

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1797 Session of
2017

INTRODUCED BY KORTZ, MATZIE, KULIK, MILLARD, McNEILL, DeLUCA,
NEILSON AND THOMAS, SEPTEMBER 19, 2017

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, SEPTEMBER 19, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in Pennsylvania Gaming Control Board, further
3 providing for general and specific powers, for licensed
4 gaming entity application appeals from board, for board
5 minutes and records and for regulatory authority of board;
6 providing for slot machines in qualified airports; in
7 revenues, further providing for establishment of State Gaming
8 Fund and net slot machine revenue distribution, for
9 Pennsylvania Race Horse Development Fund and for Pennsylvania
10 Gaming Economic Development and Tourism Fund; and, in
11 administration and enforcement, further providing for
12 responsibility and authority of the Department of Revenue,
13 for financial and employment interests, for investigations
14 and enforcement and for prohibited acts and penalties.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Sections 1202(a)(1) and (b)(23), 1204 and 1206(f)
18 (1) introductory paragraph and (ii) of Title 4 of the
19 Pennsylvania Consolidated Statutes are amended to read:

20 § 1202. General and specific powers.

21 (a) General powers.--

22 (1) The board shall have general and sole regulatory
23 authority over the conduct of gaming [or] and related
24 activities as described in this part. The board shall ensure

1 the integrity of the acquisition and operation of slot
2 machines, table games, table game devices and associated
3 equipment and shall have sole regulatory authority over every
4 aspect of the authorization, operation and play of slot
5 machines [and], including the operation of table games and
6 the implementation and regulation of airport gaming.

7 * * *

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

10 * * *

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

25 * * *

26 § 1204. Licensed gaming entity application appeals from board.

27 The Supreme Court of Pennsylvania shall be vested with
28 exclusive appellate jurisdiction to consider appeals of any
29 final order, determination or decision of the board involving
30 the approval, issuance, denial or conditioning of a slot machine

1 license [or], the award, denial or conditioning of a table game
2 operation certificate[.] or the award, denial or conditioning of
3 an airport gaming operation certificate. Notwithstanding the
4 provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial
5 review of Commonwealth agency action) and 42 Pa.C.S. § 763
6 (relating to direct appeals from government agencies), the
7 Supreme Court shall affirm all final orders, determinations or
8 decisions of the board involving the approval, issuance, denial
9 or conditioning of a slot machine license [or], the award,
10 denial or conditioning of a table game operation certificate or
11 the award, denial or conditioning of an airport gaming operation
12 certificate, unless it shall find that the board committed an
13 error of law or that the order, determination or decision of the
14 board was arbitrary and there was a capricious disregard of the
15 evidence.

16 § 1206. Board minutes and records.

17 * * *

18 (f) Confidentiality of information.--

19 (1) The following information submitted by an applicant,
20 permittee, certificate holder or licensee pursuant to section
21 1310(a) (relating to slot machine license application
22 character requirements) [or], 1308(a.1) (relating to
23 applications for license or permit) or 13E12 (relating to
24 application) or obtained by the board or the bureau as part
25 of a background or other investigation from any source shall
26 be confidential and withheld from public disclosure:

27 * * *

28 (ii) Nonpublic personal information, including home
29 addresses, telephone numbers and other personal contact
30 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 airport gaming operation
certificate, or the immediate family thereof.

* * *

Section 2. Section 1207 of Title 4 is amended by adding a
paragraph to read:

§ 1207. Regulatory authority of board.

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

* * *

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

Section 3. Title 4 is amended by adding chapters to read:

CHAPTER 13B

(RESERVED)

CHAPTER 13C

(RESERVED)

CHAPTER 13D

(RESERVED)

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

1 SUBCHAPTER A

2 PRELIMINARY PROVISIONS

3 Sec.

4 13E01. Definitions.

5 § 13E01. Definitions.

