaming regulations.

§ 13B01. Legislative findings.

The General Assembly finds and declares that:

(1) The primary objective of the Pennsylvania Race Horse Development and Gaming Act, to which all other objectives are secondary, is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful.

(2) Legislative authorization of slot machine gaming and the conduct of table games is intended to enhance live horse racing, breeding programs, entertainment and employment in this Commonwealth.

(3) Legalized gaming was seen as a means to provide a source of revenue for property and wage tax relief, promote economic development and enhance development of tourism markets throughout this Commonwealth.

(4) Legalized gaming in the Category 1, Category 2 and Category 3 licensed facilities geographically dispersed in this Commonwealth has become a critical component of economic development and, if gaming activities continue to be properly regulated and fostered, it will provide a substantial contribution to the general health, welfare and prosperity of this Commonwealth and its citizens.

(5) The General Assembly remains committed to ensuring a robust gaming industry in this Commonwealth that is capable of competing internationally, nationally and regionally at the highest levels of quality while maintaining strict regulatory oversight to ensure the integrity of all gaming operations as supervised by the board.

(6) Since its development, the Internet has provided the opportunity for millions of people worldwide to engage in online

gambling, mostly through illegal, unregulated off-shore gambling operations.

(7) In 2006, the United States Congress passed and the President of the United States signed the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5361 et seq.), which generally prohibits the use of banking instruments, including credit cards, checks and money transfers for interstate Internet gambling.

(8) Although the Unlawful Internet Gambling Enforcement Act of 2006 prohibits interstate Internet gambling by United States citizens, it permits individual states to create a regulatory framework to govern intrastate Internet or interactive gambling.

(9) Interactive gaming is illegal in this Commonwealth and without legislative authorization and strict regulation, the public's trust and confidence in legalized commercial gaming may be impacted.

(10) In this Commonwealth, interactive gaming has been conducted without oversight, regulation or enforcement, all of which raises significant concerns for the protection of the health, welfare and safety of the citizens of this Commonwealth.

(11) An effective regulatory, licensing and enforcement system for Interactive gaming in this Commonwealth would inhibit underage wagering and otherwise protect vulnerable individuals, ensure that the games offered through the Internet are fair and safe, stop sending much-needed jobs, tax and other revenue offshore to illegal operators, provide a significant source of taxable revenue, create jobs and economic development and address the concerns of law enforcement.

(12) By legalizing interactive gaming and subjecting it to the regulatory oversight of the Pennsylvania Gaming Control Board, the General Assembly is assuring the citizens of this Commonwealth that only those persons licensed by the board to conduct slot machine gaming and table games and to operate interactive games or interactive gaming systems, in accordance with the requirements of this part, have been determined to be suitable to facilitate and conduct interactive gaming activities in this Commonwealth.

(13) An effective regulatory, licensing and enforcement system to govern interactive gaming in this Commonwealth is consistent with the original objectives and intent of the Pennsylvania Race Horse Development and Gaming Act, thereby ensuring the public trust and confidence in the commercial gaming industry in this Commonwealth.

(14) The Commonwealth has a legitimate State interest in protecting the integrity of State-authorized interactive gaming by licensing those entities already engaged in the conduct of gaming in this Commonwealth, which are subject to the scrutiny and discipline of the board and other regulatory agencies and which are in good standing with those agencies.

§ 13B02. Regulatory authority.

(a) Authority.—The board shall promulgate and adopt rules and regulations to govern the conduct of interactive gaming in order to ensure that it will be implemented in a manner that provides for the security and effective management, administration and control of interactive gaming, including, but not limited to, regulations:

(1) Ensuring that interactive gaming is offered for play in this Commonwealth in a manner that is consistent with Federal law and the provisions of this chapter.

(2) Establishing standards and procedures for testing and approving interactive games and interactive gaming devices and associated equipment, and any variations or composites of authorized interactive games, provided that the board determines that the interactive games and any new interactive games or any variations or composites are suitable for use after a test or experimental period under any terms and conditions as the board may deem appropriate. The board may give priority to the testing of interactive games, interactive gaming devices and associated

equipment or other gaming equipment which a slot machine licensee has certified that it will use to conduct interactive gaming in this Commonwealth. Nothing in this paragraph shall be construed to prohibit the board from using the testing and certification standards of another state or jurisdiction in which interactive gaming is conducted, if it determines that the standards of the jurisdiction are comprehensive, thorough and provide similar and adequate safeguards as those required under this part. If the board makes such a determination and the applicant for an interactive gaming certificate or an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of a certification under this chapter. The board, in its discretion, may also rely upon the certification of interactive games that have met the testing and certification standards of a board-approved private testing and certification facility.

(3) Establishing standards and rules to govern the conduct of interactive gaming and the system of and wagering associated with interactive gaming, including internal controls and accounting controls, and the type, number, payout, wagering limits and rules for interactive games.

(4) Establishing the method for calculating gross interactive gaming revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of authorized interactive games and ensure that internal controls and accounting controls are followed, including the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing these regulations.

(5) Establishing notice requirements pertaining to minimum and maximum wagers on authorized interactive games.

(6) Ensuring that all facilities and interactive gaming devices and associated equipment are arranged in a manner to promote appropriate security for interactive gaming.

(7) Establishing technical standards for the approval of interactive games, interactive gaming devices and associated equipment, including mechanical, electrical or program reliability, security against tampering and any other standards as it may deem necessary to protect registered players from fraud or deception.

(8) Governing the creation and utilization of interactive gaming accounts by registered players, including requiring that:

(i) Interactive gaming accounts be possessed by a natural person and not in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

(ii) Interactive gaming accounts shall not be assignable or otherwise transferable.

(iii) No account be established for an individual under 21 years of age.

(9) Establishing procedures for registered players to log into their interactive gaming accounts, authenticate identities, agree to terms, conditions and rules applicable to authorized interactive games and log out of interactive gaming accounts, including procedures for automatically logging off registered players from an interactive game after a specified period of inactivity.

(10) Establishing procedures for:

(i) Depositing funds in an interactive gaming account by cash, transfer or other means, as approved by the board.

(ii) The withdrawal of funds from interactive gaming accounts.

(iii) The suspension of interactive gaming account activity for security reasons.

(iv) The termination of interactive gaming

accounts and disposition of proceeds in accounts.

(v) The disposition of unclaimed amounts in dormant interactive gaming accounts.

(11) Establishing mechanisms by which registered players may place limits on the amount of money being wagered per authorized interactive game or during any specified time period or the amount of losses incurred during any specified time period.

(12) Establishing mechanisms to exclude from interactive gaming persons not eligible to play by reason of age, identity or location or inclusion on a list of persons denied access to interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(13) Establishing procedures for the protection, security and reliability of interactive gaming accounts, authorized interactive games, interactive gaming devices and associated equipment and mechanisms to prevent tampering or utilization by unauthorized persons.

(14) Establishing data security standards to govern age, identity and location verification of persons engaged in interactive gaming activity.

(15) Requiring each interactive gaming certificate holder to:

(i) Provide written information on its interactive gaming skin or Internet website, which explains the rules for each authorized interactive game, payoffs or winning wagers and other information as the board may require.

(ii) Designate one or more interactive gaming restricted areas where interactive gaming will be managed, administered or controlled.

(iii) Provide the board with access to the interactive gaming skin or website, interactive gaming platform, signal or transmission used in connection with interactive gaming and interactive gaming restricted areas.

(iv) Adopt procedures for the recordation, replication and storage of all play and transactions for a period to be determined by the board.

(v) Provide statements on its interactive gaming skin or website about the permissible minimum and maximum wagers for each authorized interactive game, as applicable.

(vi) Adopt policies or procedures to prohibit any unauthorized person from having access to interactive gaming devices and associated equipment, including software, system programs, hardware and any other gaming equipment or devices which are used to manage, administer or control interactive gaming.

(vii) Adopt data security standards to verify the age, identity and location of persons engaged in interactive gaming activity and prevent unauthorized access by any person whose age and location have not been verified or whose age and location cannot be verified in accordance with regulations adopted by the board.

(viii) Adopt standards to protect the privacy and security of registered players engaged in interactive gaming.

(ix) Collect, report and pay any and all applicable taxes and fees and maintain all books, records and documents related to the interactive gaming certificate holder's interactive gaming activities in a manner and in a location within this Commonwealth as approved by the board or the department. All books, records and documents shall be immediately available for

inspection during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the board shall by regulation require.

(b) Additional authority.—

(1) At its discretion, the board may determine whether persons that provide the following goods or services and any other goods or services related to interactive gaming as the board may determine shall be required to obtain a license, permit or other authorization:

(i) Payment processing and related money transmitting and services.

(ii) Customer identity or age verification and geospatial technology services.

(iii) General telecommunications services, which are not specifically designed for or related to interactive gaming.

(iv) Other goods or services that are not specifically designed for use with interactive gaming if the persons providing the goods or services are not paid a percentage of gaming revenue or of money wagered on interactive games or of any fees, not including fees to financial institutions and payment providers for facilitating a deposit by an interactive gaming account holder.

(2) The board shall develop a classification system for the licensure, permitting or other authorization of persons that provide the following goods or services related to interactive gaming:

(i) Persons that provide interactive games and interactive gaming devices and associated equipment.

(ii) Persons that manage, control or administer the interactive games or the wagers associated with interactive games.

(iii) Providers of customer lists comprised of persons identified or selected, in whole or in part, because they placed or may place wagers on interactive gaming.

(c) Definition.—For the purposes of subsection (a)(12), (14) and (15)(viii) and (ix), the term "person" shall mean a natural person. § 13B03. Temporary interactive gaming regulations.

(a) Promulgation.—

(1) In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation in the Pennsylvania Bulletin and on the board's publicly accessible Internet website.

(2) The board may promulgate temporary regulations not subject to:

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

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

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

(b) Temporary regulations.—The board shall begin publishing temporary regulations governing the rules for interactive gaming, the issuance of interactive gaming certificates and interactive gaming licenses, standards for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, including age and location verification software or system programs and security and surveillance standards in the Pennsylvania Bulletin within 30 days of the effective date of this subsection.

(c) Expiration of temporary regulations.—Except for temporary

regulations governing the rules for issuing certificates and licenses under this chapter, for new interactive games, for approving interactive games or variations thereof, interactive gaming devices and associated equipment and for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

SUBCHAPTER B
INTERACTIVE GAMING AUTHORIZED

Sec.

13B11. Authorization to conduct interactive gaming.
13B12. Interactive gaming certificate required and content of petition.
13B13. Issuance of interactive gaming certificate.
13B14. Interactive gaming operators.
13B15. Interactive gaming certificate and license.
13B16. Timing of initial interactive gaming authorizations.
§ 13B11. Authorization to conduct interactive gaming.

(a) Authority of board.—

(1) The board may authorize a slot machine licensee:

(i) To conduct interactive gaming, including contests and tournaments and any other game which is determined by the board to be suitable for interactive gaming.

(ii) To deploy interactive gaming skins or Internet websites to facilitate the conduct of interactive gaming activities.

(2) Except as provided in this part, all individuals playing authorized interactive games must be physically located within this Commonwealth or within a state or jurisdiction in which the board has entered an interactive gaming reciprocal agreement. No individual under 21 years of age shall open, maintain, use or have access to an interactive gaming account.

(b) Authority to play interactive games.—Notwithstanding any other provision of law, an individual who is 21 years of age or older is hereby permitted to participate as a registered player in interactive gaming and wagering associated with playing an authorized interactive game offered by an interactive gaming certificate holder in accordance with regulations of the board.

§ 13B12. Interactive gaming certificate required and content of petition.

(a) Certificate required.—No slot machine licensee or any other person associated with or representing a slot machine licensee shall operate or conduct or attempt to operate or conduct interactive gaming, except for test purposes or open interactive gaming to the public in this Commonwealth without first obtaining an interactive gaming certificate or an interactive gaming license from the board. A slot machine licensee may seek approval to conduct interactive gaming by filing a petition for an interactive gaming certificate with the board. The board shall prescribe the form and manner to govern the submission of a petition for an interactive gaming certificate.

(b) Content of petition.—In addition to information and documentation demonstrating that the slot machine licensee is qualified for an interactive gaming certificate under this chapter, a petition seeking board approval to conduct interactive gaming within this Commonwealth shall include the following:

(1) The name, business address and contact information of the slot machine licensee.

(2) The name, business address and contact information of any affiliate, interactive gaming operator or other person that will be a party to an agreement related to the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.

(3) The name and business address, job title and a photograph of each principal and key employee of the slot machine licensee who will be involved in the conduct of interactive gaming and who is not currently licensed by the

board, if known.

(4) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and interactive gaming licensee, if any, who will be involved in the conduct of interactive gaming and who is currently licensed by the board.

(5) An itemized list of the interactive games and any other game or games the slot machine licensee plans to offer over the Internet for which authorization is being sought. The slot machine licensee shall, in accordance with regulations promulgated by the board, file any changes in the number of authorized interactive games offered through interactive gaming with the board.

(6) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if interactive gaming is authorized and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the slot machine licensee's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(7) A brief description of the economic benefits expected to be realized by the Commonwealth, the host municipalities and residents if interactive gaming is authorized.

(8) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate interactive gaming and to otherwise fund the cost of commencing interactive gaming.

(9) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the slot machine licensee, and information or documentation concerning any interactive gaming operator that will operate interactive gaming or an interactive gaming system on behalf of the slot machine licensee, as the board may require.

(10) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has sufficient business ability and experience to conduct a successful interactive gaming operation. In making this determination, the board may consider the results of the slot machine licensee's slot machine and table game operations, including financial information, employment data and capital investment.

(11) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has or will have the financial ability to pay the interactive gaming authorization fee.

(12) Detailed site plans identifying the proposed interactive gaming restricted area where interactive gaming operations will be managed, administered or controlled as approved by the board.

(13) A detailed description of all of the following:

(i) The slot machine licensee's initial system of internal and accounting controls applicable to interactive gaming.

(ii) The slot machine licensee's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) How the slot machine licensee will facilitate compliance with all of the requirements set forth in this chapter and in section 802(a) of the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5362(10)(B)), including, but not limited to, all of the following:

(A) Age, identity and location verification requirements designed to block access to individuals under 21 years of age.

(B) Appropriate data security standards to prevent unauthorized access by any person whose age, identity and location have not been verified or whose age, identity and location cannot be verified in accordance with this chapter and applicable regulations of the board.

(C) Except as provided in this chapter, the requirement that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively within this Commonwealth.

(iv) The slot machine licensee's proposed age, identity and location verification standards designed to block access to persons under 21 years of age and persons excluded or prohibited from participating in interactive gaming under this chapter.

(v) The procedures the slot machine licensee will use to register individuals who wish to participate in interactive gaming.

(vi) The procedures the slot machine licensee will use to establish interactive gaming accounts for registered players.

(vii) The interactive games and services the slot machine licensee proposes to offer to registered players.

(viii) Documentation and information relating to all proposed subcontractors of the slot machine licensee, including, but not limited to, all of the following:

(A) A description of the services to be provided by each subcontractor.

(B) Information on the experience and qualifications of each subcontractor to provide the services anticipated.

(C) The names of all proposed subcontractors, owners, executives and employees that will be directly or indirectly involved in the slot machine licensee's interactive gaming operations, as well as sufficient personal identifying information on each such person to conduct background checks as may be required by the board.

(14) The interactive gaming devices and associated equipment, including the interactive gaming network, interactive gaming system or systems, that the slot machine licensee plans to or will utilize to manage, administer or control its interactive gaming operations.

(15) Compliance certification of its interactive gaming devices and associated equipment, including interactive gaming software and hardware, by a board-approved gaming laboratory to ensure that the gaming software and hardware comply with the requirements of this chapter and regulations of the board.

(16) Detailed description of accounting systems, including, but not limited to, accounting systems for all of the following:

(i) Interactive gaming accounts.

(ii) Per-hand charges, if applicable.

(iii) Transparency and reporting to the board and the department.

(iv) Distribution of revenue to the Commonwealth and winnings to registered players.

(v) Ongoing auditing and internal control compliance reviews.

(17) Detailed information on security systems at the licensed facility to protect the interactive gaming skins or Internet website from internal and external breaches and threats.

(18) Any other information the board may require.

(c) Confidentiality.—Information submitted to the board under subsection (b) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to

board minutes and records).

§ 13B13. Issuance of interactive gaming certificate.

(a) Requirements for approval of petition.—

(1) The board may approve a petition under section 13B12 (relating to interactive gaming certificate required and content of petition) upon finding clear and convincing evidence of all of the following:

(i) The slot machine licensee's conduct of interactive gaming complies in all respects with the requirements of this chapter and regulations promulgated by the board.

(ii) Age, identity and location verification requirements designed to block access to individuals under 21 years of age and persons otherwise prohibited from engaging in interactive gaming in accordance with this chapter, as approved by the board, have been implemented by the slot machine licensee.

(iii) The slot machine licensee has implemented or will implement appropriate data security standards to prevent unauthorized access by any person whose age, identity and location has not been verified or cannot be verified in accordance with the regulations promulgated and adopted by the board.

(iv) The slot machine licensee has implemented or will implement appropriate standards to protect the privacy and security of registered players.

(v) The slot machine licensee's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and regulations promulgated and adopted by the board.

(vi) The slot machine licensee is in good standing with the board.

(vii) The slot machine licensee agrees that the number of slot machines and table games in operation at its licensed facility, as of the effective date of this section, will not be reduced as a result of the authorization and commencement of interactive gaming.

(2) It shall be an express condition of any interactive gaming certificate that a slot machine licensee shall collect, report and pay all applicable taxes and fees and shall maintain all books, records and documents pertaining to the slot machine licensee's interactive gaming operations in a manner and location within this Commonwealth as approved by the board. All books, records and documents shall be immediately available for inspection by the board and the department during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the board shall require.

(b) Issuance of interactive gaming certificate.—

(1) Upon approval of a petition for an interactive gaming certificate, the board shall issue an interactive gaming certificate to the slot machine licensee. The issuance of an interactive gaming certificate prior to the full payment of the authorization fee required under section 13B51 (relating to interactive gaming authorization fee) shall not relieve the slot machine licensee from the obligation to pay the authorization fee in accordance with the requirements of section 13B51.

(2) Upon issuing an interactive gaming certificate, the board shall amend the slot machine licensee's statement of conditions to include conditions pertaining to the requirements of this chapter.

(c) Term of interactive gaming certificate.—Subject to the power of the board to deny, revoke or suspend an interactive gaming certificate issued in accordance with the requirements of this section, an interactive gaming certificate shall be renewed every five years and shall be subject to the requirements of section 1326 (relating to

renewals).

(d) Sanctions.—A slot machine licensee that fails to abide by the requirements of this chapter or any condition contained in the slot machine licensee's statement of conditions governing the operation of interactive gaming shall be subject to board-imposed administrative sanctions or other penalties authorized under this part. The imposition of administrative sanctions in accordance with this subsection shall apply to any interactive gaming operator that fails to abide by the requirements of this chapter and regulations of the board.

(e) Background investigations.—Each petition for an interactive gaming certificate shall be accompanied by a nonrefundable fee established by the board to cover the cost of background investigations. The board shall determine by regulation the persons involved, directly or indirectly, in a slot machine licensee's interactive gaming operations and persons involved in the operations of an interactive gaming operator who shall be subject to background investigation. Any additional costs and expenses incurred in any background investigation or other investigation or proceeding under this chapter shall be reimbursed to the board.

§ 13B14. Interactive gaming operators.

(a) License required.—No person shall serve or attempt to serve as an interactive gaming operator without first obtaining an interactive gaming license from the board. A person may seek approval to serve as an interactive gaming operator by filing an application with the board. The board shall prescribe the form and manner to govern the submission of an application for an interactive gaming license. The board shall provide for the licensure of interactive gaming operators that operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The board shall:

(1) Determine suitability and provide for the licensure, permitting, registration or certification, as it deems appropriate, of interactive gaming operators or other persons directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee. The board shall determine suitability in accordance with the applicable requirements of this part, provided that the board may extend suitability to a holder of a valid license, permit, registration, certificate or other authorizations approved and issued under this part, which is in good standing, without additional investigation. The extension of suitability in accordance with this paragraph shall not relieve the holder of a valid license, permit, registration or certificate issued under this chapter from payment of all fees imposed under this chapter.

(2) Provide for the approval of the terms and conditions of all agreements entered into by or between an interactive gaming certificate holder and an interactive gaming operator or any other person related to the operation of interactive games or an interactive gaming system on behalf of the interactive gaming certificate holder.

(b) Classification and approval of employees.—

(1) The board shall establish a classification system for employees of interactive gaming operators or other persons who provide products or services associated with or related to interactive gaming, interactive gaming platforms and interactive gaming systems.

(2) The board shall provide for the licensure, permitting, registration or certification, as it deems appropriate, of employees in each employee classification established by it in accordance with paragraph (1).

(c) Applicability of certain provisions.—Interactive gaming operators shall be subject to the applicable provisions of this part that apply to interactive gaming certificate holders, as determined by the board.

(d) Operators owned, controlled by slot machine licensee.—This section shall not apply to an interactive gaming operator that is owned by, affiliated with or otherwise controlled by a slot machine licensee that has been approved for and issued an interactive gaming certificate under this chapter. The board shall determine by regulation the criteria

or conditions necessary to determine whether an interactive gaming operator is owned by, affiliated with or otherwise controlled by a slot machine licensee to effectuate the purpose of this subsection.

(e) Interactive gaming license and conditional authorization.—

(1) The following shall apply:

(i) During the first 18 months after the effective date of this section, the board may issue conditional authorizations to persons seeking licensure as interactive gaming operators.

(ii) Conditional authorization awarded to an interactive gaming operator may remain in effect until the shorter of 12 months after the date of issue or the date by which the board considers the subject application.

(iii) Conditional authorization may be renewed by the board not more than once, upon a showing of good cause.

(iv) Conditional authorization shall allow an applicant for an interactive gaming license to engage in all of the functions of a licensed interactive gaming operator for the duration of the conditional authorization.

(2) No conditional authorization may be issued unless:

(i) The applicant has submitted a complete application for an interactive gaming license to the board.

(ii) The applicant agrees to pay or has paid the fee prescribed in section 13B51 (relating to interactive gaming authorization fee) prior to the issuance of conditional authorization, which may be refundable in the event the license is not approved and issued by the board.

(iii) The bureau has no objection to the issuance of a conditional authorization to the applicant.

(3) Within 45 days of the date that the bureau receives the completed application for an interactive gaming license from an applicant for investigation, the bureau shall conduct a preliminary investigation of the applicant and any key interactive gaming employee of the applicant, as determined by the board, which shall include a criminal background investigation of the applicant and any interactive gaming employees of the applicant, as determined by the board in accordance with section 1202(b) (relating to general and specific powers).

(4) If the bureau's preliminary investigation discloses adverse information that would impact suitability for licensure, the bureau shall provide the board with a statement of no objection to issuance of conditional authorization to the applicant.

(5) If the bureau's preliminary investigation discloses adverse information that would impact suitability for licensure, it shall register an objection and no conditional authorization may be issued until the bureau's concerns are resolved.

(6) Any conditional authorization approved and issued to an applicant for an interactive gaming license under this subsection may be suspended or withdrawn by the board upon a showing of good cause by the bureau.

§ 13B15. Interactive gaming certificate and license.

The following shall apply:

(1) An interactive gaming certificate and interactive gaming license shall be in effect unless:

(i) The certificate or license is suspended or revoked by the board consistent with the requirements of this part.

(ii) The slot machine license is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The slot machine licensee relinquishes or does not seek renewal of its slot machine license.

(iv) The slot machine licensee does not seek renewal of its interactive gaming certificate.

(2) The interactive gaming certificate may include an

initial itemized list by number and type of authorized interactive games for interactive gaming to be conducted by the interactive gaming certificate holder or interactive gaming operator or other person on behalf of an interactive gaming certificate holder. The slot machine licensee may increase or decrease the number of interactive games authorized for play on its interactive gaming skin or Internet website or change the type of authorized interactive games played on its interactive gaming skin or Internet website upon notice, if required by the board, to the board and approval by the board or a designated employee of the board. Unless approved by the board or a designated employee of the board, the total number and type of authorized interactive games offered for play by an interactive gaming certificate holder may not differ from the number and type approved by the board and authorized in the interactive gaming certificate.

(3) A slot machine licensee shall be required to update the information in its initial interactive gaming petition at times and in the form and manner as prescribed by the board.

§ 13B16. Timing of initial interactive gaming authorizations.

The board shall prescribe the date on which petitions for an interactive gaming certificate and applications for an interactive gaming license must be filed with the board and shall approve or deny a petition or application within 90 days following receipt.

SUBCHAPTER B.1

MULTI-USE COMPUTING DEVICES

Sec.

13B20. Authorization.

13B20.1. Board authorization required.

13B20.2. Standard for review of applications.

13B20.3. Fees.

13B20.4. Multi-use gaming device tax.

13B20.5. Local share assessment.

13B20.6. Regulations.

13B20.7. Construction.

§ 13B20. Authorization.

(a) Authority.—

(1) Notwithstanding any provision of this part or regulation of the board, an interactive gaming certificate holder may provide for the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or enter into a written agreement with an interactive gaming operator that provides for the conduct of such interactive gaming by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(2) An interactive gaming certificate holder seeking to make authorized interactive games available for play through the use of multi-use computing devices at a qualified airport shall file a petition with the board in such form and manner as the board, through regulations, shall require.

(b) Place of conduct.—The board, at its discretion, may authorize an interactive gaming certificate holder or an interactive gaming operator to place and make authorized interactive games available for play at a qualified airport through the use of multi-use computing devices in accordance with the requirements of this subchapter and regulations of the board.

(c) Satisfaction of contingencies.—Authorization for an interactive gaming certificate holder to conduct interactive gaming at a qualified airport in accordance with subsection (a) shall be contingent upon the following:

(1) The interactive gaming certificate holder has submitted a petition to the board seeking authorization to manage the conduct of interactive gaming at the qualified airport and the board has approved the petition.

(2) The interactive gaming certificate holder has disclosed that it has or will enter into an agreement with an interactive gaming operator who will manage, operate and control the conduct of interactive gaming at a qualified airport on behalf of the interactive gaming certificate holder and the

interactive gaming operator has petitioned the board for approval and the board has approved the agreement and the petition.

(3) The interactive gaming certificate holder and interactive gaming operator, as the case may be, has entered into an agreement with the concession operator at the qualified airport for the use of multi-use computing devices within the airport gaming area.

(4) The interactive gaming certificate holder or interactive gaming operator, as applicable, has provided adequate assurances that the conduct of interactive gaming at the qualified airport will be conducted and operated in accordance with this part and regulations promulgated by the board.

(5) The interactive gaming certificate holder has paid or will pay all applicable taxes and fees.

(d) Agreement required.—The following shall apply:

(1) An interactive gaming certificate holder may seek authorization for the operation and placement of authorized interactive games at a qualified airport or may enter into an agreement with an interactive gaming operator to provide for the conduct of interactive gaming at the qualified airport.

(2) An agreement entered into in accordance with this subsection shall be in writing and shall be submitted to the board for review and approval.

§ 13B20.1. Board authorization required.

(a) Contents of petition.—An interactive gaming certificate holder seeking authorization to conduct interactive gaming at a qualified airport through the use of a multi-use computing device shall petition the board for approval. The petition shall include:

(1) The name, business address and contact information of the interactive gaming certificate holder or the name, business address and contact information of the interactive gaming operator, if an interactive gaming operator will manage the operation of interactive gaming at a qualified airport on behalf of an interactive gaming certificate holder pursuant to an interactive gaming agreement.

(2) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and, if relevant, the interactive gaming operator who will be directly involved in the conduct of authorized interactive games at the qualified airport and who is not currently licensed by the board, if known.

(3) The name and business address of the airport authority, the location of the qualified airport and the names of the governing body of the airport authority, if the airport authority is incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities).

(4) If the use and control of a qualified airport is regulated by a city of the first class, an identification of the municipal agency and primary officials of a city of the first class, which regulates the use and control of the qualified airport.

(5) The name and job title of the person or persons who will be responsible for ensuring the operation and integrity of the conduct of interactive gaming at a qualified airport and reviewing reports of suspicious transactions.

(6) The brand name of the multi-use computing devices that will be placed in operation at the qualified airport. The board, at its discretion, may require any additional information related to the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or persons that manufacture or supply multi-use computing devices that it may determine necessary and appropriate to ensure the integrity of interactive gaming at a qualified airport and protect the public interest.

(7) An itemized list of the interactive games for which authorization is being sought.

(8) Information, as the board may require, on any computer applications or apps, including gaming apps, which can be accessed on the multi-use computing devices.

(9) Information on the terms and conditions of any interactive gaming agreement entered into by or between an interactive gaming certificate holder and interactive gaming operator or other person related to the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport, if the board deems necessary and appropriate.

(10) Detailed site plans illustrating the location of the proposed airport gaming area at the qualified airport.

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

(12) Any other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(8), (9), (11) and (12) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

(c) Approval of petition.—Upon approval of a petition as required under this section, the board shall authorize an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport through the use of multi-use computing devices. The authorization of an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport in accordance with this chapter prior to the full payment of the authorization fee under section 13B20.3 (relating to fees) shall not relieve the interactive gaming certificate holder or interactive gaming operator, as applicable, from the obligation to pay the authorization fee in accordance with section 13B20.3.

§ 13B20.2. Standard for review of petitions.

The board shall approve a petition under section 13B20.1 (relating to board authorization required) if the interactive gaming operator has been or will be issued an interactive gaming license under section 13B14 (relating to interactive gaming operators), and if it establishes, by clear and convincing evidence, all of the following:

(1) The interactive gaming certificate holder or interactive gaming operator, as the case may be, has entered into an agreement with a concession operator for the conduct of interactive gaming through the use of multi-use computing devices within the airport gaming area of a qualified airport.

(2) The interactive gaming operator has an agreement with an interactive gaming certificate holder relating to the conduct of authorized interactive games by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(3) The board has approved the agreements under paragraphs (1) and (2), as applicable.

(4) The interactive gaming operator has paid the authorization fee under section 13B51 (relating to interactive gaming authorization fee).

(5) The interactive gaming operator possesses the necessary funds or has secured adequate financing to commence the conduct of interactive gaming at the qualified airport.

(6) The proposed internal and external security and surveillance measures within the airport gaming area of the qualified airport are adequate.

§ 13B20.3. Fees.

(a) Required fees.—An interactive gaming certificate holder shall pay a one-time, nonrefundable fee of \$1,000,000 upon the authorization to conduct interactive gaming at a qualified airport through the use of multi-use computing devices in accordance with this chapter.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13B20.4. Multi-use gaming device tax.

(a) Imposition.—

(1) Each interactive gaming certificate holder authorized

to conduct interactive gaming at a qualified airport in accordance with the provisions of this subchapter shall report to the department and pay from its daily gross interactive gaming revenue generated from the conduct of interactive gaming through multi-use computing devices at the qualified airport, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue generated from multi-use computing devices at the qualified airport and a local share assessment.

(2) The tax imposed under subsection (a) shall be payable to the department on a daily basis and shall be based upon the gross interactive gaming revenue generated from multi-use computing devices at a qualified airport derived during the previous week.

(3) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the interactive gaming certificate holder until the funds are paid to the department. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue from multi-use computing devices shall be deposited and maintained until such time as the funds are paid to the department under this section.

(4) The department shall transfer the tax revenues collected under this section to the General Fund.

§ 13B20.5. Local share assessment.

(a) Required payment.—In addition to the tax imposed under section 13B20.4 (relating to multi-use gaming device tax), each interactive gaming certificate holder shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the fund. All funds owed under this section shall be held in trust by the interactive gaming certificate holder until the funds are paid into the account. Funds in the account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distributions to qualified airports.—

(1) The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to qualified airports.

(2) Notwithstanding paragraph (1) or any other provision of law, the multi-use computing device local share assessment generated at a qualified airport located in a city of the first class which regulates the use and control of a qualified airport shall be distributed to the school district of the city of the first class for pre-kindergarten programs.

(c) Definition.—As used in this section, the term "multi-use computing device local share assessment" means 20% of an interactive gaming certificate holder's gross interactive gaming revenue from multi-use computing devices at qualified airports.

§ 13B20.6. Regulations.

(a) Regulations.—The board shall promulgate regulations related to the operation of authorized interactive games through the use of multi-use computing devices at qualified airports, including, but not limited to:

(1) Procedures for the creation of temporary or provisional interactive gaming accounts that take into consideration the nature of interactive gaming through multi-use computing devices at qualified airports.

(2) Procedures to govern credits, debits, deposits and payments to interactive gaming accounts established through multi-use computing devices at qualified airports.

(3) Procedures, in consultation with the department, to govern financial transactions between an interactive gaming certificate holder, an interactive gaming operator or other persons that relates to the reporting of gross interactive gaming revenue generated through the use of multi-use computing devices at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board

in accordance with subsection (a) shall be deemed temporary regulations. The board may promulgate temporary regulations not subject to:

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

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

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

§ 13B20.7. Construction.

Nothing in this subchapter shall be construed to:

(1) Create a separate license governing the use of multi-use computing devices for the conduct of interactive games at eligible airports by interactive gaming certificate holders within this Commonwealth.

(2) Limit the board's authority to determine the suitability of any person who may be directly or indirectly involved in or associated with the operation of interactive gaming at a qualified airport to ensure the integrity of interactive gaming and protect the public interest.

SUBCHAPTER C

CONDUCT OF INTERACTIVE GAMING

Sec.

13B21. Situs of interactive gaming operations.

13B22. Establishment of interactive gaming accounts.

13B23. Interactive gaming account credits, debits, deposits and payments.

13B24. Acceptance of account wagers.

13B25. Dormant interactive gaming accounts.

13B26. Log-in procedure required.

13B27. Information provided at login.

13B28. Prohibitions.

13B29. Commencement of interactive gaming operations.

§ 13B21. Situs of interactive gaming operations.

Except as provided in this chapter, all wagers made through interactive gaming shall be deemed to be initiated, received or otherwise made within the geographic boundaries of this Commonwealth. The intermediate routing of electronic data associated or in connection with interactive gaming shall not determine the location or locations in which a bet or wager is initiated, received or otherwise made.

§ 13B22. Establishment of interactive gaming accounts.

(a) Registration restrictions.—Only a natural person who has first established an interactive gaming account shall be permitted to play an authorized interactive game or place any bet or wager associated with an authorized interactive game. An interactive gaming account shall be in the name of a natural person and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity. An interactive gaming certificate holder shall not permit an individual to establish an interactive gaming account unless the person is 21 years of age or older.

(b) Establishment of interactive gaming accounts.—

(1) An interactive gaming account may be executed in person, provided that the board shall, through regulations, provide procedures for the establishment of interactive gaming accounts over the Internet through the interactive gaming certificate holder's interactive gaming skin or portal or Internet website. Each interactive gaming account shall comply with the internal controls of the interactive gaming certificate holder that, at a minimum, require the following:

(i) The filing and execution of an interactive gaming account application, the form of which has been preapproved by the board.

(ii) Proof of age, identity and residency as demonstrated by at least two forms of identification approved by the board through regulation.

(iii) Physical address or the principal residence of the prospective account holder, e-mail address of the prospective account holder and other contact information, as the board or interactive gaming certificate holder may require.

(iv) Password or other secured identification provided by the interactive gaming certificate holder to access the interactive gaming account or some other mechanism approved by the board to authenticate the player as the holder to the interactive gaming account.

(v) An acknowledgment under penalty of perjury that false or misleading statements made in regard to an application for an interactive gaming account may subject the applicant to civil and criminal penalties.

(2) The interactive gaming certificate holder may accept or reject an application after receipt and review of the application and verification of age and identity for compliance with the provisions of this chapter. The interactive gaming certificate holder shall have the right, at any time with or without cause, to suspend or close any interactive gaming account at its sole discretion.

(3) The address provided by the applicant in the application for an interactive gaming account shall be deemed the address of record for the purposes of mailing checks, account withdrawals, notices and other materials to the interactive gaming account holder.

(4) An interactive gaming account shall not be assignable or otherwise transferable and an interactive gaming certificate holder may, at any time, declare all or any part of an interactive gaming account to be closed for wagering.

(c) Password required.—As part of the application process, the interactive gaming certificate holder shall provide the prospective interactive gaming account holder with a password to access the interactive gaming account or shall establish some other method approved by the board to authenticate the individual as the holder of the interactive gaming account and allow the registered player access to the interactive gaming account.

(d) Grounds for rejection.—Any individual who provides false or misleading information in the application for an interactive gaming account may be subject to rejection of the application or cancellation of the account by the interactive gaming certificate holder.

(e) Suspension of interactive gaming account.—The interactive gaming certificate holder shall have the right to suspend or close any interactive gaming account at its discretion.

(f) Persons prohibited from establishing or maintaining an interactive gaming account.—The following persons shall not be entitled to establish or maintain an interactive gaming account:

(1) Any person under 21 years of age.

(2) Any person on the list of persons who are or will be excluded or ejected from or denied access to any licensed facility under section 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) or 1516 (relating to list of persons self excluded from gaming activities).

(3) Any gaming employee, key employee or principal employee of a slot machine licensee and any employee or key employee of an interactive gaming operator or any other person directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.

§ 13B23. Interactive gaming account credits, debits, deposits and payments.

(a) Duty of board.—The board shall, by regulation, develop procedures to govern credits, debits and deposits to interactive gaming accounts. Notwithstanding any provision of this part to the contrary, all credits, debits and deposits to interactive gaming accounts shall be made in accordance with regulations promulgated by the board, in

consultation with the department, and all payments of winnings shall be made in accordance with the rules of each particular authorized interactive game.

(b) Rights of interactive gaming certificate holder.—An interactive gaming certificate holder shall have the right to:

(1) Credit an interactive gaming account as part of a promotion.

(2) Refuse all or part of any wager or deposit to the interactive gaming account of a registered player.

(c) Interest prohibited.—Funds deposited in a registered player's interactive gaming account shall not bear interest to the account holder.

§ 13B24. Acceptance of account wagers.

(a) Acceptance.—An interactive gaming certificate holder may accept interactive gaming wagers or bets only as follows:

(1) The wager shall be placed directly with the interactive gaming certificate holder by the registered player, after the interactive gaming certificate holder has verified that the individual seeking to place a wager or bet is the registered player.

(2) The registered player provides the slot machine licensee with the correct password or other authentication information for access to the interactive gaming account.

(b) Nonacceptance.—An interactive gaming certificate holder may not accept an account wager in an amount in excess of funds on deposit in an interactive gaming account of the registered player placing the bet or wager. Funds on deposit include amounts credited to a registered player's interactive gaming account in accordance with regulations of the board and any funds in the account at the time the wager is placed.

§ 13B25. Dormant interactive gaming accounts.

Before closing a dormant interactive gaming account, the interactive gaming certificate holder shall attempt to contact the interactive gaming account holder by mail and phone or e-mail to inform the account holder that the interactive gaming account is inactive and may be subject to termination at such time and manner as determined by regulation of the board.

§ 13B26. Log-in procedure required.

Each interactive gaming certificate holder shall establish a log-in procedure for registered players to access interactive gaming. The log-in procedure shall include the provision of the appropriate authentication information by the registered player for access to the interactive gaming account. The interactive gaming certificate holder shall not allow a registered player to log in and access the interactive gaming account unless the correct password or other authentication information is provided.

§ 13B27. Information provided at login.

The interactive gaming certificate holder shall configure its interactive gaming skin to include a link that, upon login, will allow a registered player to access all of the following information:

(1) The current amount of funds in the interactive gaming account.

(2) The wins and losses since the interactive gaming account was established.

(3) The wins and losses at the beginning of the current gaming session and the wins and losses at the end of the current gaming session.

(4) The complete text in searchable format of the rules of each authorized interactive game offered by the interactive gaming certificate holder and any other information as the board may require.

§ 13B28. Prohibitions.

Except as provided in this part, no interactive gaming certificate holder or any person licensed under this part to operate interactive gaming or an interactive gaming system and no person acting on behalf of, or under any arrangement with, an interactive gaming certificate holder or other person licensed under this part shall:

(1) Make any loan to any person for the purpose of crediting an interactive gaming account.

