

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 271 Session of
2017

INTRODUCED BY ORTITAY, V. BROWN, D. COSTA, DUNBAR, ENGLISH,
KORTZ, WARD, YOUNGBLOOD, NELSON AND JOZWIAK, JANUARY 31, 2017

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES, JUNE
7, 2017

AN ACT

1 ~~Amending Title 4 (Amusements) of the Pennsylvania Consolidated~~ <--
2 ~~Statutes, providing for fantasy contests and for iLottery; in~~
3 ~~general provisions, further providing for legislative intent~~
4 ~~and for definitions; in Pennsylvania Gaming Control Board,~~
5 ~~further providing for general and specific powers, for~~
6 ~~licensed gaming entity application appeals from board, for~~
7 ~~board minutes and records, for regulatory authority of board,~~
8 ~~for reports of board and for diversity goals of board; in~~
9 ~~licensees, further providing for Category 3 slot machine~~
10 ~~license, for slot machine license application, for supplier~~
11 ~~licenses and for manufacturer licenses, providing for~~
12 ~~nongaming service provider, further providing for license~~
13 ~~renewals and providing for slot machine license operation~~
14 ~~fee; in table games, further providing for other financial~~
15 ~~transactions and for local share assessment; providing for~~
16 ~~interactive gaming; imposing a multi use gaming device tax;~~
17 ~~in revenues, further providing for establishment of State~~
18 ~~Gaming Fund and net slot machine revenue distribution and for~~
19 ~~the Pennsylvania Gaming Economic Development and Tourism~~
20 ~~Fund, establishing the Casino Marketing and Capital~~
21 ~~Development Account and further providing for transfers from~~
22 ~~State Gaming Fund; in administration and enforcement, further~~
23 ~~providing for responsibility and authority of department, for~~
24 ~~wagering on credit, for compulsive and problem gambling~~
25 ~~program, for financial and employment interests, for~~
26 ~~regulation requiring exclusion or ejection of certain~~
27 ~~persons, for repeat offenders excludable from licensed gaming~~
28 ~~facility, for list of persons self excluded from gaming~~
29 ~~activities, for investigations and enforcement and for~~
30 ~~prohibited acts and penalties; in miscellaneous provisions,~~
31 ~~further providing for appropriations; and making a related~~

~~repeal.~~

AMENDING TITLES 3 (AGRICULTURE), 4 (AMUSEMENTS) AND 18 (CRIMES
AND OFFENSES) OF THE PENNSYLVANIA CONSOLIDATED STATUTES, IN
RACE HORSE INDUSTRY REFORM, REPEALING DEFINITIONS AND
PROVISIONS RELATING TO PLACE AND MANNER OF CONDUCTING PARI-
MUTUEL WAGERING AT RACETRACK ENCLOSURE AND TO PARI-MUTUEL
WAGERING AT NONPRIMARY LOCATIONS AND FURTHER PROVIDING FOR
LICENSING COSTS AND FEES AND FOR OPERATIONS; PROVIDING FOR
FANTASY CONTESTS, ESTABLISHING A LOTTERY SALES ADVISORY
COUNCIL WITHIN THE DEPARTMENT OF REVENUE AND PROVIDING FOR
ILOTTERY; IN GENERAL PROVISIONS, FURTHER PROVIDING FOR
LEGISLATIVE INTENT AND FOR DEFINITIONS; IN PENNSYLVANIA
GAMING CONTROL BOARD, FURTHER PROVIDING FOR PENNSYLVANIA
GAMING CONTROL BOARD ESTABLISHED, 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 1 SLOT MACHINE LICENSE AND FOR
CATEGORY 3 SLOT MACHINE LICENSE, PROVIDING FOR REMAINING
CATEGORY 2 LICENSES, FURTHER PROVIDING FOR NUMBER OF SLOT
MACHINE LICENSES, FOR SLOT MACHINE LICENSE APPLICATION, FOR
SUPPLIER LICENSES AND FOR MANUFACTURER LICENSES, PROVIDING
FOR NONGAMING SERVICE PROVIDER, FURTHER PROVIDING FOR SLOT
MACHINE TESTING AND CERTIFICATION STANDARDS AND FOR LICENSE
RENEWALS, PROVIDING FOR SLOT MACHINE LICENSE OPERATION FEE
AND FURTHER PROVIDING FOR CHANGE IN OWNERSHIP OR CONTROL OF
SLOT MACHINE LICENSEE; REPEALING PROVISIONS RELATED TO
MULTIPLE SLOT MACHINE LICENSE PROHIBITION AND PROHIBITING
UNDUE ECONOMIC CONCENTRATION; 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 SPORTS WAGERING, SPORTS WAGERING TAX AND LOCAL FEE
ASSESSMENT AND FOR SLOT MACHINES AT NONPRIMARY LOCATIONS; IN
REVENUES, FURTHER PROVIDING FOR GROSS TERMINAL REVENUE
DEDUCTIONS, FOR ESTABLISHMENT OF STATE GAMING FUND AND NET
SLOT MACHINE REVENUE DISTRIBUTION AND FOR PENNSYLVANIA GAMING
ECONOMIC DEVELOPMENT AND TOURISM FUND; 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, FOR
FINANCIAL AND EMPLOYMENT INTERESTS, FOR POLITICAL INFLUENCE,
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 AND FOR
PROHIBITED ACTS AND PENALTIES AND PROVIDING FOR CASINO LIQUOR
LICENSES; IN MISCELLANEOUS PROVISIONS, FURTHER PROVIDING FOR
APPROPRIATIONS AND FOR REPAYMENTS TO STATE GAMING FUND;
PROVIDING FOR VIDEO GAMING; ESTABLISHING THE VIDEO GAMING
FUND, THE FIRE COMPANY AND EMERGENCY RESPONDER GRANT FUND,
THE CITY OF THE FIRST CLASS ENFORCEMENT FUND, THE LOTTERY
STABILIZATION FUND AND THE GUN VIOLENCE TASK FORCE FUND; IN
RIOT, DISORDERLY CONDUCT AND RELATED OFFENSES, FURTHER
PROVIDING FOR THE OFFENSE OF GAMBLING DEVICES, GAMBLING,
ETC.; AND MAKING RELATED REPEALS.

<--

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

~~Section 1. Title 4 of the Pennsylvania Consolidated Statutes <--
is amended by adding a part to read:~~

~~PART I~~

~~AMUSEMENTS GENERALLY~~

~~Chapter~~

~~1. Preliminary Provisions (Reserved)~~

~~3. Fantasy Contests~~

~~5. (Reserved)~~

~~7. iLottery~~

~~CHAPTER 1~~

~~PRELIMINARY PROVISIONS~~

~~(Reserved)~~

~~CHAPTER 3~~

~~FANTASY CONTESTS~~

~~Subchapter~~

~~A. General Provisions~~

~~B. Administration~~

~~C. Licensure~~

~~D. Fiscal Provisions~~

~~E. Miscellaneous Provisions~~

~~SUBCHAPTER A~~

~~GENERAL PROVISIONS~~

~~Sec.~~

~~301. Scope of chapter.~~

~~302. Definitions.~~

~~§ 301. Scope of chapter.~~

~~This chapter relates to fantasy contests.~~

~~§ 302. 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:~~

~~"Board." The Pennsylvania Gaming Control Board.~~

~~"Conduct of gaming." The licensed placement, operation and play of slot machines and table games under Part II (relating to gaming) as authorized and approved by the board.~~

~~"Controlling interest." Either of the following:~~

~~(1) For a publicly traded domestic or foreign corporation, a controlling interest is an interest if a person's sole voting rights under State law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing board or the ownership or beneficial holding of 5% or more of the securities of the publicly traded corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted by clear and convincing evidence.~~

~~(2) For a privately held domestic or foreign corporation, partnership, limited liability company or other form of privately held legal entity, a controlling interest is the holding of securities of 15% or more in the legal entity, unless this presumption of control is rebutted by clear and convincing evidence.~~

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

~~"Entry fee." The cash or cash equivalent paid by a participant to a licensed operator in order to participate in a fantasy contest.~~

~~"Fantasy contest." An online fantasy or simulated game or~~

~~contest with an entry fee and a prize or award administered by a
licensed operator in which:~~

~~(1) The value of all prizes or awards offered to winning
participants is established and made known to participants in
advance of the contest.~~

~~(2) All winning outcomes reflect the relative knowledge
and skill of participants and are determined by accumulated
statistical results of the performance of individuals,
including athletes in the case of sports events.~~

~~(3) No winning outcome is based on the score, point
spread or performance of a single actual team or combination
of teams or solely on a single performance of an individual
athlete or player in a single actual event.~~

~~"Fantasy contest account." The formal electronic system
implemented by a licensed operator to record a participant's
entry fees, prizes or awards and other activities related to
participation in the licensed operator's fantasy contests.~~

~~"Fantasy contest adjusted revenues." For each fantasy
contest, the amount equal to the total amount of all entry fees
collected from all participants entering the fantasy contest
minus prizes or awards paid to participants in the fantasy
contest, multiplied by the in State percentage.~~

~~"Fantasy contest license." A license issued by the board
authorizing a person to offer fantasy contests in this
Commonwealth in accordance with this chapter.~~

~~"Gaming service provider." As defined in section 1103
(relating to definitions).~~

~~"In State participant." An individual who participates in a
fantasy contest conducted by a licensed operator and pays a fee
to a licensed operator from a location within this Commonwealth.~~

1 ~~"In State percentage." For each fantasy contest, the~~
2 ~~percentage, rounded to the nearest tenth of a percent, equal to~~
3 ~~the total entry fees collected from all in State participants~~
4 ~~divided by the total entry fees collected from all participants~~
5 ~~in the fantasy contest.~~

6 ~~"Key employee." An individual who is employed by an~~
7 ~~applicant for a fantasy contest license or a licensed operator~~
8 ~~in a director or department head capacity and who is empowered~~
9 ~~to make discretionary decisions that regulate fantasy contest~~
10 ~~operations as determined by the board.~~

11 ~~"Licensed entity representative." A person, including an~~
12 ~~attorney, agent or lobbyist, acting on behalf of or authorized~~
13 ~~to represent the interest of an applicant, licensee or other~~
14 ~~person authorized by the board to engage in an act or activity~~
15 ~~which is regulated under this chapter regarding a matter before,~~
16 ~~or which may be reasonably expected to come before, the board.~~

17 ~~"Licensed gaming entity." As defined in section 1103-~~
18 ~~(relating to definitions).~~

19 ~~"Licensed operator." A person who holds a fantasy contest~~
20 ~~license.~~

21 ~~"Participant." An individual who participates in a fantasy~~
22 ~~contest, whether the individual is located in this Commonwealth~~
23 ~~or another jurisdiction.~~

24 ~~"Person." A natural person, corporation, publicly traded~~
25 ~~corporation, foundation, organization, business trust, estate,~~
26 ~~limited liability company, licensed corporation, trust,~~
27 ~~partnership, limited liability partnership, association or other~~
28 ~~form of legal business entity.~~

29 ~~"Principal." An officer, a director, a person who directly~~
30 ~~holds a beneficial interest in or ownership of the securities of~~

~~an applicant for a fantasy contest license or a licensed operator, a person who has a controlling interest in an applicant for a fantasy contest license or a licensed operator or who has the ability to elect a majority of the board of directors of a licensed operator or to otherwise control a licensed operator, a lender or other licensed financial institution of an applicant for a fantasy contest license or a licensed operator, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, an underwriter of an applicant for a fantasy contest license or a licensed operator or other person or employee of an applicant for a fantasy contest license or a licensed operator deemed to be a principal by the board.~~

~~"Prize or award." Anything of value worth \$100 or more or any amount of cash or cash equivalents.~~

~~"Publicly traded corporation." A person, other than an individual, that:~~

~~(1) has a class or series of securities registered under the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78a et seq.);~~

~~(2) is a registered management company under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.); or~~

~~(3) is subject to the reporting obligations imposed by section 15(d) of the Securities Exchange Act of 1934 by reason of having filed a registration statement that has become effective under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.).~~

~~"Script." A computer program created by a participant or third party not approved by the licensed operator to automate~~

~~processes on a licensed operator's fantasy contest platform.~~

~~"Season long fantasy contest." A fantasy contest offered by
a licensed operator that is conducted over an entire sports
season.~~

SUBCHAPTER B

ADMINISTRATION

~~Sec.~~

~~311. General and specific powers of board.~~

~~312. Temporary regulations.~~

~~313. Fantasy contest license appeals.~~

~~314. Board minutes and records.~~

~~315. Reports of board.~~

~~§ 311. General and specific powers of board.~~

~~(a) General powers.~~

~~(1) The board shall have regulatory authority over
licensed operators, principals and key employees and shall
ensure the integrity of fantasy contests offered in this
Commonwealth in accordance with this chapter.~~

~~(2) The board may employ individuals as necessary to
carry out the requirements of this chapter who shall serve at
the board's pleasure. An employee of the board shall be
considered a State employee for purposes of 71 Pa.C.S. Pt.
XXV (relating to retirement for State employees and
officers).~~

~~(b) Specific powers. The board shall have the following
powers:~~

~~(1) At the board's discretion, to issue, approve, renew,
revoke, suspend, condition or deny issuance of licenses.~~

~~(2) At the board's discretion, to suspend, condition or
deny the issuance or renewal of a license or levy fines for~~

~~any violation of this chapter.~~

~~(3) To publish each January on the board's publicly accessible Internet website a complete list of all persons who applied for or held a fantasy contest license at any time during the preceding calendar year and the status of the application or fantasy contest license.~~

~~(4) To prepare and, through the Governor, submit annually to the General Assembly an itemized budget consistent with Article VI of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, consisting of the amounts necessary to be appropriated by the General Assembly out of the accounts established under section 332 (relating to licensed operator deposits) required to meet the obligations under this chapter accruing during the fiscal period beginning July 1 of the following year.~~

~~(5) In the event that, in any year, appropriations for the administration of this chapter are not enacted by June 30, any funds appropriated for the administration of this chapter which are unexpended, uncommitted and unencumbered at the end of a fiscal year shall remain available for expenditure by the board until the enactment of appropriations for the ensuing fiscal year.~~

~~(6) To promulgate rules and regulations necessary for the administration and enforcement of this chapter. Except as provided in section 312 (relating to temporary regulations), regulations shall be adopted under the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law, and the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.~~

~~(7) To administer oaths, examine witnesses and issue~~

~~subpoenas compelling the attendance of witnesses or the production of documents and records or other evidence or to designate officers or employees to perform duties required by this chapter.~~

~~(7.1) To require prospective and existing employees, independent contractors, applicants, licensees and permittees to submit to fingerprinting by the Pennsylvania State Police or an authorized agent of the Pennsylvania State Police. The Pennsylvania State Police shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.~~

~~(7.2) To require prospective and existing employees, independent contractors, applicants, licensees and permittees to submit photographs consistent with the standards established by the board.~~

~~(8) At the board's discretion, to delegate any of the board's responsibilities under this chapter to the executive director of the board or other designated staff.~~

~~(9) To require licensed operators and applicants for a fantasy contest license to submit information or documentation necessary to ensure the proper regulation of fantasy contests in accordance with this chapter.~~

~~(10) To require licensed operators, except for a licensed operator operating season long fantasy contests that generate less than \$250,000 in season long fantasy contest adjusted revenue, unless the board determines otherwise, to:~~

~~(i) annually contract with a certified public accountant to conduct an independent audit in accordance with standards adopted by the American Institute of~~

~~Certified Public Accountants to verify compliance with the provisions of this chapter and board regulations;~~

~~(ii) annually contract with a testing laboratory approved by the board to verify compliance with the provisions of this chapter and board regulations; and~~

~~(iii) annually submit to the board and department a copy of the audit report required by subparagraph (i) and submit to the board a copy of the report of the testing laboratory required by subparagraph (ii).~~

~~(11) In conjunction with the Department of Drug and Alcohol Programs or successor agency, to develop a process by which licensed operators provide participants with a toll-free telephone number that provides individuals with information on how to access appropriate treatment services for compulsive and problem play.~~

~~(b.1) Licensed entity representative.~~

~~(1) A licensed entity representative shall register with the board, in a manner prescribed by the board. The registration shall include the name, employer or firm, business address and business telephone number of both the licensed entity representative and any licensed operator, applicant for licensure or other person being represented.~~

~~(2) A licensed entity representative shall have an affirmative duty to update its registration information on an ongoing basis. Failure to update shall be punishable by the board.~~

~~(3) The board shall maintain a list of licensed entity representatives which shall contain the information required under paragraph (1) and shall be available on the board's publicly accessible Internet website.~~

~~(c) Exceptions. Except as provided under section 342-
(relating to licensed gaming entities), nothing in this section
shall be construed to authorize the board:~~

~~(1) To require background investigations for employees,
other than key employees and principals, of an applicant for
a fantasy contest license or a licensed operator.~~

~~(2) To require additional permits or licenses not
specifically enumerated in this chapter.~~

~~(3) To impose additional conditions of licensure on
licensed operators or prohibitions on the operation of
fantasy contests not specifically enumerated in this chapter.~~

~~(d) Additional powers. The board may develop additional
classifications, investigations and conditions as it deems
appropriate.~~

~~§ 312. Temporary regulations.~~

~~(a) Promulgation. In order to facilitate the prompt
implementation of this chapter, regulations promulgated by the
board shall be deemed temporary regulations and shall expire no
later than two years following publication. The board may
promulgate temporary regulations not subject to:~~

~~(1) Sections 201, 202 and 203 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.~~

~~(b) Expiration. Except for temporary regulations concerning
new fantasy contests or variations of approved fantasy contests,
network connectivity, security and testing and compulsive and
problem play, the authority provided to the board to adopt
temporary regulations in subsection (a) shall expire no later~~

~~than two years following the effective date of this section.~~
~~Regulations adopted after this period shall be promulgated as~~
~~provided by law.~~

~~§ 313. Fantasy contest license appeals.~~

~~An applicant may appeal any final order, determination or~~
~~decision of the board involving the approval, issuance, denial,~~
~~revocation or conditioning of a fantasy contest license in~~
~~accordance with 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).~~

~~§ 314. Board minutes and records.~~

~~(a) Record of proceedings. The board shall maintain a~~
~~record of all proceedings held at public meetings of the board.~~
~~The verbatim transcript of the proceedings shall be the property~~
~~of the board and shall be prepared by the board upon the request~~
~~of any board member or upon the request of another person and~~
~~the payment by that person of the costs of preparation.~~

~~(b) Applicant information.~~

~~(1) The board shall maintain a list of all applicants~~
~~for a fantasy contest license. The list shall include a~~
~~record of all actions taken with respect to each applicant.~~
~~The list shall be posted on the board's publicly accessible~~
~~Internet website.~~

~~(2) Information under paragraph (1) regarding an~~
~~applicant whose fantasy contest license has been denied,~~
~~revoked or not renewed shall be removed from the list after~~
~~seven years from the date of the action.~~

~~(c) Other files and records. The board shall maintain other~~
~~files and records as it may deem appropriate.~~

~~(d) Confidentiality of information.~~

1 ~~(1) The following information submitted by an applicant~~
2 ~~for a fantasy contest license under section 322 (relating to~~
3 ~~application) or otherwise obtained by the board as part of a~~
4 ~~background investigation or other investigation from any~~
5 ~~source shall be confidential and withheld from public~~
6 ~~disclosure:~~

7 ~~(i) All information relating to character, honesty~~
8 ~~and integrity, including family, habits, reputation,~~
9 ~~history of criminal activity, business activities,~~
10 ~~financial affairs and business, professional and personal~~
11 ~~associations.~~

12 ~~(ii) Nonpublic personal information, including home~~
13 ~~addresses, telephone numbers and other personal contact~~
14 ~~information, Social Security numbers, educational~~
15 ~~records, memberships, medical records, tax returns and~~
16 ~~declarations, actual or proposed compensation, financial~~
17 ~~account records, creditworthiness or financial condition~~
18 ~~relating to an applicant.~~

19 ~~(iii) Information relating to proprietary~~
20 ~~information, trade secrets, patents or exclusive~~
21 ~~licenses, architectural and engineering plans and~~
22 ~~information relating to competitive marketing materials~~
23 ~~and strategies that may include customer identifying~~
24 ~~information or customer prospects for services subject to~~
25 ~~competition.~~

26 ~~(iv) Information with respect to which there is a~~
27 ~~reasonable possibility that public release or inspection~~
28 ~~of the information would constitute an unwarranted~~
29 ~~invasion into personal privacy of an individual as~~
30 ~~determined by the board.~~

~~(v) Records of an applicant for a fantasy contest license or a licensed operator 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. § 78o)~~

~~(vi) 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).~~

~~(vii) Financial or security information deemed confidential by the board upon a showing of good cause by the applicant for a fantasy contest license or licensed operator.~~

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

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

~~(4) The information made confidential under this section shall be withheld from public disclosure, in whole or in part, except that any confidential information shall be released upon the order of a court of competent jurisdiction or, with the approval of the Attorney General, to a duly authorized law enforcement agency or shall be released to the~~

~~public, in whole or in part, to the extent that the release is requested by an applicant for a fantasy contest license or licensed operator and does not otherwise contain confidential information about another person.~~

~~(5) The board may seek a voluntary waiver of confidentiality from an applicant for a fantasy contest license or a licensed operator, but may not require an applicant or licensed operator to waive any confidentiality provided for in this subsection as a condition for the approval of an application, renewal of a fantasy contest license or other action of the board.~~

~~(e) Notice. Notice of the contents of information, except to a duly authorized law enforcement agency under this section, shall be given to an applicant or licensee in a manner prescribed by the rules and regulations adopted by the board.~~

~~(f) Information held by department. Files, records, reports and other information in the possession of the department pertaining to licensed operators shall be made available to the board as may be necessary for the effective administration of this chapter.~~

~~§ 315. Reports of board.~~

~~(a) General rule. The annual report submitted by the board under section 1211 (relating to reports of board) shall include the following information on the conduct of fantasy contests:~~

~~(1) Total fantasy contest adjusted revenues.~~

~~(2) All taxes, fees, fines and other revenue collected from licensed operators during the previous year. The department shall collaborate with the board to carry out the requirements of this section.~~

~~(3) At the board's discretion, any other information~~

~~related to the conduct of fantasy contests or licensed operators.~~

~~(b) Licensed operators. The board may require licensed operators to provide information to the board to assist in the preparation of the report.~~

SUBCHAPTER C

LICENSURE

Sec.

321. General prohibition.

322. Application.

323. Issuance and denial of license.

324. License renewal.

325. Conditions of licensure.

326. Prohibitions.

327. Change in ownership or control of licensed operators.

328. Penalties.

§ 321. General prohibition.

~~(a) General rule. Except as provided for in subsection (b), no person may offer or otherwise make available for play in this Commonwealth a fantasy contest without a fantasy contest license issued by the board.~~

~~(b) Existing activity. A person who applies for or renews a fantasy contest license in accordance with this chapter may operate during the application or renewal period unless:~~

~~(1) The board has reasonable cause to believe the person is or may be in violation of the provisions of this chapter.~~

~~(2) The board requires the person to suspend the operation of any fantasy contest until the license is issued or renewed.~~

§ 322. Application.