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

9 "Airport authority." The governing body of a municipal
10 authority organized and incorporated in accordance with 53
11 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee
12 the operations of a qualified airport. The term shall include
13 the governing body of any joint municipal authority which
14 operates a qualified airport and the governing body of a city of
15 the first class which owns and operates a qualified airport
16 located in a county of the first class.

17 "Airport gaming." The licensed placement, operation and play
18 of slot machines in a qualified airport as authorized and
19 approved by the board.

20 "Airport gaming certificate holder." The authorization
21 issued under this chapter to conduct airport gaming.

22 "Airport gaming operation certificate." A certificate issued
23 by the board under this chapter that authorizes a slot machine
24 licensee to conduct airport gaming in accordance with this
25 chapter.

26 "Airport gaming revenue." The daily gross terminal revenue
27 derived from the conduct of airport gaming.

28 "Applicant." A slot machine licensee.

29 "Qualified airport." A publicly owned commercial service
30 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

1 under section 1510(a) (relating to labor hiring preferences)
2 which outlines the applicant's plan to promote the employment
3 representation of diverse groups and Commonwealth residents.

4 (5) The details of any financing obtained or that will
5 be obtained to fund an expansion or modification of the
6 qualified airport to accommodate the conduct of airport
7 gaming and to otherwise fund the cost of commencing airport
8 gaming operations.

9 (6) Information and documentation concerning financial
10 background and resources, as the board may require, to
11 establish by clear and convincing evidence the financial
12 stability, integrity and responsibility of the applicant.

13 (7) Information and documentation, as the board may
14 require, to establish by clear and convincing evidence that
15 the applicant has sufficient business ability and experience
16 to conduct airport gaming. In making this determination, the
17 board may consider the results of the applicant's slot
18 machine operation, including financial information,
19 employment data and capital investment.

20 (8) Information and documentation, as the board may
21 require, to establish by clear and convincing evidence that
22 the applicant has or will have the financial ability to pay
23 the required fee under section 13E51 (relating to fees).

24 (9) Detailed site plans identifying the applicant's
25 proposed specified area.

26 (10) A copy of the agreement entered into by the slot
27 machine licensee and the qualified airport. The agreement
28 shall identify the members of the governing board of the
29 airport authority and all employees of the airport authority
30 who, directly or indirectly, regulate the use and control of

1 the qualified airport and who will oversee airport gaming at
2 the qualified airport.

3 (11) Other information as the board may require.

4 (b) Confidentiality.--Information submitted to the board
5 under subsection (a) (6), (7), (8), (9) and (10) may be
6 considered confidential by the board if the information would be
7 confidential under section 1206(f) (relating to board minutes
8 and records).

9 § 13E13. Standard for review of applications.

10 The board shall approve an application if the applicant
11 establishes, by clear and convincing evidence, all of the
12 following:

13 (1) The applicant's slot machine license is in good
14 standing with the board, and the applicant has an agreement
15 with the airport authority authorizing the placement of slot
16 machines at the qualified airport.

17 (2) The applicant possesses adequate funds or has
18 secured adequate financing to:

19 (i) Fund any necessary expansion or modification of
20 the qualified airport to accommodate the conduct of
21 airport gaming if required in the agreement with the
22 governing body of the airport authority.

23 (ii) Pay the required fee in accordance with section
24 13E51 (relating to fees).

25 (iii) Commence airport gaming operations at the
26 qualified airport.

27 (3) The applicant has the financial stability, integrity
28 and responsibility to conduct airport gaming.

29 (4) The applicant has sufficient business ability and
30 experience to create and maintain airport gaming.

1 (5) The applicant's proposed internal and external
2 security and proposed surveillance measures within the
3 specified area where the applicant seeks to conduct airport
4 gaming are adequate.

5 (6) The applicant agrees that the number of slot
6 machines in operation at its licensed facility will not be
7 permanently reduced in order to conduct airport gaming.

8 § 13E14. Approval of application.

9 Upon approval of an application, the board shall issue an
10 airport gaming operation certificate to the applicant. Issuing
11 an airport gaming operation certificate prior to the payment in
12 full of the fee required by section 13E51 (relating to fees)
13 shall not relieve the applicant from complying with the
14 provisions of section 13E51.

