

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1509 Session of 2009

INTRODUCED BY JOSEPHS, SCHRODER AND M. O'BRIEN, MAY 13, 2009

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, MAY 13, 2009

AN ACT

1 Amending the act of June 3, 1937 (P.L.1333, No.320), entitled  
 2 "An act concerning elections, including general, municipal,  
 3 special and primary elections, the nomination of candidates,  
 4 primary and election expenses and election contests; creating  
 5 and defining membership of county boards of elections;  
 6 imposing duties upon the Secretary of the Commonwealth,  
 7 courts, county boards of elections, county commissioners;  
 8 imposing penalties for violation of the act, and codifying,  
 9 revising and consolidating the laws relating thereto; and  
 10 repealing certain acts and parts of acts relating to  
 11 elections," prohibiting certain contributions by persons and  
 12 entities affiliated with the gaming industry.

13 The General Assembly of the Commonwealth of Pennsylvania  
 14 hereby enacts as follows:

15 Section 1. The act of June 3, 1937 (P.L.1333, No.320), known  
 16 as the Pennsylvania Election Code, is amended by adding a  
 17 section to read:

18 Section 1633.1. Contributions by Gaming Industry and  
 19 Affiliated Persons.--(a) To prevent the actual or appearance of  
 20 corruption that may result from campaign contributions by  
 21 individuals associated with the highly regulated gaming industry  
 22 and notwithstanding any provision of law to the contrary, the  
 23 following persons shall be prohibited from contributing any

money or in-kind contribution to a candidate for nomination or election to any public office in this Commonwealth, or to any political party committee or other political committee in this Commonwealth or to any group, committee or association organized in support of a candidate, political party committee or other political committee in this Commonwealth:

(1) An applicant for a slot machine license, manufacturer license, supplier license, principal license, key employee license or horse or harness racing license.

(2) A slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(3) A licensed principal or licensed key employee of a slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(4) An affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(5) A licensed principal or licensed key employee of an affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(6) A person who holds a similar gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, principals or key employees thereof.

(b) The individuals prohibited from making political contributions under subsection (a) shall not make a political contribution of money or an in-kind contribution to any association or organization, including a nonprofit organization, that has been solicited by, or knowing that the contribution or a portion thereof will be contributed to, the elected official,

executive-level public employe or candidate for nomination or election to a public office in this Commonwealth.

(c) The first violation of this section by a licensed gaming entity or any person that holds a controlling interest in such gaming entity, or a subsidiary company thereof, and any officer, director or management-level employe of such licensee shall be punishable by a fine of not less than an average single day's gross terminal revenue of the licensed gaming entity derived from the operation of slot machines in this Commonwealth; a second violation of this section, within five (5) years of the first violation, shall be punishable by at least a one-day suspension of the license held by the licensed gaming entity and a fine not less than an average two (2) days' gross revenue of the licensed gaming entity; a third violation of this section within five (5) years of the second violation shall be punishable by the immediate revocation of the license held by the licensed gaming entity. The first violation of this section by a manufacturer or supplier licensed pursuant to this part or by any person that holds a controlling interest in such manufacturer or supplier, or a subsidiary company thereof, and any officer, director or management-level employe of such a licensee shall be punishable by a fine of not less than one (1) day's average of the gross profit from sales made by the manufacturer or supplier in Pennsylvania during the preceding twelve (12)-month period or portion thereof in the event the manufacturer or supplier has not operated in Pennsylvania for twelve (12) months; a second violation of this section within five (5) years of the first violation shall be punishable by a one (1)-month suspension of the license held by the manufacturer or supplier and a fine of not less than two (2) times one (1)

1 day's average of the gross profit from sales made by the  
2 manufacturer or supplier in Pennsylvania during the preceding  
3 twelve (12)-month period or portion thereof in the event the  
4 manufacturer or supplier has not operated in Pennsylvania for  
5 twelve (12) months. In no event shall the fine imposed under  
6 this section be in an amount less than fifty thousand dollars  
7 (\$50,000) for each violation. In addition to any fine or  
8 sanction that may be imposed by the board, any person who makes  
9 a contribution in violation of this section commits a  
10 misdemeanor of the third degree.

11 (d) As used in this section, the following words and phrases  
12 shall have the meanings given to them in this subsection:

13 "Contribution." Any payment, gift, subscription, assessment,  
14 contract, payment for services, dues, loan, forbearance, advance  
15 or deposit of money or any valuable thing made to a candidate or  
16 political committee for the purpose of influencing any election  
17 in this Commonwealth or for paying debts incurred by or for a  
18 candidate or committee before or after any election. The term  
19 shall include the purchase of tickets for events including  
20 dinners, luncheons, rallies and other fundraising events; the  
21 granting of discounts or rebates not available to the general  
22 public; or the granting of discounts or rebates by television  
23 and radio stations and newspapers not extended on an equal basis  
24 to all candidates for the same office; and any payments provided  
25 for the benefit of any candidate, including payments for the  
26 services of a person serving as an agent of a candidate or  
27 committee by a person other than the candidate or committee or  
28 person whose expenditures the candidate or committee must  
29 report. The term also includes any receipt or use of anything of  
30 value received by a political committee from another political

1 committee and also includes any return on investments by a  
2 political committee.

3 "Political committee." Any committee, club, association or  
4 other group of persons which receives contributions or makes  
5 expenditures.

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