(2) Release or discharge any debt, either in whole or in

part, or make any loan which represents any losses incurred by any registered player while playing authorized interactive games without maintaining a written record thereof in accordance with regulations of the board.

§ 13B29. Commencement of interactive gaming operations.

An interactive gaming certificate holder may not operate or offer interactive games for play on its interactive gaming skin until the board determines that:

(1) The interactive gaming certificate holder is in compliance with the requirements of this chapter.

(2) The interactive gaming certificate holder's internal, administrative and accounting controls are sufficient to meet the requirements of section 13B32 (relating to internal, administrative and accounting controls).

(3) The interactive gaming certificate holder's interactive gaming employees, where applicable, are licensed, permitted, registered, certified or otherwise authorized by the board to perform their respective duties.

(4) The employees of the interactive gaming operator are, where applicable, licensed, permitted or otherwise authorized by the board to perform their duties.

(5) The interactive gaming certificate holder is prepared in all respects to offer interactive gaming to the public over its interactive gaming skin.

(6) The interactive gaming certificate holder has implemented necessary internal, administrative and accounting controls, security arrangements and surveillance systems for the operation of interactive gaming.

(7) The interactive gaming certificate holder is in compliance with or will comply with section 13B31 (relating to responsibilities of interactive gaming certificate holder).

(8) The board has approved an agreement entered between the interactive gaming certificate holder and an interactive gaming operator or other person related to the operation of interactive gaming or the operation of an interactive gaming system on behalf of such interactive gaming certificate holder.

SUBCHAPTER D FACILITIES AND EQUIPMENT

Sec.

13B31. Responsibilities of interactive gaming certificate holder.

13B32. Internal, administrative and accounting controls.

§ 13B31. Responsibilities of interactive gaming certificate holder.

(a) Facilities and equipment.—All facilities and interactive gaming devices and associated equipment shall:

(1) Be arranged in a manner promoting appropriate security for interactive gaming.

(2) Include a closed-circuit video monitoring system according to rules or specifications approved by the board, with board absolute access to the interactive gaming certificate holder's interactive gaming skin, Internet website and platform, signal or transmission used in connection with interactive gaming.

(3) Not be designed in any way that might interfere with or impede the board in its regulation of interactive gaming.

(4) Comply in all respects with regulations of the board.

(b) Location of equipment and interactive gaming restricted areas.—

(1) All interactive gaming devices and associated equipment used by an interactive gaming certificate holder or an interactive gaming licensee to conduct interactive gaming may be located, with the prior approval of the board, in an interactive gaming restricted area on the premises of the licensed facility, in an interactive gaming restricted area within the geographic limits of the county in this Commonwealth where the licensed facility is situated or in any other area approved by the board.

(2) All wagers associated with interactive gaming shall be deemed to be placed when received by the interactive gaming

certificate holder.

§ 13B32. Internal, administrative and accounting controls.

(a) Submissions to board.—Notwithstanding any provision of this part, each slot machine licensee who holds or has applied for an interactive gaming certificate in accordance with this chapter shall submit a description of its system of internal procedures and administrative and accounting controls for interactive gaming to the board, including provisions that provide for real-time monitoring, recordation or storage of all interactive games and a description of any changes to its procedures and controls. The submission shall be made at least 90 days before authorized interactive gaming is to commence or at least 90 days before any change in those procedures or controls is to take effect, unless otherwise directed by the board.

(b) Filing.—Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder upon the filing of the procedures and controls with the board. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized with regard to interactive gaming, including, but not limited to:

(1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the interactive gaming operations.

(2) Procedures, forms and, where appropriate, formulas to govern the following:

- (i) calculation of hold percentages;
- (ii) revenue drops;
- (iii) expense and overhead schedules;
- (iv) complimentary services; and
- (v) cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in interactive gaming operations, including employees of an interactive gaming operator, and identifying primary and secondary management and supervisory positions for areas of responsibility, salary structure and personnel practices.

(4) Procedures for the registration of players and establishment of interactive gaming accounts, including a procedure for authenticating the age, identity and location of applicants for interactive gaming accounts.

(5) Procedures for terminating a registered player's interactive gaming account and the return of any funds remaining in the interactive gaming account to the registered player.

(6) Procedures for suspending or terminating a dormant interactive gaming account.

(7) Procedures for the logging in and authentication of a registered player in order to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of registered players' interactive gaming accounts.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming chips, tokens or other cash equivalents.

(10) Procedures for withdrawing funds from an interactive gaming account by the registered player.

(11) Procedures for the protection of player funds, including the segregation of player funds from operating funds.

(12) Procedures for recording transactions pertaining to interactive gaming.

(13) Procedures for the security and sharing of personal identifiable information of registered players and other information as required by the board and funds in interactive gaming accounts. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to registered players related

to its sharing of personal identifiable information. For the purpose of this paragraph, "personal identifiable information" shall mean any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of interactive gaming devices and associated equipment within an interactive gaming restricted area on the premises of the licensed facility or in a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a licensed facility as approved by the board.

(16) Procedures and security standards as to receipt of and the handling and storage of interactive gaming devices and associated equipment.

(17) Procedures and security standards to protect the interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment from hacking or tampering by any person.

(18) Procedures for responding to suspected or actual hacking or tampering with an interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment, including partial or complete suspension of interactive gaming or the suspension of any or all interactive gaming accounts when warranted.

(19) Procedures to verify each registered player's physical location each time a wager is placed on an interactive game.

(20) Procedures to ensure, to a reasonable degree of certainty, that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent reasonably possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets or wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures reasonably intended to prevent a person from participating in interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(22) Procedures to govern emergencies, including suspected or actual cyber attacks, hacking or tampering with the interactive gaming certificate holder's interactive gaming portal, platform or Internet website.

(c) Review of submissions.—

(1) The board shall review each submission required by subsections (a) and (b) and shall determine whether the submission conforms to the requirements of this chapter and regulations promulgated by the board and whether the system submitted provides adequate and effective controls for interactive gaming of the particular interactive gaming certificate holder.

(2) If the board determines that insufficiencies exist, it shall specify the insufficiencies in writing to the interactive gaming certificate holder, who shall make appropriate alterations to ensure compliance with the requirements of this chapter and regulations of the board. When the board determines a submission to be adequate in all respects, it shall notify the interactive gaming certificate holder.

(3) Except as otherwise provided in subsection (a), no interactive gaming certificate holder, interactive gaming operator or other person shall commence or alter interactive gaming operations unless and until the system of procedures, controls

and alternations is approved by the board.

SUBCHAPTER E

TESTING AND CERTIFICATION

Sec.

13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

§ 13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

(a) Testing required.—

(1) No interactive game or interactive gaming device or associated equipment shall be used to conduct interactive gaming unless it has been tested and approved by the board. The board may, in its discretion and for the purpose of expediting the approval process, refer testing to any testing laboratory as approved by the board.

(2) The board shall establish, by regulation, technical standards for approval of interactive games and interactive gaming devices and associated equipment, including standards to govern mechanical, electrical or program reliability and security against tampering and threats, as it may deem necessary to protect the registered player from fraud or deception and to ensure the integrity of interactive gaming.

(b) Independent testing and certification facility.—Any costs associated with the board's testing and certification facility shall be assessed on persons authorized by the board to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices and associated equipment to interactive gaming certificate holders or to interactive gaming operators in this Commonwealth. The costs shall be assessed in accordance with a schedule adopted by the board.

(c) Use of other state standards.—The board may determine whether the testing and certification standards for interactive games and interactive gaming devices and associated equipment as adopted by another jurisdiction within the United States or any of the testing and certification standards used by an interactive gaming certificate holder are comprehensive and thorough and provide similar and adequate safeguards as those required by this chapter and regulations of the board. If the board makes that determination, it may permit the person authorized to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices or associated equipment to furnish interactive games or interactive gaming devices and associated equipment to interactive gaming certificate holders in this Commonwealth without undergoing the full testing and certification process by the board's independent testing and certification facility.

SUBCHAPTER F

TAXES AND FEES

Sec.

13B51. Interactive gaming authorization fee.

13B52. Interactive gaming tax.

13B53. Local share assessment.

13B54. Compulsive and problem gambling.

§ 13B51. Interactive gaming authorization fee.

(a) Amount of authorization fee.—

(1) Each slot machine licensee that is issued an interactive gaming certificate to conduct interactive gaming in accordance with section 13B11 (relating to authorization to conduct interactive gaming) shall pay a one-time nonrefundable authorization fee in the amount of \$8,000,000.

(2) Each interactive gaming operator or an affiliate of an interactive gaming certificate holder that is issued an interactive gaming license under this chapter to operate interactive gaming or an interactive gaming system on behalf of a slot machine licensee pursuant to an interactive gaming agreement and that is not owned, affiliated with or otherwise controlled by a slot machine licensee shall pay a one-time nonrefundable

authorization fee in the amount of \$2,000,000.

(3) Each interactive gaming operator that has been approved by the board to provide for the conduct of interactive gaming on behalf of an interactive gaming certificate holder at a qualified airport in accordance with Subchapter B.1 shall pay a one-time nonrefundable authorization fee in the amount of \$1,000,000.

(b) Payment of fee.—Persons required to pay the authorization fee under subsection (a) shall remit the fee to the board within 60 days of the board's approval of its petition, license or conditional license to conduct interactive gaming or to operate interactive gaming or an interactive gaming system. The board may allow the fee to be paid in installments, provided that all such installments are paid within the 60-day period and that the installment payments are made in accordance with the terms of an agreement between the board and the interactive gaming certificate holder or an interactive gaming operator under subsection (a)(2) that sets forth the terms of the installment payment.

(c) Renewal fee.—

(1) Notwithstanding any other provision of this chapter, an interactive gaming certificate holder shall pay a renewal fee in the amount of \$250,000 upon the renewal of its interactive gaming certificate in accordance with sections 1326 (relating to renewals) and 13B13(c) (relating to issuance of interactive gaming certificate).

(2) Each interactive gaming operator under subsection (a)(2) shall pay a renewal fee of \$100,000 upon the renewal of its interactive gaming license in accordance with this chapter.

(d) Deposit of fees.—The fees imposed and collected under this section shall be deposited in the General Fund.

§ 13B52. Interactive gaming tax.

(a) Imposition of tax.—Each interactive gaming certificate holder that conducts interactive gaming shall report to the department and pay from its daily gross interactive gaming revenue, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue and a local share assessment as provided in section 13B53 (relating to local share assessment).

(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 interactive gaming 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 interactive gaming certificate holder until the funds are paid to the department for deposit in the General Fund. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(c) Taxes on out-of-State wagering.—The tax rate which shall be assessed and collected by the department with respect to any wagers placed by registered players located in this Commonwealth with an interactive gaming operator outside of this Commonwealth, but authorized under an interactive gaming reciprocal agreement shall be governed by the agreement but may not exceed 16% of gross interactive gaming revenue derived from registered players located in this Commonwealth.

(d) Deposit of funds.—The tax imposed under subsection (a) shall be collected by the department for deposit in the General Fund.

§ 13B53. Local share assessment.

(a) Required payment.—

(1) In addition to the tax imposed under section 13B52 (relating to interactive gaming tax), each interactive gaming certificate holder that conducts interactive gaming shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to all

counties in this Commonwealth, to economic development authorities or redevelopment authorities within each county, for grants for economic development projects, community improvement projects and other projects in the public interest.

(2) The Department of Community and Economic Development shall develop policies and procedures to govern the distribution of grants from the local share assessment established under paragraph (1). The policies and procedures shall be of sufficient scope to ensure equal access to grant funds by all counties in this Commonwealth.

(b) Definitions.—As used in this section, the following words and phrases shall have the meaning given to them in this subsection:

"Local share assessment." Two percent of an interactive gaming certificate holder's daily gross interactive gaming revenue.

§ 13B54. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13B52 (relating to interactive gaming tax), \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed in section 13B52, \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred to the Department of Drug and Alcohol Programs to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

SUBCHAPTER G

MISCELLANEOUS PROVISIONS

Sec.

13B61. Participation in interactive gaming by persons outside Commonwealth.

13B62. Institutional investors.

13B63. Internet cafes and prohibition.

§ 13B61. Participation in interactive gaming by persons outside Commonwealth.

Notwithstanding any other provision of this chapter to the contrary, an interactive gaming certificate holder may accept interactive gaming wagers from a person who is not physically present in this Commonwealth, if the board determines the following:

(1) Participation in interactive gaming and acceptance of wagers associated with interactive gaming from a person not physically present in this Commonwealth is not inconsistent with Federal law or regulation or the law or regulation of the jurisdiction, including any foreign jurisdiction, in which the person is located.

(2) Participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement between the Commonwealth and another state or jurisdiction, including a foreign jurisdiction, to which the Commonwealth is a party and the interactive gaming reciprocal agreement is not inconsistent with Federal law or regulation.

§ 13B62. Institutional investors.

(a) Declaration of investment intent.—Notwithstanding any other provision of this part, the following shall apply:

(1) An institutional investor holding 20% or less of the equity securities of an interactive gaming certificate holder's, interactive gaming operator's or applicant's holding, subsidiary or intermediary companies shall be granted a waiver of any investigation of suitability or other requirement if the securities are those of a corporation, whether publicly traded or privately held, and the holdings of the securities were purchased for

investment purposes only. The institutional investor shall file a certified statement that it has no intention of influencing or affecting the affairs of the interactive gaming certificate holder, interactive gaming operator, applicant or any holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant. However, an institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(2) The board may grant a waiver to an institutional investor holding a higher percentage of securities upon a showing of good cause and if the conditions specified in paragraph (1) are met.

(3) An institutional investor granted a waiver under this subsection who subsequently decides to influence or affect the affairs of an interactive gaming certificate holder, interactive gaming operator or applicant's holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall provide not less than 30 days' notice of intent and shall file with the board a request for determination of suitability before taking any action that may influence or affect the affairs of the issuer. An institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(4) If an institutional investor changes its investment intent or if the board finds reasonable cause to believe that the institutional investor may be found unsuitable, no action other than divestiture shall be taken by the institutional investor with respect to its security holdings until there has been compliance with any requirements established by the board, which may include the execution of a trust agreement in accordance with section 1332 (relating to appointment of trustee).

(5) The interactive gaming certificate holder or interactive gaming operator or applicant or any holding, intermediary or subsidiary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall notify the board immediately of any information about, or actions of, an institutional investor holding its equity securities where the information or action may impact the eligibility of the institutional investor for a waiver under this subsection.

(b) Failure to declare.—If the board finds:

(1) that an institutional investor holding any security of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant or, where relevant, of another subsidiary company of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant which is related in any way to the financing of the interactive gaming certificate holder or interactive gaming operator or applicant, fails to comply with the provisions of subsection (a); or

(2) by reason of the extent or nature of its holdings, an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of an interactive gaming certificate holder or interactive gaming operator or applicant that investigation and determination of suitability of the institutional investor is necessary to protect the public interest;

then the board may take any necessary action otherwise authorized under this chapter to protect the public interest.

§ 13B63. Internet cafes and prohibition.

(a) General rule.—No organization or commercial enterprise shall operate a place of public accommodation, club, including a club or association limited to dues-paying members or similar restricted groups, or similar establishment in which computer terminals or similar access devices are advertised or made available to be used principally for the purpose of accessing authorized interactive games. No interactive gaming certificate holder or interactive gaming operator shall offer or make available computer terminals or similar access devices to be used principally for the purpose of accessing interactive games within a licensed facility.

- (b) Construction.—Nothing in this section shall be construed to:
- (1) require the owner or operator of a hotel or motel or other public place of general use in this Commonwealth to prohibit or block guests from playing interactive games; or
 - (2) require an interactive gaming certificate holder or an interactive gaming operator to prohibit registered players within a licensed facility from playing interactive games.

CHAPTER 13C
(RESERVED)
CHAPTER 13D
SLOT MACHINES AT
NONPRIMARY LOCATIONS

Subchapter

- A. General Provisions
- B. Category 1 Licensed Gaming Entities and Nonprimary Locations
- C. Application and Issuance of Nonprimary Location Permit
- D. Fees and Taxes

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

- 13D01. (Reserved).
- 13D02. Authority to place slot machines at nonprimary locations.
- 13D03. Temporary regulations.
- § 13D01. (Reserved).
- § 13D02. Authority to place slot machines at nonprimary locations.
- (a) Placement of slot machines at nonprimary locations.—Notwithstanding any provision of this part, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other law or regulation to the contrary, a Category 1 licensed gaming entity that is a licensed racing entity under Article XXVIII-D of The Administrative Code of 1929 shall apply to the board for a nonprimary location permit to place and make slot machines available for play at nonprimary locations.
- (b) Duty of the board and commission.—The board shall have general and regulatory authority over the placement and operation of slot machines at nonprimary locations and shall, in consultation with the commission, promulgate regulations to govern the placement and operation of slot machines at nonprimary locations. Except that, any regulations specific to the operation of nonprimary locations by licensed racing entities promulgated under 58 Pa. Code Ch. 171 (relating to nonprimary locations) or any regulations related to the operation of nonprimary locations which may be adopted by the commission subsequent to the effective date of this chapter shall be adopted as regulations under this chapter, unless the board, in consultation with the commission, determine that such regulations are not sufficient for the administration and enforcement of this chapter. In that event, the board shall, in consultation with the commission, promulgate such regulations specific to the operation of slot machines at nonprimary locations as the board and commission deem necessary to facilitate the administration and enforcement of this chapter.
- § 13D03. Temporary regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board or commission shall be deemed temporary regulations which shall expire not later than two years after the publication of the temporary regulation in the Pennsylvania Bulletin. The board may promulgate temporary regulations not subject to:

- (1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.
- (2) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.
- (3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(b) Expiration.—The authority of the board and the commission to adopt temporary regulations under subsection (a) shall expire two

years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.—The board, in consultation with the commission, shall begin publishing temporary regulations governing placement and operation of slot machines at nonprimary locations in the Pennsylvania Bulletin within 60 days of the effective date of this section.

SUBCHAPTER B
CATEGORY 1 LICENSED GAMING ENTITIES
AND NONPRIMARY LOCATIONS

Sec.

- 13D07. Authority to place slot machines at nonprimary locations.
- § 13D07. Authority to place slot machines at nonprimary locations.
- (a) Category 1 licensed gaming entity and operation of slot machines at nonprimary locations.—The following shall apply:
- (1) Each Category 1 licensed gaming entity that is a licensed racing entity under section 13D02 (relating to authority to place slot machines at nonprimary locations) that is authorized to hold horse race meetings at a racetrack at which more than one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved in accordance with regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.
 - (2) Each Category 1 licensed gaming entity under section 13D02 that is authorized to hold horse race meetings at a racetrack at which only one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved in accordance with regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.
 - (3) A Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall not be authorized to place and make slot machines available for play at any nonprimary location which is within the primary market area of another licensed racing entity, regardless of whether the licensed racing entity is authorized to conduct horse race meetings or harness horse race meetings, or both, at the racetrack.
 - (4) No Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall be authorized to place and make slot machines available for play at a nonprimary location which is located within the primary market area of another licensed facility or another nonprimary location.
 - (5) A nonprimary location may be located within the primary market area of a licensed facility if the Category 1 licensed gaming entity owns the nonprimary location and the licensed gaming entity enters into an agreement with the affected licensed gaming entity or entities and the agreement is filed with the commission and the board.
 - (6) A Category 1 licensed gaming entity that places and makes slot machines available for play at a nonprimary location shall be subject to the requirements of section 1303(a), (b) and (d) (relating to additional Category 1 slot machine license requirements).
 - (8) For the purposes of this subsection, the term "primary market area" shall mean the area within 50 linear miles of a licensed facility or nonprimary location.
- (b) Existing and newly established nonprimary locations.—

Notwithstanding any provision of Article XXVIII-D of The Administrative Code of 1929 or any other law or regulation to the contrary, the following shall apply:

(1) A licensed racing entity that operated nonprimary locations prior to the effective date of this subsection shall not be prohibited from reopening a previously closed nonprimary location or relocating an existing nonprimary location in order to place and make slot machines available for play in a reopened or relocated nonprimary location:

Provided, that, the previously closed or a relocated nonprimary location complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(2) A licensed racing entity may establish a new nonprimary location in accordance with Article XXVIII-D of The Administrative Code of 1929 in order to place and make slot machines available for play and operate race horse simulcasting: Provided, that, the new nonprimary location complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(c) Permissible number of slot machines.—

(1) Notwithstanding section 1210 (relating to number of slot machines), a Category 1 licensed gaming entity, upon approval of the board and remittance of the fee under section 13D17 (relating to nonprimary location permit fee), may place and make available for play no more than 250 slot machines at a nonprimary location.

(2) The permissible number of slot machines that may be placed and made available for play at a nonprimary location under this subsection shall not be included in the complement of slot machines authorized for a Category 1 licensed facility under section 1210.

(3) In determining the permissible number of slot machines that may be placed at a nonprimary location in accordance with this subsection, the board shall consider the appropriateness of the physical space of the nonprimary location where the slot machines will be placed and the convenience of the public patronizing the nonprimary location. The board may also consider the potential benefit to economic development, employment, tourism, the race horse industry and enhanced revenues to the Commonwealth and the municipality where the nonprimary location is situated.

SUBCHAPTER C

APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

Sec.

13D11. Application for nonprimary location permit.

13D12. Issuance and terms of nonprimary location permit.

13D13. Confidentiality.

13D14. Key employees and occupation permits.

§ 13D11. Application for nonprimary location permit.

(a) Application.—An application for a nonprimary location permit to place and make slot machines available for play at a nonprimary location shall be submitted on a form and in a manner as shall be required by the board. In reviewing and approving each application, the board shall:

(1) Ensure that the proposed location of the nonprimary location complies with the location requirements set forth in section 13D07(a)(3), (4) and (5) (relating to authority to place slot machines at nonprimary locations).

(2) Confirm that the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee) has been paid or will be paid in accordance section 13D17.

(b) Required information.—An application for a nonprimary location permit shall include, at a minimum:

(1) The name of the Category 1 slot machine licensee and the licensed racing entity and location of the existing nonprimary location, if any, or the location of any proposed relocated or new nonprimary location.

(2) The name, address and current photograph of the

applicant and of all directors and owners and key employees and their positions within the licensed racing entity, if required by the board.

(3) The proposed location of the slot machine area or areas in the nonprimary location, if known.

(4) Detailed site and architectural plans of the proposed area or areas within the nonprimary location where slot machines will be placed and made available for play.

(5) The number of slot machines requested.

(6) The current status of the licensed racing entity's horse racing license, if required by the board.

(7) The current status of the slot machine license issued under this part, if required by the board.

(8) The details of any loans or other financing obtained or that will be obtained to fund an expansion, modification or construction project at an existing nonprimary location, a relocated nonprimary location or a proposed or newly approved nonprimary location to accommodate slot machines at the nonprimary location.

(9) The consent to conduct a background investigation by the bureau, the scope of which shall be determined by the bureau at its discretion consistent with the provisions of this part, and a release signed by all persons subject to the investigation of all information required to complete the investigation, if the bureau, at its discretion, determines that a background investigation is necessary under this chapter.

(10) Any other information determined to be necessary and appropriate by the board.

§ 13D12. Issuance and terms of nonprimary location permit.

(a) Issuance of permit.—Upon approval of an application for a nonprimary location permit and payment of the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee), the board shall issue a nonprimary location permit to a Category 1 licensed gaming entity authorizing it to place and make slot machines available for play at a nonprimary location.

(b) Terms of permit.—A nonprimary location permit approved and issued by the board in accordance with subsection (a) shall be in effect unless suspended or revoked by the board upon good cause consistent with the requirements of this part, regulations promulgated pursuant to this part or regulations of the commission.

(c) Notification of change in status.—Nothing in this section shall relieve a nonprimary location permit holder of the affirmative duty to notify the board of any changes relating to the status of its nonprimary location permit, its horse racing license or to any other information contained in the application materials on file with the board.

§ 13D13. Confidentiality.

Information submitted to the board under section 13D11 (relating to application for nonprimary location permit) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13D14. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and 13A (relating to table games) or who holds a license under Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to obtain a separate license, permit or registration to be employed in a permit holder's slot machine operation at a nonprimary location under this chapter, if the board determines, in consultation with the commission, that licensure under the provisions of this part or Article XXVIII-D of The Administrative Code of 1929, is sufficient and will not compromise the integrity of the operation of slot machines at nonprimary locations.

SUBCHAPTER D FEES AND TAXES

Sec.

13D17. Nonprimary location permit fee.

13D18. Nonprimary location taxes, imposition, deposits and

distributions.

§ 13D17. Nonprimary location permit fee.

(a) Amount of fee.—At the time a nonprimary location permit is issued under section 13D12(a) (relating to issuance and terms of nonprimary location permit), the board shall impose a one-time fee of \$5,000,000 to be paid by the Category 1 licensed gaming entity for each nonprimary location where it will place and make slot machines available for play.

(b) Renewal fee not required.—A nonprimary location permit shall not be subject to renewal or payment of any nonprimary location permit renewal fee.

(c) Deposit of fee into General Fund.—Notwithstanding section 1208 (relating to collection of fees and fines), all nonprimary location permit fees and penalties collected by the board under this section shall be deposited in the General Fund.

§ 13D18. Nonprimary location taxes, imposition, deposits and distributions.

(a) Imposition.—The department shall determine and each nonprimary location permit holder shall pay a daily tax of 54% from its daily gross terminal revenue from the slot machines in operation at its nonprimary location.

(b) Distribution.—

(1) The tax imposed and collected under subsection (a) shall be distributed as follows:

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

(ii) Eight percent shall constitute a local share assessment and be distributed by the department on a quarterly basis as follows:

(A) Four percent to the county in which the nonprimary location is located.

(B) Four percent to the municipality in which the nonprimary location is located.

(2) All money owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed racing entity or licensed gaming entity for the Commonwealth, county or municipality until all funds are distributed by the department in accordance with this subsection.

(c) Payments and deposits.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross slot machine revenue derived from the operation of slot machines at a nonprimary location during the previous week.

(2) All money owed to the Commonwealth and collected by the department in accordance with this subchapter shall be deposited in the General Fund.

CHAPTER 13E

SLOT MACHINES IN QUALIFIED AIRPORTS

Subchapter

A. Preliminary Provisions

B. Airport Gaming Authorized

C. Conduct of Airport Gaming

D. Airport Gaming Fees and Taxes

E. Miscellaneous Provisions

SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

13E01. Definitions.

§ 13E01. Definitions.

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

"Airport authority." The governing body of a municipal authority organized and incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee the operations of a qualified airport. The term shall include the governing body of any joint municipal authority which operates a qualified airport and the governing body of a city of the first class which owns and operates a

qualified airport located in a county of the first class.

"Airport gaming." The licensed placement, operation and play of slot machines in a qualified airport as authorized and approved by the board.

"Airport gaming certificate holder." The authorization issued under this chapter to conduct airport gaming.

"Airport gaming operation certificate." A certificate issued by the Pennsylvania Gaming Control Board under Chapter 13B (relating to interactive gaming) that authorizes a slot machine licensee to conduct airport gaming in accordance with this chapter.

"Airport gaming revenue." The daily gross terminal revenue derived from the conduct of airport gaming.

"Applicant." A slot machine licensee.

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

"Specified area." The secure area of a qualified airport where slot machines are placed and made available to play and members of the public, other than passengers, are prohibited from entering.

SUBCHAPTER B

AIRPORT GAMING AUTHORIZED

Sec.

13E11. Authorization.

13E12. Application.

13E13. Standard for review of applications.

13E14. Approval of application.

13E15. Airport gaming operation certificate.

13E16. Timing of initial airport gaming authorizations.

§ 13E11. Authorization.

(a) General rule.—Upon application of a slot machine licensee, the board may authorize the slot machine licensee to conduct airport gaming. A slot machine licensee seeking authorization to conduct airport gaming must enter into an agreement with the governing body of a qualified airport and submit the agreement to the board for approval. No person shall cause or make slot machines available for play at a qualified airport without first obtaining an airport gaming operation certificate in accordance with the provisions of this chapter.

(b) Conditions.—Authorization shall be contingent upon the slot machine licensee's agreement to ensure that slot machine operations will be conducted in accordance with this part and any other conditions established by the board. The agreement shall specify the fees to be paid to the qualified airport by the slot machine licensee for the privilege of conducting airport gaming. Nothing in this part shall be construed to create a separate license governing the conduct of airport gaming by slot machine licensees within this Commonwealth.

(c) Number of slot machines.—The board shall approve the maximum number of slot machines that a slot machine licensee may operate at a qualified airport. The board, in making its determination, shall consider the physical space where the slot machines will be located and the convenience of passengers. The board may also consider the potential employment, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision.

§ 13E12. Application.

(a) Information to be provided.—An applicant seeking authorization to conduct airport gaming shall provide the following information to the board:

(1) The name, business address and contact information of the applicant, and the name, business address and contact information of the airport authority and the location of the qualified airport.

(2) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of airport gaming and who is not currently licensed by the board, if known.

(3) The number of slot machines for which authorization is being sought.

(4) The estimated number of full-time and part-time

employment positions that will be created at the qualified airport if the slot machine licensee is authorized to operate slot machines under this chapter and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the employment representation of diverse groups and Commonwealth residents.

(5) The details of any financing obtained or that will be obtained to fund an expansion or modification of the qualified airport to accommodate the conduct of airport gaming and to otherwise fund the cost of commencing airport gaming operations.

(6) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(7) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to conduct airport gaming. In making this determination, the board may consider the results of the applicant's slot machine operation, including financial information, employment data and capital investment.

(8) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has or will have the financial ability to pay the required fee under section 13E51 (relating to fees).

(9) Detailed site plans identifying the applicant's proposed specified area.

(10) A copy of the agreement entered into by the slot machine licensee and the qualified airport. The agreement shall identify the members of the governing board of the airport authority and all employees of the airport authority who, directly or indirectly, regulate the use and control of the qualified airport and who will oversee airport gaming at the qualified airport.

(11) Other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(6), (7), (8), (9) and (10) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13E13. Standard for review of applications.

The board shall approve an application if the applicant establishes, by clear and convincing evidence, all of the following:

(1) The applicant's slot machine license is in good standing with the board, and the applicant has an agreement with the airport authority authorizing the placement of slot machines at the qualified airport.

(2) The applicant possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the qualified airport to accommodate the conduct of airport gaming if required in the agreement with the governing body of the airport authority.

(ii) Pay the required fee in accordance with section 13E51 (relating to fees).

(iii) Commence airport gaming operations at the qualified airport.

(3) The applicant has the financial stability, integrity and responsibility to conduct airport gaming.

(4) The applicant has sufficient business ability and experience to create and maintain airport gaming.

(5) The applicant's proposed internal and external security and proposed surveillance measures within the specified area where the applicant seeks to conduct airport gaming are adequate.

(6) The applicant agrees that the number of slot machines in operation at its licensed facility will not be permanently reduced in order to conduct airport gaming.

§ 13E14. Approval of application.

Upon approval of an application, the board shall issue an airport gaming operation certificate to the applicant. Issuing an airport gaming operation certificate prior to the payment in full of the fee required by section 13E51 (relating to fees) shall not relieve the applicant from complying with the provisions of section 13E51.

§ 13E15. Airport gaming operation certificate.

The following shall apply:

(1) An airport gaming operation certificate shall be in effect unless:

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

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

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

(iv) The agreement between the airport gaming certificate holder and the governing body of the authority is not renewed.

(2) The airport gaming operation certificate shall include the maximum number of slot machines approved by the board and permitted in the specified area. The airport gaming certificate holder may increase or decrease the number of slot machines permitted in the specified area or change the configuration of the slot machines upon notice to and approval by the board. Unless approved by the board, the total number of slot machines in operation in the specified area may not exceed the number authorized in the airport gaming operation certificate.

(3) A airport gaming certificate holder shall be required to update the information in its initial airport gaming application at times prescribed by the board.

§ 13E16. Timing of initial airport gaming authorizations.

The board shall approve or deny an application within 180 days following receipt of the completed application.

SUBCHAPTER C

CONDUCT OF AIRPORT GAMING

Sec.

13E31. Authorized locations for operation.

13E32. Commencement of airport gaming operations.

13E33. Condition of continued operation.

13E34. Airport gaming accounting controls and audit protocols.

13E35. Cash equivalents.

13E36. Occupation permits.

§ 13E31. Authorized locations for operation.

(a) Restriction.—An airport gaming certificate holder shall only be permitted to operate slot machines in the specified area authorized by the board.

(b) Powers and duties of board.—No airport gaming certificate holder may be approved to operate slot machines unless the specified area is equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of airport gaming. An authorization granted under this section may not impose any criteria or requirements regarding the contents or structure of a qualified airport which are unrelated to the conduct of airport gaming.

§ 13E32. Commencement of airport gaming operations.

An airport gaming certificate holder may not operate or offer slot machines for play at a qualified airport until the board determines that:

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

(2) The airport gaming certificate holder's internal controls and audit protocols are sufficient to meet the requirements of section 13E34 (relating to airport gaming accounting controls and audit protocols).

(3) The airport gaming certificate holder's gaming employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective

duties.

(4) The airport gaming certificate holder is prepared in all respects to offer slot machine play to eligible passengers at the qualified airport.

(5) The airport gaming certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of airport gaming.

(6) The airport gaming certificate holder is in compliance with or has complied with section 13E51 (relating to fees).

(7) All slot machines certified and approved for use under this chapter have been approved by the board and are compatible with the central control computer and protocol specifications approved by the department.

(8) The airport gaming certificate holder has implemented or will implement the necessary procedures and safeguards to ensure that no individual under 21 years of age will be permitted to enter the specified area of the qualified airport.

§ 13E33. Condition of continued operation.

As a condition of continued operation, an airport gaming certificate holder shall maintain all books, records and documents pertaining to airport gaming in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to airport gaming 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 the licensee's slot machine operations at a licensed facility and a qualified airport;

(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 at the qualified airport in accordance with regulations promulgated by the board; and

(3) be maintained for a period as the board, by regulation, may require.

§ 13E34. Airport gaming accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of airport gaming operations, an airport gaming certificate holder shall submit to the board for approval all proposed site plans, internal and accounting control systems and audit protocols for the airport gaming certificate holder's airport gaming operations.

(b) Minimum requirements.—The airport gaming certificate holder's internal and accounting controls and audit protocols shall meet the requirements set forth in section 1322(b) and (c) (relating to slot machine accounting controls and audits).

§ 13E35. Cash equivalents.

Notwithstanding any other provisions of this part, the board may, through regulations, determine the cash equivalents that may be authorized and accepted by an airport gaming certificate holder in the conduct of airport gaming.

§ 13E36. Occupation permits.

(a) Application.—Any person who desires to be a gaming employee and has a bona fide offer of employment from a airport gaming certificate holder authorized to operate slot machines under this chapter shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless and until that person holds an appropriate occupation permit issued under this section. The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with the objectives of this part.

(b) Requirements.—The application for an occupation permit shall include, at a minimum:

- (1) The name and home address of the person.
- (2) The previous employment history of the person.
- (3) The criminal history record of the person, as well as

the person's consent for the Pennsylvania State Police to conduct a background investigation.

(4) A current photograph of the person.

(5) Evidence of the offer of employment and the nature and scope of the proposed duties of the person, if known.

(6) The details of any occupation permit or similar license granted or denied to the person in other jurisdictions.

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

(c) Prohibition.—No airport gaming certificate holder may employ or permit any person under 18 years of age to render any service in any specified area where slot machines are physically located.

(d) Construction.—Nothing in this part shall be construed to require any person who holds a principal license, a key employee license or gaming employee occupation permit under Chapter 13 (relating to licensees) to obtain a separate license, permit, certificate, registration or other authorization to be employed in an airport gaming certificate holder's airport gaming operations.

SUBCHAPTER D

AIRPORT GAMING FEES AND TAXES

Sec.

13E51. Fees.

13E52. Airport gaming tax and assessment.

§ 13E51. Fees.

(a) Required fees.—A slot machine licensee shall pay:

(1) Except as set forth in paragraph (2) or (3), a one-time, nonrefundable fee of \$1,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport.

(2) A one-time, nonrefundable fee of \$5,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a city of the first class.

(3) A one-time, nonrefundable fee of \$2,500,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a county of the second class.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13E52. Airport gaming tax and assessment.

(a) Imposition.—Each airport gaming certificate holder shall report to the department and pay from its airport gaming revenue, on a form and in the manner prescribed by the department, a tax of 34% of its airport gaming revenue and an airport local share assessment.

(b) Deposits and distributions.—

(1) The tax and local share assessment imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross terminal 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 airport gaming certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a airport gaming certificate holder shall establish a separate bank account into which gross terminal revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(3) The department shall transfer the tax revenues collected under this section to the General Fund.

(4) The department shall quarterly distribute to each qualified airport the airport local share assessment from the airport gaming revenue generated from airport gaming at each qualified airport.

(c) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Airport local share assessment." Twenty percent of an airport

gaming certificate holder's airport gaming revenue.

SUBCHAPTER E
MISCELLANEOUS PROVISIONS

Sec.

13E91. Regulations.

§ 13E91. Regulations.

(a) Regulations.—The board shall promulgate regulations consistent with the provisions of this part to govern the conduct of airport gaming at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

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

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

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

(c) Expiration.—The board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

Section 15. Sections 1403(b), (c)(2)(ii)(D), (iii)(A) and (iv)(B), 1405, 1407 and 1408(c) of Title 4 are amended to read:

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

* * *

(b) Slot machine tax.—The department shall determine and each slot machine licensee shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its licensed facility and a local share assessment as provided in subsection (c). All funds owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed gaming entity for the Commonwealth, the county and the municipality until the funds are paid or transferred to the fund. Unless otherwise agreed to by the board, a licensed gaming entity shall establish a separate bank account to maintain gross terminal revenue until such time as the funds are paid or transferred under this section. Moneys in the fund are hereby appropriated to the department on a continuing basis for the purposes set forth in subsection (c). For the purpose of this subsection, the term licensed facility shall not be construed to include a nonprimary location at which a Category 1 slot machine licensee is authorized to place and make slot machines available for play in accordance with Chapter 13D (relating to slot machines at nonprimary locations) or the physical land-based location of a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

(c) Transfers and distributions.—The department shall:

* * *

(2) From the local share assessment established in subsection (b), make quarterly distributions among the counties hosting a licensed facility in accordance with the following schedule:

* * *

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

* * *

(D) A county of the third class: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed

facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located. Notwithstanding the provisions of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

* * *

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

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class. [The first \$5,000,000] Fifty percent or \$5,000,000, whichever is greater, of the total amount distributed annually to the county of the first class shall be distributed to the Philadelphia School District.

* * *

(iv) * * *

(B) If the facility is a Category 3 licensed facility located in a county of the second class A, 2% of the gross terminal revenue [from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the host county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Wastewater Infrastructure Program).] to the county hosting the licensed facility from each such licensed facility shall be deposited as follows:

(I) Seventy-five percent shall be deposited for the purpose of supporting the maintenance and refurbishment of the parks and heritage sites throughout the county in which the licensed facility is located.

(II) Twelve and one-half percent shall be deposited for the purpose of supporting a child advocacy center located within the county in which the licensed facility is located.

(III) Twelve and one-half percent shall be deposited for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensed facility is located.

* * *

§ 1405. Pennsylvania Race Horse Development Fund.

(b) Pennsylvania race horse improvement assessment.—Each active and operating licensed gaming entity shall pay a daily assessment to the Pennsylvania Race Horse Development Fund as determined by the department. Subject to the daily assessment cap established under subsection (c), the licensed gaming entity's

assessment shall be a percentage of each licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility, equal to an amount calculated as "A" multiplied by "B", with "A" being equal to each licensed gaming entity's gross terminal revenue for that day divided by the total gross terminal revenue for that day from all licensed gaming entities, and "B" being equal to 18% of that day's gross terminal revenue for all active and operating Category 1 licensees conducting live racing.