15 § 13E15. Airport gaming operation certificate.

16 The following shall apply:

17 (1) An airport gaming operation certificate shall be in
18 effect unless:

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

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

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

28 (iv) The agreement between the airport gaming
29 certificate holder and the governing body of the
30 authority is not renewed.

1 (2) The airport gaming operation certificate shall
2 include the maximum number of slot machines approved by the
3 board and permitted in the specified area. The airport gaming
4 certificate holder may increase or decrease the number of
5 slot machines permitted in the specified area or change the
6 configuration of the slot machines upon notice to and
7 approval by the board. Unless approved by the board, the
8 total number of slot machines in operation in the specified
9 area may not exceed the number authorized in the airport
10 gaming operation certificate.

11 (3) An airport gaming certificate holder shall be
12 required to update the information in its initial airport
13 gaming application at times prescribed by the board.

14 § 13E16. Timing of initial airport gaming authorizations.

15 The board shall approve or deny an application within 180
16 days following receipt of the completed application.

17 SUBCHAPTER C

18 CONDUCT OF AIRPORT GAMING

19 Sec.

20 13E31. Authorized locations for operation.

21 13E32. Commencement of airport gaming operations.

22 13E33. Condition of continued operation.

23 13E34. Airport gaming accounting controls and audit protocols.

24 13E35. Cash equivalents.

25 13E36. Occupation permits.

26 § 13E31. Authorized locations for operation.

27 (a) Restriction.--An airport gaming certificate holder shall
28 only be permitted to operate slot machines in the specified area
29 authorized by the board.

30 (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

1 to fees).

2 (7) All slot machines certified and approved for use
3 under this chapter have been approved by the board and are
4 compatible with the central control computer and protocol
5 specifications approved by the department.

6 (8) The airport gaming certificate holder has
7 implemented or will implement the necessary procedures and
8 safeguards to ensure that no individual under 21 years of age
9 will be permitted to enter the specified area of the
10 qualified airport.

11 § 13E33. Condition of continued operation.

12 As a condition of continued operation, an airport gaming
13 certificate holder shall maintain all books, records and
14 documents pertaining to airport gaming in a manner and location
15 within this Commonwealth as approved by the board. All books,
16 records and documents related to airport gaming shall:

17 (1) be segregated by separate accounts within the slot
18 machine licensee's books, records and documents, except for
19 any books, records or documents that are common to the
20 licensee's slot machine operations at a licensed facility and
21 a qualified airport;

22 (2) be immediately available for inspection upon request
23 of the board, the bureau, the department, the Pennsylvania
24 State Police or the Attorney General, or agents thereof,
25 during all hours of operation at the qualified airport in
26 accordance with regulations promulgated by the board; and

27 (3) be maintained for a period as the board, by
28 regulation, may require.

29 § 13E34. Airport gaming accounting controls and audit
30 protocols.

1 (a) Approval.--Prior to the commencement of airport gaming
2 operations, an airport gaming certificate holder shall submit to
3 the board for approval all proposed site plans, internal and
4 accounting control systems and audit protocols for the airport
5 gaming certificate holder's airport gaming operations.

6 (b) Minimum requirements.--The airport gaming certificate
7 holder's internal and accounting controls and audit protocols
8 shall meet the requirements set forth in section 1322(b) and (c)
9 (relating to slot machine accounting controls and audits).

10 § 13E35. Cash equivalents.

11 Notwithstanding any other provisions of this part, the board
12 may, through regulation, determine the cash equivalents that may
13 be authorized and accepted by an airport gaming certificate
14 holder in the conduct of airport gaming.

15 § 13E36. Occupation permits.

16 (a) Application.--Any person who desires to be a gaming
17 employee and has a bona fide offer of employment from an airport
18 gaming certificate holder authorized to operate slot machines
19 under this chapter shall apply to the board for an occupation
20 permit. A person may not be employed as a gaming employee unless
21 and until that person holds an appropriate occupation permit
22 issued under this section. The board may promulgate regulations
23 to reclassify a category of nongaming employees or gaming
24 employees upon a finding that the reclassification is in the
25 public interest and consistent with the objectives of this part.