~~(a) Form and information. An application for a license shall be submitted on a form and in a manner as shall be required by the board. An application for a fantasy contest license shall contain the following information:~~

~~(1) The name, Federal employer identification number and principal address of the applicant; if a corporation, the state of its incorporation, the full name and address of each officer and director of the corporation, and, if a foreign corporation, whether it is qualified to do business in this Commonwealth; if a partnership or joint venture, the name and address of each officer of the partnership or joint venture.~~

~~(2) The name and address of the person having custody of the applicant's financial records.~~

~~(3) The names and addresses of key employees.~~

~~(4) The names and addresses of each of the applicant's principals.~~

~~(5) Information, documentation and assurances related to financial and criminal history as the board deems necessary to establish by clear and convincing evidence the financial and character suitability, integrity and responsibility of the applicant and the applicant's key employees and principals.~~

~~(6) Information and documentation necessary to establish the applicant's ability to comply with section 325 (relating to conditions of licensure).~~

~~(7) Any other information required by the board.~~

~~(b) Application fee. Each application submitted under this chapter shall be accompanied by an application fee which shall be determined by the board. The fees established by the board shall be utilized to pay all costs incurred by the board to~~

~~fulfill the requirements of this section and section 323-
(relating to issuance and denial of license). If the fee is
greater than the costs incurred by the board, then the board
shall remit the difference to the applicant.~~

~~(c) Additional information. A person applying for a fantasy
contest license shall have the continuing duty to provide
information required by the board and to cooperate in any
inquiry or investigation.~~

~~(d) Abbreviated application process. The board, at its
discretion, may establish an abbreviated application process for
a fantasy contest license for persons that are also licensed
gaming entities. The abbreviated application may only require
information not in possession of the board that is necessary to
fulfill the requirements of this chapter.~~

~~§ 323. Issuance and denial of license.~~

~~(a) Duty to review applications. The board shall review all
applications for a license and shall issue a license to any
applicant that:~~

~~(1) Has submitted a completed application and paid the
nonrefundable application fee as required by the board under
section 322 (relating to application).~~

~~(2) Has demonstrated that the applicant has the
financial stability, integrity and responsibility to comply
with the provisions of this chapter and regulations
established by the board.~~

~~(3) Has not been denied a license under subsection (b).~~

~~(b) Reasons to deny applications. The board may deny an
application for a license if the applicant:~~

~~(1) has knowingly made a false statement of material
fact or has deliberately failed to disclose any information~~

1 ~~requested;~~

2 ~~(2) employs a principal or key employee who has been~~
3 ~~convicted of a felony, a crime of moral turpitude or any~~
4 ~~criminal offense involving dishonesty or breach of trust~~
5 ~~within 10 years prior to the date of the application for~~
6 ~~license;~~

7 ~~(3) has at any time knowingly failed to comply with the~~
8 ~~provisions of this chapter or requirements of the board;~~

9 ~~(4) has had a registration, permit or license to conduct~~
10 ~~fantasy contests denied or revoked in another jurisdiction;~~

11 ~~(5) has legally defaulted in the payment of an~~
12 ~~obligation or debt due to the Commonwealth or is not~~
13 ~~compliant with taxes due; or~~

14 ~~(6) is not qualified to do business in this Commonwealth~~
15 ~~or is not subject to the jurisdiction of the courts of the~~
16 ~~Commonwealth.~~

17 ~~(c) Time period for review. The board shall conclude its~~
18 ~~review of an application for a fantasy contest license within~~
19 ~~180 days of receipt of the completed application. If the license~~
20 ~~is not issued, the board shall provide the applicant with the~~
21 ~~justification for not issuing a license with specificity.~~

22 ~~(d) License fee.—~~

23 ~~(1) Within 30 days of the board issuing a fantasy~~
24 ~~contest license, an applicant shall pay to the board a~~
25 ~~license fee of \$50,000 or an amount equivalent to 7.5% of the~~
26 ~~applicant's fantasy contest adjusted revenues for the~~
27 ~~previous calendar year, whichever is less, except that an~~
28 ~~applicant who is also a licensed gaming entity shall pay to~~
29 ~~the board a license fee of \$50,000. The minimum amount of the~~
30 ~~license fee shall be \$5,000.~~

~~(2) The license fee collected under this subsection shall be deposited into the General Fund.~~

~~(3) If an applicant fails to pay the fee required by this subsection, the board shall suspend or revoke the applicant's fantasy contest license until payment of the license fee is received.~~

~~(c) Abbreviated approval process. The board, at its discretion, may establish an abbreviated approval process for the issuance of a fantasy contest license to a licensed gaming entity whose slot machine license and table game certificate are in good standing.~~

~~§ 324. License renewal.~~

~~(a) Renewal.~~

~~(1) A license issued under this chapter shall be valid for a period of five years.~~

~~(2) Nothing in this paragraph shall be construed to relieve a licensed operator of the affirmative duty to notify the board of changes relating to the status of its fantasy contest license or to any other information contained in the application materials on file with the board.~~

~~(3) The application for renewal of a fantasy contest license must be submitted at least 90 days prior to the expiration of the license and include an update of the information contained in the initial application for a fantasy contest license. A fantasy contest license for which a completed renewal application and fee as required under subsection (c) has been received by the board shall continue in effect unless and until the board sends written notification to the licensed operator that the board has denied the renewal of the license.~~

~~(b) Revocation or failure to renew.~~

~~(1) In addition to any other sanction the board may impose under this chapter, the board may at its discretion suspend, revoke or deny renewal of a fantasy contest license issued under this chapter if it receives information that:~~

~~(i) the applicant or any of the applicant's key employees or principals are in violation of a provision of this chapter;~~

~~(ii) the applicant has furnished the board with false or misleading information;~~

~~(iii) the information contained in the applicant's initial application or any renewal application is no longer true and correct;~~

~~(iv) the applicant has failed to remit taxes or assessments required under section 331 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) or 333 (relating to responsibility and authority of department); or~~

~~(v) the applicant has legally defaulted in the payment of any obligation or debt due to the Commonwealth.~~

~~(2) In the event of a revocation or failure to renew, the applicant's authorization to conduct fantasy contests shall immediately cease and all fees paid in connection with the application shall be deemed to be forfeited.~~

~~(3) In the event of a suspension, the applicant's authorization to conduct fantasy contests shall immediately cease until the board has notified the applicant that the suspension is no longer in effect.~~

~~(c) Renewal fee.~~

~~(1) Within 30 days of the board renewing a fantasy contest license, the licensed operator shall pay to the board a renewal fee of \$5,000, or an amount equal to 7.5% of the applicant's fantasy contest adjusted revenue, whichever is less.~~

~~(2) The renewal fee collected by the board under this subsection shall be deposited into the General Fund.~~

~~(3) If a licensed operator fails to pay the renewal fee required under this subsection, the board shall suspend or revoke the licensed operator's fantasy contest license until payment of the renewal fee is received.~~

~~§ 325. Conditions of licensure.~~

~~As a condition of licensure, a licensed operator shall establish and implement the following reasonable procedures related to conduct of fantasy contests in this Commonwealth:~~

~~(1) Permit only participants who have established a fantasy contest account with the licensed operator to participate in a fantasy contest conducted by the licensed operator.~~

~~(2) Verify the age, location and identity of a participant prior to making a deposit into a fantasy contest account for a participant located in this Commonwealth. No individual under 18 years of age may be permitted to establish a fantasy contest account with a licensed operator.~~

~~(3) Verify the identity of a participant by requiring the participant to provide the licensed operator a unique username and password prior to accessing a fantasy contest account.~~

~~(4) Ensure rules and prizes and awards established by the licensed operator for a fantasy contest are made known to~~

~~a participant prior to the acceptance of an entry fee.~~

~~(5) Ensure that a player who is the subject of a fantasy contest is restricted from entering as a participant in a fantasy contest that is determined, in whole or in part, on the accumulated statistical results of a team of individuals in the league in which the player is a member.~~

~~(6) Allow an individual to self exclude from entering a fantasy contest or accessing a fantasy contest account for a specific period of time as determined by the participant and implement reasonable procedures to prevent the individual from participating in the licensed operator's fantasy contests.~~

~~(7) Allow a participant or other person to restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time period established by the participant and implement reasonable procedures to prevent the participant from exceeding the limit.~~

~~(8) Conspicuously post compulsive and problem play notices at fantasy contest registration points and provide a toll free telephone number to participants who have expressed to the licensed operator issues with compulsive and problem play of fantasy contests. The toll free telephone number and the compulsive and problem play notice shall be approved by the board, in consultation with the Department of Drug and Alcohol Programs or successor agency.~~

~~(9) Disclose the number of entries a single participant may submit to each fantasy contest and take steps to prevent participants from submitting more than the allowable number.~~

~~(10) Prevent the licensed operator's principals, employees and relatives living in the same household of an~~

~~employee or principal from competing in a fantasy contest offered by any licensed operator to the general public and in which fantasy contest the licensed operator offers a prize or award.~~

~~(11) Prevent the sharing of confidential information that could affect fantasy contest play with third parties until the information is made publicly available.~~

~~(12) Take steps to maintain the confidentiality of a participant's personal and financial information.~~

~~(13) Segregate participant funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, security deposits held by banks and processors, an irrevocable letter of credit, payment processor reserves and receivables, a bond or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning participants. To satisfy this paragraph, a licensed operator that only offers season long fantasy contests that generate less than \$250,000 in season long fantasy contest adjusted revenue may contract with a third party to hold prizes and awards in an escrow account until after the season is concluded and prizes and awards are distributed.~~

~~(14) Provide winning in State participants with information and documentation necessary to ensure the proper reporting of winnings by in State participants to the department.~~

~~(15) Remit taxes or assessments to the department in accordance with sections 331 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) and 333 (relating to responsibility and authority of department).~~

1 ~~(16) Prohibit the use of scripts by participants and~~
2 ~~implement technologies to prevent the use of scripts.~~

3 ~~(17) Monitor fantasy contests for the use of scripts and~~
4 ~~restrict players found to have used scripts from~~
5 ~~participation in future fantasy contests.~~

6 ~~(18) Establish other procedures deemed appropriate by~~
7 ~~the board.~~

8 ~~§ 326. Prohibitions.~~

9 ~~(a) General rule.— No licensed operator may:~~

10 ~~(1) accept an entry fee from or permit a natural person~~
11 ~~under 18 years of age to become a participant in a fantasy~~
12 ~~contest;~~

13 ~~(2) offer a fantasy contest based, in whole or in part,~~
14 ~~on collegiate or high school events or players;~~

15 ~~(3) permit a participant to enter a fantasy contest~~
16 ~~prior to establishing a fantasy contest account;~~

17 ~~(4) establish a fantasy contest account for a person who~~
18 ~~is not an individual;~~

19 ~~(5) alter rules established for a fantasy contest after~~
20 ~~a participant has entered the fantasy contest;~~

21 ~~(6) issue credit to a participant to establish or fund a~~
22 ~~fantasy contest account;~~

23 ~~(7) knowingly directly market to an individual during~~
24 ~~the time period in which the individual has self excluded~~
25 ~~from the licensed operators' fantasy contests;~~

26 ~~(8) knowingly permit an individual to enter the licensed~~
27 ~~operator's fantasy contests during the time period in which~~
28 ~~the individual has self excluded from the licensed operators'~~
29 ~~fantasy contests;~~

30 ~~(8.1) knowingly allow a self excluded individual to keep~~

~~a prize or award;~~

~~(9) knowingly accept a deposit in excess of a limit established by a participant for the specific time period established by the participant;~~

~~(10) share confidential information that could affect fantasy contest play with third parties until the information is made publicly available;~~

~~(11) knowingly permit a principal, an employee or a relative living in the same household of an employee or principal to become a participant in a fantasy contest offered by a licensed operator in which a licensed operator offers a prize or award;~~

~~(12) offer a fantasy contest where:~~

~~(i) the value of all prizes or awards offered to winning participants is not established and made known to participants in advance of the fantasy contest;~~

~~(ii) winning outcomes do not reflect the relative knowledge and skill of participants;~~

~~(iii) the winning outcome is based on the score, point spread or performance of a single actual team or combination of teams or solely on a single performance of an individual athlete or player in a single actual event;~~
~~or~~

~~(iv) the winning outcome is not based on statistical results accumulated from fully completed athletic sports contests or events, except that participants may be credited for statistical results accumulated in a suspended or shortened sports event which has been partially completed on account of weather or other natural or unforeseen events;~~

~~(13) fail to remit taxes or assessments to the department in accordance with sections 331 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) and 333 (relating to responsibility and authority of department);~~

~~(14) knowingly allow a participant to use a script during a fantasy contest; and~~

~~(15) perform another action prohibited by the board.~~

~~(b) Deposit.—The licensed operator shall deposit the amount of the prize or award under subsection (a) (8.1) in the General Fund.~~

~~§ 327. Change in ownership or control of licensed operators.~~

~~(a) Notification and approval.—~~

~~(1) A licensed operator shall notify the board upon becoming aware of a proposed change of ownership of the licensed operator by a person or group of persons acting in concert which involves any of the following:~~

~~(i) More than 15% of a licensed operator's securities or other ownership interests.~~

~~(ii) The sale other than in the ordinary course of business of a licensed operator's assets.~~

~~(iii) Another transaction or occurrence deemed by the board to be relevant to fantasy contest license qualifications.~~

~~(2) Notwithstanding the provisions of paragraph (1), a licensed operator shall not be required to notify the board of any acquisition by an institutional investor under paragraph (1)(i) or (ii) if the institutional investor holds less than 20% of the securities or other ownership interests referred to in paragraph (1)(i) or (ii), the securities or~~

~~interests are publicly traded securities and its holdings of the securities were purchased for investment purposes only and the institutional investor files with the board a certified statement to the effect that the institutional investor has no intention of influencing or affecting, directly or indirectly, the affairs of the licensed operator, except that the institutional investor may vote on matters put to the vote of the outstanding security holders. Notice to the board shall be required prior to completion of a proposed or contemplated change of ownership of a licensed operator that meets the criteria of this section.~~

~~(b) Qualification of purchaser and change of control.~~

~~(1) A purchaser of the assets, other than in the ordinary course of business, of a licensed operator shall independently qualify for a fantasy contest license in accordance with this chapter and shall pay the application fee and license fee as required by sections 322 (relating to application) and 323 (relating to issuance and denial of license), except that if the purchaser of assets is another licensed operator, the purchaser of assets shall not be required to requalify for a fantasy contest license or pay another application fee and license fee.~~

~~(2) A change in control of a licensed operator shall require that the licensed operator independently qualify for a fantasy contest license in accordance with this chapter, and the licensed operator shall pay a new initial application and license fee as required by sections 322 and 323, except that if the new controller is another licensed operator, the new controller shall not be required to requalify for a fantasy contest license or pay another application fee and~~

~~license fee.~~

~~(c) Change in control defined. For purposes of this section, a change in control of a licensed operator shall mean the acquisition by a person or group of persons acting in concert of more than 20% of a licensed operator's securities or other ownership interests, with the exception of an ownership interest of the person that existed at the time of initial licensing and payment of the initial fantasy contest license fee, or more than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensed operator.~~

~~(d) License revocation. Failure to comply with this section may cause the fantasy contest license issued under this chapter to be revoked or suspended by the board unless the purchase of the assets or the change in control that meets the criteria of this section has been independently qualified in advance by the board and a required application or license fee has been paid.~~

~~§ 328. Penalties.~~

~~(a) Suspension or revocation of license.~~

~~(1) After a public hearing with at least 15 days' notice, the board may suspend or revoke a licensed operator's fantasy contest license in a case where a violation of this chapter has been shown by a preponderance of the evidence.~~

~~(2) The board may revoke a fantasy contest license if the board finds that facts not known by the board at the time the board considered the application indicate that the license should not have been issued.~~

~~(b) Administrative penalties.~~

~~(1) In addition to suspension or revocation of a fantasy contest license, the board may impose administrative penalties on a licensed operator for violations of this chapter not to exceed \$5,000 for each violation.~~

~~(2) A violation of this chapter that is determined to be an offense of a continuing nature shall be deemed to be a separate offense on each event or day during which the violation occurs, except that the total administrative penalty for an offense of a continuing nature may not exceed \$25,000.~~

~~(3) The licensed operator shall have the right to appeal administrative penalties in accordance with 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).~~

~~(4) Penalties imposed under this subsection shall be deposited into the General Fund.~~

~~(c) Civil penalties.~~

~~(1) In addition to the provisions of this section, a person who knowingly violates a provision of this chapter shall be liable for a civil penalty of not more than \$1,000 for each violation.~~

~~(2) The civil penalty shall be recovered in a civil action brought by the board and shall be paid into the General Fund.~~

SUBCHAPTER D

FISCAL PROVISIONS

Sec.

331. Fantasy contest tax.

332. Licensed operator deposits.

~~333. Responsibility and authority of department.~~

~~§ 331. Fantasy contest tax.~~

~~(a) Imposition. Each licensed operator shall report to the department and pay from its quarterly fantasy contest adjusted revenues, on a form and in the manner prescribed by the department, a tax of 12% of its quarterly fantasy contest adjusted revenues.~~

~~(b) Deposits and distributions.—~~

~~(1) The tax imposed under subsection (a) shall be payable to the department on a quarterly basis and shall be based upon quarterly fantasy contest adjusted revenue derived during the previous quarter.~~

~~(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the licensed operator until the funds are paid to the department.~~

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

~~(c) Penalty.—~~

~~(1) A licensed operator who fails to timely remit to the department amounts required under this section shall be liable, in addition to liability imposed in this chapter, to a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.~~

~~(2) Penalties imposed under this subsection shall be deposited into the General Fund.~~

~~§ 332. Licensed operator deposits.~~

~~(a) Accounts established. The State Treasurer shall establish within the State Treasury an account for each licensed operator for the deposit of sums required under subsection (b)—~~

1 ~~to:~~

2 ~~(1) recover costs or expenses incurred by the board and~~
3 ~~the department in carrying out their powers and duties under~~
4 ~~this chapter based upon a budget submitted by the board and~~
5 ~~the department under subsection (c); and~~

6 ~~(2) repay any loans made by the General Fund to the~~
7 ~~board or the department in connection with carrying out their~~
8 ~~powers and duties under this chapter.~~

9 ~~(b) Deposits.~~

10 ~~(1) The department shall determine the appropriate~~
11 ~~assessment amount for each licensed operator, which shall be~~
12 ~~a percentage assessed on the licensed operator's fantasy~~
13 ~~contest adjusted revenues. Each licensed operator shall~~
14 ~~deposit funds into its account on a quarterly basis.~~

15 ~~(2) The percentage assessed shall not exceed an amount~~
16 ~~necessary to:~~

17 ~~(i) recover costs or expenses incurred by the board~~
18 ~~and the department in carrying out their powers and~~
19 ~~duties under this chapter based on a budget submitted by~~
20 ~~the board and the department under subsection (c); and~~

21 ~~(ii) repay loans made from the General Fund to the~~
22 ~~board in connection with carrying out its powers and~~
23 ~~duties under this chapter.~~

24 ~~(c) Itemized budget reporting.~~

25 ~~(1) The board and the department shall prepare and~~
26 ~~annually submit to the chairperson and minority chairperson~~
27 ~~of the Appropriations Committee of the Senate and the~~
28 ~~chairperson and minority chairperson of the Appropriations~~
29 ~~Committee of the House of Representatives an itemized budget~~
30 ~~consisting of amounts to be appropriated out of the accounts~~

~~established under this section necessary to administer this chapter.~~

~~(2) As soon as practicable after submitting copies of the itemized budget, the board and the department shall prepare and 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 analyses of and make recommendations regarding the itemized budgets.~~

~~(d) Appropriation. Costs and expenses from accounts established under subsection (a) shall only be disbursed upon appropriation by the General Assembly.~~

~~(e) Penalty.~~

~~(1) A licensed operator who fails to timely remit to the department amounts required under this section shall be liable, in addition to liability imposed in this chapter, to a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.~~

~~(2) Penalties imposed under this subsection shall be deposited into the General Fund.~~

~~§ 333. Responsibility and authority of department.~~

~~(a) General rule. The department may administer and collect taxes imposed under section 331 (relating to fantasy contest tax) and interest imposed under section 806 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and promulgate and enforce rules and regulations to carry out its prescribed duties in accordance with sections 331 and 332 (relating to licensed operator deposits), including the~~

~~collection of taxes, penalties, assessments and interest.~~

~~(b) Procedure. For purposes of implementing sections 331 and 332, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 312 (relating to temporary regulations).~~

SUBCHAPTER E

MISCELLANEOUS PROVISIONS

Sec.

341. Applicability of other statutes.

342. Licensed gaming entities.

343. Funding.

§ 341. Applicability of other statutes.

~~(a) Unlawful gambling. The provisions of 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.) shall not apply to a fantasy contest conducted in accordance with this chapter.~~

~~(b) Pool selling and bookmaking. The provisions of 18 Pa.C.S. § 5514 (relating to pool selling and bookmaking) shall not apply to a fantasy contest conducted in accordance with this chapter.~~

~~(c) Lotteries. The provisions of 18 Pa.C.S. § 5512 (relating to lotteries, etc.) shall not apply to a fantasy contest conducted in accordance with this chapter.~~

~~(d) State Lottery Law. This chapter shall not apply to a fantasy contest or similar product authorized under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, and authorized solely by the department and the Division of the State Lottery or iLottery under section 703 (relating to iLottery authorization).~~

§ 342. Licensed gaming entities.