(c) Daily assessment cap.—If the resulting daily assessment for a licensed gaming entity exceeds 12% of that licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility for the day, the licensed gaming entity shall pay a daily assessment of 12% of its gross terminal revenue for that day.

(e) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).
§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

(a) Fund established.—There is hereby established a Pennsylvania Gaming Economic Development and Tourism Fund within the State Treasury.

(b) Fund administration and distribution.—The Pennsylvania Gaming Economic Development and Tourism Fund shall be administered by the Department of Community and Economic Development. All moneys in the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed pursuant to a subsequently enacted Economic Development Capital Budget that appropriates money from the fund pursuant to this section. The procedures for enactment, authorization and release of economic development and tourism funds authorized under this section for both capital projects and operational expenditures shall be the same as those provided for in sections 303(a), (b) and (c) and 318(a) of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, without reference to the nature or purpose of the project, and any other statutory provision, if any, necessary to effectuate the release of funds appropriated in such economic development capital budget.

(c) Pennsylvania Gaming Economic Development and Tourism Fund Assessment.—Each licensed gaming entity shall pay a daily assessment of 5% of its gross terminal revenue from the slot machines in operation at its licensed facility to the Pennsylvania Gaming Economic Development and Tourism Fund.

(d) Restrictions on projects for certain counties and cities.—Except as set forth in subsection (d.1), for a ten-year period beginning with the first fiscal year during which deposits are made into this fund, no moneys from the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout this Commonwealth. Moneys from the fund for projects within cities and counties of the first and second classes may only be used for the following projects during this ten-year period:

(1) for reimbursement to a city of the first class for debt service made by such city to the extent that such payments have been made for the expansion of the Pennsylvania Convention Center;

(2) for distribution to the General Fund to the extent that the Commonwealth has made debt service payments for the expansion of the Pennsylvania Convention Center;

(3) for reimbursement to a city of the first class for payments made by such city for the operation expenses of the Pennsylvania Convention Center during the prior calendar year;

(4) for debt service and for development and economic development projects for an international airport located in a

county of the second class;

(5) for distribution to a community infrastructure development fund of a county of the second class to fund construction, development, improvement and maintenance of infrastructure projects;

(6) for the retirement of the indebtedness of an urban redevelopment authority created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, in a city of the second class which is financed in part with the utilization of funds transferred to the regional asset district pursuant to Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code;

(8) for retirement of indebtedness of a county of the second class development fund created pursuant to the authority of Article XXXI-B of the Second Class County Code and the Urban Redevelopment Law;

(9) for retirement of indebtedness of a convention center in a city of the second class established pursuant to the authority of the Public Auditorium Authorities Law;

(10) for payment of the operating deficit for the operation of a convention center in a city of the second class established pursuant to the Public Auditorium Authorities Law.

(d.1) Community and economic development.—

(1) Notwithstanding subsection (b) or any other provision of law to the contrary, the money authorized but not expended under former subsection (d)(7) as of the effective date of this subsection shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority exclusively for eligible applications submitted by the redevelopment authority of a county of the second class created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, for economic development, infrastructure development, job training, community improvement, public safety or other projects in the public interest located in a county of the second class. Community development corporations, political subdivisions, urban redevelopment authorities, municipal authorities, for-profit entities and nonprofit entities located in a county of the second class shall be eligible to receive funds made available under this paragraph.

(2) Notwithstanding the Capital Facilities Debt Enabling Act, funding under the paragraph (1) may be utilized as local matching funds for grants or loans from the Commonwealth.

(e) Annual report.—The Office of the Budget, in cooperation with the Department of Community and Economic Development and the Commonwealth Financing Authority, shall submit an annual report of all distribution of funds under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives. The report shall include detailed information relating to transfers made from the Pennsylvania Gaming Economic Development and Tourism Fund and all reimbursements, distributions and payments made under subsection (b) or 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. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

(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) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

Amend Bill, page 2, lines 15 and 16, by striking out all of said lines and inserting

Section 15.1. Title 4 is amended by adding a section to read:
§ 1410. Public School Employees' Retirement Contribution Fund.

(a) Establishment.—The Public School Employees' Retirement Contribution Fund is established within the State Treasury.

(b) Contents of fund.—The fund shall contain the money transferred to the fund under subsection (c) and any other money transferred to or deposited into the fund.

(c) Transfers to fund.—Notwithstanding any provision of this part, the following shall apply:

(1) For the 2016-2017 fiscal year, \$303,000,000 of the receipts deposited into the General Fund under Chapters 13A (relating to table games), 13B (relating to interactive gaming), 13D (relating to slot machines at nonprimary locations) and 13E (relating to slot machines in qualified airports) shall be transferred to the fund. The transfers required by this paragraph shall be made in equal monthly amounts beginning on the first day of the first month following the effective date of this paragraph.

(2) For the 2017-2018 fiscal year and each fiscal year thereafter, \$310,000,000 of the receipts deposited into the General Fund under Chapters 13A, 13B, 13D and 13E shall be transferred to the fund. The transfers required by this paragraph shall be made in equal monthly amounts beginning on July 1, 2017.

(d) Use of money in fund.—Money in the fund is hereby appropriated to the Department of Education as an augmentation to the appropriation for required contribution for public school employees' retirement.

(e) Definition.—As used in this section, the term "fund" means the Public School Employees' Retirement Contribution Fund.

Section 15.2. Sections 1501(b) and 1509(c) of Title 4 are amended to read:

§ 1501. Responsibility and authority of department.

* * *

(b) Application of rules and regulations.—The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of slot machines [and], including slot machines at nonprimary locations and qualified airports, table games and interactive gaming under this part.

* * *

§ 1509. Compulsive and problem gambling program.

* * *

(c) Notice of availability of assistance.—

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post at least 20 signs similar to the following statement:

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

The signs must be posted within 50 feet of each entrance and exit, within 50 feet of each automated teller machine location within the licensed facility and in other appropriate public areas of the licensed facility as determined by the slot machine licensee.

(2) Each racetrack where slot machines or table games are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

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

(2.1) Each interactive gaming certificate holder, interactive gaming operator or other person that operates interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder:

(i) Shall cause the words:

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

or some comparable language approved by the board, which language shall include the words "gambling problem" and "call 1-800-XXXX," to be prominently and continuously displayed to any person visiting or logged onto the interactive gaming certificate holder's interactive gaming skin or Internet website.

(ii) Shall provide a mechanism by which an interactive gaming account holder may establish the following controls on wagering activity through the interactive gaming account:

(A) A limit on the amount of money lost within a specified period of time and the length of time the account holder will be unable to participate in gaming if the holder reaches the established loss limit.

(B) A limit on the maximum amount of any single wager on any interactive game.

(C) A temporary suspension of interactive gaming through the account for any number of hours or days.

(iii) Shall not mail or otherwise forward any gaming-related promotional material or e-mail to a registered player during any period in which interactive gaming through the registered players' interactive gaming account has been suspended or terminated. The interactive gaming certificate holder shall provide a mechanism by which a registered player may change the controls, except that, while interactive gaming through the interactive gaming account is suspended, the registered player may not change gaming controls until the suspension expires, but the registered player shall continue to have access to the account and shall be permitted to withdraw funds from the account upon proper application for the funds to the interactive gaming certificate holder.

(3) A [licensed facility] licensed gaming entity which fails to post or print the warning sign in accordance with paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine of \$1,000 a day for each day the minimum number of signs are not posted or the required statement is not printed as provided in this subsection.

(4) An interactive gaming certificate holder or interactive gaming license holder, as the case may be, that fails to establish the mechanisms, controls and systems in accordance with paragraph (2.1)(ii) and (iii) shall be assessed a fine of not less than \$5,000 per day for each day the mechanisms, controls and systems are not available to interactive gaming account holders.

* * *

Section 16. Title 4 is amended by adding a section to read:
 § 1509.2. Child endangerment protection.

(a) Posting of signs.—The following shall apply:

(1) Each licensed gaming entity shall post the necessary signage to notify patrons of the prohibition against leaving a child unattended in a vehicle under section 1518(a)(18) (relating to prohibited acts; penalties) and underage gambling under section 1518(a)(13) and (13.1) and the penalty for violations.

(2) The signs shall be conspicuously posted in clear view of all parking areas and other public areas of the licensed facility and, including where applicable, nonprimary locations, as determined by the licensed gaming entity and approved by the board.

(3) The board shall determine the written content and minimum number of signs to be posted at each licensed facility.

(b) Fine.—A licensed gaming entity that fails to post signage in accordance with subsection (a) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs as prescribed by the board are not posted.

Section 17. Section 1512 of Title 4 is amended by adding a subsection to read:

§ 1512. Financial and employment interests.

* * *

(a.6) Prohibition related to interactive gaming.—

(1) 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 immediate family member thereof shall hold, directly or indirectly, a financial interest in, be employed by or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including, but not limited to, consulting or similar services from any holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, or any business, association, enterprise or other entity that is organized in whole or in part for the purpose of promoting, advocating for or advancing the interests of the interactive gaming industry generally or any interactive gaming-related business or businesses in connection with any cause, application or matter. The financial interest and employment prohibitions under this paragraph shall remain in effect for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(2) Notwithstanding paragraph (1), a member of the immediate family of an executive-level public employee, public official or party officer may hold employment with the holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, if in the judgment of the State Ethics Commission or the Supreme Court, as appropriate, employment will not interfere with the responsibilities of the executive-level public employee, public official or party officer and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest on the part of the executive-level public employee, public official or party officer.

(3) The financial interest and employment prohibitions specified in paragraphs (1) and (2) shall apply to slot machines at nonprimary locations under Chapter 13D (relating to slot machines at nonprimary locations).

* * *

Section 18. Sections 1514 heading, (a), (d), (e) and (f), 1515,

1516 and 1517(b)(1), (c)(12) and (e)(1) of Title 4 are amended to read:
 § 1514. Regulation requiring exclusion [or], ejection or denial of access of certain persons.

(a) General rule.—The board shall by regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed facility or who may be denied access to interactive gaming or slot machines at nonprimary locations. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a licensed facility or whose access to interactive gaming and slot machines at nonprimary locations would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

* * *

(d) Sanctions.—The board may impose sanctions upon a licensed gaming entity or interactive gaming licensee in accordance with this part if the licensed gaming entity knowingly fails to exclude or eject from the premises of any licensed facility or deny access to interactive gaming or to slot machines at a nonprimary location any person placed by the board on the list of persons to be excluded [or], ejected or denied access.

(e) List not all-inclusive.—Any list compiled by the board of persons to be excluded [or], ejected or denied access shall not be deemed an all-inclusive list, and a licensed gaming entity shall have a duty to keep from the licensed facility and from interactive gaming and slot machines at a nonprimary location persons known to it to be within the classifications declared in this section and the regulations promulgated under this section whose presence in a licensed facility or whose participation in interactive gaming and the play of slot machines at a nonprimary location would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, as defined in standards established by the board.

(f) Notice.—Whenever the bureau seeks to place the name of any person on a list pursuant to this section, the bureau shall serve notice of this fact to such person by personal service or certified mail at the last known address of the person. The notice shall inform the person of the right to request a hearing under subsection (g). The bureau may also provide notice by e-mail, if the electronic mail address of the person is known to the bureau.

* * *

§ 1515. Repeat offenders excludable from licensed gaming facility.

A licensed gaming entity may exclude or eject from its licensed facility or deny access to interactive gaming and slot machines at a nonprimary location any person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of any licensed facility. Nothing in this section or in any other law of this Commonwealth shall limit the right of a licensed gaming entity to exercise its common law right to exclude or eject permanently from its licensed facility or permanently deny access to its interactive gaming and slot machines at a nonprimary location any person who disrupts the operations of its premises or its interactive gaming or the operation of slot machines at a nonprimary location, threatens the security of its premises or its occupants or is disorderly or intoxicated[,] or who threatens the security of its licensed facility, including the area of a nonprimary location where slot machines are placed and made available for play or the area of a licensed facility where interactive gaming operations are managed, administered or controlled.

§ 1516. List of persons self excluded from gaming activities.

(a) General rule.—The board shall provide by regulation for the establishment of a list of persons self excluded from gaming activities, including interactive gaming and the play of slot machines at nonprimary locations, at all licensed facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the board that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at licensed facilities, including interactive gaming and the play of slot machines at a

nonprimary location.

(b) Regulations.—The regulations of the board shall establish procedures for placements on and removals from the list of self-excluded persons. The regulations shall establish procedures for the transmittal to licensed gaming entities of identifying information concerning self-excluded persons and shall require licensed gaming entities to establish procedures designed at a minimum to deny self-excluded persons access to interactive gaming and the play of slot machines at nonprimary locations and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentarys, check cashing privileges, club programs and other similar benefits.

(c) Liability.—A licensed gaming entity or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed gaming entity to withhold gaming privileges from or restore gaming privileges to a self-excluded person; [or]

(1.1) the failure of a interactive gaming certificate holder or interactive gaming licensee to withhold interactive gaming privileges from or restore interactive gaming privileges to a self-excluded person;

(1.2) the failure of a Category 1 licensed gaming entity to withhold or restore access to slot machines at a nonprimary location to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in gaming activity in the facility or participate in interactive gaming or slot machine play at a nonprimary location while on the list of self-excluded persons.

(d) Disclosure.—Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection. Nothing in this section, however, shall be construed to prohibit a licensed gaming entity from disclosing the identity of persons self excluded pursuant to this section to affiliated gaming entities in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by affiliated licensed gaming entities.

§ 1517. Investigations and enforcement.

* * *

(b) Powers and duties of department.—

(1) The department shall at all times have the power of access to examine and audit equipment and records relating to all aspects of the operation of slot machines [or], including slot machines at nonprimary locations and, consistent with airport security rules, at qualified airports, table games or interactive games under this part.

* * *

(c) Powers and duties of the Pennsylvania State Police.—The Pennsylvania State Police shall have the following powers and duties:

* * *

(12) Conduct audits or verification of information of slot machine [or], table game operations, including the operation of slot machines used in a multistate wide-area progressive slot machine system and in the operation of skill or hybrid slot machines, interactive gaming operations and the operation of slot machines at a nonprimary location and in the specified area of a qualified airport 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 licensee.

* * *

(e) Inspection, seizure and warrants.—

(1) The bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties:

(i) Inspect and examine all premises, including the premises of a nonprimary location and the specified area of a qualified airport, where slot machine [or], table game and interactive gaming operations are conducted, slot machines, table game devices and associated equipment, interactive gaming devices and associated equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained.

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

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

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

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, count room or its equipment, interactive gaming devices and associated equipment or slot machine [or], table game or interactive gaming operations.

* * *

Section 19. Section 1518(a)(1), (2), (3), (4), (5), (7.1), (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4 are amended, subsections (a) and (b) are amended by adding paragraphs and subsection (c)(1) is amended by adding a subparagraph to read:
§ 1518. Prohibited acts; penalties.

(a) Criminal offenses.—

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

(2) It shall be unlawful for a person to willfully:

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

(ii) attempt in any manner to evade or defeat any license fee, authorization fee, permit fee, registration fee, tax or assessment or any other fee imposed under this part.

(3) It shall be unlawful for any licensed entity, gaming employee, key employee or any other person to permit a slot machine, table game or table game device, interactive game or interactive gaming device or associated equipment to be operated, transported, repaired or opened on the premises of a licensed facility by a person other than a person licensed or permitted by the board pursuant to this part.

(3.1) It shall be unlawful for any person who does not possess a valid and then effective interactive gaming certificate or interactive gaming license issued by the board in accordance with Chapter 13B (relating to interactive gaming) to accept any wager associated with any authorized interactive game from any individual without verifying the age, identity and physical location of the player at the time of play or wager.

(3.2) It shall be unlawful for any person who does not possess a valid nonprimary location permit issued by the board in accordance with section 13D12 (relating to issuance and terms of nonprimary location permit) to place and make slot machines available for play at a nonprimary location.

(4) It shall be unlawful for any licensed entity or other person to manufacture, supply or place slot machines, table games, table game devices or associated equipment, authorized

interactive game or interactive gaming devices or associated equipment into play or display slot machines, including slot machines at a nonprimary location or in a specified area of a qualified airport, table games, table game devices or associated equipment on the premises of a licensed facility without the authority of the board.

(4.1) It shall be unlawful for any slot machine licensee to offer interactive games into play or display such games on its interactive gaming skin or Internet website without the approval of the board.

(4.2) It shall be unlawful for any licensed entity or other person to manufacture, supply or place interactive gaming devices or associated equipment into operation at a licensed facility without the approval of the board.

(4.3) It shall be unlawful for any Category 1 slot machine licensee to place and make slot machines available for play at a nonprimary location or in a specified area of a qualified airport without the approval of the board.

(5) Except as provided for in section 1326 (relating to [license] renewals), it shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine, including slot machines at a nonprimary location, table game, table game device or associated equipment, interactive game or interactive gaming device or associated equipment after the person's license has expired and prior to the actual renewal of the license.

* * *

(7.1) It shall be unlawful for an individual to do any of the following:

(i) Use or possess counterfeit, marked, loaded or tampered with table game devices or associated equipment, chips or other cheating devices in the conduct of gaming under this part, except that an authorized employee of a licensee or an authorized employee of the board may possess and use counterfeit chips or table game devices or associated equipment that have been marked, loaded or tampered with, or other cheating devices or any unauthorized interactive gaming device or associated equipment in performance of the duties of employment for training, investigative or testing purposes only.

(ii) Knowingly, by a trick or sleight of hand performance or by fraud or fraudulent scheme, or manipulation, table game device or other device, or interactive gaming device for himself or for another, win or attempt to win any cash, property or prize at a licensed facility or to reduce or attempt to reduce a losing wager.

(7.2) It shall be unlawful for a person to knowingly alter, tamper or manipulate interactive gaming devices or associated equipment, including software, system programs, hardware and any other device or associated equipment used in interactive gaming operations, in order to alter the odds or the payout of an interactive game or to disable the interactive game from operating according to the rules of the game as authorized by the board.

(7.3) It shall be unlawful for a person to knowingly offer or allow to be offered any authorized interactive game that has been altered, tampered with or manipulated in a way that affects the odds or the payout of an authorized interactive game or disables the interactive game from operating according to the authorized rules of the game as authorized by the board.

* * *

(11) It shall be unlawful for a licensed gaming entity that is a licensed racing entity and that has lost the license issued to it by [either] the State Horse Racing Commission [or the State Harness Racing Commission under the Race Horse Industry Reform Act] under Article XXVIII-D of the act of April 19, 1929 (P.L.177, No.175), known as The Administrative Code of 1929,

or that has had that license suspended to operate slot machines [or], table games or authorized interactive games at the racetrack or nonprimary location for which its slot machine license was issued unless the license issued to it by either the State Horse Racing Commission or the State Harness Racing Commission will be subsequently reissued or reinstated within 30 days after the loss or suspension.

* * *

(13) It shall be unlawful for an individual under 21 years of age to enter and remain in any area of a licensed facility where slot machines are operated, including any area of a nonprimary location or a specified area of a qualified airport, or the play of table games is conducted, except that an individual 18 years of age or older employed by a slot machine licensee, a gaming service provider, the board or any other regulatory or emergency response agency may enter and remain in any such area while engaged in the performance of the individual's employment duties.

(13.1) It shall be unlawful for an individual under 21 years of age to wager, play or attempt to play a slot machine or table game, or wager, play or attempt to play an interactive game at a licensed facility, including a nonprimary location and the specified area of a qualified airport.

(13.2) It shall be unlawful to allow a person under 21 years of age to open, maintain or use in any way an interactive gaming account. Any interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder or interactive gaming licensee or other such person who knowingly allows a person under 21 years of age to open, maintain or use an interactive gaming account shall be subject to the penalty set forth in this section, except that the establishment of all of the following facts by an interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder, interactive gaming licensee or other such person shall constitute a defense to any regulatory action by the board or the penalty authorized under this section:

(i) the underage person falsely represented that he was of the permitted 21 years of age in the application for an interactive gaming account; and

(ii) the establishment of the interactive gaming account was made in good faith reliance upon such representation and in the reasonable belief that the underage person was 21 years of age.

* * *

(15) It shall be unlawful for a licensed gaming entity to require a wager to be greater than the stated minimum wager or less than the stated maximum wager. However, a wager made by a player and not rejected by a licensed gaming entity prior to commencement of play shall be treated as a valid wager. A wager accepted by a dealer or through an authorized interactive game shall be paid or lost in its entirety in accordance with the rules of the game, notwithstanding that the wager exceeded the current table maximum wager or authorized interactive game wager or was lower than the current table minimum wager or minimum interactive game wager.

* * *

(17) It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a slot machine, including from slot machines at a nonprimary location or in a specified area of a qualified airport, gaming table or other table game device, interactive game or interactive gaming device with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, any component of any slot machine, including slot machines at a nonprimary location or in a specified area of a qualified airport, table game or table game device, interactive game or interactive

gaming device in a manner contrary to the designed and normal operational purpose.

(18) Notwithstanding any other provision of law, it shall be unlawful for an individual driving or in charge of a motor vehicle to permit a child under 14 years of age to remain unattended in the vehicle if the vehicle is located on property owned, leased or controlled by a licensed gaming entity or its affiliate, intermediary, subsidiary or holding company. In addition to the penalties in subsection (b), the individual shall be subject to exclusion or ejection from licensed facilities under sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons) and 1515 (relating to repeat offenders excludable from licensed gaming facility). Notwithstanding any of the provisions of 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the investigating officer in the jurisdiction in which the vehicle is located shall be responsible for providing written notice of the violation within 48 hours to the director of the county children and youth service agency of the county where the violation occurred. The notice shall contain:

(i) The name of the individual charged under this section.

(ii) The address or addresses at which the individual resides.

(iii) The name of the child or children left unattended.

(b) Criminal penalties and fines.—

(1) (i) A person that commits a first offense in violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits an offense to be graded in accordance with the applicable section violated. A person that is convicted of a second or subsequent violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits a felony of the second degree.

(ii) A person that violates subsection (a)(2), (3) and (4) through (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3) and (4) through (12) or (17) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through (12) or (17), a person shall be sentenced to pay a fine of:

(A) not less than \$75,000 nor more than \$150,000 if the person is an individual;

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

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

(ii) For a second or subsequent violation of subsection (a)(1), (2), (3) and (4) through (12) or (17), a person shall be sentenced to pay a fine of:

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

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

(C) not less than \$300,000 nor more than \$600,000 if the person is a licensed

manufacturer or supplier.

(2.1) A person that commits an offense in violation of subsection (a)(3.1) or (3.2) commits a felony and, upon conviction, shall be sentenced to pay a fine of not less than \$500,000 nor more than \$1,000,000. A person that is convicted of a second or subsequent violation of subsection (a)(3.1) commits a felony of the first degree and shall be sentenced to pay a fine of not less than \$1,000,000 nor more than \$2,500,000.

(3) An individual who commits an offense in violation of subsection (a)(13) [or] (13.1) or (13.2) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than \$200 nor more than \$1,000. An individual that is convicted of a second or subsequent offense under subsection (a)(13) [or] (13.1) or (13.2) shall be sentenced to pay a fine of not less than \$500 nor more than \$1,500. In addition to the fine imposed, an individual convicted of an offense under subsection (a)(13) [or] (13.1) or (13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

(3.1) Notwithstanding paragraph (3), whenever an individual is convicted of a second or subsequent offense under subsection (a)(13) or (13.1), the court, including a court not of record if it is exercising jurisdiction pursuant to 42 Pa.C.S. § 1515(a) (relating to jurisdiction and venue), shall order the operating privileges of the individual suspended. A copy of the court order shall be transmitted to the Department of Transportation.

(3.2) When the department suspends the operating privilege of a person under paragraph (3.1), the duration of the suspension shall be as follows:

(i) For a first offense, a period of 90 days from the date of suspension.

(ii) For a second offense, a period of one year from the date of suspension.

(iii) For a third offense, and any offense thereafter, a period of two years from the date of suspension. Any multiple sentences imposed shall be served consecutively.

Reinstatement of operating privilege shall be governed by 75 Pa.C.S. § 1545 (relating to restoration of operating privilege).

* * *

(5) An individual who commits an offense in violation of subsection (a)(18) commits a misdemeanor of the third degree for the first offense. A person that is convicted of a second or subsequent violation of subsection (a)(18) commits a misdemeanor of the second degree.

(c) Board-imposed administrative sanctions.—

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

* * *

(x) Assess a fine for failure to report a violation under subsection (a)(18), of which the licensed gaming entity knew or should have known, to the appropriate law enforcement authority. The amount of the fine shall be not less than \$75,000 nor more than \$150,000 for a first violation of this subparagraph, and not less than \$150,000 nor more than \$300,000 for a second or subsequent violation of this subparagraph.

* * *

Section 20. Title 4 is amended by adding a section to read:

§ 1521.1. Casino liquor license.

(a) Application.—Notwithstanding section 1521 (relating to liquor license at licensed facilities) or any provision of law or regulation to the contrary, a slot machine licensee holding a restaurant liquor or eating place retail dispenser license under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, may apply to the Pennsylvania Liquor Control Board for a casino liquor license. The

Pennsylvania Liquor Control Board may issue a casino liquor license to a slot machine licensee for use at its licensed facility in accordance with this section.

(b) Fees.—Each application for a casino license under this section shall be accompanied by a fee of \$1,000,000.

(c) Renewal.—

(1) The license must be renewed on an annual basis.

(2) For each year of the first four years after the initial issue of the license, the license shall not be subject to an annual renewal fee.

(3) After the expiration of the four-year license period under paragraph (2), the licensee shall be subject to an annual renewal fee of \$50,000.

(4) All fees collected or received by the Pennsylvania Liquor Control Board under this subsection shall be paid into the State Treasury through the Department of Revenue for deposit into the General Fund.

(d) Disposition of restaurant liquor or eating place retail dispenser license.—

(1) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license issued under the authority of the Liquor Code may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon the issuance of a license under this section, the applicant must surrender the restaurant liquor or eating place retail dispenser license to the Pennsylvania Liquor Control Board.

(2) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license purchased through private sale may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon issuance of a license under this section, the applicant may sell the previously purchased restaurant liquor or eating place retail dispenser license.

(e) Hours of operation.—Notwithstanding any other provision of law to the contrary, a holder of a casino liquor license may sell or serve liquor and malt or brewed beverages 24 hours a day, seven days a week.

(f) Transfers.—Licenses issued under this section are nontransferable, provided that nothing in this subsection shall preclude a transfer of ownership of a casino liquor license to another eligible person to be used at the same licensed facility.

(g) Expiration.—Licenses under this section shall expire under the following circumstances:

(1) revocation by an administrative law judge under section 471 of the Liquor Code;

(2) nonrenewal by the Pennsylvania Liquor Control Board under section 470 of the Liquor Code;

(3) nonrenewal of the license by the slot machine licensee; or

(4) upon request by the slot machine licensee.

(h) New applicant.—The Pennsylvania Liquor Control Board may issue a license under this section at any time to a new applicant even if the previous license had:

(1) been revoked by an administrative law judge under section 471 of the Liquor Code;

(2) not been renewed by the Pennsylvania Liquor Control Board under section 470 of the Liquor Code;

(3) not been renewed by the slot machine licensee; or

(4) expired upon request by the slot machine licensee.

(i) Restrictions and privileges.—Licenses issued under this section are subject to the following additional restrictions and privileges:

(1) Sales may be made at any time the facility is open to the public.

(2) Liquor or malt or brewed beverages may be transported and consumed off the gaming floor so long as it

remains within the premises of the licensed facility.

(3) Sales of malt or brewed beverages for off-premises consumption are prohibited.

(4) In addition to the provisions of section 493(24)(ii) of the Liquor Code, the holder of a casino liquor license may give liquor and malt or brewed beverages free of charge to any person attending an invitation-only event held anywhere on the premises of the licensed facility.

(5) Licenses issued under this section shall not be subject to:

(i) the proximity provisions of sections 402 and 404 of the Liquor Code;

(ii) the restrictions on discount pricing practices set forth in section 406(g) of the Liquor Code;

(iii) the quota restrictions of section 461 of the Liquor Code;

(iv) the provisions of section 493(10) of the Liquor Code, except as it relates to lewd, immoral or improper entertainment;

(v) the prohibition against minors frequenting as described in section 493(14) of the Liquor Code;

(vi) the cost and total display area limitations of section 493(20)(i) of the Liquor Code;

(vii) the restrictions on events, tournaments or contests set forth in 40 Pa. Code § 5.32 (relating to restrictions/exceptions); and

(viii) the restrictions on the awarding of trophies, prizes or premiums set forth in 40 Pa. Code § 5.32.

(6) The authorization to sell or serve liquor and malt or brewed beverages by a holder of a casino liquor license pursuant to subsection (e) shall not apply to the operation of slot machines at a nonprimary location or at a qualified airport.

(j) Multiple licenses.—More than one license issued by the Pennsylvania Liquor Control Board may be in effect at a licensed facility at any one time. However, no more than one license issued under this section shall be in effect at any specific location within the premises of a licensed facility at the same time.

Section 21. Section 1901(a) of Title 4 is amended by adding a paragraph to read:

§ 1901. Appropriations.

(a) Appropriation to board.—

(3) The sum of \$5,000,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the board for the activities authorized under this act. This appropriation shall be a supplemental appropriation for fiscal year 2015-2016 and shall be in addition to the appropriation contained in the act of July 2, 2015 (P.L. , No.), known as the Gaming Control Appropriation Act of 2015.

Section 22. The amendment of 4 Pa.C.S. § 1305 in the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending 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, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character

requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," shall take effect on January 1, 2016, if all Category 3 licensed facilities authorized by 4 Pa.C.S. Pt. II before the effective date of this section have commenced the operation of slot machines.

Section 23. Repeals are as follows:

(1) The General Assembly finds that the repeal under paragraph (2) is necessary to effectuate this act.

(2) Section 21(2) of the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending 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, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of

Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," is repealed.

Section 24. This act shall take effect immediately.

On the question recurring,

Will the House agree to the amendment?

The SPEAKER. On the question, the Chair recognizes Representative Payne for a summary of the amendment.

Mr. PAYNE. Thank you, Mr. Speaker.

Mr. Speaker, A07622 is the omnibus gaming amendment that authorizes VGTs at liquor-licensed establishments and truck stops, iGaming, tablet gaming, iGaming at airports, slots at airports, slots at offtrack betting parlors for Category 1s, casino liquor licenses, changes to the Cat 3 casino limitations, and other changes to Title 4.

Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—66

Adolph	Gibbons	McGinnis	Saccone
Benninghoff	Gillespie	Metzgar	Sainato
Brown, R.	Grove	Miccarelli	Sankey
Burns	Harhai	Millard	Santora
Caltagirone	Harris, A.	Mullery	Saylor
Causer	Heffley	Mustio	Schreiber
Christiana	Helm	Oberlander	Snyder
Costa, D.	Hill	Parker, D.	Sonney
Costa, P.	Irvin	Petrarca	Stephens
Deasy	Jozwiak	Pyle	Tobash
Diamond	Knowles	Quigley	Toepel
Driscoll	Kortz	Rader	Toohil
Dunbar	Mahoney	Ravenstahl	Topper
Ellis	Markosek	Readshaw	Ward
English	Marshall	Reed	
Everett	Masser	Reese	Turzai,
Gabler	Matzie	Roae	Speaker

NAYS—122

Acosta	Evankovich	Kinsey	Peifer
Artis	Evans	Kotik	Petri
Baker	Fabrizio	Krueger	Pickett
Barrar	Farina	Lawrence	Quinn
Bizzarro	Farry	Lewis	Rapp
Bloom	Fee	Longietti	Regan
Boback	Flynn	Mackenzie	Roebuck
Boyle	Frankel	Maher	Ross
Bradford	Gainey	Major	Rothman
Briggs	Galloway	Maloney	Samuelson
Brown, V.	Gergely	Marsico	Santarsiero
Bullock	Gillen	McCarter	Savage
Carroll	Gingrich	McClinton	Schemel
Cohen	Godshall	McNeill	Schlossberg
Conklin	Greiner	Mentzer	Schweyer
Corbin	Hahn	Metcalfe	Sims
Cox	Hanna	Miller, B.	Staats
Cruz	Harhart	Miller, D.	Tallman
Culver	Harkins	Milne	Taylor
Cutler	Harper	Moul	Thomas
Daley, M.	Harris, J.	Murt	Truitt
Davidson	Hennessey	Neilson	Vereb
Davis	Hickernell	Nelson	Vitali

Dawkins	James	Nesbit	Warner
Dean	Kampf	Neuman	Watson
Delozier	Kauffer	O'Brien	Wentling
Dermody	Kauffman	O'Neill	Wheatley
DiGirolamo	Kavulich	Ortitay	White
Donatucci	Keller, F.	Pashinski	Youngblood
Dush	Keller, M.K.	Payne	Zimmerman
Emrick	Kim		

NOT VOTING—0

EXCUSED—14

Barbin	DeLuca	Kirkland	Simmons
Daley, P.	Freeman	Klunk	Sturla
Day	Goodman	Rozzi	Wheeland
DeLissio	Keller, W.		

Less than the majority having voted in the affirmative, the question was determined in the negative and the amendment was not agreed to.

On the question recurring,
Will the House agree to the bill on second consideration?

Mr. **PAYNE** offered the following amendment No. **A07619**:

Amend Bill, page 1, lines 1 through 3, by striking out all of said lines and inserting
Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for legislative intent and for definitions; in Pennsylvania Gaming Control Board, further providing for general and specific powers, for licensed gaming entity application appeals from board, for board minutes and records, for regulatory authority of board, for slot machine license fee, for reports of board and for diversity goals of board; in licensees, further providing for Category 3 slot machine license, for slot machine license application, for supplier licenses and for manufacturer licenses, providing for nongaming service provider and further providing for slot machine testing and certification standards and for license renewals; in table games, further providing for authorization to conduct table games, for table game tournaments, for other financial transactions, for table game device and associated equipment testing and certification standards, for table game authorization fee and for local share assessment; providing for interactive gaming, for slot machines at nonprimary locations and for slot machines in qualified airports; in revenues, further providing for establishment of State Gaming Fund and net slot machine revenue distribution, for Pennsylvania Race Horse Development Fund, for Pennsylvania Gaming Economic Development and Tourism Fund and for transfers from State Gaming Fund and establishing the Public School Employees' Retirement Contribution Fund; in administration and enforcement, further providing for responsibility and authority of the Department of Revenue, for compulsive and problem gambling program, providing for child endangerment protection, further providing for financial and employment interests, for regulation requiring exclusion or ejection of certain persons, for repeat offenders excludable from licensed gaming facility, for list of persons self excluded from gaming activities, for investigations and enforcement, for prohibited acts and penalties and providing for casino liquor license; in miscellaneous provisions, further providing for appropriations; making an editorial change; and making a related repeal.

Amend Bill, page 1, lines 6 and 7, by striking out all of said lines and inserting

Section 1. Section 1102 of Title 4 of the Pennsylvania

Consolidated Statutes is amended by adding paragraphs to read:
§ 1102. Legislative intent.

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

* * *

(12.1) The continued growth and success of the commercial gaming industry in this Commonwealth is dependent upon a regulatory environment which promotes and fosters technological advances and encourages the development and delivery of innovative gaming products.

(12.2) It is also the intent of the General Assembly to ensure the sustainability and competitiveness of the commercial gaming industry in this Commonwealth by authorizing interactive gaming, the operation of multistate wide-area progressive slot machines, skill and hybrid slot machines and the operation of slot machines at nonprimary locations.

* * *

Section 2. The definitions of "associated equipment," "cash equivalent," "cheat," "cheating or thieving device," "commission" or "commissions," "conduct of gaming," "contest," "counterfeit chip," "fully automated electronic gaming table," "gaming employee," "gaming school," "gaming service provider," "key employee," "licensed facility," "manufacturer," "manufacturer license," "player," "progressive payout," "progressive system," "slot machine," "supplier," "supplier license" and "table game device" in section 1103 of Title 4 are amended and the section is amended by adding definitions to read:
§ 1103. Definitions.

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

* * *

"Airport authority." The governing body of a municipal authority organized and incorporated to oversee the operations of a qualified airport under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) or the governing body of a city of the first class, which regulates the use and control of a qualified airport.

"Airport gaming area." A location or locations within a qualified airport approved for the conduct of authorized interactive games through the use of multi-use computing devices by eligible passengers as approved by the airport authority and the Pennsylvania Gaming Control Board.

* * *

"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with slot machines or table games, including linking devices which connect to progressive slot machines and multistate wide-area progressive slot machines or slot [machines, replacement] machine replacement parts, equipment which affects the proper reporting and counting of gross terminal revenue [and], gross table game revenue and gross interactive gaming revenue, computerized systems for controlling and monitoring slot machines [or], table games or interactive games, including, but not limited to, the central control computer to which all slot machines communicate [and], devices for weighing or counting money[.] and interactive gaming devices and associated equipment necessary for the operation of interactive games as approved by the Pennsylvania Gaming Control Board. The term shall not include count room equipment.

* * *

"Authorized interactive game." An interactive game approved by regulation of the Pennsylvania Gaming Control Board to be suitable for interactive gaming offered by an interactive gaming certificate holder or other persons on behalf of a slot machine licensee in accordance with Chapter 13B (relating to interactive gaming). The term shall include any interactive game approved by regulation of the Pennsylvania Control Board to be suitable for interactive gaming through the use of a multi-use computing device.

* * *

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

- (1) Chips or tokens.
- (2) Travelers checks.
- (3) Foreign currency and coin.
- (4) Certified checks, cashier's checks and money orders.
- (5) Personal checks or drafts.
- (6) A negotiable instrument applied against credit

extended by a certificate holder, an interactive gaming certificate holder, a holder of an interactive gaming license or a financial institution.

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

* * *

"Cheat." To defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine [or], table game[,] or authorized interactive game, including causing, aiding, abetting or conspiring with another person to do so. The term shall also mean to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria which determine:

- (1) The result of a slot machine game [or], table game or authorized interactive game.
- (2) The amount or frequency of payment in a slot machine game [or], table game or authorized interactive game.
- (3) The value of a wagering instrument.
- (4) The value of a wagering credit.

The term does not include altering a slot machine, table game device or associated equipment or interactive gaming device or associated equipment for maintenance or repair with the approval of a slot machine licensee.

"Cheating or thieving device." A device, software or hardware used or possessed with the intent to be used to cheat during the operation or play of any slot machine [or], table game or authorized interactive game. The term shall also include any device used to alter a slot machine [or], a table game device or associated equipment, an authorized interactive game or interactive gaming device or associated equipment without the slot machine licensee's approval.

* * *

["Commission" or "commissions."] "Commission." The State Horse Racing Commission [or the State Harness Racing Commission, or both as the context may require.] as defined in section 2801-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

* * *

"Concession operator." A person engaged in the sale or offering for sale of consumer goods or services to the public at a qualified airport, or authorized to conduct other commercial activities related to passenger services at a qualified airport, in accordance with the terms and conditions of an agreement or contract with an airport authority, government entity or other person.

"Conduct of gaming." The licensed placement, operation and play of slot machines [and], table games and interactive games under this part, as authorized and approved by the Pennsylvania Gaming Control Board. The term shall include the licensed placement, operation and play of authorized interactive games through the use of multi-use computing devices at a qualified airport, as authorized and approved by the Pennsylvania Gaming Control Board.

"Contest." A slot machine, table game or authorized interactive game competition among players for cash, cash equivalents or prizes.

* * *

"Counterfeit chip." Any object or thing that is:

- (1) used or intended to be used to play a table game at a certificate holder's licensed facility and which was not issued by that certificate holder for such use; [or]
- (2) presented to a certificate holder for redemption if the object was not issued by the certificate holder[.];

(3) used or intended to be used to play an authorized interactive game which was not approved by the interactive gaming certificate holder for such use; or

(4) presented during play of an authorized interactive game for redemption, if the object or thing was not issued by the interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

* * *

"Eligible passenger" or "passenger." An individual 21 years of age or older who has cleared security check points with a valid airline boarding pass for travel from one destination to another by airplane.