26 (b) Requirements.--The application for an occupation permit
27 shall include, at a minimum:

28 (1) The name and home address of the person.

29 (2) The previous employment history of the person.

30 (3) The criminal history record of the person, as well

1 as the person's consent for the Pennsylvania State Police to
2 conduct a background investigation.

3 (4) A current photograph of the person.

4 (5) Evidence of the offer of employment and the nature
5 and scope of the proposed duties of the person, if known.

6 (6) The details of any occupation permit or similar
7 license granted or denied to the person in other
8 jurisdictions.

9 (7) Any other information determined by the board to be
10 appropriate.

11 (c) Prohibition.--No airport gaming certificate holder may
12 employ or permit any person under 18 years of age to render any
13 service in any specified area where slot machines are physically
14 located.

15 (d) Construction.--Nothing in this part shall be construed
16 to require any person who holds a principal license, a key
17 employee license or gaming employee occupation permit under
18 Chapter 13 (relating to licensees) to obtain a separate license,
19 permit, certificate, registration or other authorization to be
20 employed in an airport gaming certificate holder's airport
21 gaming operations.

22 SUBCHAPTER D

23 AIRPORT GAMING FEES AND TAXES

24 Sec.

25 13E51. Fees.

26 13E52. Airport gaming tax and assessment.

27 § 13E51. Fees.

28 (a) Required fees.--A slot machine licensee shall pay:

29 (1) Except as set forth in paragraph (2) or (3), a one-
30 time, nonrefundable fee of \$1,000,000 upon the issuance of a

1 certificate to operate slot machines under this chapter in a
2 qualified airport.

3 (2) A one-time, nonrefundable fee of \$5,000,000 upon the
4 issuance of a certificate to operate slot machines under this
5 chapter in a qualified airport located in a city of the first
6 class.

7 (3) A one-time, nonrefundable fee of \$2,500,000 upon the
8 issuance of a certificate to operate slot machines under this
9 chapter in a qualified airport located in a county of the
10 second class.

11 (b) Deposit of fees.--Notwithstanding section 1208 (relating
12 to collection of fees and fines), all fees or penalties received
13 by the board under this chapter shall be deposited in the
14 General Fund.

15 § 13E52. Airport gaming tax and assessment.

16 (a) Imposition.--Each airport gaming certificate holder
17 shall report to the department and pay from its airport gaming
18 revenue, on a form and in the manner prescribed by the
19 department, a tax of 34% of its airport gaming revenue and an
20 airport local share assessment.

21 (b) Deposits and distributions.--

22 (1) The tax and local share assessment imposed under
23 subsection (a) shall be payable to the department on a weekly
24 basis and shall be based upon gross terminal revenue derived
25 during the previous week.

26 (2) All money owed to the Commonwealth under this
27 section shall be held in trust for the Commonwealth by the
28 airport gaming certificate holder until the money is paid to
29 the department. Unless otherwise agreed to by the board, an
30 airport gaming certificate holder shall establish a separate

1 bank account into which gross terminal revenue shall be
2 deposited and maintained until such time as the money is paid
3 to the department under this section.

4 (3) The department shall transfer the tax revenues
5 collected under this section to the General Fund.

6 (4) The department shall distribute quarterly to each
7 qualified airport the airport local share assessment from the
8 airport gaming revenue generated from airport gaming at each
9 qualified airport.

10 (c) Definitions.--As used in this section, the following
11 words and phrases shall have the meanings given to them in this
12 subsection unless the context clearly indicates otherwise:

13 "Airport local share assessment." Twenty percent of an
14 airport gaming certificate holder's airport gaming revenue.

15 SUBCHAPTER E

16 MISCELLANEOUS PROVISIONS

17 Sec.

18 13E91. Regulations.

19 § 13E91. Regulations.