~~(a) Scope. This section shall apply to a licensed gaming~~

~~entity that holds a fantasy contest license.~~

~~(b) Applicability. Nothing in this chapter shall be construed to limit the board's general and sole regulatory authority over the conduct of gaming or related activities under Part II (relating to gaming), including, but not limited to, the certification, registration and regulation of gaming service providers and individuals and entities associated with them.~~

~~(c) Restricted contests. A licensed gaming entity may offer fantasy contests that are exclusive to participants who are at least 21 years of age.~~

~~(d) Promotional play. For a restricted contest under subsection (c), a licensed gaming entity may offer slot machine promotional play or table game match play to a participant who is at least 21 years of age as a prize or award or for participating in a fantasy contest conducted by the licensed gaming entity.~~

~~(e) Gaming service providers. A licensed operator who is not a licensed gaming entity may, at the discretion of the board, be certificated or registered as a gaming service provider under section 1317.2 (relating to gaming service provider) in order to operate fantasy contests subject to the restrictions of subsection (c) on behalf of a licensed gaming entity.~~

~~§ 343. Funding.~~

~~(a) Appropriation. The following amounts are appropriated:~~

~~(1) The sum of \$1,250,000 is appropriated from the General Fund to the board for the fiscal year period July 1, 2017, to June 30, 2018, for the purpose of implementing and administering the provisions of this chapter.~~

~~(2) The sum of \$500,000 is appropriated from the General~~

~~Fund to the department for the fiscal period July 1, 2017, to June 30, 2018, for the purpose of implementing and administering the provisions of this chapter.~~

~~(b) Repayment. The appropriations in this section shall be considered loans from the General Fund and shall be repaid to the General Fund quarterly through assessments on licensed operators authorized under section 332 (relating to licensed operator deposits) by the department. The total amounts appropriated to the board and department under this section shall be repaid to the General Fund no later than 10 years from the date the board issues the first fantasy contest license.~~

~~(c) Unused amounts. On July 1, 2018, any portion of amounts appropriated under subsection (a) that is unexpended, unencumbered or uncommitted as of June 30 of the prior fiscal year shall automatically be transferred to the General Fund.~~

~~CHAPTER 5~~

~~(Reserved)~~

~~CHAPTER 7~~

~~iLOTTERY~~

~~Sec.~~

~~701. Scope of chapter.~~

~~702. Definitions.~~

~~703. iLottery authorization.~~

~~§ 701. Scope of chapter.~~

~~This chapter relates to iLottery.~~

~~§ 702. Definitions.~~

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

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

~~"iLottery." A digital system that provides for the distribution of lottery products through numerous channels that include, but are not limited to, web applications, mobile applications, mobile web, tablets and social media platforms that allow players to interface through a portal for the purpose of obtaining lottery products and ancillary services, such as account management, game purchase, game play and prize redemption. The term does not include games that represent physical, Internet based or monitor based interactive lottery games which simulate casino style lottery games, specifically including poker, roulette, slot machines or blackjack.~~

~~"Internet instant game." A lottery game of chance in which, by the use of a computer, tablet computer or other mobile device, a player purchases a lottery play, with the result of play being a reveal on the device of numbers, letters or symbols indicating whether a lottery prize has been won according to an established methodology as provided by the lottery.~~

~~"Lottery products." Plays, shares or chances offered by the lottery as well as lottery property that may be exchanged for plays, shares or chances. The term shall include instant tickets, terminal based tickets, raffle games, Internet instant tickets, iLottery games, play for fun games, lottery vouchers, subscription services and gift cards.~~

~~"Secretary." The Secretary of Revenue of the Commonwealth.~~

~~"Subscription services." A payment, advance payment or promise of payment for multiple lottery products over a specified period of time, which shall include payments through iLottery.~~

~~§ 703. iLottery authorization.~~

~~(a) Authority. Notwithstanding any provision of law to the~~

~~contrary, the department shall have the authority to operate
iLottery and Internet instant games.~~

~~(b) Temporary regulatory authority. The following apply:~~

~~(1) In order to facilitate the prompt implementation of
iLottery products or new sales methods of existing lottery
products over the Internet, regulations promulgated by the
secretary shall be deemed temporary regulations which shall
expire not later than two years following the publication of
the temporary regulation. The secretary 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.~~

~~(2) Except for temporary regulations as proscribed
above, the secretary'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) Prompt implementation. Notwithstanding any other
provision of law to the contrary and in order to facilitate the
prompt implementation of iLottery in this Commonwealth, initial
contracts entered into by the department for iLottery and
related gaming systems, including any necessary hardware,
software, licenses or related services shall not be subject to
the provisions of 62 Pa.C.S. (relating to procurement).~~

~~Contracts entered into under this authority shall not exceed five years.~~

~~(d) Player identifiable information. With the exception of certain information released by the department to notify the public of the identity of a prize recipient or to perform any other obligation of the lottery under laws or regulations related to the payment of lottery prizes, personally identifying information obtained by the department as a result of a player's purchase of lottery products or the claim of a lottery prize, such as name, address, telephone number or player financial information, shall be considered confidential and otherwise exempt from disclosure whether retained by the department, any agent of the department or a lottery retailer.~~

~~(e) Lottery proprietary information. Any information obtained by the department as a result of a player's purchase of lottery products or entering a lottery drawing, such as aggregate statistical data which may include play history or player tendencies shall be considered proprietary information of the department and otherwise exempt from disclosure whether retained by the department, any agent of the lottery or a lottery retailer. Proprietary information shall include any research or studies conducted by the lottery or a lottery vendor that utilizes proprietary information obtained under this section.~~

~~(f) Revenues. Notwithstanding any provision of law to the contrary, all revenues accruing from the sale of lottery products under this chapter shall be dedicated to and deposited in the State Lottery Fund as provided for in section 311 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law. The revenues shall be apportioned as provided for~~

~~in section 303(a)(11) of the State Lottery Law. For fiscal years
beginning after June 30, 2017, revenues raised under this
chapter shall not be subject to the profit margin limitations
set forth in section 303(a)(11)(iv) of the State Lottery Law.~~

~~Section 2. Section 1102 of Title 4 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.~~

~~* * *~~

~~Section 3. 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," "licensed racing entity,"
"manufacturer," "manufacturer license," "player," "Race Horse
Industry Reform Act," "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." Any of the following:~~

~~(1) 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~~

~~(2) a city of the first class that regulates the use and control of a qualified airport that is located partially in a county of the first class and partially in a county contiguous to a county of the first class.~~

~~"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 or slot machines, 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 or other entity in accordance with Chapter 13C (relating to interactive gaming). The term shall include any interactive game approved by regulation of the Pennsylvania Gaming 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) A prepaid access instrument as defined in this~~

1 ~~section.~~

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

5 ~~***~~

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

15 ~~(1) The result of a slot machine game [or], table game~~
16 ~~or authorized interactive game.~~

17 ~~(2) The amount or frequency of payment in a slot machine~~
18 ~~game [or], table game or authorized interactive game.~~

19 ~~(3) The value of a wagering instrument.~~

20 ~~(4) The value of a wagering credit.~~

21 ~~The term does not include altering a slot machine, table game~~
22 ~~device or associated equipment, interactive gaming device or~~
23 ~~associated equipment or a multi-use computing device for~~
24 ~~maintenance or repair with the approval of a slot machine~~
25 ~~licensee, interactive gaming certificate holder or interactive~~
26 ~~gaming licensee.~~

27 ~~"Cheating or thieving device." A device, software or~~
28 ~~hardware used or possessed with the intent to be used to cheat~~
29 ~~during the operation or play of any slot machine [or], table~~
30 ~~game or authorized interactive game. The term shall also include~~

1 ~~any device used to alter a slot machine [or], a table game~~
2 ~~device or associated equipment, an authorized interactive game,~~
3 ~~interactive gaming device or associated equipment or a multi-use~~
4 ~~computing device without the slot machine licensee's,~~
5 ~~interactive gaming certificate holder's or interactive gaming~~
6 ~~licensee's approval.~~

7 * * *

8 ~~["Commission" or "commissions."] "Commission." The State~~
9 ~~Horse Racing Commission [or the State Harness Racing Commission,~~
10 ~~or both as the context may require].~~

11 * * *

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

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

27 ~~"Contest." A slot machine, table game or authorized~~
28 ~~interactive game competition among players for cash, cash-~~
29 ~~equivalents or prizes.~~

30 * * *

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

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

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

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

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

15 ~~* * *~~

16 ~~"Eligible passenger" or "passenger." An individual who is at~~
17 ~~least 21 years of age and has cleared security check points with~~
18 ~~a valid airline boarding pass for travel from one destination to~~
19 ~~another by airplane.~~

20 ~~* * *~~

21 ~~"Fully automated electronic gaming table." An electronic~~
22 ~~gaming table determined by the Pennsylvania Gaming Control Board~~
23 ~~to be playable or operable as a table game without the~~
24 ~~assistance or participation of a person acting on behalf of a~~
25 ~~certificate holder. The term shall include a multi use computing~~
26 ~~device, which through the use of digital, electronic or other~~
27 ~~communications technology is capable of simulating a table game.~~

28 ~~* * *~~

29 ~~"Gaming employee." Any employee of a slot machine licensee,~~
30 ~~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." A portion of a licensed facility where slot machines or table games have been installed for use or play.~~

~~* * *~~

~~"Gaming related restricted area." A room or area of a licensed facility which is specifically designated by the Pennsylvania Gaming Control Board as restricted or by the slot machine licensee or other entity as restricted in its board approved internal controls.~~

~~"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] 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.~~

~~* * *~~

~~"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, debit cards or 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 or iLottery under section 702 (relating to definitions).~~

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

~~(3) Fantasy contests as defined under Chapter 3 (relating to fantasy contests).~~

~~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, interactive gaming licensee or other person on behalf of an interactive gaming certificate holder or interactive gaming licensee 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, interactive gaming licensee 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 or other entity by the Pennsylvania Gaming Control Board authorizing the operation and conduct of interactive gaming by a slot machine licensee or other entity or other person on behalf of a slot machine licensee or other~~

~~entity in accordance with Chapter 13C (relating to interactive gaming).~~

~~"Interactive gaming certificate holder." A slot machine licensee or other entity that has been granted authorization by the Pennsylvania Gaming Control Board to operate authorized interactive games in accordance with Chapter 13C (relating to interactive gaming).~~

~~"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 13C (relating to interactive gaming).~~

~~"Interactive gaming licensee." A person who has been issued a license to act as an interactive gaming operator under Chapter 13C (relating to interactive gaming).~~

~~"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.~~

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

9 ~~"Interactive gaming restricted area." A room or area, as~~
10 ~~approved by the Pennsylvania Gaming Control Board, used by an~~
11 ~~interactive gaming certificate holder or interactive gaming~~
12 ~~licensee to manage, control and operate interactive gaming,~~
13 ~~including, where approved by the board, redundancy facilities.~~

14 ~~"Interactive gaming skin or skins." The portal or portals to~~
15 ~~an interactive gaming platform or Internet website through which~~
16 ~~authorized interactive games are made available to registered~~
17 ~~players by an interactive gaming certificate holder or other~~
18 ~~person on behalf of an interactive gaming certificate holder in~~
19 ~~this Commonwealth or players in another state or jurisdiction in~~
20 ~~which an interactive gaming reciprocal agreement has been~~
21 ~~entered.~~

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

25 * * *

26 ~~"Internet website." The interactive gaming skin or skins or~~
27 ~~Internet portal or portals through which an interactive gaming~~
28 ~~certificate holder or interactive gaming licensee makes~~
29 ~~authorized interactive games available for play.~~

30 * * *

~~"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~~

~~13C (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.~~

~~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.~~

~~* * *~~

~~"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.~~

~~"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 or associated equipment for use or play of slot machines [or], table games or authorized interactive games in this Commonwealth~~

~~for gaming purposes. The term does 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 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 an authorized interactive game in accordance with section 1323 (relating to central control computer system).~~

~~(vi) Offers a player additional functions that include Internet browsing, the capability of checking~~

~~flight status and ordering food or beverages.~~

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

~~* * *~~

~~"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 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.~~

~~"Non peer to peer interactive game." An interactive game in which the player does not compete against other players and which is not a peer to peer interactive game.~~

~~* * *~~

~~"Peer to peer interactive game." An interactive game which is nonbanking, such as online poker, in which a player competes against one or more other players and in which the interactive gaming certificate holder collects a rake.~~

~~* * *~~

~~"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, a slot machine licensee, interactive gaming certificate holder or interactive gaming licensee.~~

~~"Prepaid access instrument." A card, code, electronic serial number, mobile identification number, personal identification number or similar device that allows patron access to funds that have been paid in advance and can be retrieved or transferred at some point in the future through such a device which:~~

~~(1) qualifies as an access device for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System under 12 CFR Pt. 205 (relating to electronic fund transfers (Regulation E));~~

~~(2) must be distributed by a slot machine licensee or its affiliates in order to be considered a cash equivalent at that licensee's location or the location of its affiliates; and~~

~~(3) must be used in conjunction with an approved cashless wagering system or electronic credit system in order to transfer funds for gaming purposes.~~

~~* * *~~

~~"Qualified airport." Any of the following:~~

~~(1) A publicly owned commercial service airport that is designated by the Federal Government as an international airport.~~

~~(2) A publicly owned commercial service airport that has at least 50,000 passenger enplanements in any calendar year.~~

~~"Race Horse Industry Reform Act." [The act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.] 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).~~

~~* * *~~

~~"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 or interactive gaming licensee.~~

~~* * *~~

~~"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~~

1 ~~receiving wagers and making payouts.~~

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

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

7 ~~(ii) A multi use computing device which is capable~~
8 ~~of simulating, either digitally or electronically, a slot~~
9 ~~machine.~~

10 ~~* * *~~

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

19 ~~"Supplier license." A license issued by the Pennsylvania~~
20 ~~Gaming Control Board authorizing a supplier to provide products~~
21 ~~or services related to slot machines, table game devices or~~
22 ~~associated equipment or interactive gaming devices, including~~
23 ~~any multi use computing devices or associated equipment, to slot~~
24 ~~machine licensees, interactive gaming certificate holders or~~
25 ~~interactive gaming licensees for use in this Commonwealth for~~
26 ~~gaming purposes.~~

27 ~~* * *~~

28 ~~"Table game device." Includes gaming tables, cards, dice,~~
29 ~~chips, shufflers, tiles, dominoes, wheels, drop boxes or any~~
30 ~~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 4. 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 multi use
computing devices and associated equipment and shall have
sole regulatory authority over every aspect of the
authorization, operation and play of slot machines [and],
table games, interactive gaming devices and associated
equipment.~~

~~* * *~~

~~(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 13C~~

~~(relating to interactive gaming).~~

~~* * *~~

~~(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] operations, table game operations or interactive gaming operations, or create or enhance the danger of unsuitable, unfair or illegal practices, methods and~~

1 ~~activities in the conduct of slot machine or table game~~
2 ~~operations, interactive gaming operations or the carrying on~~
3 ~~of the business and financial arrangements incidental~~
4 ~~thereto.~~

5 * * *

6 ~~(27.2) Within six months of the effective date of this~~
7 ~~section, to publish on the board's Internet website a~~
8 ~~complete list of all slot machine licensees and other~~
9 ~~entities that filed a petition seeking authorization to~~
10 ~~conduct interactive gaming and the status of each petition or~~
11 ~~interactive gaming certificate.~~

12 * * *

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

19 ~~(36) To require each slot machine licensee or other~~
20 ~~entity that holds an interactive gaming certificate to~~
21 ~~provide on a quarterly basis the following information with~~
22 ~~respect to interactive gaming:~~

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

29 ~~(ii) the amount or value of the payments,~~
30 ~~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.~~

~~Section 5. 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 or an interactive gaming
license. 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 or an interactive gaming license,
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,~~

1 ~~permittee, certificate holder or licensee pursuant to section~~
2 ~~1310(a) (relating to slot machine license application~~
3 ~~character requirements) [or], 1308(a.1) (relating to~~
4 ~~applications for license or permit), 13C12 (relating to~~
5 ~~interactive gaming certificate required and content of~~
6 ~~petition) or 13C14 (relating to interactive gaming operators)~~
7 ~~or obtained by the board or the bureau as part of a~~
8 ~~background or other investigation from any source shall be~~
9 ~~confidential and withheld from public disclosure.~~

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

16 ~~(ii) Nonpublic personal information, including home~~
17 ~~addresses, telephone numbers and other personal contact~~
18 ~~information, Social Security numbers, educational~~
19 ~~records, memberships, medical records, tax returns and~~
20 ~~declarations, actual or proposed compensation, financial~~
21 ~~account records, creditworthiness or financial condition~~
22 ~~relating to an applicant, licensee [or], permittee,~~
23 ~~including the holder of an interactive gaming certificate~~
24 ~~or interactive gaming license, or the immediate family~~
25 ~~thereof.~~

26 ~~(iii) Information relating to proprietary~~
27 ~~information, trade secrets, patents or exclusive~~
28 ~~licenses, architectural and engineering plans and~~
29 ~~information relating to competitive marketing materials~~
30 ~~and strategies, which may include customer identifying~~

1 ~~information or customer prospects for services subject to~~
2 ~~competition.~~

3 ~~(iv) Security information, including risk prevention~~
4 ~~plans, detection and countermeasures, location of count-~~
5 ~~rooms, location of interactive gaming restricted areas~~
6 ~~and redundancy facilities, emergency management plans,~~
7 ~~security and surveillance plans, equipment and usage~~
8 ~~protocols and theft and fraud prevention plans and~~
9 ~~countermeasures.~~

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

15 ~~(vi) Records of an applicant or licensee not~~
16 ~~required to be filed with the Securities and Exchange~~
17 ~~Commission by issuers that either have securities~~
18 ~~registered under section 12 of the Securities Exchange~~
19 ~~Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are~~
20 ~~required to file reports under section 15(d) of the~~
21 ~~Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.~~
22 ~~§ 78o).~~

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

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

30 ~~* * *~~

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

4 ~~§ 1207. Regulatory authority of board.~~

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

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

18 ~~* * *~~

19 ~~(3) Prescribe and require periodic financial reporting~~
20 ~~and internal control requirements for all licensed entities,~~
21 ~~including, in the case of interactive gaming, all interactive~~
22 ~~gaming certificate holders and interactive gaming operators.~~

23 ~~(4) Require that each licensed entity, including, in the~~
24 ~~case of interactive gaming, each interactive gaming~~
25 ~~certificate holder and interactive gaming operator, provide~~
26 ~~to the board its audited annual financial statements, with~~
27 ~~such additional detail as the board from time to time shall~~
28 ~~require, which information shall be submitted not later than~~
29 ~~90 days after the end of the licensee's fiscal year.~~

30 ~~(5) Prescribe the procedures to be followed by slot~~

1 machine licensees for any financial event that occurs in the
2 operation and play of slot machines [or] table games,
3 authorized interactive games or multi use computing devices.

4 * * *

5 ~~(7.2)~~ Enforce prescribed hours for the operation of
6 authorized interactive games so that an interactive gaming
7 certificate holder or interactive gaming licensee may conduct
8 authorized interactive games on any day during the year in
9 order to meet the needs of registered players or to meet
10 competition.

11 ~~(8)~~ Require that each licensed gaming entity prohibit
12 persons under 21 years of age from operating or using slot
13 machines [or] playing table games, participating in
14 interactive gaming or using multi use computing devices.

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

21 ~~(10)~~ Require that no slot machine or authorized
22 interactive game that replicates the play of a slot machine
23 may be set to pay out less than the theoretical payout
24 percentage, which shall be no less than 85%, as specifically
25 approved by the board. The board shall adopt regulations that
26 define the theoretical payout percentage of a slot machine
27 game based on the total value of the jackpots expected to be
28 paid by a play or a slot machine game divided by the total
29 value of slot machine wagers expected to be made on that play
30 or slot machine game during the same portion of the game

1 ~~cycle. In so doing, the board shall decide whether the~~
2 ~~calculation shall include the entire cycle of a slot machine~~
3 ~~game or any portion thereof.~~

4 ~~* * *~~

5 ~~(21) Authorize, in its discretion, a slot machine~~
6 ~~licensee to conduct slot machine contests or tournaments,~~
7 ~~table game tournaments or contests in accordance with section~~
8 ~~13A22.1 (relating to table game tournaments) or interactive~~
9 ~~gaming contests or tournaments and adopt regulations~~
10 ~~governing the conduct of such tournaments and contests.~~

11 ~~(22) License, regulate, investigate and take any other~~
12 ~~action determined necessary regarding all aspects of~~
13 ~~interactive gaming.~~

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

19 ~~(24) Require, as applicable, that all wagering offered~~
20 ~~through interactive gaming display online the permissible~~
21 ~~minimum and maximum wagers associated with each authorized~~
22 ~~interactive game.~~

23 ~~(25) (Reserved).~~

24 ~~(26) Negotiate and enter into interactive gaming~~
25 ~~reciprocal agreements on behalf of the Commonwealth to govern~~
26 ~~the conduct of interactive gaming between interactive gaming~~
27 ~~certificate holders in this Commonwealth and gaming entities~~
28 ~~of other states or jurisdictions. Notwithstanding any~~
29 ~~provision of this part, wagers may be accepted in accordance~~
30 ~~with this part and regulations of the board from persons in~~

~~other states or jurisdictions if the board determines that the 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.~~

Section 7. — (Reserved).

Section 8. 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 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, interactive gaming licensee and other persons~~

~~involved in the operation of interactive gaming on behalf of
a slot machine licensee or other entity 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 by the board
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 board may contract
with a private organization or entity with expertise in serving
and treating the needs of persons with compulsive gambling
addictions, in consultation with the Department of Drug and
Alcohol Programs or a successor agency. The report may be
prepared and distributed in coordination with the board. Costs
associated with the preparation and distribution of the report
shall be borne by slot machine licensees and other entities 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 or other entity for these purposes.~~

~~(d.2) Time of submission and reports. Notwithstanding any
provision of this part, all reports and studies required to be
submitted under subsection (d.1) after the effective date of
this subsection shall be submitted initially by October 1, 2018,
and by October 1 of each year thereafter.~~

~~* * *~~

~~Section 9. Section 1212(e) of Title 4 is amended by adding a
paragraph to read:~~

1 ~~§ 1212. Diversity goals of board.~~

2 ~~* * *~~

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

7 ~~* * *~~

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

10 ~~Section 10. Section 1305(a) of Title 4 is amended by adding~~
11 ~~a paragraph to read:~~

12 ~~§ 1305. Category 3 slot machine license.~~

13 ~~(a) Eligibility.~~

14 ~~* * *~~

15 ~~(1.2) The requirements under paragraph (1)(i), (ii) and~~
16 ~~(iii) and the membership fee required under paragraphs (1)~~
17 ~~(iv) and (1.1) shall not apply to the licensed facility if~~
18 ~~the Category 3 slot machine licensee makes notification to~~
19 ~~the board and a payment of \$1,000,000 to the department for~~
20 ~~deposit into the General Fund. The board shall submit notice~~
21 ~~to the Legislative Reference Bureau for publication in the~~
22 ~~Pennsylvania Bulletin upon receipt of the notification and~~
23 ~~confirmation of the payment by any Category 3 slot machine~~
24 ~~licensee.~~

25 ~~* * *~~

26 ~~Section 11. Section 1309(a.1) heading of Title 4 is amended~~
27 ~~and the subsection is amended by adding a paragraph to read:~~

28 ~~§ 1309. Slot machine license application.~~

29 ~~* * *~~

30 ~~(a.1) Table games and interactive gaming information.~~

1 * * *

2 ~~(3) Notwithstanding paragraph (2), the board may permit~~
3 ~~an applicant for a slot machine license that has an~~
4 ~~application pending before the board to supplement its~~
5 ~~application with all information required under Chapter 13C~~
6 ~~(relating to interactive gaming) and to request that the~~
7 ~~board consider its application for a slot machine license, a~~
8 ~~table game operation certificate and an interactive gaming~~
9 ~~certificate concurrently. All fees for an interactive gaming~~
10 ~~certificate shall be paid by the applicant in accordance with~~
11 ~~the requirements of this part.~~

12 * * *

13 Section 12. Sections 1317(a) and 1317.1(a), (b), (d.1) and
14 (e) of Title 4 are amended to read:

15 ~~§ 1317. Supplier licenses.~~

16 ~~(a) Application. A manufacturer that elects to contract~~
17 ~~with a supplier under section 1317.1(d.1) (relating to~~
18 ~~manufacturer licenses) shall ensure that the supplier is~~
19 ~~appropriately licensed under this section. A person seeking to~~
20 ~~provide slot machines, table game devices or associated~~
21 ~~equipment, interactive gaming devices or associated equipment or~~
22 ~~multi use computing devices or associated equipment to a slot~~
23 ~~machine licensee or an interactive gaming certificate holder or~~
24 ~~interactive gaming operator within this Commonwealth through a~~
25 ~~contract with a licensed manufacturer shall apply to the board~~
26 ~~for the appropriate supplier license.~~

27 * * *

28 ~~§ 1317.1. Manufacturer licenses.~~

29 ~~(a) Application. A person seeking to manufacture slot~~
30 ~~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.~~

1 ~~***~~

2 ~~(d.1) Authority. The following shall apply to a licensed~~
3 ~~manufacturer:~~

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

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

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

21 ~~(e) Prohibitions.~~

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

27 ~~(2) Except as permitted in section 13A23.1 (relating to~~
28 ~~training equipment), no slot machine licensee may use slot~~
29 ~~machines, table game devices or associated equipment,~~
30 ~~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.~~

~~* * *~~

~~Section 12.1. 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 the nongaming service provider's provision of goods or services at the slot machine licensee's 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) Other information that the board may require.~~

~~(c) Duration of notification. The nongaming service provider notification required under subsection (a) may be valid for five 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 the goods or services.~~

~~(3) 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 employees from providing goods or services to a slot machine licensee or applicant for a slot machine license at a licensed facility if the board determines the prohibition is necessary to protect the public interest or integrity of gaming.~~

~~(c) 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) (Reserved).~~

~~(g) Additional authority. If, upon examination of the provided notification, the bureau determines that the~~

~~registration or certification of a nongaming service provider is necessary to protect the integrity of gaming, the bureau may require the nongaming service provider to file an application for registration or certification and be authorized by the board prior to providing services at a licensed facility.~~

~~(h) Emergency notification.~~

~~(1) A slot machine licensee may use a nongaming service provider prior to the board receiving notification and any required fee 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 board 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 a 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 13. (Reserved).~~

~~Section 14. Section 1326 of Title 4 is 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 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, registration or certificate 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 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.~~

~~Section 15. Title 4 is amended by adding a section to read:
§ 1326.1. Slot machine license operation fee.~~

~~(a) Imposition. Beginning January 1, 2017, the board shall
impose an annual slot machine license operation fee on each
Category 1 and Category 2 licensed gaming entity in an amount
equal to 20% of the slot machine license fee paid at the time of
issuance under section 1209(a) (relating to slot machine license
fee).~~

~~(b) Payment of fee. The department shall develop a payment
schedule for the slot machine license operation fee imposed
under subsection (a).~~

~~(c) Credit for payment. The department shall credit against
the slot machine license operation fee imposed under subsection
(a) any amount paid by a Category 1 or Category 2 licensed
gaming entity under 1403(c)(3) (relating to establishment of
State Gaming Fund and net slot machine revenue distribution)
prior to the effective date of this section. For a Category 2
licensed gaming entity located in a county of the first class,
the department shall credit against the slot machine license
operation fee any amount paid by that licensed gaming entity
under 1403(c)(2).~~

~~(d) Failure to pay. The board may at the board's discretion~~

~~suspend, revoke or deny a permit or license issued under this part if a Category 1 or Category 2 licensed gaming entity fails to pay the slot machine license operation fee imposed under subsection (a).~~

~~(c) Deposit of slot machine license operation fee. The total amount of all slot machine license operation fees imposed and collected by the board under this section shall be deposited in the fund and shall be appropriated to the department on a continuing basis for the purposes under section 1403(c)(3).~~

~~Section 16. Section 13A27(a) and (c) of Title 4 are amended to read:~~

~~§ 13A27. Other financial transactions.~~

~~(a) Credit. Notwithstanding section 1504 (relating to wagering on credit), a certificate holder may extend interest free, unsecured credit to patrons for the purpose of playing slot machines or table games in accordance with this section; however, a certificate holder shall not accept credit cards, charge cards or debit cards from a patron or player for the exchange or purchase or chips, slot machine or table game credits or for an advance of coins or currency to be utilized by a player to play slot machine or table games. No credit card advance machine may be placed on the gaming floor. Prepaid access instruments are not deemed to be a credit card, charge card, debit card or any other instrument of credit and are not prohibited under this section. A device or other mechanism which allows or facilitates the funding of a prepaid access instrument as defined in section 1103 (relating to definitions) shall not be deemed a credit card advance machine under this section.~~

~~* * *~~

~~(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 17. (Reserved).~~

~~Section 18. Section 13A63(b)(3)(iii)(C) and (4) of Title 4 are amended to read:~~

~~§ 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:~~

~~***~~

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

~~* * *~~

~~(iii) A county of the third class where a city of the third class hosting the licensed facility is located in two counties of the third class: 50% of the licensed facility's local share assessment shall be distributed as follows:~~

~~* * *~~

~~(C) Twenty percent to the nonhost county in which the host city is located, of which 50% shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used [solely for grants to municipalities that are contiguous to the host city] exclusively for economic development projects, community improvement projects and other projects in the public interest within the county, with priority given to municipalities contiguous to the host city.~~

~~* * *~~

~~(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 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 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 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 19. Title 4 is amended by adding chapters to read:~~

~~CHAPTER 13B~~

~~(RESERVED)~~

~~CHAPTER 13C~~

INTERACTIVE GAMING

Subchapter

A. General Provisions

B. Interactive Gaming Authorized

B.1. Multi use Computing Devices

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.