* * *

"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. The term shall include a multi-use computing device, which through the use of digital, electronic or other communications technology, is capable of simulating a table game.

* * *

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

- (1) Cashiers.
- (2) Change personnel.
- (3) Count room personnel.
- (4) Slot attendants.
- (5) Hosts or other individuals authorized to extend complimentary services, including employees performing functions similar to those performed by a gaming junket representative.
- (6) Machine mechanics, computer machine technicians or table game device technicians.
- (7) Security personnel.
- (8) Surveillance personnel.
- (9) 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.
- (10) Boxmen.
- (11) Dealers or croupiers.
- (12) Floormen.
- (13) Personnel authorized to issue promotional play.
- (14) Personnel authorized to issue credit.

The term shall include employees of a person holding a supplier's license whose duties are directly involved with the repair or distribution of slot machines, table game devices or associated equipment or interactive gaming devices or associated equipment sold or provided to a licensed facility within this Commonwealth as determined by the Pennsylvania Gaming Control Board. The term shall further include employees of a person authorized by the board to supply goods and services related to interactive gaming or any subcontractor or an employee of a subcontractor that supplies interactive gaming devices, including multi-use computing devices, or associated equipment to a holder of an interactive gaming certificate or interactive gaming license. The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverages, clerical or secretarial personnel, parking attendants, janitorial, stage, sound and light technicians and other nongaming personnel as determined by the board.

"Gaming floor." Any portion of a licensed facility where slot machines or table games have been installed for use or play.

* * *

"Gaming-related restricted area." Any room or area of a licensed facility, as approved by the Pennsylvania Gaming Control Board, used by a slot machine licensee to manage, control and operate gaming activities authorized under this part and where access is limited to individuals specifically designated by the slot machine licensee.

* * *

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

"Gaming service provider." A person that is not required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and:

(1) provides goods or services, including, but not limited to, count room equipment, to a slot machine licensee or an applicant for a slot machine license for use in the operation of a licensed facility; [or] and

(2) provides goods or services [at] to a slot machine licensee or an applicant for a slot machine license that requires access to the gaming floor or a gaming-related restricted area of a licensed facility as determined by the Pennsylvania Gaming Control Board.

* * *

"Gross interactive gaming revenue." The total of all cash or cash equivalent wagers paid by registered players to an interactive gaming certificate holder in consideration for the play of authorized interactive games, minus:

(1) The total of cash or cash equivalents paid out to registered players as winnings.

(2) The cash equivalent value of any personal property or other noncash items or things of value included in a drawing, contest or tournament and distributed to registered players as a result of playing authorized interactive games.

(3) Any administrative fee, operations fee or tax paid to another state or jurisdiction pursuant to an interactive gaming reciprocal agreement.

Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed may not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue.

* * *

"Hybrid slot machine." A slot machine in which a combination of the skill of the player and elements of chance affects the outcome of the game.

* * *

"Interactive game." Any gambling game offered through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term shall not include:

(1) A lottery game or Internet instant game as defined in the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

(2) Nongambling games that do not otherwise require a license under the laws of this Commonwealth.

For the purposes of this definition, the term "communications technology" shall mean any method used and the components employed to facilitate the transmission and receipt of information, including transmission and reception by systems using wire, wireless, cable, radio, microwave, light, fiber optics, satellite or computer data networks, including the Internet and intranets, as approved by the board.

"Interactive gaming." The placing of bets or wagers with an interactive gaming certificate holder or interactive gaming licensee located in this Commonwealth using a computer network of both Federal and non-Federal interoperable packet switched data networks through which an interactive gaming certificate holder may offer authorized interactive games to registered players. The term shall include the placing of bets or wagers through the use of a multi-use computing device.

"Interactive gaming account." The formal, electronic system implemented by an interactive gaming certificate holder to record the balance of a registered player's debits, credits and other activity related to interactive gaming.

"Interactive gaming account agreement." An agreement entered into between an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder and an individual which governs the terms and conditions of the individual's interactive gaming account and the use of the Internet for purposes of placing bets or wagers on authorized interactive games operated by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

"Interactive gaming agreement." An agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator related to the offering or operation of interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The term shall include an interactive gaming agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator for the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport in accordance with this part.

"Interactive gaming certificate." The authorization issued to a slot machine licensee by the Pennsylvania Gaming Control Board authorizing the operation and conduct of interactive gaming by a slot machine licensee or other person on behalf of a slot machine licensee in accordance with Chapter 13B.

"Interactive gaming certificate holder." A slot machine licensee that has been granted authorization by the Pennsylvania Gaming Control Board to operate authorized interactive games in accordance with Chapter 13B.

"Interactive gaming device." All hardware and software and other technology, equipment or device of any kind as determined by the Pennsylvania Gaming Control Board to be necessary for the conduct of authorized interactive games.

"Interactive gaming license." A license issued to a person by the Pennsylvania Gaming Control Board under Chapter 13B.

"Interactive gaming licensee." A person who has been issued a license to act as an interactive gaming operator under Chapter 13B.

"Interactive gaming operator." A person, including an affiliate of a slot machine licensee, licensed by the Pennsylvania Gaming Control Board to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder.

"Interactive gaming platform." The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the bets or wagers associated with interactive games, as approved by the Pennsylvania Gaming Control Board. The term shall include any emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved through regulation by the Pennsylvania Gaming Control Board.

"Interactive gaming reciprocal agreement." An agreement negotiated by the Pennsylvania Gaming Control Board on behalf of the Commonwealth with the authorized agency of one or more states or jurisdictions where interactive gaming is legally authorized which will permit the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities in the states or jurisdictions that are parties to the agreement.

"Interactive gaming restricted area." Any room or area, as approved by the Pennsylvania Gaming Control Board, used by an interactive gaming certificate holder or interactive gaming licensee

holder to manage, control and operate interactive gaming, including, where approved by the board, redundancy facilities.

"Interactive gaming skin or skins." The portal or portals to an interactive gaming platform or Internet website through which authorized interactive games are made available to registered players by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder in this Commonwealth or players in any other state or jurisdiction in which an interactive gaming reciprocal agreement has been entered.

"Interactive gaming system." All hardware, software and communications that comprise a type of server-based gaming system for the purpose of offering authorized interactive games.

"Internet website." The interactive gaming skin or skins or Internet portal or portals through which an interactive gaming certificate holder or other person makes authorized interactive games available for play.

* * *

"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine or table game operations or interactive gaming operations, including the general manager and assistant manager of the licensed facility, director of slot operations, director of table game operations, director of interactive gaming, director of cage and/or credit operations, director of surveillance, director of marketing, director of management information systems, director of interactive gaming system programs or other similar job classifications associated with interactive gaming, persons who manage, control or administer interactive gaming or the bets and wagers associated with authorized interactive games, director of security, comptroller and any employee who is not otherwise designated as a gaming employee and who supervises the operations of these departments or to whom these department directors or department heads report and such other positions not otherwise designated or defined under this part which the Pennsylvania Gaming Control Board shall determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the Pennsylvania Gaming Control Board. All other gaming employees unless otherwise designated by the Pennsylvania Gaming Control Board shall be classified as non-key employees.

* * *

"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 and if authorized under Chapter 13B (relating to interactive gaming), to conduct interactive gaming. 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[.];

(4) for the purposes of Chapter 13D (relating to slot machines at nonprimary locations), the area of a nonprimary location in which a Category 1 slot machine licensee is authorized to place and make slot machines available for play.

The term shall not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Pennsylvania Gaming Control Board and which is maintained and operated by an interactive gaming certificate holder in connection with interactive gaming or by a Category 1 slot machine licensee in connection with the operation of slot machines at a nonprimary location.

* * *

"Licensed racing entity." Any legal entity that has obtained a license to conduct live thoroughbred or harness horse race meetings

respectively with pari-mutuel wagering from [either] the State Horse Racing Commission [or the State Harness Racing Commission] pursuant to the act of [December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act] April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

"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 or authorized interactive games for use or play of slot machines [or], table games or authorized interactive games in this Commonwealth for gaming purposes. The term shall not include a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to multi-use computing devices used in connection with the conduct of interactive gaming at a qualified airport.

"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, interactive gaming devices or associated equipment or associated equipment, or casino simulcasting technology or equipment for use in this Commonwealth for gaming purposes.

* * *

"Multi-use computing device." As follows:

(1) A computing device, including, but not limited to, a tablet computer, that:

(i) Allows a player to access an authorized interactive game.

(ii) Is located and accessible to eligible passengers only in an airport gaming area.

(iii) Communicates with a server that is in a location approved by the Pennsylvania Gaming Control Board.

(iv) Is approved by the Pennsylvania Gaming Control Board.

(v) Has the capability of being linked to and monitored by the department's central control computer system, as applicable for any particular interactive game, in accordance with section 1323 (relating to central control computer system).

(vi) Offers a player additional functions which shall include Internet browsing, the capability of checking flight status and ordering food or beverages.

(2) The term shall not include any tablet or computing device that restricts, prohibits or is incapable of providing access to interactive gaming, interactive gaming skins or interactive gaming platforms.

"Multistate wide-area progressive slot machine system." The linking of slot machines located in this Commonwealth with slot machines located in one or more states or jurisdictions in which the Pennsylvania Gaming Control Board has entered into an agreement authorizing the conduct of a multistate wide-area progressive slot machine system by slot machine licensees in this Commonwealth with gaming entities in such other state or jurisdiction, as approved by the Pennsylvania Gaming Control Board.

* * *

"Nongaming service provider." A person that is not a gaming service provider or required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and that provides goods or services:

(1) to a slot machine licensee or applicant for a slot machine license for use in the operation of a licensed facility; and

(2) that does not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

* * *

"Nonprimary location permit." The permit issued to a Category 1 slot machine licensee authorizing the placement and operation of slot

machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

"Nonprimary location permit holder." A Category 1 slot machine licensee that has been approved for and issued a permit to place and make slot machines available for play at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

* * *

"Player." An individual wagering cash, a cash equivalent or other thing of value in the play or operation of a slot machine [or], an authorized interactive game or a 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], authorized interactive game or table game to receive cash, a cash equivalent or other thing of value from another player or a slot machine licensee.

* * *

"Progressive payout." A slot machine wager payout that increases in a monetary amount based on the amounts wagered in a progressive system, including a multistate wide-area progressive slot machine system.

"Progressive system." A computerized system linking slot machines in one or more licensed facilities within this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term shall include the linking of slot machines in a licensed facility in this Commonwealth with a multistate wide-area progressive system operated by gaming entities in one or more states or jurisdictions.

* * *

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

* * *

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

"Redundancy facilities." Any and all rooms or areas used by a slot machine licensee for emergency backup, redundancy or secondary operations attendant to interactive gaming as approved by the Pennsylvania Gaming Control Board.

"Registered player." An individual who has entered into an interactive gaming account agreement with an interactive gaming certificate holder.

* * *

"Skill." The knowledge, dexterity, adroitness, acumen or other mental skill of an individual.

"Skill slot machine." A slot machine in which the skill of the player, rather than the elements of chance, is the predominant factor in affecting the outcome of the game.

"Slot machine." Includes:

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

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

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

(3) (iii) May use an electronic credit system for

receiving wagers and making payouts.

(2) The term shall include [associated equipment] all of the following:

(i) Associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

(ii) A skill slot machine, hybrid slot machine and the devices or associated equipment necessary to conduct the operation of a skill slot machine or hybrid slot machine.

(iii) A multistate wide-area progressive slot machine and devices and associated equipment as defined by the board through regulations.

(iv) A multi-use computing device which is capable of simulating, either digitally or electronically, a slot machine.

* * *

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any slot machine, table game device or associated equipment, interactive gaming device or associated equipment for use or play of slot machines [or], table games or interactive games in this Commonwealth. The term shall include a person that sells, leases, offers or otherwise provides, distributes or services any multi-use computing device as approved by the Pennsylvania Gaming Control Board.

"Supplier license." A license issued by the Pennsylvania Gaming Control Board authorizing a supplier to provide products or services related to slot machines, table game devices or associated equipment, interactive gaming device, including any multi-use computing device or associated equipment to slot machine licensees for use in this Commonwealth for gaming purposes.

"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 approved by the Pennsylvania Gaming Control Board and used to conduct a table game or that is capable, through the use of digital, electronic or other communications technology, of simulating play of a table game.

* * *

Section 3. Section 1202(a)(1) and (b)(20) and (23) of Title 4 are amended and subsection (b) is amended by adding paragraphs to read: § 1202. General and specific powers.

(a) General powers.—

(1) The board shall have general and sole regulatory authority over the conduct of gaming [or] and related activities as described in this part. The board shall ensure the integrity of the acquisition and operation of slot machines, table games, table game devices and associated equipment and authorized interactive games and interactive gaming devices and associated equipment and shall have sole regulatory authority over every aspect of the authorization, operation and play of slot machines [and], including the operation of slot machines at nonprimary locations, table games and interactive gaming devices and associated equipment and the implementation and regulation of airport gaming.

* * *

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

* * *

(12.2) At its discretion, to award, revoke, suspend, condition or deny an interactive gaming certificate or an interactive gaming license in accordance with Chapter 13B (relating to interactive gaming).

(12.3) At its discretion, to award, revoke, suspend, condition or deny authorization for the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

* * *

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

* * *

(23) The board shall not approve an application for or issue or renew a license, certificate, registration or permit unless it is satisfied that the applicant has demonstrated by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of slot machine [or], including the operation of slot machines at nonprimary locations and qualified airports, table game operations or interactive gaming operations, or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine or table game operations, interactive gaming operations or the carrying on of the business and financial arrangements incidental thereto.

* * *

(27.2) Within six months of the effective date of this section, to publish on the board's Internet website a complete list of all slot machine licensees who filed a petition seeking authorization to conduct interactive gaming and the status of each petition or interactive gaming certificate.

* * *

(35) To review detailed site plans identifying the interactive gaming restricted area or room where a slot machine licensee proposes to manage, administer or control interactive gaming operations to determine the adequacy of the proposed internal and external security and proposed surveillance measures.

(36) To require each slot machine licensee that holds an interactive gaming certificate to provide on a quarterly basis the following information with respect to interactive gaming:

(i) the name of any person, entity or firm to whom any payment, remuneration or other benefit or thing of value has been made or conferred for professional services, including, but not limited to, interactive gaming system operations or management, legal, consulting and lobbying services;

(ii) the amount or value of the payments, remuneration, benefit or thing of value;

(iii) the date on which the payments, remuneration, benefit or thing of value was submitted; and

(iv) the reason or purpose for the procurement of the services.

(37) To review and approve detailed site and architectural plans identifying the area of a nonprimary location where a Category 1 slot machine licensee proposes to place and make slot machines available for play in accordance with Chapter 13D in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

(38) To review and approve detailed site and

architectural plans identifying the area of a licensed facility where a slot machine licensee proposes to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

Section 4. Sections 1204 and 1206(f)(1) of Title 4 are amended to read:

§ 1204. Licensed gaming entity application appeals from board.

The Supreme Court of Pennsylvania shall be vested with exclusive appellate jurisdiction to consider appeals of any final order, determination or decision 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[.] or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a nonprimary location permit or an airport gaming operation certificate. Notwithstanding the provisions of 2 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 or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a nonprimary location permit or an airport gaming 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.

§ 1206. Board minutes and records.

* * *

(f) Confidentiality of information.—

(1) The following information submitted by an applicant, permittee, certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements) [or], 1308(a.1) (relating to applications for license or permit), 13B12 (relating to interactive gaming certificate required and content of petition), 13B14 (relating to interactive gaming operators), 13D11 (relating to application for nonprimary location permit) or 13E12 (relating to application) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

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

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant, licensee [or], permittee, including the holder of an interactive gaming certificate, interactive gaming license, nonprimary location permit or airport gaming operation certificate or the immediate family thereof.

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

(iv) Security information, including risk

prevention plans, detection and countermeasures, location of count rooms, location of interactive gaming restricted areas and redundancy facilities, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud prevention plans and countermeasures.

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

(vi) Records of an applicant or licensee not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78l) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78o).

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

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

* * *

Section 5. Section 1207(1), (3), (4), (5), (6), (8), (9), (10) and (21) of Title 4 are amended and the section is amended by adding paragraphs to read:

§ 1207. Regulatory authority of board.

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

(1) Deny, deny the renewal, revoke, condition or suspend any license [or], permit, certificate, registration or other authorizations provided for in this part if the board finds in its sole discretion that a licensee [or], permittee, registrant or certificate holder, including any interactive gaming operator, under this part, or its officers, employees or agents, have furnished false or misleading information to the board or failed to comply with the provisions of this part or the rules and regulations of the board and that it would be in the public interest to deny, deny the renewal, revoke, condition or suspend the license [or], permit, certificate, registration or other authorizations.

* * *

(3) Prescribe and require periodic financial reporting and internal control requirements for all licensed entities, including, in the case of interactive gaming, all interactive gaming operators.

(4) Require that each licensed entity, including, in the case of interactive gaming, each interactive gaming operator, provide to the board its audited annual financial statements, with such additional detail as the board from time to time shall require, which information shall be submitted not later than 90 days after the end of the licensee's fiscal year.

(5) Prescribe the procedures to be followed by slot machine licensees for any financial event that occurs in the operation and play of slot machines [or], table games, authorized interactive games or multi-use computing devices.

(6) Prescribe criteria and conditions for the operation of slot machine progressive systems, including multistate wide-area progressive slot machine systems. A wide area progressive slot machine system shall be collectively administered by participating slot machine licensees in accordance with the terms of a written agreement executed by each participating slot machine licensee and, in the case of a multistate wide-area progressive slot machine system, in accordance with the terms of an agreement executed by the slot machine licensee and authorized gaming

entities in other states or jurisdictions, as approved by the board.

(6.1) Collaborate with the appropriate gaming authorities in other states or jurisdictions to facilitate the establishment of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth and, if determined necessary, enter into the necessary agreements with such other states or jurisdictions as necessary for the operation of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth.

* * *

(7.2) Enforce prescribed hours for the operation of authorized interactive games so that an interactive gaming certificate holder or interactive gaming licensee may conduct authorized interactive games on any day during the year in order to meet the needs of registered players or to meet competition.

(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines [or], playing table games or participating in interactive gaming.

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

(10) Require that no slot machine or authorized interactive game that replicates the play of a slot machine may be set to pay out less than the theoretical payout percentage, which shall be no less than 85%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a slot machine game based on the total value of the jackpots expected to be paid by a play or a slot machine game divided by the total value of slot machine wagers expected to be made on that play or slot machine game during the same portion of the game cycle. In so doing, the board shall decide whether the calculation shall include the entire cycle of a slot machine game or any portion thereof. Except that, in the case of skill slot machines and hybrid slot machines, the board shall adopt regulations to define the player's win percentage based on the relative skill of the player or the combination of skill and the elements of chance of the game. In the case of multistate wide-area progressive slot machine system, the theoretical payout percentage or a player's win percentage shall be as set forth in the agreement, as approved by the board.

* * *

(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine contests or tournaments, table game tournaments or contests in accordance with section 13A22.1 (relating to table game tournaments) or interactive gaming contests or tournaments and adopt regulations governing the conduct of such tournaments and contests.

(21.1) Authorize, at its discretion, a slot machine licensee to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play at licensed facilities.

(21.2) Adopt and promulgate regulations to govern the operation and placement of skill slot machines and hybrid slot machines by slot machine licensees at licensed facilities. In order to facilitate the operation and placement of skill and hybrid slot machines at licensed facilities pursuant to this paragraph, regulations promulgated by the board shall be deemed temporary regulations which shall expire two years after the date of publication in the Pennsylvania Bulletin.

(22) License, regulate, investigate and take any other action determined necessary regarding all aspects of interactive gaming and the operation of slot machines at nonprimary locations and qualified airports.

(23) Define and limit the areas of operation and the rules of authorized interactive games, including odds, devices and

associated equipment permitted and the method of operation of authorized interactive games and interactive gaming devices and associated equipment.

(24) Require, as applicable, that all wagering offered through interactive gaming display online the permissible minimum and maximum wagers associated with each authorized interactive game.

(25) Negotiate and enter into interactive gaming reciprocal agreements on behalf of the Commonwealth to govern the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities of other states or jurisdictions. Notwithstanding any provision of this part, wagers may be accepted in accordance with this part and regulations of the board from persons in other states or jurisdictions if the board determines that such wagering is not inconsistent with Federal law or the law of the state or jurisdiction, including a foreign jurisdiction, in which the person is located, or such wagering is conducted pursuant to an interactive gaming reciprocal agreement to which this Commonwealth is a party that is not inconsistent with Federal law. The board, with the approval of the Governor, is hereby designated as the agency of the Commonwealth with the sole power and authority to enter into interactive gaming reciprocal agreements with other states or jurisdictions.

(27) Enter into agreements with other states for the operation of multistate wide-area progressive slot machine systems.

(28) Authorize, at its discretion, a Category 1 slot machine licensee to enter into an agreement with a Category 2 or Category 3 slot machine licensee for the conduct of casino simulcasting and approve any such agreement.

(29) Adopt, in consultation with the commission, regulations to govern the conduct of casino simulcasting by a Category 2 or Category 3 slot machine licensee.

(30) Adopt and promulgate regulations to govern the installation of video display technology in approved areas of a Category 1 licensed facility to enable the delivery of simulcast horse race meetings to patrons through video walls and other such video display technology. The board may consult with the commission to facilitate the installation of video display monitors in accordance with this paragraph and to facilitate the conduct of casino simulcasting under paragraph (28).

Section 5.1. Section 1209(b) of Title 4 is amended to read:
§ 1209. Slot machine license fee.

* * *

(b) Term.—A slot machine license, after payment of the fee, shall be in effect unless suspended, revoked or not renewed by the board upon good cause consistent with the license requirements as provided for in this part. Slot machine licensees shall be required to update the information in their initial applications annually, and the license of a licensee in good standing shall be renewed every [three] five years. Nothing in this subsection 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 other information contained in the application materials on file with the board. As to the renewal of a license, except as required in subsection (f)(3), no additional license fee pursuant to subsection (a) shall be required.

* * *

Section 6. Section 1211 of Title 4 is amended by adding subsections to read:

§ 1211. Reports of board.

* * *

(a.4) Interactive gaming reporting requirements.—

(1) The annual report submitted by the board in accordance with subsection (a) shall include information on the conduct of interactive games as follows:

- (i) Total gross interactive gaming revenue.
- (ii) The number and win by type of authorized

interactive game at each licensed facility conducting interactive gaming during the previous year.

(iii) All taxes, fees, fines and other revenue collected and, where appropriate, revenue disbursed during the previous year. The department shall collaborate with the board to carry out the requirements of this subparagraph.

(2) The board may require interactive gaming certificate holders and other persons involved in the operation of interactive gaming on behalf of a slot machine licensee to provide information to the board to assist in the preparation of the report.
* * *

(d.1) Impact of interactive gaming, annual report.—One year after the issuance of the first interactive gaming certificate, an annual report shall be prepared and distributed to the Governor and the standing committees of the General Assembly with jurisdiction over this part on the impact of interactive gaming on compulsive and problem gambling and gambling addiction in this Commonwealth. The report shall be prepared by a private organization or entity with expertise in serving and treating the needs of persons with compulsive gambling addictions, which organization or entity shall be selected by the Department of Drug and Alcohol Programs. The report may be prepared and distributed in coordination with the board. Any costs associated with the preparation and distribution of the report shall be borne by slot machine licensees who have been authorized by the board to conduct interactive gaming. The board shall be authorized to assess a fee against each slot machine licensee for these purposes.

(d.2) Additional information and annual reporting.—

(1) One year after the commencement of the operation of skill slot machines, hybrid slot machines, the operation of slot machines at nonprimary locations in accordance with Chapter 13D (relating to slot machines at nonprimary locations) and the operation of a multistate wide-area slot machine system, the report required under subsection (a) shall include information related to the following:

(i) The operation of skill slot machines and hybrid slot machines.

(ii) The operation of a multistate wide-area progressive slot machine system.

(iii) The operation of slot machines at nonprimary locations.

(2) Information on revenue, taxes, fees and fines, if any, collected during the preceding calendar year and any other information, data or recommendations related to the operation of multistate wide-area progressive slot machines, skill slot machines and hybrid slot machines and the operation of slot machines at nonprimary locations as determined by the board, in consultation with the commission, to be necessary under this part shall be included in the report.

(d.3) Annual report.—In addition to its duties under subsection (d), the board shall have the continuing duty to study and annually report to the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate and to the chairperson and minority chairperson of the Gaming Oversight Committee of the House of Representatives on developments in gaming technology and the impact, if any, new technologies are having or will have on the sustainability and competitiveness of the commercial gaming industry in this Commonwealth. The report shall specifically address the following:

(1) Awareness and growth, to the extent known, of any unregulated commercial gaming products, such as e-Sports and other such digital-based computer or video technology.

(2) New gaming products, if any, which have been introduced in other jurisdictions, both foreign and domestic.

(3) Any gaming products which the board may have the authority to authorize pursuant to its regulatory authority under this part.

(4) Any legislative or administrative concerns regarding

traditional, new or emerging gaming technologies with recommendations regarding resolution of such concerns.

(d.4) Time of submission and reports.—Notwithstanding any provision of this part, all reports and studies required to be submitted under subsections (d.1), (d.2) and (d.3) after the effective date of this subsection shall be submitted initially by October 1, 2017, and by October 1 of each year thereafter.

* * *

Section 7. Section 1212(e) of Title 4 is amended by adding a paragraph to read:

§ 1212. Diversity goals of board.

* * *

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

* * *

(9) Technology related to interactive gaming and interactive gaming devices and associated equipment.

Section 8. Section 1305 of Title 4 is amended to read:
§ 1305. Category 3 slot machine license.

(a) Eligibility.—

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2 slot machine license and the person is seeking to locate a Category 3 licensed facility in a well-established resort hotel having no fewer than 275 guest rooms under common ownership and having substantial year-round [recreational] guest amenities. The applicant for a Category 3 license shall be the owner or be a wholly owned subsidiary of the owner of the well-established resort hotel. [A Category 3 license may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

- (i) A registered overnight guest of the well-established resort hotel.
- (ii) A patron of one or more of the amenities provided by the well-established resort hotel.
- (iii) An authorized employee of the slot machine licensee, of a gaming service provider, of the board or of any regulatory, emergency response or law enforcement agency while engaged in the performance of the employee's duties.
- (iv) An individual holding a valid membership approved in accordance with paragraph (1.1) or a guest of such individual.

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

- (i) The duration of the membership.
- (ii) The amenity covered by the membership.
- (iii) Whether the fee charged for the membership represents the fair market value for the use of the amenity.]

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

executive-level public employee. An application submitted in accordance with this paragraph shall not constitute a violation of section 1512(a) or (a.1).

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

(b) Location.—The following shall apply:

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

(1.1) A Category 3 license established on or after [July 20, 2017] January 1, 2016, shall [not be located by the board within 30 linear miles of another licensed facility.] only be located in a county that:

- (i) does not contain a licensed facility; and
- (ii) does not share a geographic border at any point with a county where a licensed facility, regardless of category, is located or may be located.

(2) Within five days of approving a license for an applicant with a proposed licensed facility consisting of land designated a subzone, an expansion subzone or an improvement subzone under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act for a slot machine license under this section, the board shall notify the Department of Community and Economic Development. The notice shall include a description of the land of the proposed licensed facility which is designated a subzone, an expansion subzone or an improvement subzone. Within five days of receiving the notice required by this paragraph, the Secretary of Community and Economic Development shall decertify the land of the proposed license facility as being a subzone, an expansion subzone or an improvement subzone. Upon decertification in accordance with this paragraph and notwithstanding Chapter 3 of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, a political subdivision may amend the ordinance, resolution or other required action which granted the exemptions, deductions, abatements or credits required by the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act to repeal the exemptions, deductions, abatements or credits for the land decertified.

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

(c.1) Additional slot machines.—Upon submission of a petition to the board, in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility. An increase in the number of slot machines by a Category 3 slot machine licensee pursuant to this subsection may not, at the discretion of the board, exceed 250 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsection (c).

(c.2) Increase in number.—Upon submission of a petition to the board in such form and manner as the board may require, the board

may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility for the conduct of a slot machine tournament or contest. An increase in the number of slot machines by a Category 3 slot machine licensee under this subsection may not, at the discretion of the board, exceed 75 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsections (c) and (c.1).

(d) Category 3 license fee.—The board shall impose a one-time Category 3 license fee to be paid by each successful applicant in the amount of \$5,000,000 to be deposited in the State Gaming Fund. The provisions of section 1209(b), (c), (d) and (e) shall apply to a Category 3 licensee[,], except that the holder of a Category 3 slot machine license approved and issued by the board on or after January 1, 2016, shall pay a fee of \$8,500,000 for deposit in the General Fund.

(d.1) Additional fee.—Notwithstanding subsection (d), no later than 60 days after the effective date of subsection (a), each holder of an existing Category 3 slot machine license issued by the board before January 1, 2016, shall pay a one-time fee of \$1,000,000 for deposit in the General Fund.

(d.2) Fee for additional slot machines.—Notwithstanding subsection (d), no later than 60 days after the board approves a request for an increase in the number of slot machines submitted by a Category 3 slot machine licensee in accordance with subsection (c.1), the Category 3 slot machine licensee shall pay a one-time fee of \$2,500,000 for deposit into the General Fund.

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

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

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

Section 9. Section 1309(a.1) heading of Title 4 is amended and the subsection is amended by adding a paragraph to read:

§ 1309. Slot machine license application.

* * *

(a.1) Table games and interactive gaming information.—

* * *

(3) Notwithstanding paragraph (2), the board may permit an applicant for a slot machine license that has an application pending before the board to supplement its application with all information required under Chapters 13B (relating to interactive gaming) and 13D (relating to slot machines at nonprimary locations) and to request that the board consider its application for a slot machine license, a table game operation certificate, an interactive gaming certificate or a nonprimary location permit concurrently. All fees for an interactive gaming certificate and a nonprimary location permit shall be paid by the applicant in accordance with the requirements of this part.

* * *

Section 10. Sections 1317(a) and (c) and 1317.1(a), (b), (c), (c.1), (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, interactive gaming devices or associated equipment or multi-use computing devices to a slot machine licensee or an interactive gaming licensee within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for 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 [initial license shall be for a period of one year, and, if renewed under subsection (d), the] license shall be issued for a period of [three] five years and shall be renewed in accordance with subsection (d). 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.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

* * *

(c.2) Abbreviated process for supplier.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a supplier license to supply slot machines used in a multistate wide-area progressive slot machine system, skill slot machines, hybrid slot machines and devices or associated equipment used in connection with multistate wide-area progressive slot machine systems, skill or hybrid slot machines, interactive gaming devices or associated equipment used in connection with interactive gaming, including multi-use computing devices, if the applicant holds a valid supplier license issued by the board to supply slot machines or associated equipment or table games or table game devices and associated equipment. The requirements of subsection (c.1)(2) and (3) shall apply to this subsection.

(2) An applicant for a supplier's license to supply slot machines used in a multistate wide-area progressive systems, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

* * *

§ 1317.1. Manufacturer licenses.

(a) Application.—A person seeking to manufacture slot machines, table game devices and associated equipment or interactive gaming 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) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies; the principals and key employees of each business; and a list of employees and their positions within each business, as well as any financial information required by the board.

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not slot machine licensees.

(3) The consent to a background investigation of the applicant, its principals and key employees or other persons required by the board and a release to obtain any and all information necessary for the completion of the background investigation.

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

connection therewith.

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

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

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

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

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(c.1) Abbreviated process.—In the event an applicant for a manufacturer license to manufacture table game devices or associated equipment used in connection with table games is licensed by the board under this section to manufacture 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 manufacture 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, certificate or permit through the normal application process. The board may only use the abbreviated process if all of the following apply:

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

(2) The person to whom the manufacturer 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.

(c.2) Abbreviated process for manufacturer.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a manufacturer license to manufacture multistate wide-area progressive slot machines, skill slot machines, hybrid slot machines or associated equipment used in connection with multistate wide-area progressive slot machines, skill or hybrid slot machines or interactive gaming devices or associated equipment used in connection with interactive gaming, if the applicant holds a valid manufacturer license issued by the board to manufacture slot machines or associated equipment or table games or table game devices or associated equipment. The requirements of subsection (c.1) (2) and (3) shall apply to this subsection.

(2) An applicant for a manufacturer license to manufacture slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

* * *

(d.1) Authority.—The following shall apply to a licensed manufacturer:

(1) A manufacturer or its designee, as licensed by the

board, may supply or repair any slot machine, table game device or associated equipment or interactive gaming device or associated equipment manufactured by the manufacturer, provided the manufacturer holds the appropriate manufacturer license.

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

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

(4) A manufacturer may contract with a supplier under section 1317 to provide slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment, interactive gaming devices or associated equipment to a slot machine licensee, provided that the manufacturer is licensed to manufacture slot machines used in a multistate wide-area progressive slot machine system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment used in connection with interactive games.

(e) Prohibitions.—

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

(2) Except as permitted in section 13A23.1 (relating to training equipment), no slot machine licensee may use slot machines, table game devices or associated equipment, authorized interactive games or interactive gaming devices or associated equipment unless the slot machines, table game devices or associated equipment, interactive games or interactive gaming devices or associated equipment were manufactured by a person that has been issued the appropriate manufacturer license under this section.

(3) No person issued a license under this section shall apply for or be issued a license under section 1317.

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

Section 10.1. Title 4 is amended by adding a section to read:
§ 1317.3. Nongaming service provider.

(a) Notification required.—

(1) A slot machine licensee or applicant for a slot machine license that contracts with or otherwise engages in business with a nongaming service provider shall provide notification to the board prior to:

(i) the nongaming service provider's provision of goods or services at a licensed facility; or

(ii) the provision of goods or services for use in the operation of a licensed facility.

(2) Notification under this section shall be on a form and in a manner as determined by the board. The board may impose a fee, not to exceed \$100, which must accompany the notification.

(b) Contents of notification.—Notification under this section shall include:

(1) The name and business address of the nongaming service provider.

(2) A description of the type or nature of the goods or services to be provided.

(3) An affirmation from the slot machine licensee or applicant for a slot machine license that the goods or services to be provided by the nongaming service provider will not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

(4) An affirmation from the slot machine licensee or applicant for a slot machine license certifying that the licensee or applicant has performed due diligence regarding the nongaming service provider and believes that the nongaming service provider and its employees will not adversely affect the public interest or integrity of gaming.

(5) Any other information that the board may require.

(c) Duration of notification.—The nongaming service provider notification required under subsection (a) may be valid for three years unless modified by the board. In determining the duration of a nongaming service provider notification, the board shall consider the following:

(1) The type or nature of the goods or services.

(2) The frequency of business transactions related to the provision of such goods or services.

(3) The monetary value of the goods or services provided or expected to be provided.

(4) Any other information the board deems necessary and appropriate.

(d) Conditions.—A slot machine licensee or applicant for a slot machine license that contracts or otherwise engages in business with a nongaming service provider shall be subject to the following conditions:

(1) The nongaming service provider or its employees shall only provide the goods and services described in the notification under this section.

(2) The slot machine licensee or applicant for a slot machine license shall notify the board of any material change in the information provided in the notification under this section. No fee shall be required for a subsequent change during the time for which the notification remains valid under subsection (c).

(3) The slot machine licensee or applicant for a slot machine license shall ensure that employees of the nongaming service provider do not enter the gaming floor or a gaming-related restricted area of the licensed facility.

(4) The slot machine licensee or applicant for a slot machine license shall report to the board an employee of a nongaming service provider that does any of the following:

(i) Enters the gaming floor or a gaming-related restricted area of the licensed facility.

(ii) Commits an act that adversely affects the public interest or integrity of gaming.

(5) The board may prohibit a nongaming service provider and any employees from providing goods or services to a slot machine licensee or applicant for a slot machine license at a licensed facility if the bureau determines the prohibition is necessary to protect the public interest or integrity of gaming.

(e) Authority to exempt.—The board may exempt a nongaming service provider from the notification requirements of this section if the board determines any of the following:

(1) The nongaming service provider or the type or nature of the nongaming service provider's business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court.

(2) Notification is not necessary to protect the public interest or integrity of gaming.

(f) Additional authority of board.—The board, at its discretion, may require an employee, individual or entity associated with a nongaming service provider to obtain a license, permit, registration, certification or any other authorization required by the board under this part.

(g) Criminal history record information.—Notwithstanding any other provision of this part or regulation of the board, a nongaming

service provider shall provide a criminal history record information check obtained from the Pennsylvania State Police as defined in 18 Pa.C.S. § 9102 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b) (relating to general regulations).

(h) Emergency notification.—

(1) A slot machine licensee may use a nongaming service provider prior to the board receiving notification under this section when a threat to public health, welfare or safety exists or circumstances outside the control of the slot machine licensee require immediate action to mitigate damage or loss to the slot machine licensee's licensed facility or to the Commonwealth.

(2) A slot machine licensee that uses a nongaming service provider in accordance with paragraph (1) shall:

(i) Notify the board immediately upon engaging a nongaming service provider for which the board has not previously received notification in accordance with subsection (a).

(ii) Provide the notification required under subsection (a) within a reasonable time as established by the board.

(i) Nongaming service provider list.—

(1) The board shall have the authority to prohibit a nongaming service provider from engaging in business with a slot machine licensee upon a finding by the bureau that the prohibition is necessary to protect the public interest and the integrity of gaming.

(2) The board shall develop and maintain a list of prohibited nongaming service providers.

(3) A slot machine licensee or applicant for a slot machine license may not enter into an agreement or engage in business with a nongaming service provider appearing on the list under this subsection.

(j) Duties of nongaming service provider.—A nongaming service provider shall:

(1) Cooperate with the board and bureau regarding an investigation, hearing, enforcement action or disciplinary action.

(2) Comply with each condition, restriction, requirement, order or ruling of the board in accordance with this part.

(3) Report any change in circumstances to the slot machine licensee or applicant for a slot machine license that may render the nongaming service provider ineligible, unqualified or unsuitable for the provision of goods or services at a licensed facility or use in the operation of a licensed facility. The slot machine licensee shall report any change in circumstances to the board in such form and manner as the board may establish.

(k) Construction.—Nothing in this section shall be construed to limit the powers and authority of the board under section 1202 (relating to general and specific powers of the board) or the regulatory authority of the board under section 1207 (relating to regulatory authority of the board).

Section 10.2. Section 1320(a) of Title 4 is amended and the section is amended by adding a subsection to read:

§ 1320. Slot machine testing and certification standards.

(a) Use of other state standards.—[Until such time as the board establishes an independent testing and certification facility pursuant to subsection (b), the] The board may determine, at its discretion, whether the slot machine testing and certification standards of another jurisdiction within the United States in which an applicant for a manufacturer license 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 a manufacturer through a licensed supplier as provided in section 1317 (relating to supplier [and manufacturer licenses application] licenses) to deploy those slot machines which have met the slot machine testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by a board-established

independent facility. In the event slot machines of an applicant for a manufacturer license are licensed in such other jurisdiction, 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 slot machine certification to such an applicant. [Alternatively, the board in its discretion may also rely upon the certification of a slot machine that has met the testing and certification standards of a board-approved private testing and certification facility until such time as the board establishes an independent testing and certification facility pursuant to subsection (b). Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.]

* * *

(b.1) Use of private testing and certification facilities.—Notwithstanding any other provisions of this part or regulation of the board, if a slot machine is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a slot machine certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

- (1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).
- (2) Specify the form and content of the application for registration.
- (3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the bureau.
- (4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of slot machines.
- (5) Utilize information provided by private testing and certification facilities for the abbreviated certification of slot machines.
- (6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify slot machines.
- (7) Establish fees that must be paid by licensed manufacturers.
- (8) Require slot machines submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.
- (9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and certification facility and the reinstatement of a suspended or revoked registration, as determined appropriate by the board.

* * *

Section 11. Sections 1326(a) and (b), 13A11(b), 13A22.1(c) and 13A27(c) of Title 4 are amended to read:

§ 1326. [License renewals] Renewals.