20 (a) Regulations.--The board shall promulgate regulations
21 consistent with the provisions of this part to govern the
22 conduct of airport gaming at qualified airports.

23 (b) Temporary regulations.--In order to facilitate the
24 prompt implementation of this chapter, regulations promulgated
25 by the board in accordance with subsection (a) shall be deemed
26 temporary regulations which shall expire not later than two
27 years following the publication of the temporary regulation. The
28 board may promulgate temporary regulations not subject to:

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

1 Commonwealth Documents Law.

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

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

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

11 Section 4. Sections 1403(b) and 1405 of Title 4 are amended
12 to read:

13 § 1403. Establishment of State Gaming Fund and net slot machine
14 revenue distribution.

15 * * *

16 (b) Slot machine tax.--The department shall determine and
17 each slot machine licensee shall pay a daily tax of 34% from its
18 daily gross terminal revenue from the slot machines in operation
19 at its licensed facility and a local share assessment as
20 provided in subsection (c). All funds owed to the Commonwealth,
21 a county or a municipality under this section shall be held in
22 trust by the licensed gaming entity for the Commonwealth, the
23 county and the municipality until the funds are paid or
24 transferred to the fund. Unless otherwise agreed to by the
25 board, a licensed gaming entity shall establish a separate bank
26 account to maintain gross terminal revenue until such time as
27 the funds are paid or transferred under this section. Moneys in
28 the fund are hereby appropriated to the department on a
29 continuing basis for the purposes set forth in subsection (c).
30 For the purpose of this subsection, the term "licensed facility"

1 shall not be construed to include a nonprimary location at which
2 a Category 1 slot machine licensee is authorized to place and
3 make slot machines available for play in accordance with the
4 physical land-based location of a qualified airport under
5 Chapter 13E (relating to slot machines in qualified airports).

6 * * *

7 § 1405. Pennsylvania Race Horse Development Fund.

8 (b) Pennsylvania race horse improvement assessment.--Each
9 active and operating licensed gaming entity shall pay a daily
10 assessment to the Pennsylvania Race Horse Development Fund as
11 determined by the department. Subject to the daily assessment
12 cap established under subsection (c), the licensed gaming
13 entity's assessment shall be a percentage of each licensed
14 gaming entity's gross terminal revenue from the slot machines in
15 operation at its licensed facility, equal to an amount
16 calculated as "A" multiplied by "B", with "A" being equal to
17 each licensed gaming entity's gross terminal revenue for that
18 day divided by the total gross terminal revenue for that day
19 from all licensed gaming entities, and "B" being equal to 18% of
20 that day's gross terminal revenue for all active and operating
21 Category 1 licensees conducting live racing.

22 (c) Daily assessment cap.--If the resulting daily assessment
23 for a licensed gaming entity exceeds 12% of that licensed gaming
24 entity's gross terminal revenue from the slot machines in
25 operation at its licensed facility for the day, the licensed
26 gaming entity shall pay a daily assessment of 12% of its gross
27 terminal revenue for that day.

28 (e) Definition.--For the purposes of this section, the term
29 "licensed facility" shall not include the physical land-based
30 location at which a licensed gaming entity is authorized to

place and operate slot machines in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

Section 5. Section 1407(c) of Title 4 is amended and the section is amended by adding a subsection to read:

§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

* * *

(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.

* * *

(h) 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 qualified airport under Chapter 13E (relating to slot machines in qualified airports).

Section 6. Section 1501(b) of Title 4 is 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, including slot machines at qualified airports, and table games

1 under this part.

2 * * *

3 Section 7. Section 1512 of Title 4 is amended by adding a
4 subsection to read:

5 § 1512. Financial and employment interests.

6 * * *

7 (a.6) Prohibition related to airport gaming.--The financial
8 interest and employment prohibitions specified in subsections
9 (a) and (a.1) shall apply to airport gaming under Chapter 13E
10 (relating to slot machines in qualified airports).

11 * * *

12 Section 8. Section 1517(b)(1), (c)(12) and (e)(1) of Title 4
13 are amended to read:

14 § 1517. Investigations and enforcement.