13C01. Legislative findings.

13C02. Regulatory authority.

13C03. Temporary interactive gaming regulations.

§ 13C01. 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

1 ~~markets throughout this Commonwealth.~~

2 ~~(4) Legalized gaming in the Category 1, Category 2 and~~
3 ~~Category 3 licensed facilities geographically dispersed in~~
4 ~~this Commonwealth has become a critical component of economic~~
5 ~~development and, if gaming activities continue to be properly~~
6 ~~regulated and fostered, it will provide a substantial~~
7 ~~contribution to the general health, welfare and prosperity of~~
8 ~~this Commonwealth and the residents of this Commonwealth.~~

9 ~~(5) The General Assembly remains committed to ensuring a~~
10 ~~robust gaming industry in this Commonwealth that is capable~~
11 ~~of competing internationally, nationally and regionally at~~
12 ~~the highest levels of quality while maintaining strict~~
13 ~~regulatory oversight to ensure the integrity of all gaming~~
14 ~~operations as supervised by the board.~~

15 ~~(6) Since its development, the Internet has provided the~~
16 ~~opportunity for millions of people worldwide to engage in~~
17 ~~online gambling, mostly through illegal, unregulated offshore~~
18 ~~gambling operations.~~

19 ~~(7) In 2006, the Congress of the United States passed~~
20 ~~and the President of the United States signed the Unlawful~~
21 ~~Internet Gambling Enforcement Act of 2006 (Title VIII of~~
22 ~~Public Law 109 347, 31 U.S.C. § 5361 et seq.), which~~
23 ~~generally prohibits the use of banking instruments, including~~
24 ~~credit cards, checks and money transfers for interstate~~
25 ~~Internet gambling.~~

26 ~~(8) Although the Unlawful Internet Gambling Enforcement~~
27 ~~Act of 2006 prohibits interstate Internet gambling by United~~
28 ~~States citizens, it permits individual states to create a~~
29 ~~regulatory framework to govern intrastate Internet or~~
30 ~~interactive gambling.~~

1 ~~(9) Without legislative authorization and strict~~
2 ~~regulation of interactive gaming in this Commonwealth, the~~
3 ~~public's trust and confidence in legalized commercial gaming~~
4 ~~may be impacted.~~

5 ~~(10) An effective regulatory, licensing and enforcement~~
6 ~~system for interactive gaming in this Commonwealth would~~
7 ~~inhibit underage wagering and otherwise protect vulnerable~~
8 ~~individuals, ensure that the games offered through the~~
9 ~~Internet are fair and safe, stop sending jobs, tax and other~~
10 ~~revenue to illegal operators, provide a significant source of~~
11 ~~taxable revenue, create jobs and economic development and~~
12 ~~address the concerns of law enforcement.~~

13 ~~(11) (Reserved).~~

14 ~~(12) By legalizing interactive gaming and subjecting it~~
15 ~~to the regulatory oversight of the board, the General~~
16 ~~Assembly is assuring the residents of this Commonwealth that~~
17 ~~only those persons who have been determined to be suitable~~
18 ~~are licensed to facilitate and conduct interactive gaming~~
19 ~~activities in this Commonwealth.~~

20 ~~(13) An effective regulatory, licensing and enforcement~~
21 ~~system to govern interactive gaming in this Commonwealth is~~
22 ~~consistent with the original objectives and intent of the~~
23 ~~Pennsylvania Race Horse Development and Gaming Act, thereby~~
24 ~~ensuring the public trust and confidence in the commercial~~
25 ~~gaming industry in this Commonwealth.~~

26 ~~(14) The Commonwealth has a legitimate State interest in~~
27 ~~protecting the integrity of State authorized interactive~~
28 ~~gaming by licensing those entities already engaged in the~~
29 ~~conduct of gaming in this Commonwealth, which are subject to~~
30 ~~the scrutiny and discipline of the board and other regulatory~~

~~agencies and which are in good standing with those agencies.~~

~~§ 13C02. 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 variations or composites of authorized interactive games, if the board determines that the interactive games and new interactive games or variations or composites are suitable for use after a test or experimental period under 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 or other entity 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 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~~

1 ~~equipment, including mechanical, electrical or program~~
2 ~~reliability, security against tampering and other standards~~
3 ~~as it may deem necessary to protect registered players from~~
4 ~~fraud or deception.~~

5 ~~(8) Governing the creation and utilization of~~
6 ~~interactive gaming accounts by registered players, including~~
7 ~~requiring that:~~

8 ~~(i) Interactive gaming accounts be possessed by a~~
9 ~~natural person and not in the name of a beneficiary,~~
10 ~~custodian, joint trust, corporation, partnership or other~~
11 ~~organization or entity.~~

12 ~~(ii) Interactive gaming accounts shall not be~~
13 ~~assignable or otherwise transferable.~~

14 ~~(iii) No account be established for an individual~~
15 ~~under 21 years of age.~~

16 ~~(9) Establishing procedures for registered players to~~
17 ~~log into their interactive gaming accounts, authenticate~~
18 ~~identities, agree to terms, conditions and rules applicable~~
19 ~~to authorized interactive games and log out of interactive~~
20 ~~gaming accounts, including procedures for automatically~~
21 ~~logging off registered players from an interactive game after~~
22 ~~a specified period of inactivity.~~

23 ~~(10) Establishing procedures for:~~

24 ~~(i) Depositing funds in an interactive gaming~~
25 ~~account by cash, transfer or other means, as approved by~~
26 ~~the board.~~

27 ~~(ii) The withdrawal of funds from interactive gaming~~
28 ~~accounts.~~

29 ~~(iii) The suspension of interactive gaming account~~
30 ~~activity for security reasons.~~

1 ~~(iv) The termination of interactive gaming accounts~~
2 ~~and disposition of proceeds in accounts.~~

3 ~~(v) The disposition of unclaimed amounts in dormant~~
4 ~~interactive gaming accounts.~~

5 ~~(11) Establishing mechanisms by which registered players~~
6 ~~may place limits on the amount of money being wagered per~~
7 ~~authorized interactive game or during a specified time period~~
8 ~~or the amount of losses incurred during the specified time~~
9 ~~period.~~

10 ~~(12) Establishing mechanisms to exclude from interactive~~
11 ~~gaming persons not eligible to play by reason of age,~~
12 ~~identity or location or inclusion on a list of persons denied~~
13 ~~access to interactive gaming activities in accordance with~~
14 ~~sections 1514 (relating to regulation requiring exclusion,~~
15 ~~ejection or denial of access of certain persons), 1515~~
16 ~~(relating to repeat offenders excludable from licensed gaming~~
17 ~~facility) and 1516 (relating to list of persons self excluded~~
18 ~~from gaming activities).~~

19 ~~(13) Establishing procedures for the protection,~~
20 ~~security and reliability of interactive gaming accounts,~~
21 ~~authorized interactive games, interactive gaming devices and~~
22 ~~associated equipment and mechanisms to prevent tampering or~~
23 ~~utilization by unauthorized persons.~~

24 ~~(14) Establishing data security standards to govern age,~~
25 ~~identity and location verification of persons engaged in~~
26 ~~interactive gaming activity.~~

27 ~~(15) Requiring each interactive gaming certificate~~
28 ~~holder or interactive gaming licensee to:~~

29 ~~(i) Provide written information on its interactive~~
30 ~~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 Internet 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 Internet website about the permissible minimum and maximum wagers for each authorized interactive game, as applicable.~~

~~(vi) Adopt policies or procedures to prohibit an 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 a 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, data, records and documents related to the interactive gaming certificate holder's or interactive gaming licensee's interactive gaming activities in a manner and in a location within this Commonwealth as approved by the board or the department. All books, data, 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 require by regulation.~~

~~(16) To require prospective and existing employees, independent contractors, applicants, licensees and permittees to submit to fingerprinting by the Pennsylvania State Police or an authorized agent of the Pennsylvania State Police. The Pennsylvania State Police shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.~~

~~(17) To require prospective and existing employees, independent contractors, applicants, licensees and permittees to submit photographs consistent with the standards established by the board.~~

~~(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.~~

~~(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.~~

~~(iv) Any other person as determined by the board.~~

~~(c) Definition. For the purposes of subsection (a) (12),
(14) and (15) (vi) and (vii), the term "person" shall mean a
natural person.~~

~~§ 13C03. 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 of interactive games, 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.

~~13C11. Authorization to conduct interactive gaming.~~

~~13C12. Interactive gaming certificate required and content of petition.~~

~~13C13. Issuance of interactive gaming certificate.~~

~~13C14. Interactive gaming operators.~~

~~13C15. Interactive gaming certificate and license.~~

~~13C16. Timing of initial interactive gaming authorizations.~~

~~§ 13C11. Authorization to conduct interactive gaming.~~

~~(a) Authority of board.—~~

~~(1) The board may authorize a slot machine licensee or any other entity which petitions the board for an interactive gaming certificate under section 13C13 (relating to issuance of interactive gaming certificate):~~

~~(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 into 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 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.~~
~~§ 13C12. Interactive gaming certificate required and content of petition.~~

~~(a) Certificate required. No slot machine licensee or other entity or other person associated with or representing a slot machine licensee or other entity 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 or other entity 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) Classifications. There shall be two classifications of interactive gaming certificates:~~

~~(1) One classification shall permit the interactive~~

~~gaming certificate holder to conduct interactive gaming with
peer to peer interactive games.~~

~~(2) One classification shall permit the interactive
gaming certificate holder to conduct interactive gaming with
non peer to peer interactive games.~~

~~(c) Petition. The petition for an interactive gaming
certificate shall specify whether the petitioner is seeking
approval to offer peer to peer interactive games, non peer to
peer interactive games, or both.~~

~~(d) Content of petition. In addition to information and
documentation demonstrating that the slot machine licensee or
other entity 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 or other entity.~~

~~(2) The name, business address and contact information
of an 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 or other entity.~~

~~(3) The name and business address, job title and a
photograph of each principal and key employee of the slot
machine licensee or other entity 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 other game or games the slot machine licensee or other entity plans to offer over the Internet for which authorization is being sought. The slot machine licensee or other entity 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 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 or other entity'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 if interactive gaming is authorized.~~

~~(8) The details of 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 or other entity, and information or documentation concerning an interactive gaming operator that will operate~~

~~interactive gaming or an interactive gaming system on behalf of the slot machine licensee or other entity, 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 or other entity 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 or other entity 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 or other entity's initial system of internal and accounting controls applicable to interactive gaming.~~

~~(ii) The slot machine licensee's or other entity'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 or other entity~~

~~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 (Title VIII of 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 a 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 or other entity'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 or other entity will use to register individuals who wish to participate in interactive gaming.~~

~~(vi) The procedures the slot machine licensee or other entity will use to establish interactive gaming accounts for registered players.~~

~~(vii) The interactive games and services the slot~~

~~machine licensee or other entity proposes to offer to
registered players.~~

~~(viii) Documentation and information relating to all
proposed subcontractors of the slot machine licensee or
other entity, 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 or other entity's interactive gaming
operations, as well as sufficient personal
identifying information on each 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 or other entity 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) A 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) Other information the board may require.~~

~~(e) Confidentiality. Information submitted to the board under subsection (d) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).~~

~~§ 13C13. Issuance of interactive gaming certificate.~~

~~(a) Requirements for approval of petition.~~

~~(1) The board may approve a petition under section 13C12 (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 or other entity'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 or other entity.~~

~~(iii) The slot machine licensee or other entity has implemented or will implement appropriate data security standards to prevent unauthorized access by a 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 or other entity has implemented or will implement appropriate standards to protect the privacy and security of registered players.~~

~~(v) The slot machine licensee's or other entity'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 or other entity 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 an interactive gaming certificate that a slot machine licensee or other entity shall collect, report and pay all applicable taxes and~~

~~fees and shall maintain all books, data, records and documents pertaining to the slot machine licensee's or other entity's interactive gaming operations in a manner and location within this Commonwealth as approved by the board. All books, data, 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 or other entity. The issuance of an interactive gaming certificate prior to the full payment of the authorization fee required under section 13C51 (relating to interactive gaming authorization fee) shall not relieve the slot machine licensee or other entity from the obligation to pay the authorization fee in accordance with the requirements of section 13C51.~~

~~(2) Upon issuing an interactive gaming certificate, the board shall amend the slot machine licensee's or other entity'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 or other entity that fails to abide by the requirements of this chapter or any condition contained in the slot machine licensee's or other entity'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 an 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 or other entity's interactive gaming operations and persons involved in the operations of an interactive gaming operator who shall be subject to background investigation. Additional costs and expenses incurred in a background investigation or other investigation or proceeding under this chapter shall be reimbursed to the board by the petitioner.~~

~~(f) Petitions for interactive gaming certificates.~~

~~(1) The board shall establish a 90 day period for the holder of a slot machine license to file a petition with the board for an interactive gaming certificate. The petition by the holder of a slot machine license may be for an interactive gaming certificate to conduct peer to peer interactive games, non peer to peer interactive games or both.~~

~~(2) For a slot machine license issued after the period established by the board in paragraph (1), the slot machine licensee shall have 90 days from the date of issuance of the slot machine license to file a petition with the board for an interactive gaming certificate. The petition by the holder of a slot machine license may be for an interactive gaming certificate to conduct peer to peer interactive games, non peer to peer interactive games, or both.~~

~~(3) Subject to the limitation in paragraph (4), after the expiration of the 90 day period established by the board in paragraph (1) or (2), any interactive gaming certificate for which the holder of a slot machine license has not filed a petition, the board may accept petitions from other entities for interactive gaming certificates to conduct peer to peer interactive games, non peer to peer interactive games, or both.~~

~~(4) The board shall not issue more interactive gaming certificates for peer to peer interactive games than the number of slot machine licenses issued by the board. The board shall not issue more interactive gaming certificates for non peer to peer interactive games than the number of slot machine licenses issued by the board.~~

~~(5) If a slot machine licensee does not apply for an interactive gaming certificate during the 90 day period established by the board in paragraph (1) or (2), the slot machine licensee and any affiliate of the slot machine licensee shall not be eligible to apply for an interactive gaming certificate for two years after the expiration of the time period under paragraph (1) or (2).~~

~~(g) Additional requirements. Any entity, other than a slot~~

~~machine licensee, which seeks approval to conduct interactive gaming must satisfy all the requirements for approval under this chapter as well as any requirements for licensure under this part that the board deems appropriate to ensure that the entity has the qualifications to conduct gaming in this Commonwealth, including, but not limited to, character suitability and financial capability requirements.~~

~~§ 13C14. 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 or other entity. The board shall determine suitability in accordance with the applicable requirements of this part and 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 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.~~

~~(c) 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 bureau has no objection to the issuance of a conditional authorization to the applicant.~~

~~(3) Within 90 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.~~

~~§ 13C15. 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 or other entity does
not seek renewal of its interactive gaming certificate.~~

~~(2) The interactive gaming certificate shall 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 interactive gaming certificate
holder 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 or other entity 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.~~

~~§ 13C16. Timing of initial interactive gaming authorizations.~~

~~Except as provided under section 13C13(f) (relating to~~

~~issuance of interactive gaming certificate), 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 120 days following receipt of a
completed application.~~

SUBCHAPTER B.1

MULTI-USE COMPUTING DEVICES

~~See.~~

~~13C20. Authorization.~~

~~13C20.1. Board authorization required.~~

~~13C20.2. Standard for review of petitions.~~

~~13C20.3. Fees.~~

~~13C20.4. Multi use gaming device tax.~~

~~13C20.5. (Reserved).~~

~~13C20.6. Regulations.~~

~~13C20.7. Construction.~~

~~§ 13C20. Authorization.~~

~~(a) Authority.~~

~~(1) Notwithstanding any provision of law 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 or interactive gaming operator, as the case may be, has entered into an agreement with the concession operator at the qualified airport for the conduct of interactive gaming through the use of multi use computing devices within the~~

~~airport gaming area, or for operation at a qualified airport which is not located partially in a county of the first class and partially in a county contiguous to a county of the first class, the interactive gaming certificate holder or interactive gaming operator has entered into an agreement with the qualified airport operator for the conduct of interactive gaming through 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 law and regulations promulgated by the board.~~

~~(5) The interactive gaming certificate holder has paid or will pay all applicable taxes and fees.~~

~~(6) In the case of a qualified airport that is governed by a municipal authority or joint municipal authority organized and incorporated to oversee the operations of an airport in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities), the interactive gaming certificate holder or interactive gaming operator, as the case may be, has entered into an agreement with the municipal authority or joint municipal authority for the conduct of interactive gaming through the use of multi use computing devices within the gaming area of the qualified airport and the board has approved the agreement.~~

~~(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.~~

~~§ 13C20.1. 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).~~

1 ~~(4) If the use and control of a qualified airport is~~
2 ~~regulated by a city of the first class, an identification of~~
3 ~~the municipal agency of a city of the first class, which~~
4 ~~regulates the use and control of the qualified airport.~~

5 ~~(5) The name and job title of the person or persons who~~
6 ~~will be responsible for ensuring the operation and integrity~~
7 ~~of the conduct of interactive gaming at a qualified airport~~
8 ~~and reviewing reports of suspicious transactions.~~

9 ~~(6) The brand name of the multi use computing devices~~
10 ~~that will be placed in operation at the qualified airport.~~
11 ~~The board, at its discretion, may require any additional~~
12 ~~information related to the conduct of interactive gaming at a~~
13 ~~qualified airport through the use of multi-use computing~~
14 ~~devices or persons that manufacture or supply multi-use~~
15 ~~computing devices that it may determine necessary and~~
16 ~~appropriate to ensure the integrity of interactive gaming at~~
17 ~~a qualified airport and protect the public interest.~~

18 ~~(7) An itemized list of the interactive games for which~~
19 ~~authorization is being sought.~~

20 ~~(8) Information, as the board may require, on any~~
21 ~~computer applications or apps, including gaming apps, which~~
22 ~~can be accessed on the multi-use computing devices.~~

23 ~~(9) Information on the terms and conditions of any~~
24 ~~interactive gaming agreement entered into by or between an~~
25 ~~interactive gaming certificate holder and interactive gaming~~
26 ~~operator or other person related to the conduct of~~
27 ~~interactive gaming through the use of multi-use computing~~
28 ~~devices at a qualified airport, if the board deems necessary~~
29 ~~and appropriate.~~

30 ~~(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 subchapter prior to the full payment of the authorization fee under section 13C20.3 (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 13C20.3. § 13C20.2. Standard for review of petitions.~~

~~The board shall approve a petition under section 13C20.1 (relating to board authorization required) if the interactive gaming operator has been or will be issued an interactive gaming license under law, 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 or for operation at a qualified airport which is not located partially in a county of the first class and partially in a county contiguous to a county of the first class, the interactive gaming certificate holder or interactive gaming operator has entered into an agreement with the qualified airport operator for the conduct of interactive gaming through the use of multi use computing devices within the airport gaming area.~~

~~(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 law.~~

~~(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.~~

~~§ 13C20.3. Fees.~~

~~(a) Required fees. An interactive gaming certificate holder~~

~~shall pay a one time, nonrefundable fee upon the authorization to conduct interactive gaming at a qualified airport through the use of multi use computing devices in accordance with this subchapter. The amount of the fee shall be as follows:~~

~~(1) If the airport is an international airport located partially in a county of the first class and partially in a county contiguous to a county of the first class, the amount of the fee shall be \$5,000,000.~~

~~(2) If the airport is an international airport located in a county of the second class, the amount of the fee shall be \$2,500,000.~~

~~(3) If the airport is an international airport located in a county other than a county of the first or second class, the amount of the fee shall be \$1,000,000.~~

~~(4) If the airport is a qualified airport which has not been designated an international airport, the amount of the fee shall be \$250,000.~~

~~(b) Deposit of fees. Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this subchapter shall be deposited in the General Fund.~~

~~§ 13C20.4. 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 34% of its daily gross interactive gaming revenue generated from multi use computing devices at the qualified airport.~~

~~(2) The tax imposed under subsection (a) shall be payable to the department on a weekly 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.~~

~~(b) (Reserved).~~

~~§ 13C20.5. (Reserved).~~

~~§ 13C20.6. 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 subchapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations and shall expire no later than two years following publication. The board and the commission 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.~~

~~§ 13C20.7. 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.~~

~~13C21. Situs of interactive gaming operations.~~

~~13C22. Establishment of interactive gaming accounts.~~

~~13C23. Interactive gaming account credits, debits, deposits and payments.~~

~~13C24. Acceptance of account wagers.~~

~~13C25. Dormant interactive gaming accounts.~~

~~13C26. Log in procedure required.~~

~~13C27. Information provided at login.~~

~~13C28. Prohibitions.~~

~~13C29. Commencement of interactive gaming operations.~~

~~§ 13C21. 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.~~

~~§ 13C22. 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 a 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 a 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 an 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. An 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) A person under 21 years of age.~~

~~(2) A 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) A gaming employee, key employee or principal employee of a slot machine licensee and an employee or key employee of an interactive gaming certificate holder or interactive gaming operator or other person directly involved in the operation of interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder.~~

~~§ 13C23. 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 a 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.~~

~~§ 13C24. 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 interactive gaming certificate holder 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 funds in the account at the time the wager is placed.~~

~~§ 13C25. 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 the time and manner as determined by regulation of the board.~~

~~§ 13C26. 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.~~

~~§ 13C27. 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 other information as the board may require.~~

~~§ 13C28. Prohibitions.~~

~~Except as provided in this part, no interactive gaming certificate holder or person licensed under this part to operate interactive gaming or an interactive gaming system and no person acting on behalf of, or under an arrangement with, an interactive gaming certificate holder or other person licensed under this part shall:~~

~~(1) Make any loan to a person for the purpose of crediting an interactive gaming account.~~

~~(2) Release or discharge a debt, either in whole or in part, or make a loan which represents losses incurred by a registered player while playing authorized interactive games without maintaining a written record thereof in accordance with regulations of the board.~~

~~§ 13C29. 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 13C32~~

~~(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, registered, certified 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 13C31 (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 the interactive gaming certificate holder.~~

SUBCHAPTER D

FACILITIES AND EQUIPMENT

Sec.