(a) Renewal.—All permits [and] licenses, registrations or certificates issued under this part unless otherwise provided shall be subject to renewal every [three] five years. Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license, permit, certificate or registration or to any other information contained in the application materials on file with the board. The application for renewal shall be submitted at least [60] 180 days prior to the expiration of the permit [or] license, registration or certificate and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. Unless otherwise specifically provided in this part, the amount of any

renewal fee shall be calculated by the board to reflect the longer renewal period. A permit [or] license, registration or certificate for which a completed renewal application and fee, if required, has been received by the board will continue in effect unless and until the board sends written notification to the holder of the permit [or] license, registration or certificate that the board has denied the renewal of such permit [or] license, registration or certificate.

(b) Revocation or failure to renew.—In addition to any other sanctions the board may impose under this part, the board may at its discretion suspend, revoke or deny renewal of any permit [or] license, registration or certificate issued under this part if it receives any information from any source that the applicant or any of its officers, directors, owners or key employees is in violation of any provision of this part, that the applicant has furnished the board with false or misleading information or that the information contained in the applicant's initial application or any renewal application is no longer true and correct. In the event of a revocation or failure to renew, the applicant's authorization to conduct the previously approved activity shall immediately cease, and all fees paid in connection therewith shall be deemed to be forfeited. In the event of a suspension, the applicant's authorization to conduct the previously approved activity shall immediately cease until the board has notified the applicant that the suspension is no longer in effect.

§ 13A11. Authorization to conduct table games.

* * *

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

(2) A Category 3 slot machine licensee awarded a table game operation certificate may operate up to 50 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.]

(2.1) A Category 3 slot machine licensee awarded a table game operation certificate may petition the board for additional table games at its licensed facility. The board may authorize up to 15 additional gaming tables. The additional tables shall be used to play nonbanking games. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

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

§ 13A22.1. Table game tournaments.

* * *

(c) Exemptions and additional tables.—The following shall apply:

(1) For a Category 1 or Category 2 licensed facility, gaming tables used in tournaments shall be exempt from section 13A11 (b)(1) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate.

(2) For a Category 3 licensed facility, the executive

director may authorize the licensed facility to operate up to 15 additional gaming tables for use in tournaments. [The executive director may grant the use of the additional gaming tables for tournaments authorized under this paragraph only one day per month.] Additional gaming tables for use in tournaments shall be exempt from section 13A11(b)(2) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate. The executive director may grant the use of additional gaming tables on the dates and times listed in the proposed schedule of tournaments submitted by the Category 3 slot machine licensee in accordance with subsection (b).

* * *

§ 13A27. Other financial transactions.

* * *

(c) Credit application verification.—Prior to approving an application for credit, a certificate holder shall verify:

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

(2) That the applicant's name is not included on an exclusion list under section 1514 (relating to regulation requiring exclusion [or], ejection or denial of access of certain persons) or 1516 (relating to list of persons self excluded from gaming activities) or the voluntary credit suspension list under subsection (h).

* * *

Section 12. Section 13A41 of Title 4 is amended by adding a subsection to read:

§ 13A41. Table game device and associated equipment testing and certification standards.

* * *

(b.1) Use of private testing and certification facilities.—Notwithstanding any provision of this part or regulation of the board, if a table game device or associated equipment is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a table game device or associated equipment certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

(1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

(2) Specify the form and content of the application for registration.

(3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the board.

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of table game devices and associated equipment.

(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of table game devices and associated equipment.

(6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify table game devices and associated equipment.

(7) Establish fees that must be paid by a licensed manufacturer.

(8) Require table game devices and associated equipment submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.

(9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and certification facility and the reinstatement of a suspended or revoked registration.

Section 13. Sections 13A61(a) and (f) and 13A63(b)(4) of Title 4 are amended to read:

§ 13A61. 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 13A12 (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 under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$24,750,000.

(2) A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$7,500,000. A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$11,250,000.

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

(3.1) Notwithstanding paragraphs (2) and (3), the holder of a Category 3 slot machine license issued on or after January 1, 2016, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$8,500,000.

(3.2) Notwithstanding any other provision of this part, no later than 60 days after the board approves a request for additional table games in accordance with section 13A11 (relating to authorization to conduct table games) submitted by the holder of a Category 3 slot machine license issued prior to January 1, 2016, the Category 3 slot machine licensee shall pay a one-time nonrefundable fee in the amount of \$1,000,000.

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

* * *

(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all table game authorization fees and other 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.

§ 13A63. Local share assessment.

* * *

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

* * *

(4) The following apply:

(i) If the facility is a Category 3 licensed facility located in a county of the second class A: 50% of the licensed facility's local share assessment shall be [deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Waste Water Infrastructure Program).] distributed as follows:

(A) Seventy-five percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting the maintenance and refurbishment of the Parks and Heritage sites throughout the county in which the licensee is located.

(B) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting a child advocacy center located within the county in which the licensee is located.

(C) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensee is located.

(ii) Except as provided in subparagraph (i), if the facility is a Category 3 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established under section 1403(c)(2)(iv) for distribution with those funds.

* * *

Section 14. Title 4 is amended by adding chapters to read:

CHAPTER 13B
INTERACTIVE GAMING

Subchapter

- A. General Provisions
- B. Interactive Gaming Authorized
- C. Conduct of Interactive Gaming
- D. Facilities and Equipment
- E. Testing and Certification
- F. Taxes and Fees
- G. Miscellaneous Provisions

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

- 13B01. Legislative findings.
- 13B02. Regulatory authority.
- 13B03. Temporary interactive gaming regulations.
- § 13B01. Legislative findings.

The General Assembly finds and declares that:

(1) The primary objective of the Pennsylvania Race Horse Development and Gaming Act, to which all other objectives are secondary, is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful.

(2) Legislative authorization of slot machine gaming and the conduct of table games is intended to enhance live horse racing, breeding programs, entertainment and employment in this Commonwealth.

(3) Legalized gaming was seen as a means to provide a source of revenue for property and wage tax relief, promote economic development and enhance development of tourism markets throughout this Commonwealth.

(4) Legalized gaming in the Category 1, Category 2 and Category 3 licensed facilities geographically dispersed in this Commonwealth has become a critical component of economic development and, if gaming activities continue to be properly regulated and fostered, it will provide a substantial contribution to the general health, welfare and prosperity of this Commonwealth and its citizens.

(5) The General Assembly remains committed to ensuring a robust gaming industry in this Commonwealth that is capable of competing internationally, nationally and regionally at the highest levels of quality while maintaining strict regulatory oversight to ensure the integrity of all gaming operations as supervised by the board.

(6) Since its development, the Internet has provided the opportunity for millions of people worldwide to engage in online gambling, mostly through illegal, unregulated off-shore gambling operations.

(7) In 2006, the United States Congress passed and the President of the United States signed the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5361 et seq.), which generally prohibits the use of banking instruments, including credit cards, checks and money transfers for interstate Internet gambling.

(8) Although the Unlawful Internet Gambling Enforcement Act of 2006 prohibits interstate Internet gambling by United States citizens, it permits individual states to create a regulatory framework to govern intrastate Internet or interactive gambling.

(9) Interactive gaming is illegal in this Commonwealth and without legislative authorization and strict regulation, the public's trust and confidence in legalized commercial gaming may be impacted.

(10) In this Commonwealth, interactive gaming has been conducted without oversight, regulation or enforcement, all of which raises significant concerns for the protection of the health, welfare and safety of the citizens of this Commonwealth.

(11) An effective regulatory, licensing and enforcement system for interactive gaming in this Commonwealth would inhibit underage wagering and otherwise protect vulnerable individuals, ensure that the games offered through the Internet are fair and safe, stop sending much-needed jobs, tax and other revenue offshore to illegal operators, provide a significant source of taxable revenue, create jobs and economic development and address the concerns of law enforcement.

(12) By legalizing interactive gaming and subjecting it to the regulatory oversight of the Pennsylvania Gaming Control Board, the General Assembly is assuring the citizens of this Commonwealth that only those persons licensed by the board to conduct slot machine gaming and table games and to operate interactive games or interactive gaming systems, in accordance with the requirements of this part, have been determined to be suitable to facilitate and conduct interactive gaming activities in this Commonwealth.

(13) An effective regulatory, licensing and enforcement system to govern interactive gaming in this Commonwealth is consistent with the original objectives and intent of the Pennsylvania Race Horse Development and Gaming Act, thereby ensuring the public trust and confidence in the commercial gaming industry in this Commonwealth.

(14) The Commonwealth has a legitimate State interest in protecting the integrity of State-authorized interactive gaming by licensing those entities already engaged in the conduct of gaming in this Commonwealth, which are subject to the scrutiny and discipline of the board and other regulatory agencies and

which are in good standing with those agencies.

§ 13B02. Regulatory authority.

(a) Authority.—The board shall promulgate and adopt rules and regulations to govern the conduct of interactive gaming in order to ensure that it will be implemented in a manner that provides for the security and effective management, administration and control of interactive gaming, including, but not limited to, regulations:

(1) Ensuring that interactive gaming is offered for play in this Commonwealth in a manner that is consistent with Federal law and the provisions of this chapter.

(2) Establishing standards and procedures for testing and approving interactive games and interactive gaming devices and associated equipment, and any variations or composites of authorized interactive games, provided that the board determines that the interactive games and any new interactive games or any variations or composites are suitable for use after a test or experimental period under any terms and conditions as the board may deem appropriate. The board may give priority to the testing of interactive games, interactive gaming devices and associated equipment or other gaming equipment which a slot machine licensee has certified that it will use to conduct interactive gaming in this Commonwealth. Nothing in this paragraph shall be construed to prohibit the board from using the testing and certification standards of another state or jurisdiction in which interactive gaming is conducted, if it determines that the standards of the jurisdiction are comprehensive, thorough and provide similar and adequate safeguards as those required under this part. If the board makes such a determination and the applicant for an interactive gaming certificate or an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of a certification under this chapter. The board, in its discretion, may also rely upon the certification of interactive games that have met the testing and certification standards of a board-approved private testing and certification facility.

(3) Establishing standards and rules to govern the conduct of interactive gaming and the system of and wagering associated with interactive gaming, including internal controls and accounting controls, and the type, number, payout, wagering limits and rules for interactive games.

(4) Establishing the method for calculating gross interactive gaming revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of authorized interactive games and ensure that internal controls and accounting controls are followed, including the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing these regulations.

(5) Establishing notice requirements pertaining to minimum and maximum wagers on authorized interactive games.

(6) Ensuring that all facilities and interactive gaming devices and associated equipment are arranged in a manner to promote appropriate security for interactive gaming.

(7) Establishing technical standards for the approval of interactive games, interactive gaming devices and associated equipment, including mechanical, electrical or program reliability, security against tampering and any other standards as it may deem necessary to protect registered players from fraud or deception.

(8) Governing the creation and utilization of interactive gaming accounts by registered players, including requiring that:

(i) Interactive gaming accounts be possessed by a natural person and not in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

(ii) Interactive gaming accounts shall not be

assignable or otherwise transferable.

(iii) No account be established for an individual under 21 years of age.

(9) Establishing procedures for registered players to log into their interactive gaming accounts, authenticate identities, agree to terms, conditions and rules applicable to authorized interactive games and log out of interactive gaming accounts, including procedures for automatically logging off registered players from an interactive game after a specified period of inactivity.

(10) Establishing procedures for:

(i) Depositing funds in an interactive gaming account by cash, transfer or other means, as approved by the board.

(ii) The withdrawal of funds from interactive gaming accounts.

(iii) The suspension of interactive gaming account activity for security reasons.

(iv) The termination of interactive gaming accounts and disposition of proceeds in accounts.

(v) The disposition of unclaimed amounts in dormant interactive gaming accounts.

(11) Establishing mechanisms by which registered players may place limits on the amount of money being wagered per authorized interactive game or during any specified time period or the amount of losses incurred during any specified time period.

(12) Establishing mechanisms to exclude from interactive gaming persons not eligible to play by reason of age, identity or location or inclusion on a list of persons denied access to interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(13) Establishing procedures for the protection, security and reliability of interactive gaming accounts, authorized interactive games, interactive gaming devices and associated equipment and mechanisms to prevent tampering or utilization by unauthorized persons.

(14) Establishing data security standards to govern age, identity and location verification of persons engaged in interactive gaming activity.

(15) Requiring each interactive gaming certificate holder to:

(i) Provide written information on its interactive gaming skin or Internet website, which explains the rules for each authorized interactive game, payoffs or winning wagers and other information as the board may require.

(ii) Designate one or more interactive gaming restricted areas where interactive gaming will be managed, administered or controlled.

(iii) Provide the board with access to the interactive gaming skin or website, interactive gaming platform, signal or transmission used in connection with interactive gaming and interactive gaming restricted areas.

(iv) Adopt procedures for the recordation, replication and storage of all play and transactions for a period to be determined by the board.

(v) Provide statements on its interactive gaming skin or website about the permissible minimum and maximum wagers for each authorized interactive game, as applicable.

(vi) Adopt policies or procedures to prohibit any unauthorized person from having access to interactive gaming devices and associated equipment, including software, system programs, hardware and any other

gaming equipment or devices which are used to manage, administer or control interactive gaming.

(vii) Adopt data security standards to verify the age, identity and location of persons engaged in interactive gaming activity and prevent unauthorized access by any person whose age and location have not been verified or whose age and location cannot be verified in accordance with regulations adopted by the board.

(viii) Adopt standards to protect the privacy and security of registered players engaged in interactive gaming.

(ix) Collect, report and pay any and all applicable taxes and fees and maintain all books, records and documents related to the interactive gaming certificate holder's interactive gaming activities in a manner and in a location within this Commonwealth as approved by the board or the department. All books, records and documents shall be immediately available for inspection during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the board shall by regulation require.

(b) Additional authority.—

(1) At its discretion, the board may determine whether persons that provide the following goods or services and any other goods or services related to interactive gaming as the board may determine shall be required to obtain a license, permit or other authorization:

(i) Payment processing and related money transmitting and services.

(ii) Customer identity or age verification and geospatial technology services.

(iii) General telecommunications services, which are not specifically designed for or related to interactive gaming.

(iv) Other goods or services that are not specifically designed for use with interactive gaming if the persons providing the goods or services are not paid a percentage of gaming revenue or of money wagered on interactive games or of any fees, not including fees to financial institutions and payment providers for facilitating a deposit by an interactive gaming account holder.

(2) The board shall develop a classification system for the licensure, permitting or other authorization of persons that provide the following goods or services related to interactive gaming:

(i) Persons that provide interactive games and interactive gaming devices and associated equipment.

(ii) Persons that manage, control or administer the interactive games or the wagers associated with interactive games.

(iii) Providers of customer lists comprised of persons identified or selected, in whole or in part, because they placed or may place wagers on interactive gaming.

(c) Definition.—For the purposes of subsection (a)(12), (14) and (15)(viii) and (ix), the term "person" shall mean a natural person.

§ 13B03. Temporary interactive gaming regulations.

(a) Promulgation.—

(1) In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation in the Pennsylvania Bulletin and on the board's publicly accessible Internet website.

(2) The board may promulgate temporary regulations

not subject to:

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

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

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

(b) Temporary regulations.—The board shall begin publishing temporary regulations governing the rules for interactive gaming, the issuance of interactive gaming certificates and interactive gaming licenses, standards for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, including age and location verification software or system programs and security and surveillance standards in the Pennsylvania Bulletin within 30 days of the effective date of this subsection.

(c) Expiration of temporary regulations.—Except for temporary regulations governing the rules for issuing certificates and licenses under this chapter, for new interactive games, for approving interactive games or variations thereof, interactive gaming devices and associated equipment and for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

SUBCHAPTER B

INTERACTIVE GAMING AUTHORIZED

Sec.

13B11. Authorization to conduct interactive gaming.

13B12. Interactive gaming certificate required and content of petition.

13B13. Issuance of interactive gaming certificate.

13B14. Interactive gaming operators.

13B15. Interactive gaming certificate and license.

13B16. Timing of initial interactive gaming authorizations.

§ 13B11. Authorization to conduct interactive gaming.

(a) Authority of board.—

(1) The board may authorize a slot machine licensee:

(i) To conduct interactive gaming, including contests and tournaments and any other game which is determined by the board to be suitable for interactive gaming.

(ii) To deploy interactive gaming skins or Internet websites to facilitate the conduct of interactive gaming activities.

(2) Except as provided in this part, all individuals

playing authorized interactive games must be physically located within this Commonwealth or within a state or jurisdiction in which the board has entered an interactive gaming reciprocal agreement. No individual under 21 years of age shall open, maintain, use or have access to an interactive gaming account.

(b) Authority to play interactive games.—Notwithstanding any other provision of law, an individual who is 21 years of age or older is hereby permitted to participate as a registered player in interactive gaming and wagering associated with playing an authorized interactive game offered by an interactive gaming certificate holder in accordance with regulations of the board.

§ 13B12. Interactive gaming certificate required and content of petition.

(a) Certificate required.—No slot machine licensee or any other person associated with or representing a slot machine licensee shall operate or conduct or attempt to operate or conduct interactive gaming, except for test purposes or open interactive gaming to the public in this Commonwealth without first obtaining an interactive gaming certificate or an interactive gaming license from the board. A slot machine licensee may seek approval to conduct interactive gaming by

filing a petition for an interactive gaming certificate with the board. The board shall prescribe the form and manner to govern the submission of a petition for an interactive gaming certificate.

(b) Content of petition.—In addition to information and documentation demonstrating that the slot machine licensee is qualified for an interactive gaming certificate under this chapter, a petition seeking board approval to conduct interactive gaming within this Commonwealth shall include the following:

(1) The name, business address and contact information of the slot machine licensee.

(2) The name, business address and contact information of any affiliate, interactive gaming operator or other person that will be a party to an agreement related to the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.

(3) The name and business address, job title and a photograph of each principal and key employee of the slot machine licensee who will be involved in the conduct of interactive gaming and who is not currently licensed by the board, if known.

(4) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and interactive gaming licensee, if any, who will be involved in the conduct of interactive gaming and who is currently licensed by the board.

(5) An itemized list of the interactive games and any other game or games the slot machine licensee plans to offer over the Internet for which authorization is being sought. The slot machine licensee shall, in accordance with regulations promulgated by the board, file any changes in the number of authorized interactive games offered through interactive gaming with the board.

(6) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if interactive gaming is authorized and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the slot machine licensee's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(7) A brief description of the economic benefits expected to be realized by the Commonwealth, the host municipalities and residents if interactive gaming is authorized.

(8) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate interactive gaming and to otherwise fund the cost of commencing interactive gaming.

(9) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the slot machine licensee, and information or documentation concerning any interactive gaming operator that will operate interactive gaming or an interactive gaming system on behalf of the slot machine licensee, as the board may require.

(10) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has sufficient business ability and experience to conduct a successful interactive gaming operation. In making this determination, the board may consider the results of the slot machine licensee's slot machine and table game operations, including financial information, employment data and capital investment.

(11) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has or will have the financial ability to pay the interactive gaming authorization fee.

(12) Detailed site plans identifying the proposed interactive gaming restricted area where interactive gaming

operations will be managed, administered or controlled as approved by the board.

(13) A detailed description of all of the following:

(i) The slot machine licensee's initial system of internal and accounting controls applicable to interactive gaming.

(ii) The slot machine licensee's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) How the slot machine licensee will facilitate compliance with all of the requirements set forth in this chapter and in section 802(a) of the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5362(10)(B)), including, but not limited to, all of the following:

(A) Age, identity and location verification requirements designed to block access to individuals under 21 years of age.

(B) Appropriate data security standards to prevent unauthorized access by any person whose age, identity and location have not been verified or whose age, identity and location cannot be verified in accordance with this chapter and applicable regulations of the board.

(C) Except as provided in this chapter, the requirement that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively within this Commonwealth.

(iv) The slot machine licensee's proposed age, identity and location verification standards designed to block access to persons under 21 years of age and persons excluded or prohibited from participating in interactive gaming under this chapter.

(v) The procedures the slot machine licensee will use to register individuals who wish to participate in interactive gaming.

(vi) The procedures the slot machine licensee will use to establish interactive gaming accounts for registered players.

(vii) The interactive games and services the slot machine licensee proposes to offer to registered players.

(viii) Documentation and information relating to all proposed subcontractors of the slot machine licensee, including, but not limited to, all of the following:

(A) A description of the services to be provided by each subcontractor.

(B) Information on the experience and qualifications of each subcontractor to provide the services anticipated.

(C) The names of all proposed subcontractors, owners, executives and employees that will be directly or indirectly involved in the slot machine licensee's interactive gaming operations, as well as sufficient personal identifying information on each such person to conduct background checks as may be required by the board.

(14) The interactive gaming devices and associated equipment, including the interactive gaming network, interactive gaming system or systems, that the slot machine licensee plans to or will utilize to manage, administer or control its interactive gaming operations.

(15) Compliance certification of its interactive gaming devices and associated equipment, including interactive gaming software and hardware, by a board-approved gaming laboratory to ensure that the gaming software and hardware comply with the

requirements of this chapter and regulations of the board.

(16) Detailed description of accounting systems, including, but not limited to, accounting systems for all of the following:

- (i) Interactive gaming accounts.
- (ii) Per-hand charges, if applicable.
- (iii) Transparency and reporting to the board and the department.
- (iv) Distribution of revenue to the Commonwealth and winnings to registered players.
- (v) Ongoing auditing and internal control compliance reviews.

(17) Detailed information on security systems at the licensed facility to protect the interactive gaming skins or Internet website from internal and external breaches and threats.

(18) Any other information the board may require.

(c) Confidentiality.—Information submitted to the board under subsection (b) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13B13. Issuance of interactive gaming certificate.

(a) Requirements for approval of petition.—

(1) The board may approve a petition under section 13B12 (relating to interactive gaming certificate required and content of petition) upon finding clear and convincing evidence of all of the following:

(i) The slot machine licensee's conduct of interactive gaming complies in all respects with the requirements of this chapter and regulations promulgated by the board.

(ii) Age, identity and location verification requirements designed to block access to individuals under 21 years of age and persons otherwise prohibited from engaging in interactive gaming in accordance with this chapter, as approved by the board, have been implemented by the slot machine licensee.

(iii) The slot machine licensee has implemented or will implement appropriate data security standards to prevent unauthorized access by any person whose age, identity and location has not been verified or cannot be verified in accordance with the regulations promulgated and adopted by the board.

(iv) The slot machine licensee has implemented or will implement appropriate standards to protect the privacy and security of registered players.

(v) The slot machine licensee's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and regulations promulgated and adopted by the board.

(vi) The slot machine licensee is in good standing with the board.

(vii) The slot machine licensee agrees that the number of slot machines and table games in operation at its licensed facility, as of the effective date of this section, will not be reduced as a result of the authorization and commencement of interactive gaming.

(2) It shall be an express condition of any interactive gaming certificate that a slot machine licensee shall collect, report and pay all applicable taxes and fees and shall maintain all books, records and documents pertaining to the slot machine licensee's interactive gaming operations in a manner and location within this Commonwealth as approved by the board. All books, records and documents shall be immediately available for inspection by the board and the department during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the

board shall require.

(b) Issuance of interactive gaming certificate.—

(1) Upon approval of a petition for an interactive gaming certificate, the board shall issue an interactive gaming certificate to the slot machine licensee. The issuance of an interactive gaming certificate prior to the full payment of the authorization fee required under section 13B51 (relating to interactive gaming authorization fee) shall not relieve the slot machine licensee from the obligation to pay the authorization fee in accordance with the requirements of section 13B51.

(2) Upon issuing an interactive gaming certificate, the board shall amend the slot machine licensee's statement of conditions to include conditions pertaining to the requirements of this chapter.

(c) Term of interactive gaming certificate.—Subject to the power of the board to deny, revoke or suspend an interactive gaming certificate issued in accordance with the requirements of this section, an interactive gaming certificate shall be renewed every five years and shall be subject to the requirements of section 1326 (relating to renewals).

(d) Sanctions.—A slot machine licensee that fails to abide by the requirements of this chapter or any condition contained in the slot machine licensee's statement of conditions governing the operation of interactive gaming shall be subject to board-imposed administrative sanctions or other penalties authorized under this part. The imposition of administrative sanctions in accordance with this subsection shall apply to any interactive gaming operator that fails to abide by the requirements of this chapter and regulations of the board.

(e) Background investigations.—Each petition for an interactive gaming certificate shall be accompanied by a nonrefundable fee established by the board to cover the cost of background investigations. The board shall determine by regulation the persons involved, directly or indirectly, in a slot machine licensee's interactive gaming operations and persons involved in the operations of an interactive gaming operator who shall be subject to background investigation. Any additional costs and expenses incurred in any background investigation or other investigation or proceeding under this chapter shall be reimbursed to the board.

§ 13B14. Interactive gaming operators.

(a) License required.—No person shall serve or attempt to serve as an interactive gaming operator without first obtaining an interactive gaming license from the board. A person may seek approval to serve as an interactive gaming operator by filing an application with the board. The board shall prescribe the form and manner to govern the submission of an application for an interactive gaming license. The board shall provide for the licensure of interactive gaming operators that operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The board shall:

(1) Determine suitability and provide for the licensure, permitting, registration or certification, as it deems appropriate, of interactive gaming operators or other persons directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee. The board shall determine suitability in accordance with the applicable requirements of this part, provided that the board may extend suitability to a holder of a valid license, permit, registration, certificate or other authorizations approved and issued under this part, which is in good standing, without additional investigation. The extension of suitability in accordance with this paragraph shall not relieve the holder of a valid license, permit, registration or certificate issued under this chapter from payment of all fees imposed under this chapter.

(2) Provide for the approval of the terms and conditions of all agreements entered into by or between an interactive gaming certificate holder and an interactive gaming operator or any other person related to the operation of interactive games or an interactive gaming system on behalf of the interactive gaming certificate holder.

(b) Classification and approval of employees.—

(1) The board shall establish a classification system for employees of interactive gaming operators or other persons who provide products or services associated with or related to interactive gaming, interactive gaming platforms and interactive gaming systems.

(2) The board shall provide for the licensure, permitting, registration or certification, as it deems appropriate, of employees in each employee classification established by it in accordance with paragraph (1).

(c) Applicability of certain provisions.—Interactive gaming operators shall be subject to the applicable provisions of this part that apply to interactive gaming certificate holders, as determined by the board.

(d) Operators owned, controlled by slot machine licensee.—This section shall not apply to an interactive gaming operator that is owned by, affiliated with or otherwise controlled by a slot machine licensee that has been approved for and issued an interactive gaming certificate under this chapter. The board shall determine by regulation the criteria or conditions necessary to determine whether an interactive gaming operator is owned by, affiliated with or otherwise controlled by a slot machine licensee to effectuate the purpose of this subsection.

(e) Interactive gaming license and conditional authorization.—

(1) The following shall apply:

(i) During the first 18 months after the effective date of this section, the board may issue conditional authorizations to persons seeking licensure as interactive gaming operators.

(ii) Conditional authorization awarded to an interactive gaming operator may remain in effect until the shorter of 12 months after the date of issue or the date by which the board considers the subject application.

(iii) Conditional authorization may be renewed by the board not more than once, upon a showing of good cause.

(iv) Conditional authorization shall allow an applicant for an interactive gaming license to engage in all of the functions of a licensed interactive gaming operator for the duration of the conditional authorization.

(2) No conditional authorization may be issued unless:

(i) The applicant has submitted a complete application for an interactive gaming license to the board.

(ii) The applicant agrees to pay or has paid the fee prescribed in section 13B51 (relating to interactive gaming authorization fee) prior to the issuance of conditional authorization, which may be refundable in the event the license is not approved and issued by the board.

(iii) The bureau has no objection to the issuance of a conditional authorization to the applicant.

(3) Within 45 days of the date that the bureau receives the completed application for an interactive gaming license from an applicant for investigation, the bureau shall conduct a preliminary investigation of the applicant and any key interactive gaming employee of the applicant, as determined by the board, which shall include a criminal background investigation of the applicant and any interactive gaming employees of the applicant, as determined by the board in accordance with section 1202(b) (relating to general and specific powers).

(4) If the bureau's preliminary investigation discloses no adverse information that would impact suitability for licensure, the bureau shall provide the board with a statement of no objection to issuance of conditional authorization to the applicant.

(5) If the bureau's preliminary investigation discloses adverse information that would impact suitability for licensure, it shall register an objection and no conditional authorization may be issued until the bureau's concerns are resolved.

(6) Any conditional authorization approved and issued to an applicant for an interactive gaming license under this subsection may be suspended or withdrawn by the board upon a showing of good cause by the bureau.

§ 13B15. Interactive gaming certificate and license.

The following shall apply:

(1) An interactive gaming certificate and interactive gaming license shall be in effect unless:

(i) The certificate or license is suspended or revoked by the board consistent with the requirements of this part.

(ii) The slot machine license is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The slot machine licensee relinquishes or does not seek renewal of its slot machine license.

(iv) The slot machine licensee does not seek renewal of its interactive gaming certificate.

(2) The interactive gaming certificate may include an initial itemized list by number and type of authorized interactive games for interactive gaming to be conducted by the interactive gaming certificate holder or interactive gaming operator or other person on behalf of an interactive gaming certificate holder. The slot machine licensee may increase or decrease the number of interactive games authorized for play on its interactive gaming skin or Internet website or change the type of authorized interactive games played on its interactive gaming skin or Internet website upon notice, if required by the board, to the board and approval by the board or a designated employee of the board. Unless approved by the board or a designated employee of the board, the total number and type of authorized interactive games offered for play by an interactive gaming certificate holder may not differ from the number and type approved by the board and authorized in the interactive gaming certificate.

(3) A slot machine licensee shall be required to update the information in its initial interactive gaming petition at times and in the form and manner as prescribed by the board.

§ 13B16. Timing of initial interactive gaming authorizations.

The board shall prescribe the date on which petitions for an interactive gaming certificate and applications for an interactive gaming license must be filed with the board and shall approve or deny a petition or application within 90 days following receipt.

SUBCHAPTER B.1MULTI-USE COMPUTING DEVICES

Sec.

13B20. Authorization.

13B20.1. Board authorization required.

13B20.2. Standard for review of applications.

13B20.3. Fees.

13B20.4. Multi-use gaming device tax.

13B20.5. Local share assessment.

13B20.6. Regulations.

13B20.7. Construction.

§ 13B20. Authorization.

(a) Authority.—

(1) Notwithstanding any provision of this part or regulation of the board, an interactive gaming certificate holder may provide for the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or enter into a written agreement with an interactive gaming operator that provides for the conduct of such interactive gaming by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(2) An interactive gaming certificate holder seeking to make authorized interactive games available for play through the use of multi-use computing devices at a qualified airport shall file a petition with the board in such form and manner as the board, through regulations, shall require.

(b) Place of conduct.—The board, at its discretion, may authorize an interactive gaming certificate holder or an interactive gaming operator to place and make authorized interactive games available for play at a qualified airport through the use of multi-use computing devices in accordance with the requirements of this subchapter and regulations of the board.

(c) Satisfaction of contingencies.—Authorization for an interactive gaming certificate holder to conduct interactive gaming at a qualified airport in accordance with subsection (a) shall be contingent upon the following:

(1) The interactive gaming certificate holder has submitted a petition to the board seeking authorization to manage the conduct of interactive gaming at the qualified airport and the board has approved the petition.

(2) The interactive gaming certificate holder has disclosed that it has or will enter into an agreement with an interactive gaming operator who will manage, operate and control the conduct of interactive gaming at a qualified airport on behalf of the interactive gaming certificate holder and the interactive gaming operator has petitioned the board for approval and the board has approved the agreement and the petition.

(3) The interactive gaming certificate holder and interactive gaming operator, as the case may be, has entered into an agreement with the concession operator at the qualified airport for the use of multi-use computing devices within the airport gaming area.

(4) The interactive gaming certificate holder or interactive gaming operator, as applicable, has provided adequate assurances that the conduct of interactive gaming at the qualified airport will be conducted and operated in accordance with this part and regulations promulgated by the board.

(5) The interactive gaming certificate holder has paid or will pay all applicable taxes and fees.

(d) Agreement required.—The following shall apply:

(1) An interactive gaming certificate holder may seek authorization for the operation and placement of authorized interactive games at a qualified airport or may enter into an agreement with an interactive gaming operator to provide for the conduct of interactive gaming at the qualified airport.

(2) An agreement entered into in accordance with this subsection shall be in writing and shall be submitted to the board for review and approval.

§ 13B20.1. Board authorization required.

(a) Contents of petition.—An interactive gaming certificate holder seeking authorization to conduct interactive gaming at a qualified airport through the use of a multi-use computing device shall petition the board for approval. The petition shall include:

(1) The name, business address and contact information of the interactive gaming certificate holder or the name, business address and contact information of the interactive gaming operator, if an interactive gaming operator will manage the operation of interactive gaming at a qualified airport on behalf of an interactive gaming certificate holder pursuant to an interactive gaming agreement.

(2) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and, if relevant, the interactive gaming operator who will be directly involved in the conduct of authorized interactive games at the qualified airport and who is not currently licensed by the board, if known.

(3) The name and business address of the airport authority, the location of the qualified airport and the names of the governing body of the airport authority, if the airport authority is incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities).

(4) If the use and control of a qualified airport is regulated by a city of the first class, an identification of the municipal agency and primary officials of a city of the first class,

which regulates the use and control of the qualified airport.

(5) The name and job title of the person or persons who will be responsible for ensuring the operation and integrity of the conduct of interactive gaming at a qualified airport and reviewing reports of suspicious transactions.

(6) The brand name of the multi-use computing devices that will be placed in operation at the qualified airport. The board, at its discretion, may require any additional information related to the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or persons that manufacture or supply multi-use computing devices that it may determine necessary and appropriate to ensure the integrity of interactive gaming at a qualified airport and protect the public interest.

(7) An itemized list of the interactive games for which authorization is being sought.

(8) Information, as the board may require, on any computer applications or apps, including gaming apps, which can be accessed on the multi-use computing devices.

(9) Information on the terms and conditions of any interactive gaming agreement entered into by or between an interactive gaming certificate holder and interactive gaming operator or other person related to the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport, if the board deems necessary and appropriate.

(10) Detailed site plans illustrating the location of the proposed airport gaming area at the qualified airport.

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

(12) Any other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(8), (9), (11) and (12) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

(c) Approval of petition.—Upon approval of a petition as required under this section, the board shall authorize an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport through the use of multi-use computing devices. The authorization of an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport in accordance with this chapter prior to the full payment of the authorization fee under section 13B20.3 (relating to fees) shall not relieve the interactive gaming certificate holder or interactive gaming operator, as applicable, from the obligation to pay the authorization fee in accordance with section 13B20.3.

§ 13B20.2. Standard for review of petitions.

The board shall approve a petition under section 13B20.1 (relating to board authorization required) if the interactive gaming operator has been or will be issued an interactive gaming license under section 13B14 (relating to interactive gaming operators), and if it establishes, by clear and convincing evidence, all of the following:

(1) The interactive gaming certificate holder or interactive gaming operator, as the case may be, has entered into an agreement with a concession operator for the conduct of interactive gaming through the use of multi-use computing devices within the airport gaming area of a qualified airport.

(2) The interactive gaming operator has an agreement with an interactive gaming certificate holder relating to the conduct of authorized interactive games by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(3) The board has approved the agreements under paragraphs (1) and (2), as applicable.

(4) The interactive gaming operator has paid the authorization fee under section 13B51 (relating to interactive

gaming authorization fee).

(5) The interactive gaming operator possesses the necessary funds or has secured adequate financing to commence the conduct of interactive gaming at the qualified airport.

(6) The proposed internal and external security and surveillance measures within the airport gaming area of the qualified airport are adequate.

§ 13B20.3. Fees.

(a) Required fees.—An interactive gaming certificate holder shall pay a one-time, nonrefundable fee of \$1,000,000 upon the authorization to conduct interactive gaming at a qualified airport through the use of multi-use computing devices in accordance with this chapter.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13B20.4. Multi-use gaming device tax.

(a) Imposition.—

(1) Each interactive gaming certificate holder authorized to conduct interactive gaming at a qualified airport in accordance with the provisions of this subchapter shall report to the department and pay from its daily gross interactive gaming revenue generated from the conduct of interactive gaming through multi-use computing devices at the qualified airport, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue generated from multi-use computing devices at the qualified airport and a local share assessment.

(2) The tax imposed under subsection (a) shall be payable to the department on a daily basis and shall be based upon the gross interactive gaming revenue generated from multi-use computing devices at a qualified airport derived during the previous week.

(3) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the interactive gaming certificate holder until the funds are paid to the department. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue from multi-use computing devices shall be deposited and maintained until such time as the funds are paid to the department under this section.

(4) The department shall transfer the tax revenues collected under this section to the General Fund.

§ 13B20.5. Local share assessment.

(a) Required payment.—In addition to the tax imposed under section 13B20.4 (relating to multi-use gaming device tax), each interactive gaming certificate holder shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the fund. All funds owed under this section shall be held in trust by the interactive gaming certificate holder until the funds are paid into the account. Funds in the account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distributions to qualified airports.—

(1) The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to qualified airports.

(2) Notwithstanding paragraph (1) or any other provision of law, the multi-use computing device local share assessment generated at a qualified airport located in a city of the first class which regulates the use and control of a qualified airport shall be distributed to the school district of the city of the first class for pre-kindergarten programs.

(c) Definition.—As used in this section, the term "multi-use computing device local share assessment" means 20% of an interactive gaming certificate holder's gross interactive gaming revenue from multi-use computing devices at qualified airports.

§ 13B20.6. Regulations.

(a) Regulations.—The board shall promulgate regulations related to the operation of authorized interactive games through the use of multi-use computing devices at qualified airports, including, but not limited to:

(1) Procedures for the creation of temporary or provisional interactive gaming accounts that take into consideration the nature of interactive gaming through multi-use computing devices at qualified airports.

(2) Procedures to govern credits, debits, deposits and payments to interactive gaming accounts established through multi-use computing devices at qualified airports.

(3) Procedures, in consultation with the department, to govern financial transactions between an interactive gaming certificate holder, an interactive gaming operator or other persons that relates to the reporting of gross interactive gaming revenue generated through the use of multi-use computing devices at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations. The board may promulgate temporary regulations not subject to:

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

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

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

§ 13B20.7. Construction.

Nothing in this subchapter shall be construed to:

(1) Create a separate license governing the use of multi-use computing devices for the conduct of interactive games at eligible airports by interactive gaming certificate holders within this Commonwealth.

(2) Limit the board's authority to determine the suitability of any person who may be directly or indirectly involved in or associated with the operation of interactive gaming at a qualified airport to ensure the integrity of interactive gaming and protect the public interest.

SUBCHAPTER C

CONDUCT OF INTERACTIVE GAMING

Sec.

13B21. Situs of interactive gaming operations.

13B22. Establishment of interactive gaming accounts.

13B23. Interactive gaming account credits, debits, deposits and payments.

13B24. Acceptance of account wagers.

13B25. Dormant interactive gaming accounts.

13B26. Log-in procedure required.

13B27. Information provided at login.

13B28. Prohibitions.

13B29. Commencement of interactive gaming operations.

§ 13B21. Situs of interactive gaming operations.

Except as provided in this chapter, all wagers made through interactive gaming shall be deemed to be initiated, received or otherwise made within the geographic boundaries of this Commonwealth. The intermediate routing of electronic data associated or in connection with interactive gaming shall not determine the location or locations in which a bet or wager is initiated, received or otherwise made.

§ 13B22. Establishment of interactive gaming accounts.

(a) Registration restrictions.—Only a natural person who has first established an interactive gaming account shall be permitted to play an authorized interactive game or place any bet or wager associated with an authorized interactive game. An interactive gaming account shall be in the name of a natural person and may not be in the name of any

beneficiary, custodian, joint trust, corporation, partnership or other organization or entity. An interactive gaming certificate holder shall not permit an individual to establish an interactive gaming account unless the person is 21 years of age or older.