15 * * *

16 (b) Powers and duties of department.--

17 (1) The department shall at all times have the power of
18 access to examine and audit equipment and records relating to
19 all aspects of the operation of slot machines [or], including
20 slot machines at qualified airports consistent with airport
21 security rules and procedures, or table games under this
22 part.

23 * * *

24 (c) Powers and duties of the Pennsylvania State Police.--The
25 Pennsylvania State Police shall have the following powers and
26 duties:

27 * * *

28 (12) Conduct audits or verification of information of
29 slot machine [or], table game operations, including the
30 operation of slot machines in the specified area of a

1 qualified airport, at such times, under such circumstances
2 and to such extent as the bureau determines. This paragraph
3 includes reviews of accounting, administrative and financial
4 records and management control systems, procedures and
5 records utilized by a slot machine licensee.

6 * * *

7 (e) Inspection, seizure and warrants.--

8 (1) The bureau, the department and the Pennsylvania
9 State Police shall have the authority without notice and
10 without warrant to do all of the following in the performance
11 of their duties:

12 (i) Inspect and examine all premises, including the
13 specified area of a qualified airport, consistent with
14 airport security rules and procedures, where slot machine
15 or table game operations are conducted, slot machines,
16 table game devices and associated equipment are
17 manufactured, sold, distributed or serviced or where
18 records of these activities are prepared or maintained.

19 (ii) Inspect all equipment and supplies in, about,
20 upon or around premises referred to in subparagraph (i).

21 (iii) Seize, summarily remove and impound equipment
22 and supplies from premises referred to in subparagraph
23 (i) for the purposes of examination and inspection.

24 (iv) Inspect, examine and audit all books, records
25 and documents pertaining to a slot machine licensee's
26 operation.

27 (v) Seize, impound or assume physical control of any
28 book, record, ledger, game, device, cash box and its
29 contents, count room or its equipment or slot machine or
30 table game operations.

1 * * *

2 Section 9. Section 1518(a)(4), (13), (13.1) and (17) of
3 Title 4 are amended and subsection (a) is amended by adding a
4 paragraph to read:

5 § 1518. Prohibited acts; penalties.

6 (a) Criminal offenses.--

7 * * *

8 (4) It shall be unlawful for any licensed entity or
9 other person to manufacture, supply or place slot machines,
10 table games, table game devices or associated equipment into
11 play or display slot machines, including slot machines in a
12 specified area of a qualified airport, table games, table
13 game devices or associated equipment on the premises of a
14 licensed facility without the authority of the board.

15 (4.1) It shall be unlawful for any slot machine licensee
16 to place and make slot machines available for play in a
17 specified area of a qualified airport without the approval of
18 the board.

19 * * *

20 (13) It shall be unlawful for an individual under 21
21 years of age to enter and remain in any area of a licensed
22 facility where slot machines are operated, including a
23 specified area of a qualified airport, or the play of table
24 games is conducted, except that an individual 18 years of age
25 or older employed by a slot machine licensee, a gaming
26 service provider, the board or any other regulatory or
27 emergency response agency may enter and remain in any such
28 area while engaged in the performance of the individual's
29 employment duties.

30 (13.1) It shall be unlawful for an individual under 21

1 years of age to wager, play or attempt to play a slot machine
2 or table game at a licensed facility, including at the
3 specified area of a qualified airport.

4 * * *

5 (17) It shall be unlawful for an individual to claim,
6 collect or take, or attempt to claim, collect or take, money
7 or anything of value in or from a slot machine, including a
8 slot machine in a specified area of a qualified airport,
9 gaming table or other table game device, with the intent to
10 defraud, or to claim, collect or take an amount greater than
11 the amount won, or to manipulate with the intent to cheat,
12 any component of any slot machine, including slot machines in
13 a specified area of a qualified airport, table game or table
14 game device in a manner contrary to the designed and normal
15 operational purpose.

16 * * *

17 Section 10. This act shall take effect immediately.