~~13C31. Responsibilities of interactive gaming certificate holder.~~

~~13C32. Internal, administrative and accounting controls.~~

~~§ 13C31. 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 another 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.~~

~~§ 13C32. Internal, administrative and accounting controls.~~

~~(a) Approval. Notwithstanding any provision of this part, each slot machine licensee or other entity 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. 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~~

1 ~~(v) cash equivalent transactions.~~

2 ~~(3) Job descriptions, organizational charts and the~~
3 ~~system of personnel and chain of command, establishing a~~
4 ~~diversity of responsibility among employees engaged in~~
5 ~~interactive gaming operations, including employees of an~~
6 ~~interactive gaming operator, and identifying primary and~~
7 ~~secondary management and supervisory positions for areas of~~
8 ~~responsibility and personnel practices.~~

9 ~~(4) Procedures for the registration of players and~~
10 ~~establishment of interactive gaming accounts, including a~~
11 ~~procedure for authenticating the age, identity and location~~
12 ~~of applicants for interactive gaming accounts.~~

13 ~~(5) Procedures for terminating a registered player's~~
14 ~~interactive gaming account and the return of funds remaining~~
15 ~~in the interactive gaming account to the registered player.~~

16 ~~(6) Procedures for suspending or terminating a dormant~~
17 ~~interactive gaming account.~~

18 ~~(7) Procedures for the logging in and authentication of~~
19 ~~a registered player in order to enable the player to commence~~
20 ~~interactive gaming and the logging off of the registered~~
21 ~~player when the player has completed play, including a~~
22 ~~procedure to automatically log a registered player out of the~~
23 ~~player's interactive gaming account after a specified period~~
24 ~~of inactivity.~~

25 ~~(8) Procedures for the crediting and debiting of~~
26 ~~registered players' interactive gaming accounts.~~

27 ~~(9) Procedures for cashing checks, receiving electronic~~
28 ~~negotiable instruments and for redeeming chips, tokens or~~
29 ~~other cash equivalents.~~

30 ~~(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 personally 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 personally identifiable information. For the purpose of this paragraph, "personally identifiable information" shall mean 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.~~

1 ~~(17) Procedures and security standards to protect the~~
2 ~~interactive gaming certificate holder's interactive gaming~~
3 ~~skin or Internet website and interactive gaming devices and~~
4 ~~associated equipment from hacking or tampering by a person.~~

5 ~~(18) Procedures for responding to suspected or actual~~
6 ~~hacking or tampering with an interactive gaming certificate~~
7 ~~holder's interactive gaming skin or Internet website and~~
8 ~~interactive gaming devices and associated equipment,~~
9 ~~including partial or complete suspension of interactive~~
10 ~~gaming or the suspension of any or all interactive gaming~~
11 ~~accounts when warranted.~~

12 ~~(19) Procedures to verify each registered player's~~
13 ~~physical location each time a wager is placed on an~~
14 ~~interactive game.~~

15 ~~(20) Procedures to ensure, to a reasonable degree of~~
16 ~~certainty, that the interactive games are fair and honest and~~
17 ~~that appropriate measures are in place to deter, detect and,~~
18 ~~to the extent reasonably possible, to prevent cheating,~~
19 ~~including collusion, and use of cheating devices, including~~
20 ~~the use of software programs that make bets or wagers~~
21 ~~according to algorithms.~~

22 ~~(21) Procedures to assist problem and compulsive~~
23 ~~gamblers, including procedures reasonably intended to prevent~~
24 ~~a person from participating in interactive gaming activities~~
25 ~~in accordance with sections 1514 (relating to regulation~~
26 ~~requiring exclusion, ejection or denial of access of certain~~
27 ~~persons), 1515 (relating to repeat offenders excludable from~~
28 ~~licensed gaming facility) and 1516 (relating to list of~~
29 ~~persons self excluded from gaming activities).~~

30 ~~(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.~~

~~(23) Any other item or procedure as determined by the board.~~

~~(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 alterations is approved by the board.~~

SUBCHAPTER E

TESTING AND CERTIFICATION

Sec.

~~13C41. Interactive games and interactive gaming devices and~~

~~associated equipment testing and certification
standards.~~

~~§ 13C41. 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 a 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. 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 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.~~

~~13C51. Interactive gaming authorization fee.~~

~~13C52. Interactive gaming tax.~~

~~13C53. (Reserved).~~

~~13C54. Compulsive and problem gambling.~~

~~13C55. Certificate holder deposits.~~

~~§ 13C51. Interactive gaming authorization fee.~~

~~(a) Amount of authorization fee. Each slot machine licensee
or other entity that is issued an interactive gaming certificate
or certificates to conduct interactive gaming in accordance with
section 13C11 (relating to authorization to conduct interactive
gaming) shall pay a one time nonrefundable authorization fee as
follows:~~

~~(1) \$5,000,000 for an interactive gaming certificate
authorizing peer to peer interactive games~~

~~(2) \$5,000,000 for an interactive gaming certificate authorizing non peer to peer interactive games.~~

~~(3) \$10,000,000 for interactive gaming certificates authorizing both classifications of interactive games.~~

~~(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 to conduct interactive gaming. The board may allow the fee to be paid in installments, if all 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 that sets forth the terms of the installment payment.~~

~~(c) Renewal fee. Notwithstanding any other provision of this chapter, an interactive gaming certificate holder shall pay a renewal fee in the amount of \$250,000 per interactive gaming certificate classification upon the renewal of its interactive gaming certificate in accordance with sections 1326 (relating to renewals) and 13C13(c) (relating to issuance of interactive gaming certificate).~~

~~(d) Deposit of fees. The fees imposed and collected under this section shall be deposited in the General Fund.~~

~~§ 13C52. 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 16% on its daily gross interactive gaming revenue from peer to peer interactive games and 54% on its daily gross interactive gaming revenue from non peer to peer~~

~~interactive games. This section shall not apply to interactive gaming revenue generated from multi use computing devices at qualified airports, which is subject to section 13C20.4 (relating to multi use gaming device tax).~~

~~(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 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 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 be less than the tax rates imposed under subsection (a) on 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.~~

~~§ 13C53. (Reserved).~~

~~§ 13C54. Compulsive and problem gambling.~~

~~The following shall apply:~~

~~(1) Each year, from the tax imposed in section 13C52 (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 13C52, \$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 or successor agency 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).~~

~~§ 13C55. Certificate holder deposits.~~

~~(a) Accounts established. Except for an interactive gaming certificate holder that already has an account established under section 1401 (relating to slot machine licensee deposits), the State Treasurer shall establish within the State Treasury an account for each interactive gaming certificate holder for the deposit of sums required under subsection (b) to recover costs or expenses incurred by the board and the department in carrying out their powers and duties under this chapter based upon a budget submitted by the board and the department under~~

~~subsection (c).~~

~~(b) Deposits. The following shall apply:~~

~~(1) The department shall determine the appropriate assessment amount for each interactive gaming certificate holder, which shall be a percentage assessed on the interactive gaming certificate holder's gross interactive gaming revenues. Each interactive gaming certificate holder shall deposit funds into its account established under this section or under section 1401 on a quarterly basis.~~

~~(2) The percentage assessed shall not exceed an amount necessary to recover costs or expenses incurred by the board and the department in carrying out powers and duties under this chapter based on a budget submitted by the board and the department under subsection (c).~~

~~(c) Itemized budget reporting. The following shall apply:~~

~~(1) The board and the department 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 accounts established under this section necessary to administer this chapter.~~

~~(2) As soon as practicable after submitting copies of the itemized budget, the board and the department shall jointly prepare and submit to the chairperson of the Appropriations Committee of the Senate and the chairperson of the Appropriations Committee of the House of Representatives analyses of and make recommendations regarding the itemized budget.~~

~~(d) Appropriation. Costs and expenses from accounts established under subsection (a) or under section 1401 shall only be disbursed upon appropriation by the General Assembly.~~

~~(e) Penalty. The following shall apply:~~

~~(1) An interactive gaming certificate holder who fails to timely remit to the department amounts required under this section shall be liable, in addition to liability imposed in this chapter, to a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.~~

~~(2) Penalties imposed under this subsection shall be deposited into the General Fund.~~

SUBCHAPTER C

MISCELLANEOUS PROVISIONS

Sec.

~~13C61. Participation in interactive gaming by persons outside Commonwealth.~~

~~13C62. Institutional investors.~~

~~13C63. Internet cafes and prohibition.~~

~~§ 13C61. 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 natural 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 natural person not physically present in this Commonwealth is not inconsistent with Federal law or regulation or the law or~~

~~regulation of the jurisdiction, including a foreign jurisdiction, in which the natural 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.~~

~~§ 13C62. 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 an 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 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~~

1 ~~showing of good cause and if the conditions specified in~~
2 ~~paragraph (1) are met.~~

3 ~~(3) An institutional investor granted a waiver under~~
4 ~~this subsection who subsequently decides to influence or~~
5 ~~affect the affairs of an interactive gaming certificate~~
6 ~~holder, interactive gaming operator or applicant's holding,~~
7 ~~subsidiary or intermediary company of an interactive gaming~~
8 ~~certificate holder, interactive gaming operator or applicant~~
9 ~~shall provide not less than 30 days' notice of intent and~~
10 ~~shall file with the board a request for determination of~~
11 ~~suitability before taking an action that may influence or~~
12 ~~affect the affairs of the issuer. An institutional investor~~
13 ~~shall be permitted to vote on matters put to the vote of the~~
14 ~~outstanding security holders.~~

15 ~~(4) If an institutional investor changes its investment~~
16 ~~intent or if the board finds reasonable cause to believe that~~
17 ~~the institutional investor may be found unsuitable, no action~~
18 ~~other than divestiture shall be taken by the institutional~~
19 ~~investor with respect to its security holdings until there~~
20 ~~has been compliance with requirements established by the~~
21 ~~board, which may include the execution of a trust agreement~~
22 ~~in accordance with section 1332 (relating to appointment of~~
23 ~~trustee).~~

24 ~~(5) The interactive gaming certificate holder or~~
25 ~~interactive gaming operator or applicant or a holding,~~
26 ~~intermediary or subsidiary company of an interactive gaming~~
27 ~~certificate holder, interactive gaming operator or applicant~~
28 ~~shall notify the board immediately of information about, or~~
29 ~~actions of, an institutional investor holding its equity~~
30 ~~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 a 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 necessary action otherwise authorized
under this chapter to protect the public interest.~~

~~§ 13C63. 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 13D~~

~~(RESERVED)~~

~~CHAPTER 13E~~

~~(RESERVED)~~

~~CHAPTER 13F~~

~~(RESERVED)~~

~~Section 20. Section 1403 of Title 4 is amended to read:~~

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

~~(a) Fund established. There is hereby established the State
Gaming Fund within the State Treasury.~~

~~(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 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~~

1 ~~municipality until the funds are paid or transferred to the~~
2 ~~fund. Unless otherwise agreed to by the board, a licensed gaming~~
3 ~~entity shall establish a separate bank account to maintain~~
4 ~~gross terminal revenue until such time as the funds are paid or~~
5 ~~transferred under this section. Moneys in the fund are hereby~~
6 ~~appropriated to the department on a continuing basis for the~~
7 ~~purposes set forth in subsection (c).~~

8 ~~(c) Transfers and distributions. The department shall:~~

9 ~~(1) Transfer the slot machine tax and assessment imposed~~
10 ~~in subsection (b) to the fund.~~

11 ~~(2) From the local share assessment established in~~
12 ~~subsection (b), make quarterly distributions among the~~
13 ~~counties hosting a licensed facility in accordance with the~~
14 ~~following schedule:~~

15 ~~(i) If the licensed facility is a Category 1~~
16 ~~licensed facility that is located at a harness racetrack~~
17 ~~and the county, including a home rule county, in which~~
18 ~~the licensed facility is located is:~~

19 ~~[(A) A county of the first class: 4% of the~~
20 ~~gross terminal revenue to the county hosting the~~
21 ~~licensed facility from each such licensed facility.~~
22 ~~Notwithstanding any other provision to the contrary,~~
23 ~~funds from licensed gaming entities located within a~~
24 ~~county of the first class shall not be distributed~~
25 ~~outside of a county of the first class.]~~

26 ~~(B) A county of the second class: 2% of the~~
27 ~~gross terminal revenue to the county hosting the~~
28 ~~licensed facility from each such licensed facility.~~

29 ~~(C) A county of the second class A: 1% of the~~
30 ~~gross terminal revenue to the county hosting the~~

1 ~~licensed facility from each such licensed facility.~~
2 ~~An additional 1% of the gross terminal revenue to the~~
3 ~~county hosting the licensed facility from each such~~
4 ~~licensed facility for the purpose of municipal grants~~
5 ~~within the county in which the licensee is located.~~

6 ~~(D) (I) A county of the third class: Except as~~
7 ~~provided in subclause (II), 2% of the gross~~
8 ~~terminal revenue from each such licensed facility~~
9 ~~shall be deposited into a restricted receipts~~
10 ~~account to be established in the Commonwealth~~
11 ~~Financing Authority to be used exclusively for~~
12 ~~grants for projects in the public interest to~~
13 ~~municipalities within the county where the~~
14 ~~licensed facility is located.~~

15 ~~(I.1) Priority shall be given to multiyear~~
16 ~~projects approved or awarded by the Department of~~
17 ~~Community and Economic Development under~~
18 ~~subclause (I) on or before the effective date of~~
19 ~~this subclause.~~

20 ~~(I.2) In addition to municipalities that are~~
21 ~~eligible to receive grant funding under subclause~~
22 ~~(I), a county redevelopment authority within the~~
23 ~~county shall also be eligible to receive grant~~
24 ~~funding to be used exclusively for economic~~
25 ~~development projects or infrastructure. A county~~
26 ~~redevelopment authority shall not be eligible to~~
27 ~~receive more than 10% of the total grant funds~~
28 ~~awarded.~~

29 ~~(I.3) Notwithstanding the act of February 9,~~
30 ~~1999 (P.L.1, No.1), known as the Capital~~

~~Facilities Debt Enabling Act, grants made under subclause (I) may be utilized as local matching funds for other grants or loans from the Commonwealth.~~

~~(II) If a licensed facility is located in one of two counties of the third class where a city of the third class is located in both counties of the third class, the county in which the licensed facility is located shall receive 1.2% of the gross terminal revenue to be distributed as follows: 20% to the host city, 30% to the host county and 50% to the host county for the purpose of making municipal grants within the county, with priority given to municipalities contiguous to the host city. The county of the third class, which includes a city of the third class that is located in two counties of the third class and is not the host county for the licensed facility, shall receive .8% of the gross terminal revenue to be distributed as follows: 60% to a nonhost city of the third class located solely in the nonhost county in which the host city of the third class is also located or 60% to the nonhost city of the third class located both in the host and nonhost counties of the third class, 35% to the nonhost county and 5% to the nonhost county for the purpose of making municipal grants within the county.~~

~~(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed~~

1 ~~facility shall be distributed as follows:~~

2 ~~(I) The department shall make distributions~~
3 ~~directly to each municipality within the county,~~
4 ~~except the host municipality, by using a formula~~
5 ~~equal to the sum of \$25,000 plus \$10 per resident~~
6 ~~of the municipality using the most recent~~
7 ~~population figures provided by the Department of~~
8 ~~Community and Economic Development, provided,~~
9 ~~however, that the amount so distributed to any~~
10 ~~municipality shall not exceed 50% of its total~~
11 ~~budget for fiscal year 2009 or 2013, whichever is~~
12 ~~greater, adjusted for inflation in subsequent~~
13 ~~fiscal years by an amount not to exceed an annual~~
14 ~~cost of living adjustment calculated by applying~~
15 ~~any upward percentage change in the Consumer~~
16 ~~Price Index immediately prior to the date the~~
17 ~~adjustment is due to take effect. Distributions~~
18 ~~to a municipality in accordance with this~~
19 ~~subclause shall be deposited into a special fund~~
20 ~~which shall be established by the municipality.~~
21 ~~The governing body of the municipality shall have~~
22 ~~the right to draw upon the special fund for any~~
23 ~~lawful purpose provided that the municipality~~
24 ~~identifies the fund as the source of the~~
25 ~~expenditure. Each municipality shall annually~~
26 ~~submit a report to the Department of Community~~
27 ~~and Economic Development detailing the amount and~~
28 ~~purpose of each expenditure made from the special~~
29 ~~fund during the prior fiscal year.~~

30 ~~(II) Any funds not distributed under~~

1 ~~subclause (I) shall be deposited into a~~
2 ~~restricted receipts account established in the~~
3 ~~Department of Community and Economic Development~~
4 ~~to be used exclusively for grants to the county,~~
5 ~~to economic development authorities or~~
6 ~~redevelopment authorities within the county for~~
7 ~~grants for economic development projects,~~
8 ~~infrastructure projects, job training, community~~
9 ~~improvement projects, other projects in the~~
10 ~~public interest, and necessary and reasonable~~
11 ~~administrative costs. Notwithstanding the~~
12 ~~provisions of [the act of February 9, 1999~~
13 ~~(P.L.1, No.1), known as] the Capital Facilities~~
14 ~~Debt Enabling Act, grants made under this clause~~
15 ~~may be utilized as local matching funds for other~~
16 ~~grants or loans from the Commonwealth.~~
17 ~~(F) Counties of the fifth through eighth~~
18 ~~classes:~~

19 ~~(I) Except as set forth in subclause (II),~~
20 ~~2% of the gross terminal revenue from each such~~
21 ~~licensed facility shall be deposited into a~~
22 ~~restricted account established in the Department~~
23 ~~of Community and Economic Development to be used~~
24 ~~exclusively for grants to the county.~~

25 ~~(II) If the licensed facility is located in~~
26 ~~a second class township in a county of the fifth~~
27 ~~class, 2% of the gross terminal revenue from the~~
28 ~~licensed facility shall be distributed as~~
29 ~~follows:~~

30 ~~(a) 1% shall be deposited into a~~

1 ~~restricted receipts account to be established~~
2 ~~in the Commonwealth Financing Authority to be~~
3 ~~used exclusively for grants for projects in~~
4 ~~the public interest to municipalities within~~
5 ~~the county where the licensed facility is~~
6 ~~located.~~

7 ~~(b) 1% shall be distributed to the county~~
8 ~~for projects in the public interest in the~~
9 ~~county.~~

10 ~~(G) Any county not specifically enumerated in~~
11 ~~clauses [(A)] (b) through (F), 2% of the gross~~
12 ~~terminal revenue to the county hosting the licensed~~
13 ~~facility from each such licensed facility.~~

14 ~~(ii) If the licensed facility is a Category 1~~
15 ~~licensed facility and is located at a thoroughbred~~
16 ~~racetrack and the county in which the licensed facility~~
17 ~~is located is:~~

18 ~~[(A) A county of the first class: 4% of the~~
19 ~~gross terminal revenue to the county hosting the~~
20 ~~licensed facility from each such licensed facility.~~
21 ~~Notwithstanding any other provision to the contrary,~~
22 ~~funds from licensed gaming entities located within~~
23 ~~the county of the first class shall not be~~
24 ~~distributed outside of a county of the first class.]~~

25 ~~(B) A county of the second class: 2% of the~~
26 ~~gross terminal revenue to the county hosting the~~
27 ~~licensed facility from each such licensed facility.~~

28 ~~(C) A county of the second class A: 1% of the~~
29 ~~gross terminal revenue to the county hosting the~~
30 ~~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.~~

~~(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 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.~~

~~(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, community improvement projects, job training, other projects in the public interest and reasonable administrative costs. Notwithstanding 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.~~

~~(F) Counties of the fifth through eighth~~

1 ~~classes: 2% of the gross terminal revenue from each~~
2 ~~such licensed facility shall be deposited into a~~
3 ~~restricted account established in the Department of~~
4 ~~Community and Economic Development to be used~~
5 ~~exclusively for grants to the county.~~

6 ~~(G) Any county not specifically enumerated in~~
7 ~~clauses [(A)] (B) through (F), 2% of the gross~~
8 ~~terminal revenue to the county hosting the licensed~~
9 ~~facility from each such licensed facility.~~

10 ~~(iii) If the facility is a Category 2 licensed~~
11 ~~facility and if the county in which the licensed facility~~
12 ~~is located is:~~

13 ~~[(A) A county of the first class: 4% of the~~
14 ~~gross terminal revenue to the county hosting the~~
15 ~~licensed facility from each such licensed facility.~~
16 ~~Notwithstanding any other provision to the contrary,~~
17 ~~funds from licensed gaming entities located within a~~
18 ~~county of the first class shall not be distributed~~
19 ~~outside of a county of the first class. The first~~
20 ~~\$5,000,000 of the total amount distributed annually~~
21 ~~to the county of the first class shall be distributed~~
22 ~~to the Philadelphia School District.]~~

23 ~~(B) A county of the second class: 2% of the~~
24 ~~gross terminal revenue to the county hosting the~~
25 ~~licensed facility from each such licensed facility.~~

26 ~~(C) A county of the second class A: 1% of the~~
27 ~~gross terminal revenue to the county hosting the~~
28 ~~licensed facility from each such licensed facility.~~
29 ~~An additional 1% of the gross terminal revenue to the~~
30 ~~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.~~

~~(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.~~

~~(D.1) If a licensed facility is located in one of two counties of the third class where a city of the third class is located in both counties of the third class, the following shall apply:~~

~~(I) The county in which the licensed facility is located shall receive 1.2% of the gross terminal revenue to be distributed as follows: [20% to the host city, 30% to the host county and 50% to the host county for the purpose of making municipal grants within the county, with priority given to municipalities contiguous to the host city.]~~

~~(a) Twenty percent shall be distributed to the host city.~~

~~(b) Thirty percent shall be distributed to the host county.~~

~~(c) Fifty percent shall be distributed as follows:~~

~~(1) Beginning January 1, 2018, the sum of \$250,000 shall be distributed annually for a period of 20 years to a~~

~~city of the third class located in two
counties of the third class for
purposes of funding the redevelopment
of an existing arts and education
center which has professional artist
space and studios and is located within
the city of the third class that is
located in two counties of the third
class.~~

~~(2) After the distribution under
subunit (1), the remaining funds shall
be deposited into a restricted receipts
account to be established in the
Commonwealth Financing Authority for
distribution to the host county to be
used exclusively for economic
development projects, community
improvement projects and other projects
in the public interest within the
county, with priority given to
municipalities contiguous to the host
city.~~

~~(II) The county of the third class, which
includes a city of the third class that is
located in two counties of the third class and is
not the host county for the licensed facility,
shall receive .8% of the gross terminal revenue
to be distributed as follows: [60% to a nonhost
city of the third class located solely in the
nonhost county in which the host city of the~~