(b) Establishment of interactive gaming accounts.—

(1) An interactive gaming account may be executed in person, provided that the board shall, through regulations, provide procedures for the establishment of interactive gaming accounts over the Internet through the interactive gaming certificate holder's interactive gaming skin or portal or Internet website. Each interactive gaming account shall comply with the internal controls of the interactive gaming certificate holder that, at a minimum, require the following:

(i) The filing and execution of an interactive gaming account application, the form of which has been preapproved by the board.

(ii) Proof of age, identity and residency as demonstrated by at least two forms of identification approved by the board through regulation.

(iii) Physical address or the principal residence of the prospective account holder, e-mail address of the prospective account holder and other contact information, as the board or interactive gaming certificate holder may require.

(iv) Password or other secured identification provided by the interactive gaming certificate holder to access the interactive gaming account or some other mechanism approved by the board to authenticate the player as the holder to the interactive gaming account.

(v) An acknowledgment under penalty of perjury that false or misleading statements made in regard to an application for an interactive gaming account may subject the applicant to civil and criminal penalties.

(2) The interactive gaming certificate holder may accept or reject an application after receipt and review of the application and verification of age and identity for compliance with the provisions of this chapter. The interactive gaming certificate holder shall have the right, at any time with or without cause, to suspend or close any interactive gaming account at its sole discretion.

(3) The address provided by the applicant in the application for an interactive gaming account shall be deemed the address of record for the purposes of mailing checks, account withdrawals, notices and other materials to the interactive gaming account holder.

(4) An interactive gaming account shall not be assignable or otherwise transferable and an interactive gaming certificate holder may, at any time, declare all or any part of an interactive gaming account to be closed for wagering.

(c) Password required.—As part of the application process, the interactive gaming certificate holder shall provide the prospective interactive gaming account holder with a password to access the interactive gaming account or shall establish some other method approved by the board to authenticate the individual as the holder of the interactive gaming account and allow the registered player access to the interactive gaming account.

(d) Grounds for rejection.—Any individual who provides false or misleading information in the application for an interactive gaming account may be subject to rejection of the application or cancellation of the account by the interactive gaming certificate holder.

(e) Suspension of interactive gaming account.—The interactive gaming certificate holder shall have the right to suspend or close any interactive gaming account at its discretion.

(f) Persons prohibited from establishing or maintaining an interactive gaming account.—The following persons shall not be entitled to establish or maintain an interactive gaming account:

(1) Any person under 21 years of age.

(2) Any person on the list of persons who are or will be excluded or ejected from or denied access to any licensed facility under section 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) or 1516 (relating to list of persons self excluded from gaming activities).

(3) Any gaming employee, key employee or principal employee of a slot machine licensee and any employee or key employee of an interactive gaming operator or any other person directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.
§ 13B23. Interactive gaming account credits, debits, deposits and payments.

(a) Duty of board.—The board shall, by regulation, develop procedures to govern credits, debits and deposits to interactive gaming accounts. Notwithstanding any provision of this part to the contrary, all credits, debits and deposits to interactive gaming accounts shall be made in accordance with regulations promulgated by the board, in consultation with the department, and all payments of winnings shall be made in accordance with the rules of each particular authorized interactive game.

(b) Rights of interactive gaming certificate holder.—An interactive gaming certificate holder shall have the right to:

(1) Credit an interactive gaming account as part of a promotion.

(2) Refuse all or part of any wager or deposit to the interactive gaming account of a registered player.

(c) Interest prohibited.—Funds deposited in a registered player's interactive gaming account shall not bear interest to the account holder.
§ 13B24. Acceptance of account wagers.

(a) Acceptance.—An interactive gaming certificate holder may accept interactive gaming wagers or bets only as follows:

(1) The wager shall be placed directly with the interactive gaming certificate holder by the registered player, after the interactive gaming certificate holder has verified that the individual seeking to place a wager or bet is the registered player.

(2) The registered player provides the slot machine licensee with the correct password or other authentication information for access to the interactive gaming account.

(b) Nonacceptance.—An interactive gaming certificate holder may not accept an account wager in an amount in excess of funds on deposit in an interactive gaming account of the registered player placing the bet or wager. Funds on deposit include amounts credited to a registered player's interactive gaming account in accordance with regulations of the board and any funds in the account at the time the wager is placed.
§ 13B25. Dormant interactive gaming accounts.

Before closing a dormant interactive gaming account, the interactive gaming certificate holder shall attempt to contact the interactive gaming account holder by mail and phone or e-mail to inform the account holder that the interactive gaming account is inactive and may be subject to termination at such time and manner as determined by regulation of the board.

§ 13B26. Log-in procedure required.

Each interactive gaming certificate holder shall establish a log-in procedure for registered players to access interactive gaming. The log-in procedure shall include the provision of the appropriate authentication information by the registered player for access to the interactive gaming account. The interactive gaming certificate holder shall not allow a registered player to log in and access the interactive gaming account unless the correct password or other authentication information is provided.

§ 13B27. Information provided at login.

The interactive gaming certificate holder shall configure its interactive gaming skin to include a link that, upon login, will allow a registered player to access all of the following information:

(1) The current amount of funds in the interactive

gaming account.

(2) The wins and losses since the interactive gaming account was established.

(3) The wins and losses at the beginning of the current gaming session and the wins and losses at the end of the current gaming session.

(4) The complete text in searchable format of the rules of each authorized interactive game offered by the interactive gaming certificate holder and any other information as the board may require.

§ 13B28. Prohibitions.

Except as provided in this part, no interactive gaming certificate holder or any person licensed under this part to operate interactive gaming or an interactive gaming system and no person acting on behalf of, or under any arrangement with, an interactive gaming certificate holder or other person licensed under this part shall:

(1) Make any loan to any person for the purpose of crediting an interactive gaming account.

(2) Release or discharge any debt, either in whole or in part, or make any loan which represents any losses incurred by any registered player while playing authorized interactive games without maintaining a written record thereof in accordance with regulations of the board.

§ 13B29. Commencement of interactive gaming operations.

An interactive gaming certificate holder may not operate or offer interactive games for play on its interactive gaming skin until the board determines that:

(1) The interactive gaming certificate holder is in compliance with the requirements of this chapter.

(2) The interactive gaming certificate holder's internal, administrative and accounting controls are sufficient to meet the requirements of section 13B32 (relating to internal, administrative and accounting controls).

(3) The interactive gaming certificate holder's interactive gaming employees, where applicable, are licensed, permitted, registered, certified or otherwise authorized by the board to perform their respective duties.

(4) The employees of the interactive gaming operator are, where applicable, licensed, permitted or otherwise authorized by the board to perform their duties.

(5) The interactive gaming certificate holder is prepared in all respects to offer interactive gaming to the public over its interactive gaming skin.

(6) The interactive gaming certificate holder has implemented necessary internal, administrative and accounting controls, security arrangements and surveillance systems for the operation of interactive gaming.

(7) The interactive gaming certificate holder is in compliance with or will comply with section 13B31 (relating to responsibilities of interactive gaming certificate holder).

(8) The board has approved an agreement entered between the interactive gaming certificate holder and an interactive gaming operator or other person related to the operation of interactive gaming or the operation of an interactive gaming system on behalf of such interactive gaming certificate holder.

SUBCHAPTER D FACILITIES AND EQUIPMENT

Sec.

13B31. Responsibilities of interactive gaming certificate holder.

13B32. Internal, administrative and accounting controls.

§ 13B31. Responsibilities of interactive gaming certificate holder.

(a) Facilities and equipment.—All facilities and interactive gaming devices and associated equipment shall:

(1) Be arranged in a manner promoting appropriate security for interactive gaming.

(2) Include a closed-circuit video monitoring system according to rules or specifications approved by the board, with

board absolute access to the interactive gaming certificate holder's interactive gaming skin, Internet website and platform, signal or transmission used in connection with interactive gaming.

(3) Not be designed in any way that might interfere with or impede the board in its regulation of interactive gaming.

(4) Comply in all respects with regulations of the board.

(b) Location of equipment and interactive gaming restricted areas.—

(1) All interactive gaming devices and associated equipment used by an interactive gaming certificate holder or an interactive gaming licensee to conduct interactive gaming may be located, with the prior approval of the board, in an interactive gaming restricted area on the premises of the licensed facility, in an interactive gaming restricted area within the geographic limits of the county in this Commonwealth where the licensed facility is situated or in any other area approved by the board.

(2) All wagers associated with interactive gaming shall be deemed to be placed when received by the interactive gaming certificate holder.

§ 13B32. Internal, administrative and accounting controls.

(a) Submissions to board.—Notwithstanding any provision of this part, each slot machine licensee who holds or has applied for an interactive gaming certificate in accordance with this chapter shall submit a description of its system of internal procedures and administrative and accounting controls for interactive gaming to the board, including provisions that provide for real-time monitoring, recordation or storage of all interactive games and a description of any changes to its procedures and controls. The submission shall be made at least 90 days before authorized interactive gaming is to commence or at least 90 days before any change in those procedures or controls is to take effect, unless otherwise directed by the board.

(b) Filing.—Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder upon the filing of the procedures and controls with the board. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized with regard to interactive gaming, including, but not limited to:

(1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the interactive gaming operations.

(2) Procedures, forms and, where appropriate, formulas to govern the following:

(i) calculation of hold percentages;

(ii) revenue drops;

(iii) expense and overhead schedules;

(iv) complimentary services; and

(v) cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in interactive gaming operations, including employees of an interactive gaming operator, and identifying primary and secondary management and supervisory positions for areas of responsibility, salary structure and personnel practices.

(4) Procedures for the registration of players and establishment of interactive gaming accounts, including a procedure for authenticating the age, identity and location of applicants for interactive gaming accounts.

(5) Procedures for terminating a registered player's interactive gaming account and the return of any funds remaining in the interactive gaming account to the registered player.

(6) Procedures for suspending or terminating a dormant interactive gaming account.

(7) Procedures for the logging in and authentication of a registered player in order to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to

automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of registered players' interactive gaming accounts.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming chips, tokens or other cash equivalents.

(10) Procedures for withdrawing funds from an interactive gaming account by the registered player.

(11) Procedures for the protection of player funds, including the segregation of player funds from operating funds.

(12) Procedures for recording transactions pertaining to interactive gaming.

(13) Procedures for the security and sharing of personal identifiable information of registered players and other information as required by the board and funds in interactive gaming accounts. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to registered players related to its sharing of personal identifiable information. For the purpose of this paragraph, "personal identifiable information" shall mean any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of interactive gaming devices and associated equipment within an interactive gaming restricted area on the premises of the licensed facility or in a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a licensed facility as approved by the board.

(16) Procedures and security standards as to receipt of and the handling and storage of interactive gaming devices and associated equipment.

(17) Procedures and security standards to protect the interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment from hacking or tampering by any person.

(18) Procedures for responding to suspected or actual hacking or tampering with an interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment, including partial or complete suspension of interactive gaming or the suspension of any or all interactive gaming accounts when warranted.

(19) Procedures to verify each registered player's physical location each time a wager is placed on an interactive game.

(20) Procedures to ensure, to a reasonable degree of certainty, that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent reasonably possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets or wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures reasonably intended to prevent a person from participating in interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(22) Procedures to govern emergencies, including suspected or actual cyber attacks, hacking or tampering with the interactive gaming certificate holder's interactive gaming portal,

platform or Internet website.

(c) Review of submissions.—

(1) The board shall review each submission required by subsections (a) and (b) and shall determine whether the submission conforms to the requirements of this chapter and regulations promulgated by the board and whether the system submitted provides adequate and effective controls for interactive gaming of the particular interactive gaming certificate holder.

(2) If the board determines that insufficiencies exist, it shall specify the insufficiencies in writing to the interactive gaming certificate holder, who shall make appropriate alterations to ensure compliance with the requirements of this chapter and regulations of the board. When the board determines a submission to be adequate in all respects, it shall notify the interactive gaming certificate holder.

(3) Except as otherwise provided in subsection (a), no interactive gaming certificate holder, interactive gaming operator or other person shall commence or alter interactive gaming operations unless and until the system of procedures, controls and alternations is approved by the board.

SUBCHAPTER E TESTING AND CERTIFICATION

Sec.

13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

§ 13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

(a) Testing required.—

(1) No interactive game or interactive gaming device or associated equipment shall be used to conduct interactive gaming unless it has been tested and approved by the board. The board may, in its discretion and for the purpose of expediting the approval process, refer testing to any testing laboratory as approved by the board.

(2) The board shall establish, by regulation, technical standards for approval of interactive games and interactive gaming devices and associated equipment, including standards to govern mechanical, electrical or program reliability and security against tampering and threats, as it may deem necessary to protect the registered player from fraud or deception and to ensure the integrity of interactive gaming.

(b) Independent testing and certification facility.—Any costs associated with the board's testing and certification facility shall be assessed on persons authorized by the board to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices and associated equipment to interactive gaming certificate holders or to interactive gaming operators in this Commonwealth. The costs shall be assessed in accordance with a schedule adopted by the board.

(c) Use of other state standards.—The board may determine whether the testing and certification standards for interactive games and interactive gaming devices and associated equipment as adopted by another jurisdiction within the United States or any of the testing and certification standards used by an interactive gaming certificate holder are comprehensive and thorough and provide similar and adequate safeguards as those required by this chapter and regulations of the board. If the board makes that determination, it may permit the person authorized to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices or associated equipment to furnish interactive games or interactive gaming devices and associated equipment to interactive gaming certificate holders in this Commonwealth without undergoing the full testing and certification process by the board's independent testing and certification facility.

SUBCHAPTER F TAXES AND FEES

Sec.

13B51. Interactive gaming authorization fee.

13B52. Interactive gaming tax.

13B53. Local share assessment.

13B54. Compulsive and problem gambling.

§ 13B51. Interactive gaming authorization fee.

(a) Amount of authorization fee.—

(1) Each slot machine licensee that is issued an interactive gaming certificate to conduct interactive gaming in accordance with section 13B11 (relating to authorization to conduct interactive gaming) shall pay a one-time nonrefundable authorization fee in the amount of \$8,000,000.

(2) Each interactive gaming operator or an affiliate of an interactive gaming certificate holder that is issued an interactive gaming license under this chapter to operate interactive gaming or an interactive gaming system on behalf of a slot machine licensee pursuant to an interactive gaming agreement and that is not owned, affiliated with or otherwise controlled by a slot machine licensee shall pay a one-time nonrefundable authorization fee in the amount of \$2,000,000.

(3) Each interactive gaming operator that has been approved by the board to provide for the conduct of interactive gaming on behalf of an interactive gaming certificate holder at a qualified airport in accordance with Subchapter B.1 shall pay a one-time nonrefundable authorization fee in the amount of \$1,000,000.

(b) Payment of fee.—Persons required to pay the authorization fee under subsection (a) shall remit the fee to the board within 60 days of the board's approval of its petition, license or conditional license to conduct interactive gaming or to operate interactive gaming or an interactive gaming system. The board may allow the fee to be paid in installments, provided that all such installments are paid within the 60-day period and that the installment payments are made in accordance with the terms of an agreement between the board and the interactive gaming certificate holder or an interactive gaming operator under subsection (a)(2) that sets forth the terms of the installment payment.

(c) Renewal fee.—

(1) Notwithstanding any other provision of this chapter, an interactive gaming certificate holder shall pay a renewal fee in the amount of \$250,000 upon the renewal of its interactive gaming certificate in accordance with sections 1326 (relating to renewals) and 13B13(c) (relating to issuance of interactive gaming certificate).

(2) Each interactive gaming operator under subsection (a)(2) shall pay a renewal fee of \$100,000 upon the renewal of its interactive gaming license in accordance with this chapter.

(d) Deposit of fees.—The fees imposed and collected under this section shall be deposited in the General Fund.

§ 13B52. Interactive gaming tax.

(a) Imposition of tax.—Each interactive gaming certificate holder that conducts interactive gaming shall report to the department and pay from its daily gross interactive gaming revenue, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue and a local share assessment as provided in section 13B53 (relating to local share assessment).

(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 interactive gaming 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 interactive gaming certificate holder until the funds are paid to the department for deposit in the General Fund. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(c) Taxes on out-of-State wagering.—The tax rate which shall be assessed and collected by the department with respect to any wagers placed by registered players located in this Commonwealth with an interactive gaming operator outside of this Commonwealth, but authorized under an interactive gaming reciprocal agreement shall be governed by the agreement but may not exceed 16% of gross interactive gaming revenue derived from registered players located in this Commonwealth.

(d) Deposit of funds.—The tax imposed under subsection (a) shall be collected by the department for deposit in the General Fund.

§ 13B53. Local share assessment.

(a) Required payment.—

(1) In addition to the tax imposed under section 13B52 (relating to interactive gaming tax), each interactive gaming certificate holder that conducts interactive gaming shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to all counties in this Commonwealth, to economic development authorities or redevelopment authorities within each county, for grants for economic development projects, community improvement projects and other projects in the public interest.

(2) The Department of Community and Economic Development shall develop policies and procedures to govern the distribution of grants from the local share assessment established under paragraph (1). The policies and procedures shall be of sufficient scope to ensure equal access to grant funds by all counties in this Commonwealth.

(b) Definitions.—As used in this section, the following words and phrases shall have the meaning given to them in this subsection:

"Local share assessment." Two percent of an interactive gaming certificate holder's daily gross interactive gaming revenue.

§ 13B54. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13B52 (relating to interactive gaming tax), \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed in section 13B52, \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred to the Department of Drug and Alcohol Programs to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

SUBCHAPTER G MISCELLANEOUS PROVISIONS

Sec.

13B61. Participation in interactive gaming by persons outside Commonwealth.

13B62. Institutional investors.

13B63. Internet cafes and prohibition.

§ 13B61. Participation in interactive gaming by persons outside Commonwealth.

Notwithstanding any other provision of this chapter to the contrary, an interactive gaming certificate holder may accept interactive gaming wagers from a person who is not physically present in this Commonwealth, if the board determines the following:

(1) Participation in interactive gaming and acceptance of wagers associated with interactive gaming from a person not physically present in this Commonwealth is not inconsistent with

Federal law or regulation or the law or regulation of the jurisdiction, including any foreign jurisdiction, in which the person is located.

(2) Participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement between the Commonwealth and another state or jurisdiction, including a foreign jurisdiction, to which the Commonwealth is a party and the interactive gaming reciprocal agreement is not inconsistent with Federal law or regulation.

§ 13B62. Institutional investors.

(a) Declaration of investment intent.—Notwithstanding any other provision of this part, the following shall apply:

(1) An institutional investor holding 20% or less of the equity securities of an interactive gaming certificate holder's, interactive gaming operator's or applicant's holding, subsidiary or intermediary companies shall be granted a waiver of any investigation of suitability or other requirement if the securities are those of a corporation, whether publicly traded or privately held, and the holdings of the securities were purchased for investment purposes only. The institutional investor shall file a certified statement that it has no intention of influencing or affecting the affairs of the interactive gaming certificate holder, interactive gaming operator, applicant or any holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant. However, an institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(2) The board may grant a waiver to an institutional investor holding a higher percentage of securities upon a showing of good cause and if the conditions specified in paragraph (1) are met.

(3) An institutional investor granted a waiver under this subsection who subsequently decides to influence or affect the affairs of an interactive gaming certificate holder, interactive gaming operator or applicant's holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall provide not less than 30 days' notice of intent and shall file with the board a request for determination of suitability before taking any action that may influence or affect the affairs of the issuer. An institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(4) If an institutional investor changes its investment intent or if the board finds reasonable cause to believe that the institutional investor may be found unsuitable, no action other than divestiture shall be taken by the institutional investor with respect to its security holdings until there has been compliance with any requirements established by the board, which may include the execution of a trust agreement in accordance with section 1332 (relating to appointment of trustee).

(5) The interactive gaming certificate holder or interactive gaming operator or applicant or any holding, intermediary or subsidiary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall notify the board immediately of any information about, or actions of, an institutional investor holding its equity securities where the information or action may impact the eligibility of the institutional investor for a waiver under this subsection.

(b) Failure to declare.—If the board finds:

(1) that an institutional investor holding any security of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant or, where relevant, of another subsidiary company of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant which is related in any way to the financing of the interactive gaming certificate holder or interactive gaming operator or applicant, fails to comply with the provisions of subsection (a); or

(2) by reason of the extent or nature of its holdings, an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of an interactive gaming certificate holder or interactive gaming operator or applicant that investigation and determination of suitability of the institutional investor is necessary to protect the public interest; then the board may take any necessary action otherwise authorized under this chapter to protect the public interest.

§ 13B63. Internet cafes and prohibition.

(a) General rule.—No organization or commercial enterprise shall operate a place of public accommodation, club, including a club or association limited to dues-paying members or similar restricted groups, or similar establishment in which computer terminals or similar access devices are advertised or made available to be used principally for the purpose of accessing authorized interactive games. No interactive gaming certificate holder or interactive gaming operator shall offer or make available computer terminals or similar access devices to be used principally for the purpose of accessing interactive games within a licensed facility.

(b) Construction.—Nothing in this section shall be construed to:

(1) require the owner or operator of a hotel or motel or other public place of general use in this Commonwealth to prohibit or block guests from playing interactive games; or

(2) require an interactive gaming certificate holder or an interactive gaming operator to prohibit registered players within a licensed facility from playing interactive games.

CHAPTER 13C

(RESERVED)

CHAPTER 13D

SLOT MACHINES AT

NONPRIMARY LOCATIONS

Subchapter

A. General Provisions

B. Category 1 Licensed Gaming Entities and Nonprimary Locations

C. Application and Issuance of Nonprimary Location Permit

D. Fees and Taxes

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

13D01. (Reserved).

13D02. Authority to place slot machines at nonprimary locations.

13D03. Temporary regulations.

§ 13D01. (Reserved).

§ 13D02. Authority to place slot machines at nonprimary locations.

(a) Placement of slot machines at nonprimary locations.—Notwithstanding any provision of this part, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other law or regulation to the contrary, a Category 1 licensed gaming entity that is a licensed racing entity under Article XXVIII-D of The Administrative Code of 1929 shall apply to the board for a nonprimary location permit to place and make slot machines available for play at nonprimary locations.

(b) Duty of the board and commission.—The board shall have general and regulatory authority over the placement and operation of slot machines at nonprimary locations and shall, in consultation with the commission, promulgate regulations to govern the placement and operation of slot machines at nonprimary locations. Except that, any regulations specific to the operation of nonprimary locations by licensed racing entities promulgated under 58 Pa. Code Ch. 171 (relating to nonprimary locations) or any regulations related to the operation of nonprimary locations which may be adopted by the commission subsequent to the effective date of this chapter shall be adopted as regulations under this chapter, unless the board, in consultation with the commission, determine that such regulations are not sufficient for the administration and enforcement of this chapter. In that event, the board shall, in consultation with the commission, promulgate such regulations specific to the operation of slot machines

at nonprimary locations as the board and commission deem necessary to facilitate the administration and enforcement of this chapter.

§ 13D03. Temporary regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board or commission shall be deemed temporary regulations which shall expire not later than two years after the publication of the temporary regulation in the Pennsylvania Bulletin. The board may promulgate temporary regulations not subject to:

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

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

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

(b) Expiration.—The authority of the board and the commission to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.—The board, in consultation with the commission, shall begin publishing temporary regulations governing placement and operation of slot machines at nonprimary locations in the Pennsylvania Bulletin within 60 days of the effective date of this section.

SUBCHAPTER B CATEGORY 1 LICENSED GAMING ENTITIES AND NONPRIMARY LOCATIONS

Sec.

13D07. Authority to place slot machines at nonprimary locations.

§ 13D07. Authority to place slot machines at nonprimary locations.

(a) Category 1 licensed gaming entity and operation of slot machines at nonprimary locations.—The following shall apply:

(1) Each Category 1 licensed gaming entity that is a licensed racing entity under section 13D02 (relating to authority to place slot machines at nonprimary locations) that is authorized to hold horse race meetings at a racetrack at which more than one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved in accordance with regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(2) Each Category 1 licensed gaming entity under section 13D02 that is authorized to hold horse race meetings at a racetrack at which only one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved in accordance with regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(3) A Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall not be authorized to place and make slot machines available for play at any nonprimary location which is within the primary market area of another licensed racing entity, regardless of whether the licensed racing entity is authorized to conduct horse race meetings or harness horse race meetings, or both, at the racetrack.

(4) No Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall be

authorized to place and make slot machines available for play at a nonprimary location which is located within the primary market area of another licensed facility or another nonprimary location.

(5) A nonprimary location may be located within the primary market area of a licensed facility if the Category 1 licensed gaming entity owns the nonprimary location and the licensed gaming entity enters into an agreement with the affected licensed gaming entity or entities and the agreement is filed with the commission and the board.

(6) A Category 1 licensed gaming entity that places and makes slot machines available for play at a nonprimary location shall be subject to the requirements of section 1303(a), (b) and (d) (relating to additional Category 1 slot machine license requirements).

(8) For the purposes of this subsection, the term "primary market area" shall mean the area within 50 linear miles of a licensed facility or nonprimary location.

(b) Existing and newly established nonprimary locations.—

Notwithstanding any provision of Article XXVIII-D of The Administrative Code of 1929 or any other law or regulation to the contrary, the following shall apply:

(1) A licensed racing entity that operated nonprimary locations prior to the effective date of this subsection shall not be prohibited from reopening a previously closed nonprimary location or relocating an existing nonprimary location in order to place and make slot machines available for play in a reopened or relocated nonprimary location; Provided, that, the previously closed or a relocated nonprimary location complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(2) A licensed racing entity may establish a new nonprimary location in accordance with Article XXVIII-D of The Administrative Code of 1929 in order to place and make slot machines available for play and operate race horse simulcasting; Provided, that, the new nonprimary location complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(c) Permissible number of slot machines.—

(1) Notwithstanding section 1210 (relating to number of slot machines), a Category 1 licensed gaming entity, upon approval of the board and remittance of the fee under section 13D17 (relating to nonprimary location permit fee), may place and make available for play no more than 250 slot machines at a nonprimary location.

(2) The permissible number of slot machines that may be placed and made available for play at a nonprimary location under this subsection shall not be included in the complement of slot machines authorized for a Category 1 licensed facility under section 1210.

(3) In determining the permissible number of slot machines that may be placed at a nonprimary location in accordance with this subsection, the board shall consider the appropriateness of the physical space of the nonprimary location where the slot machines will be placed and the convenience of the public patronizing the nonprimary location. The board may also consider the potential benefit to economic development, employment, tourism, the race horse industry and enhanced revenues to the Commonwealth and the municipality where the nonprimary location is situated.

SUBCHAPTER C APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

Sec.

13D11. Application for nonprimary location permit.

13D12. Issuance and terms of nonprimary location permit.

13D13. Confidentiality.

13D14. Key employees and occupation permits.

§ 13D11. Application for nonprimary location permit.

(a) Application.—An application for a nonprimary location permit to place and make slot machines available for play at a nonprimary location shall be submitted on a form and in a manner as shall be required by the board. In reviewing and approving each application, the board shall:

(1) Ensure that the proposed location of the nonprimary location complies with the location requirements set forth in section 13D07(a)(3), (4) and (5) (relating to authority to place slot machines at nonprimary locations).

(2) Confirm that the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee) has been paid or will be paid in accordance section 13D17.

(b) Required information.—An application for a nonprimary location permit shall include, at a minimum:

(1) The name of the Category 1 slot machine licensee and the licensed racing entity and location of the existing nonprimary location, if any, or the location of any proposed relocated or new nonprimary location.

(2) The name, address and current photograph of the applicant and of all directors and owners and key employees and their positions within the licensed racing entity, if required by the board.

(3) The proposed location of the slot machine area or areas in the nonprimary location, if known.

(4) Detailed site and architectural plans of the proposed area or areas within the nonprimary location where slot machines will be placed and made available for play.

(5) The number of slot machines requested.

(6) The current status of the licensed racing entity's horse racing license, if required by the board.

(7) The current status of the slot machine license issued under this part, if required by the board.

(8) The details of any loans or other financing obtained or that will be obtained to fund an expansion, modification or construction project at an existing nonprimary location, a relocated nonprimary location or a proposed or newly approved nonprimary location to accommodate slot machines at the nonprimary location.

(9) The consent to conduct a background investigation by the bureau, the scope of which shall be determined by the bureau at its discretion consistent with the provisions of this part, and a release signed by all persons subject to the investigation of all information required to complete the investigation, if the bureau, at its discretion, determines that a background investigation is necessary under this chapter.

(10) Any other information determined to be necessary and appropriate by the board.

§ 13D12. Issuance and terms of nonprimary location permit.

(a) Issuance of permit.—Upon approval of an application for a nonprimary location permit and payment of the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee), the board shall issue a nonprimary location permit to a Category 1 licensed gaming entity authorizing it to place and make slot machines available for play at a nonprimary location.

(b) Terms of permit.—A nonprimary location permit approved and issued by the board in accordance with subsection (a) shall be in effect unless suspended or revoked by the board upon good cause consistent with the requirements of this part, regulations promulgated pursuant to this part or regulations of the commission.

(c) Notification of change in status.—Nothing in this section shall relieve a nonprimary location permit holder of the affirmative duty to notify the board of any changes relating to the status of its nonprimary location permit, its horse racing license or to any other information contained in the application materials on file with the board.

§ 13D13. Confidentiality.

Information submitted to the board under section 13D11 (relating to application for nonprimary location permit) may be considered confidential by the board if the information would be confidential

under section 1206(f) (relating to board minutes and records).
§ 13D14. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and 13A (relating to table games) or who holds a license under Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to obtain a separate license, permit or registration to be employed in a permit holder's slot machine operation at a nonprimary location under this chapter, if the board determines, in consultation with the commission, that licensure under the provisions of this part or Article XXVIII-D of The Administrative Code of 1929, is sufficient and will not compromise the integrity of the operation of slot machines at nonprimary locations.

SUBCHAPTER D FEES AND TAXES

Sec.

13D17. Nonprimary location permit fee.

13D18. Nonprimary location taxes, imposition, deposits and distributions.

§ 13D17. Nonprimary location permit fee.

(a) Amount of fee.—At the time a nonprimary location permit is issued under section 13D12(a) (relating to issuance and terms of nonprimary location permit), the board shall impose a one-time fee of \$5,000,000 to be paid by the Category 1 licensed gaming entity for each nonprimary location where it will place and make slot machines available for play.

(b) Renewal fee not required.—A nonprimary location permit shall not be subject to renewal or payment of any nonprimary location permit renewal fee.

(c) Deposit of fee into General Fund.—Notwithstanding section 1208 (relating to collection of fees and fines), all nonprimary location permit fees and penalties collected by the board under this section shall be deposited in the General Fund.

§ 13D18. Nonprimary location taxes, imposition, deposits and distributions.

(a) Imposition.—The department shall determine and each nonprimary location permit holder shall pay a daily tax of 54% from its daily gross terminal revenue from the slot machines in operation at its nonprimary location.

(b) Distribution.—

(1) The tax imposed and collected under subsection (a) shall be distributed as follows:

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

(ii) Eight percent shall constitute a local share assessment and be distributed by the department on a quarterly basis as follows:

(A) Four percent to the county in which the nonprimary location is located.

(B) Four percent to the municipality in which the nonprimary location is located.

(2) All money owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed racing entity or licensed gaming entity for the Commonwealth, county or municipality until all funds are distributed by the department in accordance with this subsection.

(c) Payments and deposits.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross slot machine revenue derived from the operation of slot machines at a nonprimary location during the previous week.

(2) All money owed to the Commonwealth and collected by the department in accordance with this subchapter shall be deposited in the General Fund.

CHAPTER 13E

SLOT MACHINES IN QUALIFIED AIRPORTS

Subchapter

- A. Preliminary Provisions
- B. Airport Gaming Authorized
- C. Conduct of Airport Gaming
- D. Airport Gaming Fees and Taxes
- E. Miscellaneous Provisions

SUBCHAPTER A
PRELIMINARY PROVISIONS

Sec.

13E01. Definitions.

§ 13E01. Definitions.

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

"Airport authority." The governing body of a municipal authority organized and incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee the operations of a qualified airport. The term shall include the governing body of any joint municipal authority which operates a qualified airport and the governing body of a city of the first class which owns and operates a qualified airport located in a county of the first class.

"Airport gaming." The licensed placement, operation and play of slot machines in a qualified airport as authorized and approved by the board.

"Airport gaming certificate holder." The authorization issued under this chapter to conduct airport gaming.

"Airport gaming operation certificate." A certificate issued by the Pennsylvania Gaming Control Board under Chapter 13B (relating to interactive gaming) that authorizes a slot machine licensee to conduct airport gaming in accordance with this chapter.

"Airport gaming revenue." The daily gross terminal revenue derived from the conduct of airport gaming.

"Applicant." A slot machine licensee.

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

"Specified area." The secure area of a qualified airport where slot machines are placed and made available to play and members of the public, other than passengers, are prohibited from entering.

SUBCHAPTER B
AIRPORT GAMING AUTHORIZED

Sec.

13E11. Authorization.

13E12. Application.

13E13. Standard for review of applications.

13E14. Approval of application.

13E15. Airport gaming operation certificate.

13E16. Timing of initial airport gaming authorizations.

§ 13E11. Authorization.

(a) General rule.—Upon application of a slot machine licensee, the board may authorize the slot machine licensee to conduct airport gaming. A slot machine licensee seeking authorization to conduct airport gaming must enter into an agreement with the governing body of a qualified airport and submit the agreement to the board for approval. No person shall cause or make slot machines available for play at a qualified airport without first obtaining an airport gaming operation certificate in accordance with the provisions of this chapter.

(b) Conditions.—Authorization shall be contingent upon the slot machine licensee's agreement to ensure that slot machine operations will be conducted in accordance with this part and any other conditions established by the board. The agreement shall specify the fees to be paid to the qualified airport by the slot machine licensee for the privilege of conducting airport gaming. Nothing in this part shall be construed to create a separate license governing the conduct of airport gaming by slot machine licensees within this Commonwealth.

(c) Number of slot machines.—The board shall approve the maximum number of slot machines that a slot machine licensee may operate at a qualified airport. The board, in making its determination, shall consider the physical space where the slot machines will be

located and the convenience of passengers. The board may also consider the potential employment, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision.

§ 13E12. Application.

(a) Information to be provided.—An applicant seeking authorization to conduct airport gaming shall provide the following information to the board:

(1) The name, business address and contact information of the applicant, and the name, business address and contact information of the airport authority and the location of the qualified airport.

(2) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of airport gaming and who is not currently licensed by the board, if known.

(3) The number of slot machines for which authorization is being sought.

(4) The estimated number of full-time and part-time employment positions that will be created at the qualified airport if the slot machine licensee is authorized to operate slot machines under this chapter and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the employment representation of diverse groups and Commonwealth residents.

(5) The details of any financing obtained or that will be obtained to fund an expansion or modification of the qualified airport to accommodate the conduct of airport gaming and to otherwise fund the cost of commencing airport gaming operations.

(6) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(7) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to conduct airport gaming. In making this determination, the board may consider the results of the applicant's slot machine operation, including financial information, employment data and capital investment.

(8) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has or will have the financial ability to pay the required fee under section 13E51 (relating to fees).

(9) Detailed site plans identifying the applicant's proposed specified area.

(10) A copy of the agreement entered into by the slot machine licensee and the qualified airport. The agreement shall identify the members of the governing board of the airport authority and all employees of the airport authority who, directly or indirectly, regulate the use and control of the qualified airport and who will oversee airport gaming at the qualified airport.

(11) Other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(6), (7), (8), (9) and (10) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13E13. Standard for review of applications.

The board shall approve an application if the applicant establishes, by clear and convincing evidence, all of the following:

(1) The applicant's slot machine license is in good standing with the board, and the applicant has an agreement with the airport authority authorizing the placement of slot machines at the qualified airport.

(2) The applicant possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or

modification of the qualified airport to accommodate the conduct of airport gaming if required in the agreement with the governing body of the airport authority.

(ii) Pay the required fee in accordance with section 13E51 (relating to fees).

(iii) Commence airport gaming operations at the qualified airport.

(3) The applicant has the financial stability, integrity and responsibility to conduct airport gaming.

(4) The applicant has sufficient business ability and experience to create and maintain airport gaming.

(5) The applicant's proposed internal and external security and proposed surveillance measures within the specified area where the applicant seeks to conduct airport gaming are adequate.

(6) The applicant agrees that the number of slot machines in operation at its licensed facility will not be permanently reduced in order to conduct airport gaming.

§ 13E14. Approval of application.

Upon approval of an application, the board shall issue an airport gaming operation certificate to the applicant. Issuing an airport gaming operation certificate prior to the payment in full of the fee required by section 13E51 (relating to fees) shall not relieve the applicant from complying with the provisions of section 13E51.

§ 13E15. Airport gaming operation certificate.

The following shall apply:

(1) An airport gaming operation certificate shall be in effect unless:

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

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

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

(iv) The agreement between the airport gaming certificate holder and the governing body of the authority is not renewed.

(2) The airport gaming operation certificate shall include the maximum number of slot machines approved by the board and permitted in the specified area. The airport gaming certificate holder may increase or decrease the number of slot machines permitted in the specified area or change the configuration of the slot machines upon notice to and approval by the board. Unless approved by the board, the total number of slot machines in operation in the specified area may not exceed the number authorized in the airport gaming operation certificate.

(3) A airport gaming certificate holder shall be required to update the information in its initial airport gaming application at times prescribed by the board.

§ 13E16. Timing of initial airport gaming authorizations.

The board shall approve or deny an application within 180 days following receipt of the completed application.

SUBCHAPTER C

CONDUCT OF AIRPORT GAMING

Sec.

13E31. Authorized locations for operation.

13E32. Commencement of airport gaming operations.

13E33. Condition of continued operation.

13E34. Airport gaming accounting controls and audit protocols.

13E35. Cash equivalents.

13E36. Occupation permits.

§ 13E31. Authorized locations for operation.

(a) Restriction.—An airport gaming certificate holder shall only be permitted to operate slot machines in the specified area authorized by the board.

(b) Powers and duties of board.—No airport gaming certificate holder may be approved to operate slot machines unless the specified area is equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of airport gaming. An authorization granted under this section may not impose any criteria or requirements regarding the contents or structure of a qualified airport which are unrelated to the conduct of airport gaming.

§ 13E32. Commencement of airport gaming operations.

An airport gaming certificate holder may not operate or offer slot machines for play at a qualified airport until the board determines that:

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

(2) The airport gaming certificate holder's internal controls and audit protocols are sufficient to meet the requirements of section 13E34 (relating to airport gaming accounting controls and audit protocols).

(3) The airport gaming certificate holder's gaming employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective duties.

(4) The airport gaming certificate holder is prepared in all respects to offer slot machine play to eligible passengers at the qualified airport.

(5) The airport gaming certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of airport gaming.

(6) The airport gaming certificate holder is in compliance with or has complied with section 13E51 (relating to fees).

(7) All slot machines certified and approved for use under this chapter have been approved by the board and are compatible with the central control computer and protocol specifications approved by the department.

(8) The airport gaming certificate holder has implemented or will implement the necessary procedures and safeguards to ensure that no individual under 21 years of age will be permitted to enter the specified area of the qualified airport.

§ 13E33. Condition of continued operation.

As a condition of continued operation, an airport gaming certificate holder shall maintain all books, records and documents pertaining to airport gaming in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to airport gaming 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 the licensee's slot machine operations at a licensed facility and a qualified airport;

(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 at the qualified airport in accordance with regulations promulgated by the board; and

(3) be maintained for a period as the board, by regulation, may require.

§ 13E34. Airport gaming accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of airport gaming operations, an airport gaming certificate holder shall submit to the board for approval all proposed site plans, internal and accounting control systems and audit protocols for the airport gaming certificate holder's airport gaming operations.

(b) Minimum requirements.—The airport gaming certificate holder's internal and accounting controls and audit protocols shall meet the requirements set forth in section 1322(b) and (c) (relating to slot machine accounting controls and audits).

§ 13E35. Cash equivalents.

Notwithstanding any other provisions of this part, the board may,

through regulations, determine the cash equivalents that may be authorized and accepted by an airport gaming certificate holder in the conduct of airport gaming.

§ 13E36. Occupation permits.

(a) Application.—Any person who desires to be a gaming employee and has a bona fide offer of employment from an airport gaming certificate holder authorized to operate slot machines under this chapter shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless and until that person holds an appropriate occupation permit issued under this section. The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with the objectives of this part.

(b) Requirements.—The application for an occupation permit shall include, at a minimum:

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

(2) The previous employment history of the person.

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

(4) A current photograph of the person.

(5) Evidence of the offer of employment and the nature and scope of the proposed duties of the person, if known.

(6) The details of any occupation permit or similar license granted or denied to the person in other jurisdictions.

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

(c) Prohibition.—No airport gaming certificate holder may employ or permit any person under 18 years of age to render any service in any specified area where slot machines are physically located.

(d) Construction.—Nothing in this part shall be construed to require any person who holds a principal license, a key employee license or gaming employee occupation permit under Chapter 13 (relating to licensees) to obtain a separate license, permit, certificate, registration or other authorization to be employed in an airport gaming certificate holder's airport gaming operations.

SUBCHAPTER D

AIRPORT GAMING FEES AND TAXES

Sec.

13E51. Fees.

13E52. Airport gaming tax and assessment.

§ 13E51. Fees.

(a) Required fees.—A slot machine licensee shall pay:

(1) Except as set forth in paragraph (2) or (3), a one-time, nonrefundable fee of \$1,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport.

(2) A one-time, nonrefundable fee of \$5,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a city of the first class.

(3) A one-time, nonrefundable fee of \$2,500,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a county of the second class.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13E52. Airport gaming tax and assessment.

(a) Imposition.—Each airport gaming certificate holder shall report to the department and pay from its airport gaming revenue, on a form and in the manner prescribed by the department, a tax of 34% of its airport gaming revenue and an airport local share assessment.

(b) Deposits and distributions.—

(1) The tax and local share assessment imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross terminal 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 airport gaming certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a airport gaming certificate holder shall establish a separate bank account into which gross terminal revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(3) The department shall transfer the tax revenues collected under this section to the General Fund.

(4) The department shall quarterly distribute to each qualified airport the airport local share assessment from the airport gaming revenue generated from airport gaming at each qualified airport.

(c) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Airport local share assessment." Twenty percent of an airport gaming certificate holder's airport gaming revenue.

SUBCHAPTER E

MISCELLANEOUS PROVISIONS

Sec.

13E91. Regulations.

§ 13E91. Regulations.

(a) Regulations.—The board shall promulgate regulations consistent with the provisions of this part to govern the conduct of airport gaming at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

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

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

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

(c) Expiration.—The board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

Section 15. Sections 1403(b), (c)(2)(ii)(D), (iii)(A) and (iv)(B), 1405, 1407 and 1408(c) of Title 4 are amended to read:

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

* * *

(b) Slot machine tax.—The department shall determine and each slot machine licensee shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its licensed facility and a local share assessment as provided in subsection (c). All funds owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed gaming entity for the Commonwealth, the county and the municipality until the funds are paid or transferred to the fund. Unless otherwise agreed to by the board, a licensed gaming entity shall establish a separate bank account to maintain gross terminal revenue until such time as the funds are paid or transferred under this section. Moneys in the fund are hereby appropriated to the department on a continuing basis for the purposes set forth in subsection (c). For the purpose of this subsection, the term licensed facility shall not be construed to include a nonprimary location at which a Category 1 slot machine licensee is authorized to place and make slot machines available for play in accordance with Chapter 13D (relating to slot machines at nonprimary locations) or the physical land-

based location of a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

(c) Transfers and distributions.—The department shall:

* * *

(2) From the local share assessment established in subsection (b), make quarterly distributions among the counties hosting a licensed facility in accordance with the following schedule:

* * *

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

* * *

(D) A county of the third class: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located. Notwithstanding the provisions of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

* * *

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

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class. [The first \$5,000,000] Fifty percent or \$5,000,000, whichever is greater, of the total amount distributed annually to the county of the first class shall be distributed to the Philadelphia School District.

* * *

(iv) * * *

(B) If the facility is a Category 3 licensed facility located in a county of the second class A, 2% of the gross terminal revenue [from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the host county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Wastewater Infrastructure Program).] to the county hosting the licensed facility from each such licensed facility shall be deposited as follows:

(I) Seventy-five percent shall be deposited for the purpose of supporting the maintenance and refurbishment of the parks and heritage sites throughout the county in which the licensed facility is located.

(II) Twelve and one-half percent shall be deposited for the purpose of

supporting a child advocacy center located within the county in which the licensed facility is located.

(III) Twelve and one-half percent shall be deposited for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensed facility is located.

* * *

§ 1405. Pennsylvania Race Horse Development Fund.

(b) Pennsylvania race horse improvement assessment.—Each active and operating licensed gaming entity shall pay a daily assessment to the Pennsylvania Race Horse Development Fund as determined by the department. Subject to the daily assessment cap established under subsection (c), the licensed gaming entity's assessment shall be a percentage of each licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility, equal to an amount calculated as "A" multiplied by "B", with "A" being equal to each licensed gaming entity's gross terminal revenue for that day divided by the total gross terminal revenue for that day from all licensed gaming entities, and "B" being equal to 18% of that day's gross terminal revenue for all active and operating Category 1 licensees conducting live racing.

(c) Daily assessment cap.—If the resulting daily assessment for a licensed gaming entity exceeds 12% of that licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility for the day, the licensed gaming entity shall pay a daily assessment of 12% of its gross terminal revenue for that day.

(e) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

(a) Fund established.—There is hereby established a Pennsylvania Gaming Economic Development and Tourism Fund within the State Treasury.

(b) Fund administration and distribution.—The Pennsylvania Gaming Economic Development and Tourism Fund shall be administered by the Department of Community and Economic Development. All moneys in the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed pursuant to a subsequently enacted Economic Development Capital Budget that appropriates money from the fund pursuant to this section. The procedures for enactment, authorization and release of economic development and tourism funds authorized under this section for both capital projects and operational expenditures shall be the same as those provided for in sections 303(a), (b) and (c) and 318(a) of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, without reference to the nature or purpose of the project, and any other statutory provision, if any, necessary to effectuate the release of funds appropriated in such economic development capital budget.

(c) Pennsylvania Gaming Economic Development and Tourism Fund Assessment.—Each licensed gaming entity shall pay a daily assessment of 5% of its gross terminal revenue from the slot machines in operation at its licensed facility to the Pennsylvania Gaming Economic Development and Tourism Fund.

(d) Restrictions on projects for certain counties and cities.—Except as set forth in subsection (d.1), for a ten-year period beginning with the first fiscal year during which deposits are made into this fund, no moneys from the Pennsylvania Gaming Economic Development and

Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout this Commonwealth. Moneys from the fund for projects within cities and counties of the first and second classes may only be used for the following projects during this ten-year period:

- (1) for reimbursement to a city of the first class for debt service made by such city to the extent that such payments have been made for the expansion of the Pennsylvania Convention Center;
 - (2) for distribution to the General Fund to the extent that the Commonwealth has made debt service payments for the expansion of the Pennsylvania Convention Center;
 - (3) for reimbursement to a city of the first class for payments made by such city for the operation expenses of the Pennsylvania Convention Center during the prior calendar year;
 - (4) for debt service and for development and economic development projects for an international airport located in a county of the second class;
 - (5) for distribution to a community infrastructure development fund of a county of the second class to fund construction, development, improvement and maintenance of infrastructure projects;
 - (6) for the retirement of the indebtedness of an urban redevelopment authority created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, in a city of the second class which is financed in part with the utilization of funds transferred to the regional asset district pursuant to Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code;
 - (8) for retirement of indebtedness of a county of the second class development fund created pursuant to the authority of Article XXXI-B of the Second Class County Code and the Urban Redevelopment Law;
 - (9) for retirement of indebtedness of a convention center in a city of the second class established pursuant to the authority of the Public Auditorium Authorities Law;
 - (10) for payment of the operating deficit for the operation of a convention center in a city of the second class established pursuant to the Public Auditorium Authorities Law.
- (d.1) Community and economic development.—
- (1) Notwithstanding subsection (b) or any other provision of law to the contrary, the money authorized but not expended under former subsection (d)(7) as of the effective date of this subsection shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority exclusively for eligible applications submitted by the redevelopment authority of a county of the second class created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, for economic development, infrastructure development, job training, community improvement, public safety or other projects in the public interest located in a county of the second class. Community development corporations, political subdivisions, urban redevelopment authorities, municipal authorities, for-profit entities and nonprofit entities located in a county of the second class shall be eligible to receive funds made available under this paragraph.
 - (2) Notwithstanding the Capital Facilities Debt Enabling Act, funding under the paragraph (1) may be utilized as local matching funds for grants or loans from the Commonwealth.
- (e) Annual report.—The Office of the Budget, in cooperation with the Department of Community and Economic Development and the Commonwealth Financing Authority, shall submit an annual report of all distribution of funds under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and minority

chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives. The report shall include detailed information relating to transfers made from the Pennsylvania Gaming Economic Development and Tourism Fund and all reimbursements, distributions and payments made under subsection (b) or 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. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

(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) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

Amend Bill, page 2, lines 15 and 16, by striking out all of said lines and inserting

Section 15.1. Title 4 is amended by adding a section to read:
§ 1410. Public School Employees' Retirement Contribution Fund.

(a) Establishment.—The Public School Employees' Retirement Contribution Fund is established within the State Treasury.

(b) Contents of fund.—The fund shall contain the money transferred to the fund under subsection (c) and any other money transferred to or deposited into the fund.

(c) Transfers to fund.—Notwithstanding any provision of this part, the following shall apply:

(1) For the 2016-2017 fiscal year, \$303,000,000 of the receipts deposited into the General Fund under Chapters 13A (relating to table games), 13B (relating to interactive gaming), 13D (relating to slot machines at nonprimary locations) and 13E (relating to slot machines in qualified airports) shall be transferred to the fund. The transfers required by this paragraph shall be made in equal monthly amounts beginning on the first day of the first month following the effective date of this paragraph.

(2) For the 2017-2018 fiscal year and each fiscal year thereafter, \$310,000,000 of the receipts deposited into the General Fund under Chapters 13A, 13B, 13D and 13E shall be transferred to the fund. The transfers required by this paragraph shall be made in equal monthly amounts beginning on July 1, 2017.

(d) Use of money in fund.—Money in the fund is hereby appropriated to the Department of Education as an augmentation to the appropriation for required contribution for public school employees' retirement.

(e) Definition.—As used in this section, the term "fund" means the Public School Employees' Retirement Contribution Fund.

Section 15.2. Sections 1501(b) and 1509(c) of Title 4 are amended to read:

§ 1501. Responsibility and authority of department.

* * *

(b) Application of rules and regulations.—The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of slot machines [and], including slot machines at nonprimary locations and qualified airports, table games and interactive gaming under this part.

* * *

§ 1509. Compulsive and problem gambling program.

* * *

(c) Notice of availability of assistance.—

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post at least 20 signs similar to the following statement:

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

The signs must be posted within 50 feet of each entrance and exit, within 50 feet of each automated teller machine location within the licensed facility and in other appropriate public areas of the licensed facility as determined by the slot machine licensee.

(2) Each racetrack where slot machines or table games are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

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

(2.1) Each interactive gaming certificate holder, interactive gaming operator or other person that operates interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder:

(i) Shall cause the words:

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

or some comparable language approved by the board, which language shall include the words "gambling problem" and "call 1-800-XXXX," to be prominently and continuously displayed to any person visiting or logged onto the interactive gaming certificate holder's interactive gaming skin or Internet website.

(ii) Shall provide a mechanism by which an interactive gaming account holder may establish the following controls on wagering activity through the interactive gaming account:

(A) A limit on the amount of money lost within a specified period of time and the length of time the account holder will be unable to participate in gaming if the holder reaches the established loss limit.

(B) A limit on the maximum amount of any single wager on any interactive game.

(C) A temporary suspension of interactive gaming through the account for any number of hours or days.

(iii) Shall not mail or otherwise forward any gaming-related promotional material or e-mail to a registered player during any period in which interactive gaming through the registered players' interactive gaming account has been suspended or terminated. The interactive gaming certificate holder shall provide a mechanism by which a registered player may change the controls, except that, while interactive gaming through the interactive gaming account is suspended, the

registered player may not change gaming controls until the suspension expires, but the registered player shall continue to have access to the account and shall be permitted to withdraw funds from the account upon proper application for the funds to the interactive gaming certificate holder.

(3) A [licensed facility] licensed gaming entity which fails to post or print the warning sign in accordance with paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine of \$1,000 a day for each day the minimum number of signs are not posted or the required statement is not printed as provided in this subsection.

(4) An interactive gaming certificate holder or interactive gaming license holder, as the case may be, that fails to establish the mechanisms, controls and systems in accordance with paragraph (2.1)(ii) and (iii) shall be assessed a fine of not less than \$5,000 per day for each day the mechanisms, controls and systems are not available to interactive gaming account holders.

* * *

Section 16. Title 4 is amended by adding a section to read:

§ 1509.2. Child endangerment protection.

(a) Posting of signs.—The following shall apply:

(1) Each licensed gaming entity shall post the necessary signage to notify patrons of the prohibition against leaving a child unattended in a vehicle under section 1518(a)(18) (relating to prohibited acts; penalties) and underage gambling under section 1518(a)(13) and (13.1) and the penalty for violations.

(2) The signs shall be conspicuously posted in clear view of all parking areas and other public areas of the licensed facility and, including where applicable, nonprimary locations, as determined by the licensed gaming entity and approved by the board.

(3) The board shall determine the written content and minimum number of signs to be posted at each licensed facility.

(b) Fine.—A licensed gaming entity that fails to post signage in accordance with subsection (a) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs as prescribed by the board are not posted.

Section 17. Section 1512 of Title 4 is amended by adding a subsection to read:

§ 1512. Financial and employment interests.

* * *

(a.6) Prohibition related to interactive gaming.—

(1) 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 immediate family member thereof shall hold, directly or indirectly, a financial interest in, be employed by or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including, but not limited to, consulting or similar services from any holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, or any business, association, enterprise or other entity that is organized in whole or in part for the purpose of promoting, advocating for or advancing the interests of the interactive gaming industry generally or any interactive gaming-related business or businesses in connection with any cause, application or matter. The financial interest and employment prohibitions under this paragraph shall remain in effect for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(2) Notwithstanding paragraph (1), a member of the

immediate family of an executive-level public employee, public official or party officer may hold employment with the holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, if in the judgment of the State Ethics Commission or the Supreme Court, as appropriate, employment will not interfere with the responsibilities of the executive-level public employee, public official or party officer and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest on the part of the executive-level public employee, public official or party officer.

(3) The financial interest and employment prohibitions specified in paragraphs (1) and (2) shall apply to slot machines at nonprimary locations under Chapter 13D (relating to slot machines at nonprimary locations).

* * *

Section 18. Sections 1514 heading, (a), (d), (e) and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title 4 are amended to read: § 1514. Regulation requiring exclusion [or] ejection or denial of access of certain persons.

(a) General rule.—The board shall by regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed facility or who may be denied access to interactive gaming or slot machines at nonprimary locations. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a licensed facility or whose access to interactive gaming and slot machines at nonprimary locations would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

* * *

(d) Sanctions.—The board may impose sanctions upon a licensed gaming entity or interactive gaming licensee in accordance with this part if the licensed gaming entity knowingly fails to exclude or eject from the premises of any licensed facility or deny access to interactive gaming or to slot machines at a nonprimary location any person placed by the board on the list of persons to be excluded [or] ejected or denied access.

(e) List not all-inclusive.—Any list compiled by the board of persons to be excluded [or] ejected or denied access shall not be deemed an all-inclusive list, and a licensed gaming entity shall have a duty to keep from the licensed facility and from interactive gaming and slot machines at a nonprimary location persons known to it to be within the classifications declared in this section and the regulations promulgated under this section whose presence in a licensed facility or whose participation in interactive gaming and the play of slot machines at a nonprimary location would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, as defined in standards established by the board.

(f) Notice.—Whenever the bureau seeks to place the name of any person on a list pursuant to this section, the bureau shall serve notice of this fact to such person by personal service or certified mail at the last known address of the person. The notice shall inform the person of the right to request a hearing under subsection (g). The bureau may also provide notice by e-mail, if the electronic mail address of the person is known to the bureau.

* * *

§ 1515. Repeat offenders excludable from licensed gaming facility.

A licensed gaming entity may exclude or eject from its licensed facility or deny access to interactive gaming and slot machines at a nonprimary location any person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of any licensed facility. Nothing in this section or in any other law of this Commonwealth shall limit the right of a licensed gaming entity to exercise its common law right to exclude or eject permanently from its licensed facility or permanently deny access to its interactive gaming

and slot machines at a nonprimary location any person who disrupts the operations of its premises or its interactive gaming or the operation of slot machines at a nonprimary location, threatens the security of its premises or its occupants or is disorderly or intoxicated[.] or who threatens the security of its licensed facility, including the area of a nonprimary location where slot machines are placed and made available for play or the area of a licensed facility where interactive gaming operations are managed, administered or controlled.

§ 1516. List of persons self excluded from gaming activities.

(a) General rule.—The board shall provide by regulation for the establishment of a list of persons self excluded from gaming activities, including interactive gaming and the play of slot machines at nonprimary locations, at all licensed facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the board that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at licensed facilities, including interactive gaming and the play of slot machines at a nonprimary location.

(b) Regulations.—The regulations of the board shall establish procedures for placements on and removals from the list of self-excluded persons. The regulations shall establish procedures for the transmittal to licensed gaming entities of identifying information concerning self-excluded persons and shall require licensed gaming entities to establish procedures designed at a minimum to deny self-excluded persons access to interactive gaming and the play of slot machines at nonprimary locations and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentary, check cashing privileges, club programs and other similar benefits.

(c) Liability.—A licensed gaming entity or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed gaming entity to withhold gaming privileges from or restore gaming privileges to a self-excluded person; [or]

(1.1) the failure of a interactive gaming certificate holder or interactive gaming licensee to withhold interactive gaming privileges from or restore interactive gaming privileges to a self-excluded person;

(1.2) the failure of a Category 1 licensed gaming entity to withhold or restore access to slot machines at a nonprimary location to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in gaming activity in the facility or participate in interactive gaming or slot machine play at a nonprimary location while on the list of self-excluded persons.

(d) Disclosure.—Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection. Nothing in this section, however, shall be construed to prohibit a licensed gaming entity from disclosing the identity of persons self excluded pursuant to this section to affiliated gaming entities in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by affiliated licensed gaming entities.

§ 1517. Investigations and enforcement.

* * *

(b) Powers and duties of department.—

(1) The department shall at all times have the power of access to examine and audit equipment and records relating to all aspects of the operation of slot machines [or], including slot machines at nonprimary locations and, consistent with airport security rules, at qualified airports, table games or interactive games under this part.

* * *

(c) Powers and duties of the Pennsylvania State Police.—The

Pennsylvania State Police shall have the following powers and duties:

* * *

(12) Conduct audits or verification of information of slot machine [or], table game operations, including the operation of slot machines used in a multistate wide-area progressive slot machine system and in the operation of skill or hybrid slot machines, interactive gaming operations and the operation of slot machines at a nonprimary location and in the specified area of a qualified airport 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 licensee.

* * *

(e) Inspection, seizure and warrants.—

(1) The bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties:

(i) Inspect and examine all premises, including the premises of a nonprimary location and the specified area of a qualified airport, where slot machine [or], table game and interactive gaming operations are conducted, slot machines, table game devices and associated equipment, interactive gaming devices and associated equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained.

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

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

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

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, count room or its equipment, interactive gaming devices and associated equipment or slot machine [or], table game or interactive gaming operations.

* * *

Section 19. Section 1518(a)(1), (2), (3), (4), (5), (7.1), (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4 are amended, subsections (a) and (b) are amended by adding paragraphs and subsection (c)(1) is amended by adding a subparagraph to read: § 1518. Prohibited acts; penalties.

(a) Criminal offenses.—

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

(2) It shall be unlawful for a person to willfully:

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

(ii) attempt in any manner to evade or defeat any license fee, authorization fee, permit fee, registration fee, tax or assessment or any other fee imposed under this part.

(3) It shall be unlawful for any licensed entity, gaming employee, key employee or any other person to permit a slot machine, table game or table game device, interactive game or

interactive gaming device or associated equipment to be operated, transported, repaired or opened on the premises of a licensed facility by a person other than a person licensed or permitted by the board pursuant to this part.

(3.1) It shall be unlawful for any person who does not possess a valid and then effective interactive gaming certificate or interactive gaming license issued by the board in accordance with Chapter 13B (relating to interactive gaming) to accept any wager associated with any authorized interactive game from any individual without verifying the age, identity and physical location of the player at the time of play or wager.

(3.2) It shall be unlawful for any person who does not possess a valid nonprimary location permit issued by the board in accordance with section 13D12 (relating to issuance and terms of nonprimary location permit) to place and make slot machines available for play at a nonprimary location.

(4) It shall be unlawful for any licensed entity or other person to manufacture, supply or place slot machines, table games, table game devices or associated equipment, authorized interactive game or interactive gaming devices or associated equipment into play or display slot machines, including slot machines at a nonprimary location or in a specified area of a qualified airport, table games, table game devices or associated equipment on the premises of a licensed facility without the authority of the board.

(4.1) It shall be unlawful for any slot machine licensee to offer interactive games into play or display such games on its interactive gaming skin or Internet website without the approval of the board.

(4.2) It shall be unlawful for any licensed entity or other person to manufacture, supply or place interactive gaming devices or associated equipment into operation at a licensed facility without the approval of the board.

(4.3) It shall be unlawful for any Category 1 slot machine licensee to place and make slot machines available for play at a nonprimary location or in a specified area of a qualified airport without the approval of the board.

(5) Except as provided for in section 1326 (relating to [license] renewals), it shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine, including slot machines at a nonprimary location, table game, table game device or associated equipment, interactive game or interactive gaming device or associated equipment after the person's license has expired and prior to the actual renewal of the license.

* * *

(7.1) It shall be unlawful for an individual to do any of the following:

(i) Use or possess counterfeit, marked, loaded or tampered with table game devices or associated equipment, chips or other cheating devices in the conduct of gaming under this part, except that an authorized employee of a licensee or an authorized employee of the board may possess and use counterfeit chips or table game devices or associated equipment that have been marked, loaded or tampered with, or other cheating devices or any unauthorized interactive gaming device or associated equipment in performance of the duties of employment for training, investigative or testing purposes only.

(ii) Knowingly, by a trick or sleight of hand performance or by fraud or fraudulent scheme, or manipulation, table game device or other device, or interactive gaming device for himself or for another, win or attempt to win any cash, property or prize at a licensed facility or to reduce or attempt to reduce a losing wager.

(7.2) It shall be unlawful for a person to knowingly alter, tamper or manipulate interactive gaming devices or associated

equipment, including software, system programs, hardware and any other device or associated equipment used in interactive gaming operations, in order to alter the odds or the payout of an interactive game or to disable the interactive game from operating according to the rules of the game as authorized by the board.

(7.3) It shall be unlawful for a person to knowingly offer or allow to be offered any authorized interactive game that has been altered, tampered with or manipulated in a way that affects the odds or the payout of an authorized interactive game or disables the interactive game from operating according to the authorized rules of the game as authorized by the board.

* * *

(11) It shall be unlawful for a licensed gaming entity that is a licensed racing entity and that has lost the license issued to it by [either] the State Horse Racing Commission [or the State Harness Racing Commission under the Race Horse Industry Reform Act] under Article XXVIII-D of the act of April 19, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or that has had that license suspended to operate slot machines [or], table games or authorized interactive games at the racetrack or nonprimary location for which its slot machine license was issued unless the license issued to it by either the State Horse Racing Commission or the State Harness Racing Commission will be subsequently reissued or reinstated within 30 days after the loss or suspension.

* * *

(13) It shall be unlawful for an individual under 21 years of age to enter and remain in any area of a licensed facility where slot machines are operated, including any area of a nonprimary location or a specified area of a qualified airport, or the play of table games is conducted, except that an individual 18 years of age or older employed by a slot machine licensee, a gaming service provider, the board or any other regulatory or emergency response agency may enter and remain in any such area while engaged in the performance of the individual's employment duties.

(13.1) It shall be unlawful for an individual under 21 years of age to wager, play or attempt to play a slot machine or table game, or wager, play or attempt to play an interactive game at a licensed facility, including a nonprimary location and the specified area of a qualified airport.

(13.2) It shall be unlawful to allow a person under 21 years of age to open, maintain or use in any way an interactive gaming account. Any interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder or interactive gaming licensee or other such person who knowingly allows a person under 21 years of age to open, maintain or use an interactive gaming account shall be subject to the penalty set forth in this section, except that the establishment of all of the following facts by an interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder, interactive gaming licensee or other such person shall constitute a defense to any regulatory action by the board or the penalty authorized under this section:

(i) the underage person falsely represented that he was of the permitted 21 years of age in the application for an interactive gaming account; and

(ii) the establishment of the interactive gaming account was made in good faith reliance upon such representation and in the reasonable belief that the underage person was 21 years of age.

* * *

(15) It shall be unlawful for a licensed gaming entity to require a wager to be greater than the stated minimum wager or less than the stated maximum wager. However, a wager made by a player and not rejected by a licensed gaming entity prior to

commencement of play shall be treated as a valid wager. A wager accepted by a dealer or through an authorized interactive game shall be paid or lost in its entirety in accordance with the rules of the game, notwithstanding that the wager exceeded the current table maximum wager or authorized interactive game wager or was lower than the current table minimum wager or minimum interactive game wager.

* * *

(17) It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a slot machine, including from slot machines at a nonprimary location or in a specified area of a qualified airport, gaming table or other table game device, interactive game or interactive gaming device with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, any component of any slot machine, including slot machines at a nonprimary location or in a specified area of a qualified airport, table game or table game device, interactive game or interactive gaming device in a manner contrary to the designed and normal operational purpose.

(18) Notwithstanding any other provision of law, it shall be unlawful for an individual driving or in charge of a motor vehicle to permit a child under 14 years of age to remain unattended in the vehicle if the vehicle is located on property owned, leased or controlled by a licensed gaming entity or its affiliate, intermediary, subsidiary or holding company. In addition to the penalties in subsection (b), the individual shall be subject to exclusion or ejection from licensed facilities under sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons) and 1515 (relating to repeat offenders excludable from licensed gaming facility). Notwithstanding any of the provisions of 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the investigating officer in the jurisdiction in which the vehicle is located shall be responsible for providing written notice of the violation within 48 hours to the director of the county children and youth service agency of the county where the violation occurred. The notice shall contain:

(i) The name of the individual charged under this section.

(ii) The address or addresses at which the individual resides.

(iii) The name of the child or children left unattended.

(b) Criminal penalties and fines.—

(1) (i) A person that commits a first offense in violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits an offense to be graded in accordance with the applicable section violated. A person that is convicted of a second or subsequent violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits a felony of the second degree.

(ii) A person that violates subsection (a)(2), (3) and (4) through (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3) and (4) through (12) or (17) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through

(12) or (17), a person shall be sentenced to pay a fine of:

(A) not less than \$75,000 nor more than \$150,000 if the person is an individual;

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

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

(ii) For a second or subsequent violation of subsection (a)(1), (2), (3) and (4) through (12) or (17), a person shall be sentenced to pay a fine of:

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

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

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

(2.1) A person that commits an offense in violation of subsection (a)(3.1) or (3.2) commits a felony and, upon conviction, shall be sentenced to pay a fine of not less than \$500,000 nor more than \$1,000,000. A person that is convicted of a second or subsequent violation of subsection (a)(3.1) commits a felony of the first degree and shall be sentenced to pay a fine of not less than \$1,000,000 nor more than \$2,500,000.

(3) An individual who commits an offense in violation of subsection (a)(13) [or], (13.1) or (13.2) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than \$200 nor more than \$1,000. An individual that is convicted of a second or subsequent offense under subsection (a)(13) [or], (13.1) or (13.2) shall be sentenced to pay a fine of not less than \$500 nor more than \$1,500. In addition to the fine imposed, an individual convicted of an offense under subsection (a)(13) [or], (13.1) or (13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

(3.1) Notwithstanding paragraph (3), whenever an individual is convicted of a second or subsequent offense under subsection (a)(13) or (13.1), the court, including a court not of record if it is exercising jurisdiction pursuant to 42 Pa.C.S. § 1515(a) (relating to jurisdiction and venue), shall order the operating privileges of the individual suspended. A copy of the court order shall be transmitted to the Department of Transportation.

(3.2) When the department suspends the operating privilege of a person under paragraph (3.1), the duration of the suspension shall be as follows:

(i) For a first offense, a period of 90 days from the date of suspension.

(ii) For a second offense, a period of one year from the date of suspension.

(iii) For a third offense, and any offense thereafter, a period of two years from the date of suspension. Any multiple sentences imposed shall be served consecutively.

Reinstatement of operating privilege shall be governed by 75 Pa.C.S. § 1545 (relating to restoration of operating privilege).

* * *

(5) An individual who commits an offense in violation of subsection (a)(18) commits a misdemeanor of the third degree for the first offense. A person that is convicted of a second or subsequent violation of subsection (a)(18) commits a misdemeanor of the second degree.

(c) Board-imposed administrative sanctions.—

(1) In addition to any other penalty authorized by law, the board may impose without limitation the following sanctions

upon any licensee or permittee:

* * *

(x) Assess a fine for failure to report a violation under subsection (a)(18), of which the licensed gaming entity knew or should have known, to the appropriate law enforcement authority. The amount of the fine shall be not less than \$75,000 nor more than \$150,000 for a first violation of this subparagraph, and not less than \$150,000 nor more than \$300,000 for a second or subsequent violation of this subparagraph.

* * *

Section 20. Title 4 is amended by adding a section to read:
§ 1521.1. Casino liquor license.

(a) Application.—Notwithstanding section 1521 (relating to liquor license at licensed facilities) or any provision of law or regulation to the contrary, a slot machine licensee holding a restaurant liquor or eating place retail dispenser license under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, may apply to the Pennsylvania Liquor Control Board for a casino liquor license. The Pennsylvania Liquor Control Board may issue a casino liquor license to a slot machine licensee for use at its licensed facility in accordance with this section.

(b) Fees.—Each application for a casino license under this section shall be accompanied by a fee of \$1,000,000.

(c) Renewal.—

(1) The license must be renewed on an annual basis.

(2) For each year of the first four years after the initial issue of the license, the license shall not be subject to an annual renewal fee.

(3) After the expiration of the four-year license period under paragraph (2), the licensee shall be subject to an annual renewal fee of \$50,000.

(4) All fees collected or received by the Pennsylvania Liquor Control Board under this subsection shall be paid into the State Treasury through the Department of Revenue for deposit into the General Fund.

(d) Disposition of restaurant liquor or eating place retail dispenser license.—

(1) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license issued under the authority of the Liquor Code may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon the issuance of a license under this section, the applicant must surrender the restaurant liquor or eating place retail dispenser license to the Pennsylvania Liquor Control Board.

(2) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license purchased through private sale may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon issuance of a license under this section, the applicant may sell the previously purchased restaurant liquor or eating place retail dispenser license.

(e) Hours of operation.—Notwithstanding any other provision of law to the contrary, a holder of a casino liquor license may sell or serve liquor and malt or brewed beverages 24 hours a day, seven days a week.

(f) Transfers.—Licenses issued under this section are nontransferable, provided that nothing in this subsection shall preclude a transfer of ownership of a casino liquor license to another eligible person to be used at the same licensed facility.

(g) Expiration.—Licenses under this section shall expire under the following circumstances:

(1) revocation by an administrative law judge under section 471 of the Liquor Code;

(2) nonrenewal by the Pennsylvania Liquor Control Board under section 470 of the Liquor Code;

(3) nonrenewal of the license by the slot machine licensee; or

(4) upon request by the slot machine licensee.

(h) New applicant.—The Pennsylvania Liquor Control Board may issue a license under this section at any time to a new applicant even if the previous license had:

(1) been revoked by an administrative law judge under section 471 of the Liquor Code;

(2) not been renewed by the Pennsylvania Liquor Control Board under section 470 of the Liquor Code;

(3) not been renewed by the slot machine licensee; or

(4) expired upon request by the slot machine licensee.

(i) Restrictions and privileges.—Licenses issued under this section are subject to the following additional restrictions and privileges:

(1) Sales may be made at any time the facility is open to the public.

(2) Liquor or malt or brewed beverages may be transported and consumed off the gaming floor so long as it remains within the premises of the licensed facility.

(3) Sales of malt or brewed beverages for off-premises consumption are prohibited.

(4) In addition to the provisions of section 493(24)(ii) of the Liquor Code, the holder of a casino liquor license may give liquor and malt or brewed beverages free of charge to any person attending an invitation-only event held anywhere on the premises of the licensed facility.

(5) Licenses issued under this section shall not be subject to:

(i) the proximity provisions of sections 402 and 404 of the Liquor Code;

(ii) the restrictions on discount pricing practices set forth in section 406(g) of the Liquor Code;

(iii) the quota restrictions of section 461 of the Liquor Code;

(iv) the provisions of section 493(10) of the Liquor Code, except as it relates to lewd, immoral or improper entertainment;

(v) the prohibition against minors frequenting as described in section 493(14) of the Liquor Code;

(vi) the cost and total display area limitations of section 493(20)(i) of the Liquor Code;

(vii) the restrictions on events, tournaments or contests set forth in 40 Pa. Code § 5.32 (relating to restrictions/exceptions); and

(viii) the restrictions on the awarding of trophies, prizes or premiums set forth in 40 Pa. Code § 5.32.

(6) The authorization to sell or serve liquor and malt or brewed beverages by a holder of a casino liquor license pursuant to subsection (e) shall not apply to the operation of slot machines at a nonprimary location or at a qualified airport.

(j) Multiple licenses.—More than one license issued by the Pennsylvania Liquor Control Board may be in effect at a licensed facility at any one time. However, no more than one license issued under this section shall be in effect at any specific location within the premises of a licensed facility at the same time.

Section 21. Section 1901(a) of Title 4 is amended by adding a paragraph to read:

(a) Appropriation to board.—

* * *

(3) The sum of \$5,000,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the board for the activities authorized under this act. This appropriation shall be a supplemental appropriation for fiscal year 2015-2016 and shall

be in addition to the appropriation contained in the act of July 2, 2015 (P.L. , No.), known as the Gaming Control Appropriation Act of 2015.

* * *

Section 22. The amendment of 4 Pa.C.S. § 1305 in the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending 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, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," shall take effect on January 1, 2016, if all Category 3 licensed facilities authorized by 4 Pa.C.S. Pt. II before the effective date of this section have commenced the operation of slot machines.

Section 23. Repeals are as follows:

(1) The General Assembly finds that the repeal under paragraph (2) is necessary to effectuate this act.

(2) Section 21(2) of the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending 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, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing

standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," is repealed.

Section 24. This act shall take effect immediately.

On the question,
Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes Representative Payne for a summary of the amendment.

Mr. PAYNE. Thank you, Mr. Speaker.

Amendment A07619 is the omnibus casino gaming amendment. It authorizes iGaming, tablet gaming, iGaming at airports, slots at airports, slots at offtrack betting parlors, a 24-hour liquor license for the casino, changes to Cat 3 casino limitations, and other changes to Title 4. It is the mirror of my original HB 649 from last year.

Thank you, Mr. Speaker.

The SPEAKER. Representative Margo Davidson is recognized.

Mrs. DAVIDSON. I just have one interrogation question.

The SPEAKER. Representative Payne, will you stand for interrogation? He has agreed to. You may proceed.

Mrs. DAVIDSON. Are there any casinos excluded from this particular bill? Are all casinos included?

Mr. PAYNE. No. All casinos are included in the bill, except the offtrack betting parlors can only go to the Category 1s, where the offtrack betting parlors for the horses are now.

Mrs. DAVIDSON. Thank you, Mr. Speaker.

Mr. PAYNE. Thank you.

The SPEAKER. Does anybody else wish to speak on the amendment?

Representative Paul Costa.

Mr. P. COSTA. Thank you, Mr. Speaker.

Is it possible to interrogate the maker of the amendment?

The SPEAKER. Representative Payne has indicated he will stand for interrogation. Sir, you may proceed.

Mr. P. COSTA. And I apologize if this question was already asked, because it was hard to hear. Are VGTs part of this omnibus amendment?

Mr. PAYNE. No.

Mr. P. COSTA. Okay. And the second question, if this amendment passes and becomes law, our casinos will be able to have their bars open for 24 hours?

Mr. PAYNE. If they apply for it. It is not a given. They have to apply and pay the extra fee.

Mr. P. COSTA. Thank you.

Mr. Speaker, on the amendment, please?

The SPEAKER. Yes, sir. You may proceed.

Mr. P. COSTA. Thank you.

Although there are a lot of things in this amendment that I do support – you know, I like to help the casinos out. I realize that they create jobs for our communities and they generate revenue and they do nice projects for our area – but my problem with it is the VGT language is not in there and the 24-hour availability of selling alcohol in our casinos. I have a problem with both of those, and for those reasons I am going to vote "no" on this amendment. So thank you.

The SPEAKER. Representative Mustio, on the amendment, sir.

Mr. MUSTIO. Thank you, Mr. Speaker.

I think there is some confusion on my side of the aisle. I have everybody asking when my amendment with VGTs is coming up. Well, those of you that wanted to vote VGTs in an amendment, like Representative Costa said, we just voted that down as I was scurrying around the floor. Needless to say, you do not have a happy camper here.

On your amendment, Mr. Speaker, I would like to interrogate the chairman on his amendment.

The SPEAKER. The gentleman has indicated he will so stand.

Mr. MUSTIO. The amendment, what is the projected revenue for our General Fund in year 4 in this amendment compared to the previous amendment, 7622? As chairman of the Gaming Committee, what is the difference for the revenue for the two bills year 5 to the Commonwealth?

Mr. PAYNE. Mr. Speaker, just for clarification, I think you are asking me, what is the difference between the amendment that failed and the amendment that is before us as far as revenue, but then you went and said in year 4 or year 5?

Mr. MUSTIO. Either one.

Mr. PAYNE. Well, at this stage it is pure speculation, but we could be talking \$200 or \$300 million.

Mr. MUSTIO. Could be. Did the committee have a report done on the legislation; in other words, estimates, something firm and concrete, or is this a could be?

Mr. PAYNE. No. The committee has several reports from several different groups – I might debate whether they are all independent – showing the revenue for every item that we had, whether that was iGaming; offtrack betting parlors; slots at the airports; liquor license, what that would do; and the VGTs. In fact, the very first hearing I did, Mr. Speaker, was a hearing on VGTs.

Mr. MUSTIO. Okay. I appreciate that.

So in year 2020 you are projecting that the difference in revenue between what is in this legislation and what would have been in the amendment that failed is what number?

Mr. PAYNE. The fiscal note for VGTs was \$200 million, Mr. Speaker, and I do not know that anybody in this chamber can accurately project what any of the revenue numbers are going to be 4 or 5 years out. We have estimates for year 1 that

I feel pretty comfortable on and we have estimates on what will happen in year 2. I mean, year 1 is pretty much license fees, registration fees. Year 2 will be the startup for whether it is slots at the airport, the offtrack betting parlors, the iGaming. We have taken the projections that both New Jersey did on iGaming and Illinois did on VGTs and we looked at not just the revenue but the negative impact on VGTs in Illinois on both the Lottery Fund and the casino revenue. It particularly had hit the Lottery Fund pretty heavy.

Mr. MUSTIO. Thank you, Mr. Speaker.

Mr. Speaker, I would like to comment on the amendment.

The SPEAKER. Representative Mustio, you may proceed to remark on the amendment itself.