1 ~~third class is also located or 60% to the nonhost~~
2 ~~city of the third class located both in the host~~
3 ~~and nonhost counties of the third class, 35% to~~
4 ~~the nonhost county and 5% to the nonhost county~~
5 ~~for the purpose of making municipal grants within~~
6 ~~the county.]~~

7 ~~(a) Sixty percent shall be distributed~~
8 ~~to a nonhost city of the third class located~~
9 ~~solely in the nonhost county in which the~~
10 ~~host city of the third class is also located~~
11 ~~or 60% to the nonhost city of the third class~~
12 ~~located both in the host and nonhost counties~~
13 ~~of the third class.~~

14 ~~(b) Thirty five percent shall be~~
15 ~~distributed to the nonhost county.~~

16 ~~(c) Five percent shall be deposited into~~
17 ~~a restricted receipts account to be~~
18 ~~established in the Commonwealth Financing~~
19 ~~Authority for distribution to the host county~~
20 ~~to be used exclusively for economic~~
21 ~~development projects, community improvement~~
22 ~~projects and other projects in the public~~
23 ~~interest within the county, with priority~~
24 ~~given to municipalities contiguous to the~~
25 ~~host city.~~

26 ~~(E) A county of the fourth class: 2% of the~~
27 ~~gross terminal revenue from each such licensed~~
28 ~~facility shall be deposited into a restricted account~~
29 ~~established in the Department of Community and~~
30 ~~Economic Development to be used exclusively for~~

1 ~~grants to the county, to economic development~~
2 ~~authorities or redevelopment authorities within the~~
3 ~~county for grants for economic development projects,~~
4 ~~community improvement projects, job training, other~~
5 ~~projects in the public interest and reasonable~~
6 ~~administrative costs. Notwithstanding the Capital~~
7 ~~Facilities Debt Enabling Act, grants made under this~~
8 ~~clause may be utilized as local matching funds for~~
9 ~~other grants or loans from the Commonwealth.~~

10 ~~(F) Counties of the fifth class: 2% of the~~
11 ~~gross terminal revenue from each such licensed~~
12 ~~facility shall be deposited and distributed as~~
13 ~~follows:~~

14 ~~(I) One percent to be distributed as~~
15 ~~follows:~~

16 ~~(a) Beginning in 2010, the sum of~~
17 ~~\$2,400,000 annually for a period of 20 years~~
18 ~~to the county for purposes of funding debt~~
19 ~~service related to the construction of a~~
20 ~~community college campus located within the~~
21 ~~county.~~

22 ~~(b) Any funds not distributed under~~
23 ~~subclause (a) shall be deposited into a~~
24 ~~restricted receipts account to be established~~
25 ~~in the Commonwealth Financing Authority to be~~
26 ~~used exclusively for grants within the county~~
27 ~~for economic development projects, road~~
28 ~~projects located within a 20 mile radius of~~
29 ~~the licensed facility and located within the~~
30 ~~county, community improvement projects and~~

~~other projects in the public interest within the county. The amount under this subclause includes reasonable administrative costs.~~

~~(II) One percent shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within contiguous counties for economic development projects, community improvement projects and other projects in the public interest within contiguous counties. The amount under this subclause includes reasonable administrative costs. A contiguous county that hosts a Category 1 licensed facility shall be ineligible to receive grants under this subclause.~~

~~(II.1) Priority shall be given to multiyear projects approved or awarded by the Department of Community and Economic Development under subclause (I) (b) or (II) on or before the effective date of this subclause.~~

~~(III) Fifty percent of any revenue required to be transferred under paragraph (3) (v) shall be deposited into the restricted receipts account established under subclause (I) (b), and 50% shall be deposited into the restricted receipts account established under subclause (II). Notwithstanding 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.~~

1 ~~(G) Any county not specifically enumerated in~~
2 ~~clauses [(A)] (B) through (F), 2% of the gross~~
3 ~~terminal revenue to the county hosting the licensed~~
4 ~~facility from each such licensed facility.~~
5 ~~(iv) (A) Except as provided in clause (B) or (C),~~
6 ~~if the facility is a Category 3 licensed facility, 2%~~
7 ~~of the gross terminal revenue from the licensed~~
8 ~~facility shall be deposited into a restricted~~
9 ~~receipts account established in the Department of~~
10 ~~Community and Economic Development to be used~~
11 ~~exclusively for grants to the county, to economic~~
12 ~~development authorities or redevelopment authorities~~
13 ~~within the county for grants for economic development~~
14 ~~projects, community improvement projects and other~~
15 ~~projects in the public interest.~~

16 ~~(B) If the facility is a Category 3 licensed~~
17 ~~facility located in a county of the second class A,~~
18 ~~2% of the gross terminal revenue [from the licensed~~
19 ~~facility shall be deposited into a restricted~~
20 ~~receipts account to be established in the~~
21 ~~Commonwealth Financing Authority to be used~~
22 ~~exclusively for grants or guarantees for projects in~~
23 ~~the host county that qualify under 64 Pa.C.S. §§ 1551~~
24 ~~(relating to Business in Our Sites Program), 1556~~
25 ~~(relating to Tax Increment Financing Guarantee~~
26 ~~Program) and 1558 (relating to Water Supply and~~
27 ~~Wastewater Infrastructure Program).] to the county~~
28 ~~hosting the licensed facility from each licensed~~
29 ~~facility shall be deposited as follows:~~

30 ~~(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.~~

~~(C) If the facility is a Category 3 licensed
facility located in a county of the fifth class that
is contiguous to a county of the seventh class, 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 within
the county for economic development projects,
infrastructure projects, community improvement
projects and other projects in the public interest
within the county and for infrastructure projects
within a 20 mile radius of the licensed facility in a
contiguous county of the seventh class.~~

~~(v) Unless otherwise specified, for the purposes of~~

~~this paragraph money designated for municipal grants within a county, other than a county of the first class, in which a licensed facility is located shall be used to fund grants to the municipality in which the licensed facility is located, to the county in which the licensed facility is located and to the municipalities which are contiguous to the municipality in which the licensed facility is located and which are located within the county in which the licensed facility is located. Grants shall be administered by the county through its economic development or redevelopment authority in which the licensed facility is located. Grants shall be used to fund the costs of human services, infrastructure improvements, facilities, emergency services, health and public safety expenses associated with licensed facility operations. If at the end of a fiscal year uncommitted funds exist, the county shall pay to the economic development or redevelopment authority of the county in which the licensed facility is located the uncommitted funds.~~

~~(vi) If the licensed facility is located in more than one county, the amount available shall be distributed on a pro rata basis determined by the percentage of acreage located in each county to the total acreage of all counties occupied by the licensed facility.~~

~~(vii) The distributions provided in this paragraph shall be based upon county classifications in effect on the effective date of this section. Any reclassification of counties as a result of a Federal decennial census or~~

1 ~~of a State statute shall not apply to this subparagraph.~~

2 ~~(viii) If any provision of this paragraph is found~~
3 ~~to be unenforceable for any reason, the distribution~~
4 ~~provided for in the unenforceable provision shall be made~~
5 ~~to the county in which the licensed facility is located~~
6 ~~for the purposes of grants to municipalities in that~~
7 ~~county, including municipal grants as specified in~~
8 ~~subparagraph (v).~~

9 ~~(ix) Nothing in this paragraph shall prevent any of~~
10 ~~the above counties which directly receive a distribution~~
11 ~~under this section from entering into intergovernmental~~
12 ~~cooperative agreements with other jurisdictions for~~
13 ~~sharing this money.~~

14 ~~(3) From the local share assessment established in~~
15 ~~subsection (b) and the slot machine license operation fees~~
16 ~~imposed under section 1326.1 (relating to slot machine~~
17 ~~license operation fee) and deposited under section 1326.1(d),~~
18 ~~make quarterly distributions among the municipalities,~~
19 ~~including home rule municipalities, hosting a licensed~~
20 ~~facility in accordance with the following schedule:~~

21 ~~(i) To a city of the second class hosting a licensed~~
22 ~~facility, other than a Category 3 licensed facility, [2%~~
23 ~~of the gross terminal revenue or] \$10,000,000 annually[,~~
24 ~~whichever is greater, shall be paid by each licensed~~
25 ~~gaming entity operating a facility located in that city.~~
26 ~~In the event that the revenues generated by the 2% do not~~
27 ~~meet the \$10,000,000 minimum specified in this~~
28 ~~subparagraph, the department shall collect the remainder~~
29 ~~of the minimum amount of \$10,000,000 from each licensed~~
30 ~~gaming entity operating a facility in the city and~~

1 ~~deposit that amount in the city treasury] shall be~~
2 ~~distributed to the city treasury.~~

3 ~~(i.1) To a city of the first class hosting one or~~
4 ~~more licensed facilities, other than a Category 3~~
5 ~~licensed facility, \$10,000,000 from each licensed~~
6 ~~facility located in a city of the first class shall be~~
7 ~~distributed annually as follows:~~

8 ~~(A) From a licensed facility operating in the~~
9 ~~city of the first class on the effective date of this~~
10 ~~subparagraph, the first \$5,000,000 shall be~~
11 ~~distributed annually to a school district of the~~
12 ~~first class. Of the remaining funds, 60% shall be~~
13 ~~distributed to the city of the first class and 40%~~
14 ~~shall be deposited into a restricted receipts account~~
15 ~~established in the Department of Community and~~
16 ~~Economic Development to be used exclusively for~~
17 ~~grants for economic development projects,~~
18 ~~neighborhood revitalization projects, community~~
19 ~~improvement projects and other projects in the public~~
20 ~~interest within the city of the first class.~~

21 ~~(B) From a licensed facility that begins~~
22 ~~operating in the city of the first class after the~~
23 ~~effective date of this subparagraph, 70% of the slot~~
24 ~~machine license operation fee shall be distributed to~~
25 ~~the city of the first class and 30% of the slot~~
26 ~~machine license operation fee shall be deposited into~~
27 ~~a restricted receipts account established in the~~
28 ~~Department of Community and Economic Development to~~
29 ~~be used exclusively for grants for economic~~
30 ~~development projects, neighborhood revitalization~~

~~projects, community improvement projects and other projects in the public interest within the city of the first class.~~

~~(C) Notwithstanding any other provision of this part to the contrary, slot machine license operation fees from licensed gaming entities located within a city of the first class shall not be distributed outside of a city of the first class.~~

~~(ii) To a city of the second class A hosting a licensed facility, other than a Category 3 licensed facility, [2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, shall be paid by each licensed entity operating a licensed facility located in that city] \$10,000,000 annually shall be distributed to the city, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost of living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining moneys shall be [collected by the department from each licensed gaming entity and] distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located. [In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the department shall collect the remainder of the minimum~~

1 ~~amount of \$10,000,000 from each licensed gaming entity~~
2 ~~operating a facility in the city, pay any balance due to~~
3 ~~the city and transfer any remainder in accordance with~~
4 ~~paragraph (2).]~~

5 ~~(iii) To a city of the third class hosting a~~
6 ~~licensed facility, other than a Category 3 licensed~~
7 ~~facility, [2% of the gross terminal revenue or~~
8 ~~\$10,000,000 annually, whichever is greater, shall be paid~~
9 ~~by each licensed gaming entity operating a licensed~~
10 ~~facility located in that city] \$10,000,000 annually, less~~
11 ~~any amount up to \$5,000,000 received pursuant to a~~
12 ~~written agreement with a licensed gaming entity executed~~
13 ~~prior to the effective date of this part, shall be~~
14 ~~distributed to the city, subject, however, to the~~
15 ~~budgetary limitation in this subparagraph. In the event~~
16 ~~that the city has a written agreement with a licensed~~
17 ~~gaming entity executed prior to the effective date of~~
18 ~~this part, the amount paid under the agreement to the~~
19 ~~city shall be applied and credited [to the difference~~
20 ~~between 2% of the gross terminal revenue and the~~
21 ~~\$10,000,000 owed under this subparagraph if the 2% of the~~
22 ~~gross terminal revenue is less than \$10,000,000. If 2% of~~
23 ~~the gross terminal revenue is greater than the~~
24 ~~\$10,000,000 required to be paid under this subparagraph,~~
25 ~~the credit shall not apply. The amount of gross terminal~~
26 ~~revenue required to be paid pursuant to the agreement~~
27 ~~shall be deemed to be gross terminal revenue for purposes~~
28 ~~of this subparagraph.], up to \$5,000,000, to the slot~~
29 ~~machine license operation fee owed under section 1326.1.~~
30 ~~The amount allocated to the designated municipalities~~

1 ~~shall not exceed 50% of their total budget for fiscal~~
2 ~~year 2003-2004, adjusted for inflation in subsequent~~
3 ~~years by an amount not to exceed an annual cost of living~~
4 ~~adjustment calculated by applying the percentage change~~
5 ~~in the Consumer Price Index immediately prior to the date~~
6 ~~the adjustment is due to take effect. Any remaining~~
7 ~~moneys shall be [collected by the department from each~~
8 ~~licensed gaming entity and] distributed in accordance~~
9 ~~with paragraph (2) based upon the classification of~~
10 ~~county where the licensed facility is located. [In the~~
11 ~~event that the revenues generated by the 2% do not meet~~
12 ~~the \$10,000,000 minimum specified in this subparagraph,~~
13 ~~the department shall collect the remainder of the minimum~~
14 ~~amount of \$10,000,000 from each licensed gaming entity~~
15 ~~operating a facility, pay any balance due to the city of~~
16 ~~the third class and transfer any remainder in accordance~~
17 ~~with paragraph (2).]~~

18 ~~(iii.1) If a licensed facility is located in a city~~
19 ~~of the third class and the city is located in more than~~
20 ~~one county of the third class, [2% of the gross terminal~~
21 ~~revenue or \$10,000,000 annually, whichever is greater,]~~
22 ~~\$10,000,000 annually shall be distributed as follows:~~
23 ~~80% to the host city and 20% to the city of the third~~
24 ~~class located solely in a nonhost county in which the~~
25 ~~host city of the third class is also located. If a~~
26 ~~licensed facility is located in a city of the third class~~
27 ~~and that city is located solely in a host county of the~~
28 ~~third class in which a nonhost city of the third class is~~
29 ~~also located[, 2% of gross terminal revenue or~~
30 ~~\$10,000,000 annually, whichever is greater], \$10,000,000~~

~~annually shall be distributed as follows: 80% to the host city and 20% to a city of the third class located both in a nonhost county of the third class and in a host county of the third class in which the host city of the third class is located.~~

~~(iv) To a township of the first class hosting a licensed facility, other than a Category 3 licensed facility, [2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, shall be paid by each licensed gaming entity operating a licensed facility located in the township] \$10,000,000 annually shall be distributed to the township, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost of living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be [collected by the department from each licensed gaming entity and] distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located. [In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the department shall collect the remainder of the minimum amount of \$10,000,000 from each licensed gaming entity operating a licensed facility in the township, pay any balance due to the township and transfer any remainder in~~

1 ~~accordance with paragraph (2).]~~

2 ~~(v) To a township of the second class hosting a~~
3 ~~licensed facility:~~

4 ~~(A) [2% of the gross terminal revenue or~~
5 ~~\$10,000,000 annually, whichever is greater, shall be~~
6 ~~paid by each licensed gaming entity operating a~~
7 ~~licensed facility, other than a Category 3 licensed~~
8 ~~facility or a licensed facility owning land adjacent~~
9 ~~to the licensed facility located in more than one~~
10 ~~township of the second class,] \$10,000,000 annually~~
11 ~~shall be distributed to the township of the second~~
12 ~~class hosting [the] a licensed facility, other than a~~
13 ~~Category 3 licensed facility or a licensed facility~~
14 ~~located in more than one township of the second~~
15 ~~class, subject, however, to the budgetary limitation~~
16 ~~in this subparagraph. The amount allocated to the~~
17 ~~designated municipalities shall not exceed 50% of~~
18 ~~their total budget for fiscal year 2003-2004,~~
19 ~~adjusted for inflation in subsequent years by an~~
20 ~~amount not to exceed an annual cost of living~~
21 ~~adjustment calculated by applying the percentage~~
22 ~~change in the Consumer Price Index immediately prior~~
23 ~~to the date the adjustment is due to take effect. Any~~
24 ~~remaining money shall be [collected by the department~~
25 ~~from each licensed gaming entity and] distributed in~~
26 ~~accordance with paragraph (2) based upon the~~
27 ~~classification of county where the licensed facility~~
28 ~~is located. [If revenues generated by the 2% do not~~
29 ~~meet the \$10,000,000 minimum specified in this~~
30 ~~subparagraph, the department shall collect the~~

1 ~~remainder of the minimum amount of \$10,000,000 from~~
2 ~~each licensed gaming entity operating a licensed~~
3 ~~facility in the township, pay any balance due to the~~
4 ~~township and transfer any remainder in accordance~~
5 ~~with paragraph (2).]~~

6 ~~(B) [2% of the gross terminal revenue or~~
7 ~~\$10,000,000 annually, whichever is greater,]~~
8 ~~\$10,000,000 annually, less the amount paid under~~
9 ~~clause (C), shall be [paid by each licensed gaming~~
10 ~~entity operating a licensed facility and owning land~~
11 ~~adjacent to the licensed facility located in more~~
12 ~~than one township of the second class, other than a~~
13 ~~Category 3 licensed facility,] distributed to the~~
14 ~~township of the second class hosting [the] a licensed~~
15 ~~facility which owns land adjacent to the licensed~~
16 ~~facility located in more than one township of the~~
17 ~~second class, other than a Category 3 licensed~~
18 ~~facility, subject, however, to the budgetary~~
19 ~~limitation in this subparagraph. The amount allocated~~
20 ~~to the designated municipalities may not exceed 50%~~
21 ~~of their total budget for the fiscal year 2003-2004,~~
22 ~~adjusted for inflation in subsequent years by an~~
23 ~~amount not to exceed an annual cost of living~~
24 ~~adjustment calculated by applying the percentage~~
25 ~~change in the Consumer Price Index immediately prior~~
26 ~~to the date the adjustment is due to take effect. Any~~
27 ~~remaining money shall be [collected by the department~~
28 ~~from each licensed gaming entity and] distributed in~~
29 ~~accordance with paragraph (2) based upon the~~
30 ~~classification of the county where the licensed~~

1 ~~facility is located. The county commissioners of a~~
2 ~~county of the third class in which the licensed~~
3 ~~facility is located shall appoint an advisory~~
4 ~~committee for the purpose of advising the county as~~
5 ~~to the need for municipal grants for health, safety,~~
6 ~~transportation and other projects in the public~~
7 ~~interest to be comprised of two individuals from the~~
8 ~~host municipality, two from contiguous municipalities~~
9 ~~within the county of the third class and one from the~~
10 ~~host county. [In the event that the revenues~~
11 ~~generated by the 2% do not meet the \$10,000,000~~
12 ~~minimum specified in this subparagraph, the~~
13 ~~department shall collect the remainder of the minimum~~
14 ~~amount of \$10,000,000 from each licensed gaming~~
15 ~~entity operating a licensed facility in the township,~~
16 ~~pay any balance due to the township and transfer any~~
17 ~~remainder in accordance with paragraph (2).]~~

18 ~~(C) [\$160,000 annually shall be paid by each~~
19 ~~licensed gaming entity operating a licensed facility~~
20 ~~and owning land adjacent to the licensed facility~~
21 ~~located in more than one township of the second~~
22 ~~class, other than a Category 3 licensed facility, to~~
23 ~~the township of the second class that is located in a~~
24 ~~county of the fifth class in which the adjacent land~~
25 ~~is located, including racetracks, grazing fields or~~
26 ~~any other adjoining real property.] For land owned by~~
27 ~~a licensed gaming entity, other than a Category 3~~
28 ~~licensed facility and located in more than one~~
29 ~~township of the second class, \$160,000 shall be~~
30 ~~distributed annually to the township of the second~~

~~class which is located in a county of the fifth class
if the land owned, including racetracks, grazing
fields and other adjoining real property, is adjacent
to the licensed facility.~~

~~(vi) To a borough hosting a licensed facility, other
than a Category 3 licensed facility, [2% of the gross
terminal revenue or \$10,000,000 annually, whichever is
greater, shall be paid by each licensed gaming entity
operating a licensed facility located in that borough,]
\$10,000,000 annually shall be distributed to the borough,
subject, however, to the budgetary limitation in this
subparagraph. The amount allocated to the designated
municipalities shall not exceed 50% of their total budget
for fiscal year 2003-2004, adjusted for inflation in
subsequent years by an amount not to exceed an annual
cost of living adjustment calculated by applying the
percentage change in the Consumer Price Index immediately
prior to the date the adjustment is due to take effect.
Any remaining money shall be [collected by the department
from each licensed gaming entity and] distributed in
accordance with paragraph (2) based upon the
classification of county where the licensed facility is
located. [In the event that the revenues generated by the
2% do not meet the \$10,000,000 minimum specified in this
subparagraph, the department shall collect the remainder
of the minimum amount of \$10,000,000 from each licensed
gaming entity operating a licensed facility in the
borough, pay any balance due to the borough and transfer
any remainder in accordance with paragraph (2).]~~

~~(vii) To an incorporated town hosting a licensed~~

1 ~~facility, other than a Category 3 licensed facility, [2%~~
2 ~~of the gross terminal revenue or \$10,000,000 annually,~~
3 ~~whichever is greater, shall be paid by each licensed~~
4 ~~entity operating a licensed facility located in the~~
5 ~~town,] \$10,000,000 annually shall be distributed to the~~
6 ~~incorporated town, subject, however, to the budgetary~~
7 ~~limitation in this subparagraph. The amount allocated to~~
8 ~~the designated municipalities shall not exceed 50% of~~
9 ~~their total budget for fiscal year 2003-2004, adjusted~~
10 ~~for inflation in subsequent years by an amount not to~~
11 ~~exceed an annual cost of living adjustment calculated by~~
12 ~~applying the percentage change in the Consumer Price~~
13 ~~Index immediately prior to the date the adjustment is due~~
14 ~~to take effect. Any remaining money shall be [collected~~
15 ~~by the department from each licensed gaming entity and]~~
16 ~~distributed in accordance with paragraph (2) based upon~~
17 ~~the classification of county where the licensed facility~~
18 ~~is located. [In the event that the revenues generated by~~
19 ~~the 2% do not meet the \$10,000,000 minimum specified in~~
20 ~~this subparagraph, the department shall collect the~~
21 ~~remainder of the minimum amount of \$10,000,000 from each~~
22 ~~licensed gaming entity operating a licensed facility in~~
23 ~~the incorporated town, pay any balance due to the town~~
24 ~~and transfer any remainder in accordance with paragraph~~
25 ~~(2).]~~

26 ~~(viii) (A) Except as provided in clause (B) or (C),~~
27 ~~to a municipality of any class hosting a Category 3~~
28 ~~facility, 2% of the gross terminal revenue from the~~
29 ~~Category 3 licensed facility located in the~~
30 ~~municipality, subject, however, to the budgetary~~

1 ~~limitation in this clause. The amount allocated to~~
2 ~~the designated municipalities shall not exceed 50% of~~
3 ~~their total budget for fiscal year 2009, adjusted for~~
4 ~~inflation in subsequent years by an amount not to~~
5 ~~exceed an annual cost of living adjustment calculated~~
6 ~~by applying the percentage change in the Consumer~~
7 ~~Price Index immediately prior to the date the~~
8 ~~adjustment is due to take effect. Any remaining money~~
9 ~~shall be collected by the department from each~~
10 ~~licensed gaming entity and distributed in accordance~~
11 ~~with paragraph (2) based upon the classification of~~
12 ~~county where the licensed facility is located.~~

13 ~~(B) If the municipality hosting a Category 3~~
14 ~~licensed facility is a borough located in a county of~~
15 ~~the third class and the borough is contiguous to a~~
16 ~~city of the third class, 1% of gross terminal revenue~~
17 ~~shall be distributed to the host borough and 1% of~~
18 ~~gross terminal revenue shall be distributed to the~~
19 ~~city of the third class that is contiguous to the~~
20 ~~host borough, subject, however, to the budgetary~~
21 ~~limitation in this clause. The amount allocated to~~
22 ~~each designated municipality shall not exceed 50% of~~
23 ~~its total budget for fiscal year 2009, adjusted for~~
24 ~~inflation in subsequent years by an amount not to~~
25 ~~exceed an annual cost of living adjustment calculated~~
26 ~~by applying the percentage increase, if any, in the~~
27 ~~Consumer Price Index immediately prior to the date~~
28 ~~the adjustment is due to take effect. Any remaining~~
29 ~~money shall be collected by the department from each~~
30 ~~licensed gaming entity and distributed in accordance~~

1 ~~with paragraph (2) based upon the classification of~~
2 ~~county where the licensed facility is located.~~

3 ~~(C) If the municipality hosting a Category 3~~
4 ~~licensed facility is a township of the second class~~
5 ~~in a county of the fifth class which is contiguous to~~
6 ~~a county of the seventh class, 2% of the gross~~
7 ~~terminal revenue from the Category 3 licensed~~
8 ~~facility located in the municipality shall be~~
9 ~~distributed to the municipality, subject, however, to~~
10 ~~the budgetary limitation in this clause. The amount~~
11 ~~allocated to the designated municipalities shall not~~
12 ~~exceed the lesser of \$1,000,000 or 50% of their total~~
13 ~~budget for fiscal year 2009, adjusted for inflation~~
14 ~~in subsequent years by an amount not to exceed an~~
15 ~~annual cost of living adjustment calculated by~~
16 ~~applying the percentage change in the Consumer Price~~
17 ~~Index immediately prior to the date the adjustment is~~
18 ~~due to take effect. Any remaining money shall be~~
19 ~~collected by the department from each licensed gaming~~
20 ~~entity and distributed in equal amounts to each~~
21 ~~municipality contiguous to the host municipality.~~
22 ~~However, the amount to be allocated to any contiguous~~
23 ~~municipality shall not exceed the lesser of~~
24 ~~\$1,000,000 or 50% of the municipality's total budget~~
25 ~~for fiscal year 2009, adjusted for inflation in~~
26 ~~subsequent years by an amount not to exceed an annual~~
27 ~~cost of living adjustment calculated by applying the~~
28 ~~percentage change in the Consumer Price Index~~
29 ~~immediately prior to the date the adjustment is due~~
30 ~~to take effect. Any money remaining following~~

1 ~~distribution to contiguous municipalities shall be~~
2 ~~collected by the department and distributed in~~
3 ~~accordance with paragraph (2) based upon the~~
4 ~~classification of county where the licensed facility~~
5 ~~is located.~~

6 ~~(ix) [Any municipality not specifically enumerated~~
7 ~~in subparagraphs (i) through (viii),] To a municipality,~~
8 ~~except for a city of the first class, not specifically~~
9 ~~enumerated in subparagraphs (i), (i.1), (ii), (iii),~~
10 ~~(iii.1), (iv), (v), (vi), (vii) and (viii) hosting a~~
11 ~~licensed facility, other than a Category 3 licensed~~
12 ~~facility, \$10,000,000 annually shall be distributed to~~
13 ~~the host municipality. To a municipality not enumerated~~
14 ~~in subparagraphs (i), (i.1), (ii), (iii), (iii.1), (iv),~~
15 ~~(v), (vi), (vii) and (viii) hosting a Category 3 licensed~~
16 ~~facility, 2% of the gross terminal revenue to the~~
17 ~~municipality hosting the Category 3 licensed facility~~
18 ~~from each such Category 3 licensed facility.~~

19 ~~(x) If the licensed facility is located in more than~~
20 ~~one municipality, the amount available shall be~~
21 ~~distributed on a pro rata basis determined by the~~
22 ~~percentage of acreage located in each municipality to the~~
23 ~~total acreage of all municipalities occupied by the~~
24 ~~licensed facility.~~

25 ~~(xi) If the licensed facility is located at a resort~~
26 ~~which is also an incorporated municipality, such~~
27 ~~municipality shall not be eligible to receive any~~
28 ~~distribution under this paragraph. The distribution it~~
29 ~~would have otherwise been entitled to under this~~
30 ~~paragraph shall instead be distributed in accordance with~~

1 ~~paragraph (2) based upon the county where the licensed~~
2 ~~facility is located.~~

3 ~~(xii) The distributions provided in this paragraph~~
4 ~~shall be based upon municipal classifications in effect~~
5 ~~on the effective date of this section. For the purposes~~
6 ~~of this paragraph, any reclassification of municipalities~~
7 ~~as a result of a Federal decennial census or of a State~~
8 ~~statute shall not apply to this paragraph.~~

9 ~~(xiii) If any provision of this paragraph is found~~
10 ~~to be unenforceable for any reason, the distribution~~
11 ~~provided for in such unenforceable provision shall be~~
12 ~~made to the municipality in which the licensed facility~~
13 ~~is located.~~

14 ~~(xiv) Nothing in this paragraph shall prevent any of~~
15 ~~the above municipalities from entering into~~
16 ~~intergovernmental cooperative agreements with other~~
17 ~~jurisdictions for sharing this money.~~

18 ~~(xv) Notwithstanding any other law, agreement or~~
19 ~~provision in this part to the contrary, all revenues~~
20 ~~provided, directed or earmarked under this section to or~~
21 ~~for the benefit of a city of the second class in which an~~
22 ~~intergovernmental cooperation authority has been~~
23 ~~established and is in existence pursuant to the act of~~
24 ~~February 12, 2004 (P.L.73, No.11), known as the~~
25 ~~Intergovernmental Cooperation Authority Act for Cities of~~
26 ~~the Second Class, shall be directed to and under the~~
27 ~~exclusive control of such intergovernmental cooperation~~
28 ~~authority to be used:~~

29 ~~(A) to reduce the debt of the second class city;~~

30 ~~(B) to increase the level of funding of the~~

1 ~~municipal pension funds of the second class city; or~~
2 ~~(C) for any other purposes as determined to be~~
3 ~~in the best interest of the second class city by such~~
4 ~~intergovernmental cooperation authority. Such~~
5 ~~revenues shall not be directed to or under the~~
6 ~~control of such city of the second class or any~~
7 ~~coordinator appointed pursuant to the act of July 10,~~
8 ~~1987 (P.L.246, No.47), known as the Municipalities~~
9 ~~Financial Recovery Act, for such city of the second~~
10 ~~class.~~

11 ~~(d) Consumer Price Index. For purposes of subsection (c),~~
12 ~~references to the Consumer Price Index shall mean the Consumer~~
13 ~~Price Index for All Urban Consumers for the Pennsylvania, New~~
14 ~~Jersey, Delaware and Maryland area for the most recent 12 month~~
15 ~~period for which figures have been officially reported by the~~
16 ~~United States Department of Labor, Bureau of Labor Statistics.~~

17 ~~(e) Reporting.~~

18 ~~(1) In cooperation with the department and the~~
19 ~~Commonwealth Financing Authority, the Department of Community~~
20 ~~and Economic Development shall submit an annual report on all~~
21 ~~distributions of local share assessments and slot machine~~
22 ~~license operation fees to counties and municipalities under~~
23 ~~this section to the chairman and minority chairman of the~~
24 ~~Appropriations Committee of the Senate, the chairman and~~
25 ~~minority chairman of the Community, Economic and Recreational~~
26 ~~Development Committee of the Senate, the chairman and~~
27 ~~minority chairman of the Appropriations Committee of the~~
28 ~~House of Representatives and the chairman and minority~~
29 ~~chairman of the Gaming Oversight Committee of the House of~~
30 ~~Representatives. The report shall be submitted by [August 31,~~

1 ~~2010] March 31, 2018, and by [August] March 31 of each year~~
2 ~~thereafter.~~

3 ~~(2) All counties and municipalities receiving~~
4 ~~distributions of local share assessments or slot machine~~
5 ~~license operation fees under this section shall submit~~
6 ~~information to the Department of Community and Economic~~
7 ~~Development on a form prepared by the Department of Community~~
8 ~~and Economic Development that sets forth the amount and use~~
9 ~~of the funds received in the prior calendar year. The form~~
10 ~~shall set forth whether the funds received were deposited in~~
11 ~~the county's or municipality's General Fund or committed to a~~
12 ~~specific project or use.~~

13 ~~(f) Prohibited activities.~~

14 ~~(1) A person or its affiliated entity or a political~~
15 ~~subdivision shall not compensate or incur an obligation to~~
16 ~~compensate a person to engage in lobbying for compensation~~
17 ~~contingent in whole or in part upon the approval, award,~~
18 ~~receipt or denial of funds under this section. A person or~~
19 ~~its affiliated entity shall not engage in or agree to engage~~
20 ~~in lobbying for compensation contingent in whole or in part~~
21 ~~upon the approval, award, receipt or denial of funds under~~
22 ~~this section. This subsection shall not apply to a county or~~
23 ~~municipality that compensates a person to prepare a grant~~
24 ~~application for funds under this section if the following~~
25 ~~requirements are met:~~

26 ~~(i) The person is not identified in the application.~~

27 ~~(ii) The person has no direct contact with the~~
28 ~~agency, county or municipality providing the funding.~~

29 ~~(iii) The person is paid a fixed fee or percentage~~
30 ~~of the amount of any funds approved, awarded or received~~

1 ~~up to .5%.~~

2 ~~(2) A violation of this section shall be considered an~~
3 ~~intentional violation of 65 Pa.C.S. § 13A09(e) (relating to~~
4 ~~penalties).~~

5 ~~Section 20.1. Section 1407(b) of Title 4 is amended and the~~
6 ~~section is amended by adding a subsection to read:~~

7 ~~§ 1407. Pennsylvania Gaming Economic Development and Tourism~~
8 ~~Fund.~~

9 ~~* * *~~

10 ~~(b) Fund administration and distribution. The Pennsylvania~~
11 ~~Gaming Economic Development and Tourism Fund shall be~~
12 ~~administered by the Department of Community and Economic~~
13 ~~Development. [All] Except as provided under subsection (c.1),~~
14 ~~all moneys in the Pennsylvania Gaming Economic Development and~~
15 ~~Tourism Fund shall be distributed pursuant to a subsequently~~
16 ~~enacted Economic Development Capital Budget that appropriates~~
17 ~~money from the fund pursuant to this section. The procedures for~~
18 ~~enactment, authorization and release of economic development and~~
19 ~~tourism funds authorized under this section for both capital~~
20 ~~projects and operational expenditures shall be the same as those~~
21 ~~provided for in sections 303(a), (b) and (c) and 318(a) of the~~
22 ~~act of February 9, 1999 (P.L.1, No.1), known as the Capital~~
23 ~~Facilities Debt Enabling Act, without reference to the nature or~~
24 ~~purpose of the project, and any other statutory provision, if~~
25 ~~any, necessary to effectuate the release of funds appropriated~~
26 ~~in such economic development capital budget.~~

27 ~~* * *~~

28 ~~(c.1) Supplemental Pennsylvania Gaming Economic Development~~
29 ~~and Tourism Fund Assessment. Beginning July 1, 2017, each~~
30 ~~licensed gaming entity shall pay a daily assessment of 0.5% of~~

~~its gross terminal revenue to the Casino Marketing and Capital Development Account. The following shall apply:~~

~~(1) The board shall submit notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin when the gross terminal revenue for each Category 1 and Category 2 slot machine licensee for the previous fiscal year exceeds \$200,000,000.~~

~~(2) This subsection shall expire on the earlier of:~~

~~(i) ten years after the effective date of this subsection; or~~

~~(ii) the date of publication of the notice under paragraph (1).~~

~~* * *~~

~~Section 20.2. Title 4 is amended by adding a section to read:~~

~~§ 1407.1. Casino Marketing and Capital Development Account.~~

~~(a) Establishment. There is established in the Pennsylvania Gaming Economic Development and Tourism Fund a restricted account to be known as the Casino Marketing and Capital Development Account.~~

~~(b) Administration and distribution. The Casino Marketing and Capital Development Account shall be administered by the board. All money in the Casino Marketing and Capital Development Account shall be distributed as grants in accordance with this section. The Department of Community and Economic Development shall make payments to grant recipients as directed by the board.~~

~~(c) Grant procedures. The board shall establish procedures for a slot machine licensee to apply for grants from the Casino Marketing and Capital Development Account. The board shall~~

~~determine the form and manner in which an application for a grant may be filed with the board.~~

~~(d) Program guidelines. The board shall establish program guidelines. Each slot machine licensee may apply to the board for a grant under this section. Each grant awarded under this section shall be used by the slot machine licensee for marketing or capital development.~~

~~(e) Distribution of grants.~~

~~(1) Each year, before the board awards a grant under this section, the following distributions shall be made:~~

~~(i) Each Category 1 or Category 2 slot machine licensee with gross terminal revenues of \$150,000,000 or less for the fiscal year ending June 30, 2016, shall receive \$5,000,000.~~

~~(ii) Each Category 1 or Category 2 slot machine licensee with gross terminal revenues of more than \$150,000,000 but less than \$200,000,000 for the fiscal year ending June 30, 2016, shall receive \$3,000,000.~~

~~(iii) If there is insufficient money in the Casino Marketing and Capital Development Account to make the required distributions under subparagraphs (i) and (ii), distributions shall be made in the proportion of:~~

~~(A) the eligible licensees under each subparagraph; to~~

~~(B) the total amount of money in the Casino Marketing and Capital Development Account.~~

~~(2) After distribution under paragraph (1), remaining money in the Casino Marketing and Capital Development Account shall be distributed by the board to other slot machine licensees that have applied for grants.~~

~~(3) No slot machine licensee may receive more than \$5,000,000 from the Casino Marketing and Capital Development Account in one year.~~

~~(f) Expiration.~~

~~(1) The board shall submit notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin when the gross terminal revenue for each Category 1 and Category 2 slot machine licensee for the previous fiscal year exceeds \$200,000,000.~~

~~(2) This section shall expire on the earlier of:~~

~~(i) ten years after the effective date of this subsection; or~~

~~(ii) the date of publication of the notice under paragraph (1).~~

~~(g) Definition. As used in this section, the term "capital development" shall include, but is not limited to, expansion or renovation of an existing licensed facility or constructing or expanding amenities at a licensed facility.~~

~~Section 20.3. Section 1408(c) of Title 4 is amended and the section is amended by adding a subsection to read:~~

~~§ 1408. Transfers from State Gaming Fund.~~

~~* * *~~

~~(c) Local law enforcement grants. [Annually] Except as provided in subsection (c.1), annually, the sum of \$2,000,000 shall be transferred to the board for the purpose of issuing grants to local law enforcement agencies to investigate violations of and enforce laws relating to unlawful gambling in this Commonwealth. For purposes of this subsection, the term "local law enforcement agency" shall include the Pennsylvania State Police when conducting unlawful gambling enforcement and~~

~~prevention activities in a municipality which does not have a
municipal police department and in which the Pennsylvania State
Police provide the municipality with primary police coverage.~~

~~(c.1) Transfer to the Casino Marketing and Capital
Development Account. Beginning July 1, 2017, and each year
thereafter, \$2,000,000 shall be transferred to the Casino
Marketing and Capital Development Account established in section
1407.1 (relating to Casino Marketing and Capital Development
Account). Any money not committed for local law enforcement
grants under subsection (c) on the effective date of this
subsection shall be transferred to the Casino Marketing and
Capital Development Account. The following shall apply:~~

~~(1) The board shall submit notice to the Legislative
Reference Bureau for publication in the Pennsylvania Bulletin
when the gross terminal revenue for each Category 1 and
Category 2 slot machine licensee for the previous fiscal year
exceeds \$200,000,000.~~

~~(2) This subsection shall expire on the earlier of:~~

~~(i) ten years after the effective date of this
subsection; or~~

~~(ii) the date of publication of the notice under
paragraph (1).~~

~~* * *~~

~~Section 20.4. Sections 1501(b), 1504 and 1509 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], table games, interactive gaming and fantasy contests under this part.~~

~~* * *~~

~~§ 1504. Wagering on credit.~~

~~Except as otherwise provided in this section, slot machine licensees shall not extend credit. Slot machine licensees shall not accept credit cards, charge cards or debit cards from a patron or a player for the exchange or purchase of slot machine credits or for an advance of coins or currency to be utilized by a player to play slot machine games or extend credit in any manner to a player so as to enable the player to play slot machines. Prepaid access instruments are not deemed to be a credit card, charge card, debit card or any other instrument of credit and are not prohibited under this section. Slot machine licensees who hold a table game operation certificate may extend credit for slot machine gaming in accordance with section 13A26 (relating to cash equivalents).~~

~~§ 1509. Compulsive and problem gambling program.~~

~~(a) Establishment of program. The Department of [Health] Drug and Alcohol Programs or successor agency, in consultation with organizations similar to the Mid Atlantic Addiction Training Institute, 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. The guidelines shall include strategies~~

~~for the prevention of compulsive and problem gambling. The Department of [Health] Drug and Alcohol Programs or successor agency may consult with the board and licensed gaming entities to develop such strategies.~~

~~(a.1) Duties of Department of [Health] Drug and Alcohol Programs. From funds available in the Compulsive and Problem Gambling Treatment Fund, the Department of [Health] Drug and Alcohol Programs or successor agency shall:~~

~~(1) Maintain [a] one compulsive gamblers assistance organization's toll free problem gambling telephone number, which shall be the number 1 800 GAMBLER, to provide crisis counseling and referral services to individuals and families experiencing difficulty as a result of problem or compulsive gambling. If the Department of Drug and Alcohol Programs or successor agency determines that it is unable to adopt the number 1 800 GAMBLER, the Department of Drug and Alcohol Programs or successor agency shall maintain another number.~~

~~(2) Facilitate, through in service training and other means, the availability of effective assistance programs for problem and compulsive gamblers and family members affected by problem and compulsive gambling.~~

~~(3) At its discretion, conduct studies to identify individuals in this Commonwealth who are or are at risk of becoming problem or compulsive gamblers.~~

~~(4) Provide grants to and contract with single county authorities and other organizations which provide services as set forth in this section.~~

~~(5) Reimburse organizations for reasonable expenses incurred assisting the Department of [Health] Drug and Alcohol Programs or successor agency with implementing this~~

1 ~~section.~~

2 ~~(a.2) Duties of Department of [Health] Drug and Alcohol~~
3 ~~Programs and board. [Within 60 days following the effective~~
4 ~~date of this subsection, the] The Department of [Health's Bureau~~
5 ~~of] Drug and Alcohol Programs or successor agency and the~~
6 ~~board's Office of Compulsive and Problem Gambling shall jointly~~
7 ~~collaborate with other appropriate offices and agencies of State~~
8 ~~or local government, including single county authorities, and~~
9 ~~providers and other persons, public or private, with expertise~~
10 ~~in compulsive and problem gambling treatment to do the~~
11 ~~following:~~

12 ~~(1) Implement a strategic plan for the prevention and~~
13 ~~treatment of compulsive and problem gambling.~~

14 ~~(2) Adopt compulsive and problem gambling treatment~~
15 ~~standards to be integrated with the [Bureau] Department of~~
16 ~~Drug and Alcohol Program's or successor agency's uniform~~
17 ~~Statewide guidelines that govern the provision of addiction~~
18 ~~treatment services.~~

19 ~~(3) Develop a method to coordinate compulsive and~~
20 ~~problem gambling data collection and referral information to~~
21 ~~crisis response hotlines, child welfare and domestic violence~~
22 ~~programs and providers and other appropriate programs and~~
23 ~~providers.~~

24 ~~(4) Develop and disseminate educational materials to~~
25 ~~provide public awareness related to the prevention,~~
26 ~~recognition and treatment of compulsive and problem gambling.~~

27 ~~(5) Develop demographic specific compulsive and problem~~
28 ~~gambling prevention, intervention and treatment programs.~~

29 ~~(6) Prepare an itemized budget outlining how funds will~~
30 ~~be allocated to fulfill the responsibilities under this~~

1 ~~section.~~

2 ~~(b) Compulsive and Problem Gambling Treatment Fund. There~~
3 ~~is hereby established in the State Treasury a special fund to be~~
4 ~~known as the Compulsive and Problem Gambling Treatment Fund. All~~
5 ~~moneys in the fund shall be administered by the Department of~~
6 ~~[Health] Drug and Alcohol Programs or successor agency and~~
7 ~~expended solely for programs for the prevention and treatment of~~
8 ~~gambling addiction and other emotional and behavioral problems~~
9 ~~associated with or related to gambling addiction and for the~~
10 ~~administration of the compulsive and problem gambling program,~~
11 ~~provided that the Department of [Health] Drug and Alcohol~~
12 ~~Programs or successor agency shall annually distribute at least~~
13 ~~50% of the money in the fund to single county authorities under~~
14 ~~subsection (d). The fund shall consist of money annually~~
15 ~~allocated to it from the annual payment established under~~
16 ~~section 1408(a) (relating to transfers from State Gaming Fund),~~
17 ~~money which may be allocated by the board, interest earnings on~~
18 ~~moneys in the fund and any other contributions, payments or~~
19 ~~deposits which may be made to the fund.~~

20 ~~(c) Notice of availability of assistance.~~

21 ~~(1) [Each] Except as otherwise provided for in paragraph~~
22 ~~(4), each slot machine licensee shall [obtain a] use the~~
23 ~~toll free telephone number [to be used] established by the~~
24 ~~Department of Drug and Alcohol Programs or successor agency~~
25 ~~in subsection (a.1) (1) to provide persons with information on~~
26 ~~assistance for compulsive or problem gambling. Each licensee~~
27 ~~shall conspicuously post at least 20 signs similar to the~~
28 ~~following statement:~~

29 ~~If you or someone you know has a gambling problem, help~~
30 ~~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).~~

~~Except as otherwise provided for in paragraph (4), the toll-free telephone number shall be the same telephone number established by the Department of Drug and Alcohol Programs or successor agency under subsection (a.1)(1).~~

~~(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 a 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 a single
wager on an 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 a gaming
related promotional material or e-mail to a registered
player during a 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] 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.