Mr. MUSTIO. Mr. Speaker, I said some of these comments in caucus, and quite honestly, I think some of the members were in favor of what I am about to say. In June of last year we received a letter from the casinos saying that they wanted to move forward with iGaming, offtrack betting locations, but not VGTs.

Mr. Speaker, I made the argument to my caucus that we need to diversify what we are doing in this State. We do not have a partnership. The partnership we have is with the taxpayers of Pennsylvania, and I think this amendment eliminates a significant opportunity cost to the tune of \$400 million a year to our General Fund, and it further straps us to the whims of a casino industry who is a minority partner in this operation with us but has operations in other States. And as those operations in other States have impact on our State revenue, we need, as any business does, to diversify our portfolios, as our individual members do with their personal finances.

Mr. Speaker, by passing an amendment that does not have VGTs in it, we are putting ourselves in a very poor negotiating position as we move forward in this budget. We are opening the doors for leverage for other taxes. We are continuing to perpetuate all of the illegal machines that are in Pennsylvania. I hear concern about how we want to make sure that underage people are not gambling. My chairman was not able to give me anything in this legislation that is going to prevent that.

MOTION TO TABLE

Mr. MUSTIO. Mr. Speaker, I think it is imperative that we give ourselves more options as we move forward, and I would – at this point, Mr. Speaker, is it possible to make a motion?

The SPEAKER. Could you please state your motion, sir.

Mr. MUSTIO. I think I would like to table the amendment, sir.

The SPEAKER. Sir, if you move to – I just want to make the consequences understood – if you move to table the amendment, given our rules, you do table the bill. But you may proceed, if you wish to do so.

Mr. MUSTIO. Mr. Speaker, I would like to proceed. I would like to have an opportunity, quite honestly, to have a debate on the prior amendment, but the way things unfolded today, that did not happen.

Mr. Speaker, I would move that we table the amendment.

The SPEAKER. Representative Mustio has put on the floor a motion to table HB 1925.

On the question,

Will the House agree to the motion?

The SPEAKER. Representative Payne, you may speak on that motion.

Mr. PAYNE. Thank you, Mr. Speaker.

Mr. Speaker, obviously, I am opposed to the motion to table the entire bill and all of the hard work that has gone into today.

The gentleman has a chance with his amendment, 07509, yet before us. It is timely filed and it is in order for his VGTs that he is talking about. I am not quite sure what the intent there is, but I am clearly opposed to tabling the bill. I am opposed for the work that has gone into the gaming bill that is before us right now.

Thank you, Mr. Speaker.

The SPEAKER. On the motion to table, only five individuals are permitted to speak under our rules: the maker of the motion, the prime sponsor of the bill, the prime sponsor of the amendment, and the two leaders.

MOTION WITHDRAWN

The SPEAKER. Representative Mustio, you are recognized.

Mr. MUSTIO. I will pull the motion, sir.

The SPEAKER. Yes, sir. The motion is withdrawn.

On the question recurring,

Will the House agree to the amendment?

The SPEAKER. Representative Mustio, do you want to continue to talk on the amendment? You still have the floor.

Mr. MUSTIO. I would encourage members to vote this amendment down and then move to reconsider the prior amendment, that many of you thought was the Mustio amendment that is actually filed under Representative Payne's name, so that we can have a solid debate on that amendment.

So I would encourage a "no" vote on this amendment and a vote to reconsider the previous amendment.

The SPEAKER. Does anybody else wish to be recognized on this amendment, 7619?

Representative Masser and then Representative Matzie and then Representative Knowles. So we will be going Representative Masser, Representative Matzie, Representative Knowles, and Representative Evankovich.

Mr. MASSER. Thank you, Mr. Speaker.

I respectfully would ask for a "no" vote on this amendment. Let us give a chance to – I think there was some confusion in the House – let us give a chance for everyone to stand up for their small business owners and their local clubs, fire companies, and fraternal organizations.

I would ask for a "no" vote on this amendment. Thank you.

PARLIAMENTARY INQUIRY

The SPEAKER. Representative Matzie.

Mr. MATZIE. Thank you, Mr. Speaker.

Parliamentary inquiry?

The SPEAKER. Yes, sir. You may proceed.

Mr. MATZIE. If this amendment were to pass, would all other amendments listed be ruled out of order?

The SPEAKER. Let me inquire with the Parliamentarian and I will have an answer.

Most amendments would not be ruled out of order. We are just double-checking.

Mr. MATZIE. Thank you.

The SPEAKER. Representative Matzie, if you will permit me, while the Parliamentarian is just confirming that answer that no amendments would be ruled out of order, if I could just call on the other members if they would like to speak. Or would you—

Mr. MATZIE. I also would like to interrogate.

The SPEAKER. I will definitely come back to you.

Representative Knowles and then Representative Evankovich.

Mr. KNOWLES. Thank you, Mr. Speaker.

Mr. Speaker, will the maker of the amendment stand for interrogation?

The SPEAKER. Yes. The good gentleman has indicated he will so stand, and you may proceed.

Mr. KNOWLES. Thank you, Mr. Speaker.

Mr. Speaker, there has been much confusion. You know, when we talk about VGTs, we know that that is video game terminals, and my question to the gentleman is, will this amendment have any effect on fire companies, small businesses, or clubs? Will it have any effect on them in terms of helping with the situation that they are dealing with, keeping their doors open?

Mr. PAYNE. Mr. Speaker, I have to try to answer that this way: If you have a casino in your county, which I do, and the casinos are able to do offtrack and iGaming and other items that will increase their revenue, our counties' local share will substantially increase, and at least for my county, in Dauphin County, our commissioners have opted to make sure that our gaming revenue goes to the emergency services first. Many of my fire departments have benefitted greatly with not just a couple thousand or tens of thousands, but the county of Dauphin has actually purchased new engines, new rescues, new aerials in the hundreds of thousands of dollars. So yes, this could be a plus for the fire departments.

Mr. KNOWLES. But, Mr. Speaker, what about the counties that I represent that do not have casinos, will this particular amendment be beneficial to them in terms of keeping their doors open? Will it be beneficial to them?

Mr. PAYNE. Yes, Mr. Speaker. We will help them, because there is a 2-percent local share in iGaming. If iGaming passes, 2 percent of the iGaming revenues will go to the locals.

Mr. KNOWLES. Mr. Speaker, on the amendment.

The SPEAKER. Yes, sir. You may proceed.

Mr. KNOWLES. Thank you, Mr. Speaker.

Mr. Speaker, there are some of us in this hall who have absolutely no appetite for expanding gaming, but there are some of us who are considering some of these amendments simply because we see a need. We see a need for our fire companies, for our Elks clubs, for our Mooses, for our small businesses. We see a need for that, and this particular amendment does nothing – I will disagree with the gentleman that just spoke – this amendment does nothing to help the clubs or the small businesses in the district that I represent.

Thank you, Mr. Speaker.

The SPEAKER. Representative Evankovich.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

If I may interrogate the maker of the amendment briefly, please?

The SPEAKER. Representative Payne has indicated he will stand for interrogation. You may proceed, sir.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

It is my understanding that in amendment 7619, that in order to engage in iGaming, any company who would be providing those services or offering that service would be required to contract through an existing incoming casino in Pennsylvania. To the makers, is that the case, and can you please help explain why that is the case?

Mr. PAYNE. Sure. Mr. Speaker, under the bill and the amendment as drafted in my original HB 649, all the iGaming licenses will only be available through a current license holder of a gaming establishment, i.e., the casinos. That is to prevent independent operators of the iGaming world, which are currently operating across the United States, from continuing to operate in Pennsylvania illegally. It is a mechanism to make sure that our minors and our compulsive gamers are not gambling online, which is occurring as we speak. We know that. We have done hearings. We have seen the independent analysis and we have even seen a demonstration of a geofencing technology in New Jersey that shows where every iGamer is occurring, and where the minors and the compulsives were trying to get in, that little dot lit up in red. Without going through the casinos, we would open ourselves up to having minors and the compulsive gamers having access to that.

Mr. EVANKOVICH. Thank you.

One follow-up question: Are casinos that currently operate in Pennsylvania or their parent companies or affiliate companies, are they currently prohibited from participating in the iGaming world?

Mr. PAYNE. They can do iGaming in New Jersey, Nevada, Illinois where it has already been legalized, but not in Pennsylvania as a legal entity through the casino. Now, that does not mean that other known iGaming sites do not operate in Pennsylvania, just the casinos cannot offer it.

Mr. EVANKOVICH. Just a brief clarification and then I will end my interrogation. So if I am understanding this correctly, a current company that operates a casino in Pennsylvania, or their affiliates may have iGaming services that they offer hosted from a Web site from anywhere that Pennsylvanians are currently using, people around the world are currently using. Is that the case? They are not prohibited from that, and that could be the case?

Mr. PAYNE. Yeah. Just to be clear on the question, currently the casinos who may operate in New Jersey and have iGaming in New Jersey and Delaware and Nevada, they, if they have a casino here, cannot operate here in Pennsylvania, but they are legal in New Jersey, Delaware, and Nevada. If you are not a casino and you are offering this platform, and I will not for liability reasons mention individual names, but you are currently today offering that platform in all 50 States. Now, Jersey has gone after those independent locations since they passed their iGaming bill and shut multiple sites down to the point that the largest poker site in the United States has now struck a contract with New Jersey to operate legally.

Mr. EVANKOVICH. Thank you.

I end my interrogation. Just brief comments on the bill, Mr. Speaker.

The SPEAKER. Yes, sir. You may proceed.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

I know that a lot of the conversation today has kind of surrounded the issue of video gaming terminals and whether we are helping VFWs (Veterans of Foreign Wars) or Moose – or is it meese, mice clubs? I am not sure – but, you know, a lot of

conversation has surrounded video gaming terminals, and I think maybe we are overlooking some of the aspects of iGaming. By the admission of the maker of the amendment, casinos today who operate in Pennsylvania can already have these iGaming platforms that they offer, and what we are going to say if amendment 7619 would become law is that any company, whether it is a company that someone in this building would found, whether it is a company that somebody in Delaware County or Montgomery County or Westmoreland County or Armstrong County would create, that in order for them to compete in that space, they have to do a contract with somebody whom they are competing against. So this amendment would require that any company offering iGaming would have to sign a contract with an incumbent casino here in Pennsylvania with which they would be competing with in the marketplace.

And, Mr. Speaker, for those reasons I encourage the members to vote "no" on this amendment and for us to perhaps take a little bit more time to understand the consequences of the State of Pennsylvania kind of going down this road a little farther, picking a few more winners and losers, redistributing that money out inequitably across the State of Pennsylvania.

Again, I would encourage a "no" vote because we really do not have a good grip, I do not think, on what is going on in the iGaming aspects of this industry. So with that, I thank the Speaker for his time.

The SPEAKER. Representative Vereb will be followed by Representative Kaufer.

Representative Vereb, the floor is yours, sir.

Mr. VEREB. Thank you, Mr. Speaker.

A brief interrogation, if the gentleman would so kindly stand.

The SPEAKER. Representative Payne will stand. Please proceed, sir.

Mr. VEREB. Thank you, Mr. Speaker.

A beautiful day in the neighborhood here today.

Regardless of this amendment – or perhaps the amendment that failed, because I think the only differences are the terminals at the establishments – in caucus today the one thing I missed, who is enforcing any of the new type of gaming that we are going to be passing? Is that still with the same structure as casinos?

Mr. PAYNE. Yeah. I am not sure the previous speaker understood. The reason we are running the iGaming through the casinos is that the Gaming Control Board, the LC (Liquor Control), the State Police, all the safeguards that are in place for the casinos will be applied to protect our children, the elderly, the compulsive gamer, rather than allow some XYZ firm who is only interested in the money and we do not know where the money is going. Right now revenue from iGaming that is being done online, we do not know the percent, your odds of winning, the odds of losing, where the revenue is going. Offshore companies are set up for tax protection. This will bring everything under the umbrella of the casino and the Gaming Control Board.

Mr. VEREB. Okay. And that is kind of what I was hoping, and I wanted to clarify to make sure.

And I know there is some grant money that was spoken about in these amendments as well, which I think is also the flexibility of that grant money to help subsidize some of the work the State Police do.

I watched your joint hearing last week – I was not bored; I was very intrigued – and I heard from a number of the members of their concerns with how the State Police could potentially do better in our casinos. We obviously need to keep a good grip on some of this skulduggery that goes on with gambling, Mr. Speaker.

And the only thing I would think is if for some reason this bill gets held up today, I think in honor of my good friend, the former Representative from Chester County, maybe it is time to have a discussion again of moving BIE (Bureau of Investigations and Enforcement) under the Attorney General, since we know we are going to have an Attorney General from Montgomery County in January, both with different agendas than the current one.

So thank you, Mr. Speaker, and thank you for the questions being answered.

The SPEAKER. Representative Kaufer, I am going to come to you next, but I have an answer now for Representative Matzie, and I just wanted to proceed, because he has been waiting.

Representative, in terms of your parliamentary inquiry—

Mr. MATZIE. Yes.

The SPEAKER. — should this amendment pass, the on-time amendments, those amendments that were filed on time, are still in order even if this amendment is adopted. There are a number of late-filed amendments which have not been finalized of now, and I would not be able to comment on those, but that would be on a timing issue, not on anything to do with the up-or-down vote on this amendment.

And, sir, you may proceed.

Mr. MATZIE. Thank you, Mr. Speaker.

May I interrogate the maker of the amendment?

The SPEAKER. You may, sir, and the good gentleman will stand.

Mr. MATZIE. Thank you, Mr. Speaker.

And I thank the chairmen, both your hard work and the ranking member on our side of the aisle, for your hard work on this complex issue. You have held hearings, you have taken testimony, you have listened to members.

There still are a couple of questions that I have, however. First and foremost is the OTB (offtrack betting) portion that has been discussed. I know there was a piece of legislation in the previous session that discussed the radius from an existing license and where that radius was. What is the radius for this particular amendment for an OTB?

Mr. PAYNE. Thank you, Mr. Speaker.

Mr. Speaker, it is the exact same as it was in my original HB 649 that was amended by the gentleman on your side: 50 miles.

Mr. MATZIE. 50 miles. Okay. Thank you.

Mr. Speaker, on the Internet gaming portion, because of the casinos having the control and having that contract, per se, how will any local share derived from Internet gaming be distributed? Will it still stay in that individual county or will it go to a pot for the entire State?

Mr. PAYNE. I wanted to verify that.

Mr. MATZIE. Sure.

Mr. PAYNE. I thought I knew that answer. The 2 percent will go to DCED (Department of Community and Economic Development) to be given out to every county for economic development grants, and that was a direct result of a lot of

hearings and a lot of negotiations, and even my colleague, the cochair, Representative Kotik, trying to get money back into the counties that did not have gaming money at this time.

Mr. MATZIE. Okay. Thank you, Mr. Chairman.

On the amendment, Mr. Speaker?

The SPEAKER. Yes, sir. You may proceed.

Mr. MATZIE. Thank you, Mr. Speaker.

I still have some concerns, obviously, with the lack of inclusion of the VGTs, as was mentioned by my two colleagues from Allegheny County earlier, and some other issues related to this bill and to this amendment, per se. And I think the discussion we are having here and the debate we are having here, while there has been a lot of work done on the committee level, here on the floor having an opportunity to have that strong debate moving forward, really causes me some concern. I am still up in the air relative to the language moving forward on this particular bill and how this will obviously be a part of anything for revenue coming to the Commonwealth as we start our debate on the budget moving forward.

So I would really impress upon our members, when you start talking about Internet gaming and then you talk about VGTs, Internet gaming is one aspect where you can bring in some revenue. The VGTs would help our local folks. So it is a matter of either Wall Street or Main Street, and when that comes up, I think I am going to go with Main Street.

Thank you, Mr. Speaker.

The SPEAKER. Thank you.

Representative Kaufer, the floor is yours, sir.

Mr. KAUFER. Thank you, Mr. Speaker.

Will the maker of the amendment stand for brief interrogation?

The SPEAKER. He has indicated he so will, and you may proceed.

Mr. KAUFER. Thank you, Mr. Speaker.

Does this amendment allow for gambling on credit cards?

Mr. PAYNE. For iGaming or the whole amendment?

Mr. KAUFER. For iGaming.

Mr. PAYNE. Okay. Being that you are on the committee, I think you know, but iGaming, it would be on a credit card.

Mr. KAUFER. Okay. Thank you.

On the bill, Mr. Speaker?

The SPEAKER. Yes; you may proceed, sir, on the bill.

Mr. KAUFER. Thank you, Mr. Speaker.

We just considered amendment A07622, which tried to create some semblance of balance with bars, taverns, and private clubs with the casino industry with the inclusion of VGTs, allowing for some give and take. I do not believe that created balance of VGTs and I voted against it, and I certainly do not believe that leaving VGTs out of this with this amendment, with A07619, creates any balance at all. We are allowing our casinos to be able to serve alcohol 24 hours a day, 7 days a week, and allowing gambling on credit cards.

I want to share a personal story. Before I came here, I actually ran our cash advance services at Mohegan Sun Casino. Every day I dealt with people who came to take cash off of credit cards they did not have, they did not have cash available for. Every day somebody would come up to me, show up with a credit card asking for \$5,000 off of that credit card, which would get denied. Then they would ask for \$4,000, then \$3,000, then \$2,000, all the way down until we got to \$10 – begging me for \$10. I personally witnessed this. My best friend, who came and testified in front of our committee about

gambling addiction, talked about how he lost his job, lost his car, pretty much lost his family, and is still in the process of climbing himself out of debt. That is without credit gambling.

Imagine now that we allow people to gamble on credit cards, on money that they do not have available to them but are hoping that in the future they will have that money. In gambling addiction, there is an idea that is called chasing losses – constantly looking for that next win. If we do not think there are people all over this State, all over this Commonwealth, who will continue to chase those losses, we are being naive as a legislature. This amendment will open up a door we should not be opening. The citizens of my district feel duped by the casino revenues that were supposed to be used for property tax relief. This is not a good amendment for the constituents of my district who are still waiting to truly receive the property tax relief they deserve.

This is a bad amendment. I do not believe that this represents my constituency, and I urge my colleagues to vote "no."

Thank you, Mr. Speaker.

The SPEAKER. Thank you, sir.

There are three members who wish to speak, and then, obviously, the maker of the amendment would have an opportunity to go last. So Representative Kortz, then Representative Santora, and then Representative Dunbar just asked to be placed on the speaking list as well.

Representative Kortz, you are recognized.

Mr. KORTZ. Thank you, Mr. Speaker.

Mr. Speaker, first I want to commend the majority chair of the Gaming Committee and the minority chair of the committee for the hard work to bring this product forward. Unfortunately, sir, I must reluctantly oppose amendment A07619 for one reason, and the only reason I am in opposition to this, sir, is because of the absence of the VGTs, which we have heard several times today.

Mr. Speaker, the VGTs we are talking about, we are talking about putting five machines in our volunteer fire departments, talking about putting five machines in our American Legions, our VFWs, our clubs, our small mom-and-pop bars in the neighborhood. Mr. Speaker, many of these depend, their survival depends on these machines to pay the electric. Their survival depends on the use of these machines.

Mr. Speaker, last fall when we had some of these committee hearings, and we had many of them, one of the casino owners came before the committee and even explained that there are 44,000 of these machines in use today in the Commonwealth; 44,000. They are out there. The State Police go in, they bust a lot of these clubs, and they are putting them at risk. All we are asking for is a shot to legalize these five machines.

I want the casinos to prosper. I want to vote for this, and I would be voting for this. The other amendment was the good amendment to vote for. Again, these clubs, we are just asking for peanuts. We are giving the casinos millions and millions. We are just asking for a little slice of the pie for our clubs and the mom-and-pop bars.

So reluctantly, Mr. Speaker, I will be in opposition to this amendment.

The SPEAKER. Thank you, Representative.

Representative Santora, the floor is yours, sir.

Mr. SANTORA. Thank you, Mr. Speaker.

May I interrogate the maker?

The SPEAKER. He has agreed to stand and you may proceed, sir.

Mr. SANTORA. Mr. Speaker, I know that you had mentioned something about PSERS (Public School Employees' Retirement System) earlier in caucus and maybe even on the floor today. I did not get the percentage. How much of the funding that is going to be generated from here goes to the pensions?

Mr. PAYNE. Thank you, Mr. Speaker.

I do not know that that point has been made clear. I have heard a lot of discussion about I like this part or that part or the iGaming, and I think it is important to point out this fiscal year, '16-'17, \$303 million will go towards our pension deficit with PSERS. Three hundred and three million dollars goes to the pension debt. Next year and every year thereafter, \$310 million will be sent toward the pension debt for PSERS. So we get to debate a lot of things here, Mr. Speaker, but this is clearly a bill driven to help go a long way to solving our pension debt problem.

Mr. SANTORA. Thank you.

On the bill?

The SPEAKER. Yes; you may proceed, Representative Santora.

Mr. SANTORA. Okay. I, too, supported the VGT piece of this, and I do not want to see this whole, the work of this committee, 40-some-odd hearings and everything else, blown up by that being removed. I still think we have an opportunity with Representative Mustio's other amendment to get that back in there, and I feel at the end of the day, that is what we should do is get that bill back in there.

But I ask that we do support this amendment and move this along, bringing in the necessary revenue to pay down those pensions that we have a lot of unfunded liability on, and this is a step in the right direction. Again, I do support Representative Mustio's amendment and I plan on voting "yes" on that as well. Thank you.

The SPEAKER. Thank you, Representative Santora. Representative Dunbar.

Mr. DUNBAR. Thank you, Mr. Speaker.

I did not intend on speaking, but I did just want to address some things that I believe not everybody understands. The Representative from Luzerne County was talking about credit cards and the use of credit cards. I want everybody to understand that presently you could go and gamble in Pennsylvania online right now, maybe not in this building because of firewalls, but I guarantee you I can walk out of this building tonight and be playing poker at the Radisson Hotel, and I could use a credit card to do it.

So what we are actually providing with this bill is consumer protection. The gentleman had concerns about the credit card issues – understand that this bill has layers of protections; the Internet gaming will have limits – daily, weekly, monthly limits that you can set and not exceed. This has more consumer protection in than what we have out there right now.

I urge everybody to vote for this amendment. Free my poker.

The SPEAKER. Do any other members wish to be recognized prior to the maker of the amendment?

Representative Payne.

Mr. PAYNE. Thank you, Mr. Speaker.

Mr. Speaker, I have to thank the previous person who spoke. He has more knowledge of gaming than I do, I can assure you, and when he tells you that he can walk out tonight and go to his hotel and go online and use his credit card to play, he is telling you the truth. My whole intent when I introduced the iGaming

bill was to bring protections to my children, to my grandchildren, to the compulsive gamer. Make no mistake, you can gamble online right now without this bill using a credit card.

We had a gentleman from England come and testify at one of our hearings. He just laughed. He said, I do not know what you guys are talking about. We have been gambling over in Europe for tens and tens of years. We do it online with credit cards. We have it restricted. We know who is gaming. We know how much they are losing. And yet we propose that we should not have that, and what, have cash? One to three percent, Mr. Speaker, 1 to 3 percent of the people who are gaming have a gambling addiction, 1 to 3. The other 97, 98, or 99 percent go out and gamble for amusement, for something else to do, and they have no gaming addiction. They go because they enjoy it whether that is once a week, once a month, or once a year. We have safeguards in this bill. So if you are going to vote "no" on the amendment, please do not use the crutch that it is because you wanted to protect people. The protections are in this amendment. They can gamble right now online.

Number two, we are – like it or not, for those that have been here since 2004, and I have been – we are the majority shareholder in the casino industry because we get 54 percent of the take. In the private sector that would mean we are the majority shareholder. It behooves us to make sure our casinos do well because then we get more money.

And number three, this revenue is going to our pension problem. We have a \$50-plus billion pension problem. Nobody else has come up with a way to put revenue toward the pension problem. Here we have \$303 million year 1 and \$310 million after that going to the pension deficit, and I have people standing here saying, "I think I have to vote 'no.' "

With all due respect to all my friends and colleagues, I did not do this because I am pro anything but business and trying to take care of our children and the compulsive gaming and to solve our deficit on the pension.

We had 47 – let me repeat that, Mr. Speaker – 47 hearings and meetings in a year and a half. Nobody on this floor can say, "I want to wait until I have more information" or "We didn't have a hearing on this bill." Mr. Speaker, I guarantee you we have been fair and honest. We have had enough hearings. It is time to vote, and I am asking for a "yes" vote. Thank you.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—81

Acosta	Evans	Marsico	Saccone
Adolph	Everett	McClinton	Santora
Artis	Fabrizio	Miccarelli	Savage
Benninghoff	Frankel	Millard	Sims
Bizzarro	Galloway	Moul	Snyder
Boyle	Gergely	Neilson	Sonney
Briggs	Gibbons	Nelson	Stephens
Brown, R.	Hanna	Nesbit	Taylor
Brown, V.	Harkins	Neuman	Thomas
Bullock	Harris, A.	Oberlander	Toepel
Caltagirone	Harris, J.	Ortitay	Toohil
Causer	Helm	Payne	Truitt
Cohen	Irvin	Pyle	Vereb
Corbin	James	Quigley	Ward
Daley, M.	Kampf	Quinn	Warner

Davis	Kim	Readshaw	White
Dawkins	Kinsey	Reed	Youngblood
Dermody	Kotik	Reese	
Donatucci	Lewis	Roae	Turzai,
Dunbar	Markosek	Roebuck	Speaker
Ellis	Marshall	Ross	

NAYS—107

Baker	Farry	Krueger	Petrarca
Barrar	Fee	Lawrence	Petri
Bloom	Flynn	Longiatti	Pickett
Boback	Gabler	Mackenzie	Rader
Bradford	Gainey	Maher	Rapp
Burns	Gillen	Mahoney	Ravenstahl
Carroll	Gillespie	Major	Regan
Christiana	Gingrich	Maloney	Rothman
Conklin	Godshall	Masser	Sainato
Costa, D.	Greiner	Matzie	Samuelson
Costa, P.	Grove	McCarter	Sankey
Cox	Hahn	McGinnis	Santarsiero
Cruz	Harhai	McNeill	Saylor
Culver	Harhart	Mentzer	Schemel
Cutler	Harper	Metcalfe	Schlossberg
Davidson	Heffley	Metzgar	Schreiber
Dean	Hennessey	Miller, B.	Schweyer
Deasy	Hickernell	Miller, D.	Staats
Delozier	Hill	Milne	Tallman
Diamond	Jozwiak	Mullery	Tobash
DiGirolamo	Kaufar	Murt	Topper
Driscoll	Kauffman	Mustio	Vitali
Dush	Kavulich	O'Brien	Watson
Emrick	Keller, F.	O'Neill	Wentling
English	Keller, M.K.	Parker, D.	Wheatley
Evankovich	Knowles	Pashinski	Zimmerman
Farina	Kortz	Peifer	

NOT VOTING—0

EXCUSED—14

Barbin	DeLuca	Kirkland	Simmons
Daley, P.	Freeman	Klunk	Sturla
Day	Goodman	Rozzi	Wheeland
DeLissio	Keller, W.		

Less than the majority having voted in the affirmative, the question was determined in the negative and the amendment was not agreed to.

On the question recurring,
Will the House agree to the bill on second consideration?

AMENDMENT A07622 RECONSIDERED

The SPEAKER. Representative Mustio and Representative Masser have moved that the vote by which the House did not pass amendment 7622 to HB 1925, PN 3194, that was defeated earlier today, on May 24, 2016, be reconsidered. Representative Mustio and Representative Masser have filed that motion to reconsider.

On the question,
Will the House agree to the motion?

The SPEAKER. On the motion, Representative Mustio.
Mr. MUSTIO. Mr. Speaker, may I have a minute to talk to the leader?

The SPEAKER. Yes, sir.

STATEMENT BY MR. O'NEILL

The SPEAKER. On unanimous consent, Representative Bernie O'Neill is recognized.

Mr. O'NEILL. Thank you, Mr. Speaker.

I just want to wish our good friend and Parliamentarian extraordinaire, Clancy, a happy birthday.

The SPEAKER. Thirty-nine and counting.

RECONSIDERATION MOTION CONTINUED

The SPEAKER. Members, we are on the motion to reconsider the amendment. The amendment was amendment 7622 to HB 1925, PN 3194. Earlier today it was defeated, on May 24, 2016. Representative Mustio, seconded by Representative Masser, have filed this motion.

On the motion, Representative Masser, you are recognized.

Mr. MASSER. Thank you, Mr. Speaker.

I think there was confusion, and we are asking the members to please vote "yes" on the motion to reconsider the Mustio amendment.

The SPEAKER. Again, the motion is Representative Mustio's amendment, to reconsider amendment 7622.

Representative Maher, on the motion to reconsider.

Mr. MAHER. Across the years we typically approach a motion to reconsider as a matter of courtesy to members who, for one reason or another, had their votes cast in a fashion different than they would have intended. It seems to me on this particular question that there were many members in this chamber who were not entirely certain what matter was before us. There was confusion, and because of that confusion, I would urge that, as a courtesy from one member to the other, that we adopt this motion to reconsider so that we can ensure that folks record their votes in the fashion they intended.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, sir.

Leader Dermody, please, on the motion to reconsider.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, I urge the members to support the motion to reconsider.

The SPEAKER. Thank you, sir.

Representative Paul Costa, on the motion to reconsider.

Mr. P. COSTA. Thank you, Mr. Speaker.

I, too, rise to support the motion to reconsider amendment 7622. Thank you.

The SPEAKER. Thank you.

Leader Reed, on the motion to reconsider.

Mr. REED. Thank you, Mr. Speaker.

We would ask the members to support the motion to reconsider.

LEAVE OF ABSENCE CANCELED

The SPEAKER. Representative Sturla is on the House floor and should be placed back on the master roll.

PARLIAMENTARY INQUIRY

The SPEAKER. Representative Neuman, on the motion to reconsider.

Mr. NEUMAN. Thank you, Mr. Speaker.
Just a quick parliamentary inquiry.
The SPEAKER. Yes, sir.

Mr. NEUMAN. Would it be possible to do a motion to reconsider on both amendments that failed at the same time?

The SPEAKER. Sir, after consulting with the Parliamentarian, this motion has already been filed and placed before us. A second motion to reconsider, I understand, is going to be presented to us with respect to 7619. So we are taking a vote on this one at the present time.

Mr. NEUMAN. Thank you, Mr. Speaker.

On the question recurring,
Will the House agree to the motion?

The following roll call was recorded:

YEAS—157

Acosta	Everett	Maher	Reese
Adolph	Fabrizio	Mahoney	Regan
Artis	Farry	Major	Roae
Barrar	Flynn	Markosek	Roebuck
Benninghoff	Frankel	Marshall	Ross
Bizzarro	Gabler	Marsico	Rothman
Bloom	Galloway	Masser	Saccone
Boback	Gergely	Matzie	Sainato
Boyle	Gibbons	McCarter	Sankey
Bradford	Gillespie	McClinton	Santarsiero
Briggs	Gingrich	McGinnis	Santora
Brown, R.	Godshall	McNeill	Savage
Brown, V.	Grove	Metzgar	Saylor
Bullock	Hanna	Miccarelli	Schemel
Burns	Harhai	Millard	Schlossberg
Caltagirone	Harhart	Miller, D.	Schreiber
Carroll	Harkins	Milne	Schweyer
Causar	Harper	Mullery	Sims
Christiana	Harris, A.	Murt	Snyder
Cohen	Harris, J.	Mustio	Sonney
Conklin	Heffley	Neilson	Staats
Corbin	Helm	Nelson	Stephens
Costa, D.	Hennessey	Nesbit	Sturla
Costa, P.	Hill	O'Brien	Taylor
Cox	Irvin	O'Neill	Thomas
Cruz	James	Oberlander	Tobash
Culver	Jozwiak	Parker, D.	Toepel
Daley, M.	Kampf	Pashinski	Toohil
Davis	Kaufner	Payne	Topper
Deasy	Kauffman	Peifer	Truitt
Delozier	Kavulich	Petrarca	Vereb
Dermody	Keller, M.K.	Petri	Vitali
Diamond	Kim	Pickett	Ward
DiGirolamo	Kinsey	Pyle	Watson
Donatucci	Knowles	Quigley	White
Driscoll	Kortz	Quinn	Youngblood
Dunbar	Kotik	Rader	
Ellis	Lawrence	Ravenstahl	Turzai,
English	Lewis	Readshaw	Speaker
Evans	Longietti	Reed	

NAYS—32

Baker	Farina	Krueger	Ortity
Cutler	Fee	Mackenzie	Rapp
Davidson	Gainey	Maloney	Samuelson
Dawkins	Gillen	Mentzer	Tallman
Dean	Greiner	Metcalfe	Warner
Dush	Hahn	Miller, B.	Wentling
Emrick	Hickernell	Moul	Wheatley
Evankovich	Keller, F.	Neuman	Zimmerman

NOT VOTING—0

EXCUSED—13

Barbin	DeLuca	Keller, W.	Rozzi
Daley, P.	Freeman	Kirkland	Simmons
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

On the question recurring,
Will the House agree to the bill on second consideration?

AMENDMENT A07619 RECONSIDERED

The SPEAKER. We will get to the underlying amendments again, but at this time Representatives Reed and Benninghoff move that the vote by which amendment 7619 to HB 1925, PN 3194, was not passed earlier today, on May 24, be reconsidered. That motion is in front of us.

On the question,
Will the House agree to the motion?

The SPEAKER. The Chair turns to Representative Reed on the motion to reconsider amendment 7619 to HB 1925, PN 3194.

Representative Reed, on the motion to reconsider, sir.
Mr. REED. Thank you, Mr. Speaker.

I would ask the members to support the motion to reconsider.
The SPEAKER. Representative Dermody, on the motion to reconsider.

Mr. DERMODY. Thank you, Mr. Speaker.
I also would urge the members to support the motion to reconsider.

The SPEAKER. Representative Masser, on the motion to reconsider, and then Representative Paul Costa.

Representative Masser.
Mr. MASSER. In light of the confusion, Mr. Speaker – thank you, Mr. Speaker – I would also urge the members to vote affirmative to reconsider.

The SPEAKER. Representative Paul Costa, on the motion to reconsider.

Mr. P. COSTA. Thank you, Mr. Speaker.
In all fairness, I also support the motion to reconsider amendment 7619. Thank you.

The SPEAKER. Thank you, sir.

On the question recurring,
Will the House agree to the motion?

The following roll call was recorded:

YEAS—145

Acosta	Evans	Mahoney	Regan
Adolph	Everett	Major	Roae
Artis	Fabrizio	Markosek	Roebuck
Barrar	Farry	Marshall	Ross
Benninghoff	Flynn	Marsico	Saccone
Bizzarro	Frankel	Masser	Santarsiero
Bloom	Gabler	Matzie	Santora
Boback	Gainey	McCarter	Savage

Boyle	Galloway	McClinton	Saylor
Bradford	Gergely	McNeill	Schemel
Briggs	Gibbons	Miccarelli	Schlossberg
Brown, R.	Gillespie	Millard	Schreiber
Brown, V.	Gingrich	Miller, D.	Schweyer
Bullock	Godshall	Milne	Sims
Caltagirone	Grove	Moul	Snyder
Carroll	Hanna	Murt	Sonney
Causser	Harhart	Mustio	Staats
Cohen	Harkins	Neilson	Stephens
Conklin	Harper	Nelson	Sturla
Corbin	Harris, A.	Nesbit	Taylor
Costa, D.	Harris, J.	O'Brien	Thomas
Costa, P.	Heffley	O'Neill	Tobash
Cruz	Helm	Oberlander	Toepel
Culver	Hennessey	Ortitay	Toohil
Daley, M.	Hill	Parker, D.	Topper
Davis	Irvin	Pashinski	Truitt
Dawkins	James	Payne	Vereb
Deasy	Kampf	Peifer	Vitali
Delozier	Kauffman	Petri	Ward
Dermody	Kavulich	Pickett	Warner
Diamond	Keller, M.K.	Pyle	Watson
DiGiroalamo	Kim	Quigley	White
Donatucci	Kinsey	Quinn	Youngblood
Driscoll	Kotik	Ravenstahl	
Dunbar	Lawrence	Readshaw	Turzai,
Ellis	Lewis	Reed	Speaker
English	Maher	Reese	

NAYS—44

Baker	Fee	Krueger	Petrarca
Burns	Gillen	Longietti	Rader
Christiana	Greiner	Mackenzie	Rapp
Cox	Hahn	Maloney	Rothman
Cutler	Harhai	McGinnis	Sainato
Davidson	Hickernell	Mentzer	Samuelson
Dean	Jozwiak	Metcalfe	Sankey
Dush	Kaufer	Metzgar	Tallman
Emrick	Keller, F.	Miller, B.	Wentling
Evankovich	Knowles	Mullery	Wheatley
Farina	Kortz	Neuman	Zimmerman

NOT VOTING—0

EXCUSED—13

Barbin	DeLuca	Keller, W.	Rozzi
Daley, P.	Freeman	Kirkland	Simmons
Day	Goodman	Klunk	Wheeland
DeLissio			

The majority having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

On the question recurring,
Will the House agree to the bill on second consideration?

BILL PASSED OVER

The SPEAKER. Members, at this time it is my understanding we are going to go over the bill, HB 1925. We are going to be going over HB 1925.

Turning to some exciting business.

BILLS RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader, who moves that the following bills be recommitted to the Committee on Appropriations:

HB 585;
HB 1887;
HB 2003; and
HB 2014.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILLS REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader, who moves that the following bills be removed from the tabled calendar and placed on the active calendar:

HB 1597;
HB 2026;
HB 2058;
HB 2069;
SB 847; and
SB 983.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 649, PN 2574**, entitled:

An Act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for legislative intent and for definitions; in Pennsylvania Gaming Control Board, further providing for general and specific powers, for licensed gaming entity application appeals from board, for board minutes and records, for regulatory authority of board, for slot machine license fee and for reports of board, providing for fantasy sports report and further providing for diversity goals of board; in licensees, further providing for Category 3 slot machine license, for slot machine license application, for supplier licenses, for manufacturer licenses, for slot machine testing and certification standards and for license renewals; in table games, further providing for authorization to conduct table games, for table game tournaments, for other financial transactions, for table game device and associated equipment testing and certification standards and for local share assessment; providing for interactive gaming, for casino simulcasting and for slot machines at nonprimary locations; in revenues, further providing for establishment of State Gaming Fund and net slot machine revenue distribution; in administration and enforcement, further providing for responsibility and authority of the Department of Revenue, for wagering on credit, for compulsive and problem gambling program, providing for child endangerment protection, further providing for financial and employment interests, for regulation requiring exclusion or ejection of certain persons, for repeat offenders excludable from licensed gaming facility, for list of persons self excluded from gaming activities, for investigations and enforcement, for prohibited acts and penalties and for liquor licenses at licensed facilities and providing for casino liquor license; in miscellaneous provisions, further providing for appropriations; making an editorial change; and making a related repeal.

On the question,
Will the House agree to the bill on second consideration?

BILL TABLED

The SPEAKER. The Chair recognizes the majority leader, who moves that HB 649 be removed from the active calendar and placed on the tabled calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILL REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader, who moves that HB 649 be removed from the tabled calendar and placed on the active calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

RESOLUTION

Mr. REED called up **HR 264, PN 1254**, entitled:

A Resolution urging the Congress of the United States to expeditiously address the health, social and economic needs of our female veterans.

On the question,
Will the House adopt the resolution?

RESOLUTION TABLED

The SPEAKER. The Chair recognizes the majority leader, who moves that HR 264 be removed from the active calendar and placed on the tabled calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

RESOLUTION REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader, who moves that HR 264 be removed from the tabled calendar and placed on the active calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILLS AND RESOLUTIONS PASSED OVER

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

ADJOURNMENT

The SPEAKER. Representative Jason Dawkins moves that the House be adjourned until Wednesday, May 25, 2016, at 11 a.m., e.d.t., unless sooner recalled by the Speaker.

On the question,
Will the House agree to the motion?
Motion was agreed to, and at 4:27 p.m., e.d.t., the House adjourned.