~~(3.1) 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.~~

~~(4) Slot machine licensees or racetracks utilizing a toll-free telephone number other than the number established by the Department of Drug and Alcohol Programs or successor agency under subsection (a.1)(1) prior to the effective date of this paragraph may continue to use that number for a period not to exceed three years from the effective date of this paragraph upon showing good cause to the Department of Drug and Alcohol Programs or successor agency.~~

~~(d) Single county authorities. The Department of [Health] Drug and Alcohol Programs or successor agency shall make grants from the fund established under subsection (b) to single county authorities created pursuant to the act of April 14, 1972 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol Abuse Control Act, for the purpose of providing compulsive gambling and gambling addiction prevention, treatment and education programs. Treatment may include financial counseling, irrespective of whether the financial counseling is provided by the single county authority, the treatment service provider or subcontracted to a third party. It is the intention of the General Assembly that any grants made by the Department of [Health] Drug and Alcohol Programs or successor agency to any single county authority in accordance with the provisions of~~

~~this subsection be used exclusively for the development and implementation of compulsive and problem gambling programs authorized under this section.~~

~~(d.1) Eligibility. Eligibility to receive treatment services for treatment of compulsive and problem gambling under this section shall be determined using financial eligibility and other requirements of the single county authorities as approved by the Department of [Health] Drug and Alcohol Programs or successor agency.~~

~~(d.2) Report. [No later than October 1, 2010, and each] Annually on October 1 [thereafter], the Department of [Health] Drug and Alcohol Programs or successor agency, in consultation with the board, shall prepare and submit a report on the impact of the programs funded by the Compulsive and Problem Gambling Treatment Fund to the Governor and to the members of the General Assembly. The report shall include aggregate demographic specific data, including race, gender, geography and income of those individuals treated.~~

~~(e) Definition. As used in subsection (d), the term "single county authority" means the agency designated by the Department of Health pursuant to the act of April 14, 1972 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol Abuse Control Act, to plan and coordinate drug and alcohol prevention, intervention and treatment services for a geographic area, which may consist of one or more counties.~~

~~Section 21. 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.~~

~~* * *~~

~~Section 22. Sections 1514 heading, (a), (d), (e) and (f),
1515 and 1516 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. 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 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, interactive gaming certificate holder or
interactive gaming licensee in accordance with this part if the
licensed gaming entity, interactive gaming certificate holder or
interactive gaming licensee knowingly fails to exclude or eject~~

~~from the premises of any licensed facility or deny access to
interactive gaming 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 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 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 e 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 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 any person who disrupts the operations of its premises or its interactive gaming, threatens the security of its premises or its occupants or is disorderly or intoxicated[.] or who threatens the security of its licensed facility 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 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.~~

~~(a.1) Interactive gaming self exclusion. The board shall provide by regulation for the establishment of a list of persons self excluded from interactive gaming activities 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 related to interactive gaming.~~

~~(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 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, interactive gaming certificate holder or interactive gaming licensee 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 an interactive gaming certificate holder or interactive gaming licensee to withhold interactive gaming privileges from or restore interactive gaming privileges 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 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.~~

~~Section 22.1. Section 1517(b) (1), (c) (12) and (e) (1) of
Title 4 are amended to read:~~

~~§ 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] 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 and interactive
gaming operations at such times, under such circumstances and
to such extent as the bureau determines. This paragraph
includes reviews of accounting, administrative and financial
records and management control systems, procedures and
records utilized by a slot machine licensee.~~

~~* * *~~

~~(e) Inspection, seizure and warrants.~~

~~(1) The bureau, the department and the Pennsylvania
State Police shall have the authority without notice and~~

1 ~~without warrant to do all of the following in the performance~~
2 ~~of their duties:~~

3 ~~(i) Inspect and examine all premises where slot~~
4 ~~machine [or], table game operations and interactive~~
5 ~~gaming operations are conducted, slot machines, table~~
6 ~~game devices and associated equipment, interactive gaming~~
7 ~~devices and associated equipment are manufactured, sold,~~
8 ~~distributed or serviced or where records of these~~
9 ~~activities are prepared or maintained.~~

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

12 ~~(iii) Seize, summarily remove and impound equipment~~
13 ~~and supplies from premises referred to in subparagraph~~
14 ~~(i) for the purposes of examination and inspection.~~

15 ~~(iv) Inspect, examine and audit all books, records~~
16 ~~and documents pertaining to a slot machine licensee's~~
17 ~~operation.~~

18 ~~(v) Seize, impound or assume physical control of any~~
19 ~~book, record, ledger, game, device, cash box and its~~
20 ~~contents, count room or its equipment, interactive gaming~~
21 ~~devices and associated equipment or slot machine [or],~~
22 ~~table game operations or interactive gaming operations.~~

23 ~~* * *~~

24 ~~Section 23. Section 1518(a)(1), (2), (3), (4), (5), (7.1),~~
25 ~~(11), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4~~
26 ~~are amended and subsections (a) and (b) are amended by adding~~
27 ~~paragraphs to read:~~

28 ~~§ 1518. Prohibited acts; penalties.~~

29 ~~(a) Criminal offenses.—~~

30 ~~(1) The provisions of 18 Pa.C.S. § 4902 (relating to~~

1 ~~perjury), 4903 (relating to false swearing) or 4904 (relating~~
2 ~~to unsworn falsification to authorities) shall apply to any~~
3 ~~person providing information or making any statement, whether~~
4 ~~written or oral, to the board, the commission, the bureau,~~
5 ~~the department, the Pennsylvania State Police or the Office~~
6 ~~of Attorney General, as required by this part.~~

7 ~~(2) It shall be unlawful for a person to willfully:~~

8 ~~(i) fail to report, pay or truthfully account for~~
9 ~~and pay over any license fee, authorization fee, permit~~
10 ~~fee, tax or assessment imposed under this part; or~~

11 ~~(ii) attempt in any manner to evade or defeat any~~
12 ~~license fee, authorization fee, permit fee, registration~~
13 ~~fee, tax or assessment or any other fee imposed under~~
14 ~~this part.~~

15 ~~(3) It shall be unlawful for any licensed entity, gaming~~
16 ~~employee, key employee or any other person to permit a slot~~
17 ~~machine, table game or table game device, interactive game or~~
18 ~~interactive gaming device or associated equipment to be~~
19 ~~operated, transported, repaired or opened on the premises of~~
20 ~~a licensed facility by a person other than a person licensed~~
21 ~~or permitted by the board pursuant to this part.~~

22 ~~(3.1) It shall be unlawful for any person who does not~~
23 ~~possess a valid and then effective interactive gaming~~
24 ~~certificate or interactive gaming license issued by the board~~
25 ~~in accordance with Chapter 13C (relating to interactive~~
26 ~~gaming) to accept any wager associated with any authorized~~
27 ~~interactive game from any individual without verifying the~~
28 ~~age, identity and physical location of the player at the time~~
29 ~~of play or wager.~~

30 ~~(4) It shall be unlawful for any licensed entity or~~

1 ~~other person to manufacture, supply or place slot machines,~~
2 ~~table games, table game devices or associated equipment,~~
3 ~~authorized interactive game or interactive gaming devices or~~
4 ~~associated equipment into play or display slot machines,~~
5 ~~table games, table game devices or associated equipment on~~
6 ~~the premises of a licensed facility without the authority of~~
7 ~~the board.~~

8 ~~(4.1) It shall be unlawful for any interactive gaming~~
9 ~~certificate holder or interactive gaming licensee to offer~~
10 ~~interactive games into play or display such games on its~~
11 ~~interactive gaming skin or Internet website without the~~
12 ~~approval of the board.~~

13 ~~(4.2) It shall be unlawful for any licensed entity or~~
14 ~~other person to manufacture, supply or place interactive~~
15 ~~gaming devices or associated equipment into operation at a~~
16 ~~licensed facility without the approval of the board.~~

17 ~~(5) Except as provided for in section 1326 (relating to~~
18 ~~{license} renewals), it shall be unlawful for a licensed~~
19 ~~entity or other person to manufacture, supply, operate, carry~~
20 ~~on or expose for play any slot machine, table game, table~~
21 ~~game device or associated equipment, interactive game or~~
22 ~~interactive gaming device or associated equipment after the~~
23 ~~person's license has expired and prior to the actual renewal~~
24 ~~of the license.~~

25 ~~* * *~~

26 ~~(7.1) It shall be unlawful for an individual to do any~~
27 ~~of the following:~~

28 ~~(i) Use or possess counterfeit, marked, loaded or~~
29 ~~tampered with table game devices or associated equipment,~~
30 ~~chips or other cheating devices in the conduct of gaming~~

1 ~~under this part, except that an authorized employee of a~~
2 ~~licensee or an authorized employee of the board may~~
3 ~~possess and use counterfeit chips or table game devices~~
4 ~~or associated equipment that have been marked, loaded or~~
5 ~~tampered with, or other cheating devices or any~~
6 ~~unauthorized interactive gaming device or associated~~
7 ~~equipment in performance of the duties of employment for~~
8 ~~training, investigative or testing purposes only.~~

9 ~~(ii) Knowingly, by a trick or sleight of hand~~
10 ~~performance or by fraud or fraudulent scheme, or~~
11 ~~manipulation, table game device or other device, or~~
12 ~~interactive gaming device for himself or for another, win~~
13 ~~or attempt to win any cash, property or prize at a~~
14 ~~licensed facility or to reduce or attempt to reduce a~~
15 ~~losing wager.~~

16 ~~(7.2) It shall be unlawful for a person to knowingly~~
17 ~~alter, tamper or manipulate interactive gaming devices or~~
18 ~~associated equipment, including software, system programs,~~
19 ~~hardware and any other device or associated equipment used in~~
20 ~~interactive gaming operations, in order to alter the odds or~~
21 ~~the payout of an interactive game or to disable the~~
22 ~~interactive game from operating according to the rules of the~~
23 ~~game as authorized by the board.~~

24 ~~(7.3) It shall be unlawful for a person to knowingly~~
25 ~~offer or allow to be offered any authorized interactive game~~
26 ~~that has been altered, tampered with or manipulated in a way~~
27 ~~that affects the odds or the payout of an authorized~~
28 ~~interactive game or disables the interactive game from~~
29 ~~operating according to the authorized rules of the game as~~
30 ~~authorized by the board.~~

1 * * *

2 ~~(11) It shall be unlawful for a licensed gaming entity~~
3 ~~that is a licensed racing entity and that has lost the~~
4 ~~license issued to it by [either] the State Horse Racing~~
5 ~~Commission or the State Harness Racing Commission under the~~
6 ~~Race Horse Industry Reform Act or that has had that license~~
7 ~~suspended to operate slot machines [or], table games or~~
8 ~~authorized interactive games at the racetrack for which its~~
9 ~~slot machine license was issued unless the license issued to~~
10 ~~it by either the State Horse Racing Commission or the State~~
11 ~~Harness Racing Commission will be subsequently reissued or~~
12 ~~reinstated within 30 days after the loss or suspension.~~

13 * * *

14 ~~(13.1) It shall be unlawful for an individual under 21~~
15 ~~years of age to wager, play or attempt to play a slot machine~~
16 ~~or table game at a licensed facility or to wager, play or~~
17 ~~attempt to play an interactive game.~~

18 ~~(13.2) It shall be unlawful to allow a person under 21~~
19 ~~years of age to open, maintain or use in any way an~~
20 ~~interactive gaming account. Any interactive gaming~~
21 ~~certificate holder, interactive gaming licensee or employee~~
22 ~~of an interactive gaming certificate holder or interactive~~
23 ~~gaming licensee or other such person who knowingly allows a~~
24 ~~person under 21 years of age to open, maintain or use an~~
25 ~~interactive gaming account shall be subject to the penalty~~
26 ~~set forth in this section, except that the establishment of~~
27 ~~all of the following facts by an interactive gaming~~
28 ~~certificate holder, interactive gaming licensee or employee~~
29 ~~of an interactive gaming certificate holder, interactive~~
30 ~~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.~~

~~(13.3) It shall be unlawful for an individual who is under 21 years of age to enter and remain in an airport gaming area, except that an individual who is 18 years of age and 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 the area while engaged in the performance of the individual's employment duties.~~

~~* * *~~

~~(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, 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, table game or table game device, interactive game or interactive gaming device in a manner contrary to the designed and normal operational purpose.~~

~~(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~~

1 ~~subsequent violation of subsection (a) (2), (3) and (4)~~
2 ~~through (12) or (17) commits a felony of the second~~
3 ~~degree.~~

4 ~~(2) (i) For a first violation of subsection (a) (1)~~
5 ~~through (12) or (17), a person shall be sentenced to pay~~
6 ~~a fine of:~~

7 ~~(A) not less than \$75,000 nor more than \$150,000~~
8 ~~if the person is an individual;~~

9 ~~(B) not less than \$300,000 nor more than~~
10 ~~\$600,000 if the person is a licensed gaming entity or~~
11 ~~an interactive gaming certificate holder or an~~
12 ~~interactive gaming licensee; or~~

13 ~~(C) not less than \$150,000 nor more than~~
14 ~~\$300,000 if the person is a licensed manufacturer or~~
15 ~~supplier.~~

16 ~~(ii) For a second or subsequent violation of~~
17 ~~subsection (a) (1), (2), (3) and (4) through (12) or (17),~~
18 ~~a person shall be sentenced to pay a fine of:~~

19 ~~(A) not less than \$150,000 nor more than~~
20 ~~\$300,000 if the person is an individual;~~

21 ~~(B) not less than \$600,000 nor more than~~
22 ~~\$1,200,000 if the person is a licensed gaming entity;~~
23 ~~or~~

24 ~~(C) not less than \$300,000 nor more than~~
25 ~~\$600,000 if the person is a licensed manufacturer or~~
26 ~~supplier.~~

27 ~~(2.1) A person that commits an offense in violation of~~
28 ~~subsection (a) (3.1) commits a felony and, upon conviction,~~
29 ~~shall be sentenced to pay a fine of not more than \$1,000,000.~~
30 ~~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 more than \$2,500,000.~~

~~(3) An individual who commits an offense in violation of subsection (a) (13) [or] (13.1), (13.2) or (13.3) 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), (13.2) or (13.3) 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), (13.2) or (13.3) may be sentenced to perform a period of community service not to exceed 40 hours.~~

~~* * *~~

~~Section 24. 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 2016-2017 and shall be in addition to the appropriation contained in the act of July 8, 2016 (P.L.1570, No.10A), known as the Gaming Control Appropriation Act of 2016.~~

1 ~~* * *~~

2 ~~Section 25. Repeals are as follows:~~

3 ~~(1) The General Assembly declares that the repeal under~~
4 ~~paragraph (2) is necessary to effectuate the addition of 4~~
5 ~~Pa.C.S. § 1403(c)(2)(i)(D)(I.2) and (I.3).~~

6 ~~(2) Section 1753 E of the act of April 9, 1929 (P.L.343,~~
7 ~~No.176), known as The Fiscal Code, is repealed.~~

8 ~~Section 26. This act shall take effect as follows:~~

9 ~~(1) The following shall take effect in 60 days:~~

10 ~~(i) The addition of 4 Pa.C.S. Ch. 13C.~~

11 ~~(ii) The amendment of 4 Pa.C.S. § 1509.~~

12 ~~(2) Except as set forth in paragraph (3)(ii), the~~
13 ~~addition of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.~~

14 ~~(3) The following provisions shall take effect~~
15 ~~immediately:~~

16 ~~(i) This section.~~

17 ~~(ii) The addition of 4 Pa.C.S. § 343.~~

18 ~~(iii) The remainder of this act.~~

19 SECTION 1. THE DEFINITIONS OF "PRIMARY MARKET AREA OF A <--
20 RACETRACK" AND "SECONDARY MARKET OF A RACETRACK" IN SECTION 9301
21 OF TITLE 3 OF THE PENNSYLVANIA CONSOLIDATED STATUTES ARE
22 REPEALED:

23 § 9301. DEFINITIONS.

24 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
25 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
26 CONTEXT CLEARLY INDICATES OTHERWISE:

27 * * *

28 ["PRIMARY MARKET AREA OF A RACETRACK." THE LAND AREA
29 INCLUDED IN A CIRCLE DRAWN WITH THE RACETRACK AS THE CENTER AND
30 A RADIUS OF 35 LAND MILES.]

1 * * *

2 ["SECONDARY MARKET AREA OF A RACETRACK." THE LAND AREA
3 INCLUDED IN A CIRCLE DRAWN WITH THE RACETRACK AS THE CENTER AND
4 A RADIUS OF 50 LAND MILES, NOT INCLUDING THE PRIMARY MARKET AREA
5 OF THE RACETRACK.]

6 * * *

7 SECTION 1.1. SECTION 9330 (F) OF TITLE 3 IS REPEALED:

8 § 9330. PLACE AND MANNER OF CONDUCTING PARI-MUTUEL WAGERING AT
9 RACETRACK ENCLOSURE.

10 * * *

11 [(F) PRIMARY MARKET AREA.--

12 (1) A LICENSED RACING ENTITY OR SECONDARY PARI-MUTUEL
13 ORGANIZATION MAY NOT ACCEPT A WAGER OR ESTABLISH ELECTRONIC
14 WAGERING OR ADVANCED DEPOSIT ACCOUNT WAGERING FOR ANY PERSON
15 LOCATED IN THE PRIMARY MARKET AREA OF A RACETRACK, OTHER THAN
16 THE RACETRACK AT WHICH THE LICENSED RACING ENTITY IS
17 CONDUCTING A HORSE RACE MEETING.

18 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
19 PROHIBIT A LICENSED RACING ENTITY FROM ACCEPTING A WAGER FROM
20 OR ESTABLISHING AN ELECTRONIC WAGERING ACCOUNT FOR ANY PERSON
21 LOCATED IN THE PRIMARY MARKET AREA OF THE RACETRACK WHERE THE
22 LICENSED RACING ENTITY IS CONDUCTING A HORSE RACE MEETING. IF
23 TWO TRACKS SHARE THE PRIMARY MARKET AREA, BOTH RACETRACKS
24 SHALL HAVE EQUAL RIGHTS TO THE MARKET IN THE SHARED AREA.]

25 SECTION 1.2. SECTIONS 9331 (A) (1), (D) (4) AND (E), 9352 (3)
26 AND (4) AND 9356 (B) (2) OF TITLE 3 ARE AMENDED TO READ:

27 § 9331. PARI-MUTUEL WAGERING AT NONPRIMARY LOCATIONS.

28 (A) NONPRIMARY LOCATIONS.--THE FOLLOWING SHALL APPLY:

29 (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER,
30 THE COMMISSION MAY APPROVE A LICENSED RACING ENTITY TO

1 CONTINUE TO OPERATE A NONPRIMARY LOCATION WHERE IT HAS
2 CONDUCTED PARI-MUTUEL WAGERING ON HORSE RACES CONDUCTED BY
3 THE LICENSED RACING ENTITY. THE LICENSED RACING ENTITY MAY
4 CONTINUE TO CONDUCT PARI-MUTUEL WAGERING AT THE LOCATION ON
5 HORSE RACES CONDUCTED BY ANOTHER LICENSED RACING ENTITY,
6 WHICH HORSE RACES MAY BE TELEVISED TO THE LOCATION OR ON
7 HORSE RACES SIMULCAST TO THE LOCATION UNDER SECTION 9329
8 (RELATING TO INTERSTATE SIMULCASTING) [, PROVIDED THAT:

9 (I) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
10 NONPRIMARY LOCATION WITHIN THE PRIMARY MARKET AREA OF ANY
11 RACETRACK OTHER THAN A RACETRACK WHERE THE LICENSED
12 RACING ENTITY CONDUCTS HORSE RACE MEETINGS. ESTABLISHMENT
13 OF A NONPRIMARY LOCATION BY A LICENSED RACING ENTITY
14 WITHIN THE PRIMARY MARKET AREA OF A RACETRACK WHERE THE
15 LICENSED RACING ENTITY CONDUCTS HORSE RACE MEETINGS SHALL
16 REQUIRE APPROVAL OF THE COMMISSION.

17 (II) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
18 NONPRIMARY LOCATION WITHIN THE SECONDARY MARKET AREA OF A
19 RACETRACK IF THE NONPRIMARY LOCATION IS APPROVED BY THE
20 COMMISSION.

21 (III) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
22 NONPRIMARY LOCATION IN AN AREA OUTSIDE THE PRIMARY AND
23 SECONDARY MARKET AREAS OF ANY RACETRACK IF THE LOCATION
24 IS APPROVED BY THE COMMISSION].

25 * * *

26 (D) PAYMENT OF PURSES.--A LICENSED RACING ENTITY CONDUCTING
27 A HORSE RACE MEETING WHERE PARI-MUTUEL WAGERING IS CONDUCTED AT
28 ONE OR MORE NONPRIMARY LOCATIONS SHALL DISTRIBUTE MONEY TO THE
29 HORSEMEN'S ORGANIZATION, OR, IN ACCORDANCE WITH THE PRACTICE OF
30 THE PARTIES, TO BE USED FOR PAYMENT OF PURSES AT THAT RACETRACK,

1 AS FOLLOWS:

2 * * *

3 [(4) WHENEVER A NONPRIMARY LOCATION IS WITHIN THE
4 PRIMARY MARKET AREA OF A LICENSED RACING ENTITY OTHER THAN
5 THE LICENSED RACING ENTITY CONDUCTING THE RACES, THE
6 APPLICABLE PERCENTAGE SHALL BE DISTRIBUTED ONE-HALF TO THE
7 HORSEMEN'S ORGANIZATION AT THE RACETRACK OR IN ACCORDANCE
8 WITH THE PRACTICE OF THE PARTIES.]

9 * * *

10 [(E) OTHER PAYMENTS.--NOTWITHSTANDING ANY OTHER PROVISION OF
11 THIS CHAPTER, A NONPRIMARY LOCATION MAY BE ESTABLISHED WITHIN
12 THE PRIMARY MARKET AREA OF A RACETRACK BY AGREEMENT BETWEEN THE
13 LICENSED RACING ENTITY AND THE HORSEMEN'S ORGANIZATION AT THE
14 RACETRACK SPECIFYING THE TOTAL PERCENTAGE OF HANDLE WAGERED AT
15 THE NONPRIMARY LOCATION TO BE DISTRIBUTED TO THE HORSEMEN'S
16 ORGANIZATION, OR, IN ACCORDANCE WITH THE PRACTICE OF THE
17 PARTIES, TO BE USED FOR THE PAYMENT OF PURSES AT THAT RACETRACK.
18 IF NO AGREEMENT IS REACHED COVERING THE LOCATIONS, THE TOTAL
19 PERCENTAGE TO BE PAID FOR PURSES SHALL BE THE SAME AS THAT
20 APPLIED TO ON-TRACK WAGERING AT THE RACETRACK LOCATED WITHIN THE
21 PRIMARY MARKET AREA.]

22 § 9352. LICENSING COSTS AND FEES.

23 COSTS AND FEES ARE AS FOLLOWS:

24 * * *

25 (3) INITIAL LICENSE FEE:

26 (I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE UNDER
27 SECTION 9351(A) (RELATING TO GENERAL LICENSE
28 REQUIREMENTS) SHALL BE [\$500,000] \$50,000. IF AN
29 APPLICANT THAT IS ALSO A CATEGORY 1 SLOT MACHINE LICENSEE
30 OR ITS CORPORATE SUCCESSOR OR AFFILIATE PAID THE LICENSE

FEE UNDER 4 PA.C.S. § 1209 (RELATING TO SLOT MACHINE
LICENSE FEE), THE FEE REQUIRED UNDER THIS PARAGRAPH SHALL
BE DEEMED PAID. A FEE PAID UNDER THIS PARAGRAPH SHALL BE
DEPOSITED IN THE STATE RACING FUND, OR, IN THE CASE OF A
DEEMED PAYMENT, TRANSFERRED TO THE STATE RACING FUND UPON
CERTIFICATION OF THE SECRETARY OF THE BUDGET.

(II) THE FEE FOR AN INITIAL TOTALISATOR OR RACING
VENDOR LICENSE UNDER SECTION 9351(A.1) SHALL BE \$25,000
AND SHALL BE DEPOSITED IN THE STATE RACING FUND.

(4) LICENSE RENEWAL FEE:

(I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE
RENEWAL UNDER SECTION 9351(B)(2) SHALL BE [\$100,000]
\$10,000. IF AN EXISTING LICENSEE UNDER THIS SECTION THAT
IS ALSO A CATEGORY 1 SLOT MACHINE LICENSEE OR ITS
CORPORATE SUCCESSOR OR AN AFFILIATE PAID THE LICENSE FEE
UNDER 4 PA.C.S. § 1209, THE FEE REQUIRED UNDER THIS
PARAGRAPH SHALL BE DEEMED PAID. A LICENSE RENEWAL MAY NOT
BE ISSUED UNTIL RECEIPT OF THE LICENSE RENEWAL FEE. THE
LICENSE FEE SHALL BE DEPOSITED INTO THE STATE RACING
FUND, OR, IN THE CASE OF A DEEMED PAYMENT, IT SHALL BE
TRANSFERRED TO THE STATE RACING FUND.

(II) THE FEE FOR THE RENEWAL OF A TOTALISATOR OR
RACING VENDOR LICENSE UNDER SECTION 9351(B)(1) SHALL BE
\$5,000 AND SHALL BE DEPOSITED IN THE STATE RACING FUND.

* * *

§ 9356. OPERATIONS.

* * *

(B) REQUIREMENTS.--

* * *

(2) A LICENSEE SHALL [ENTER INTO AN AGREEMENT WITH EACH

LICENSED RACING ENTITY IN THIS COMMONWEALTH ON WHOSE RACES
THE LICENSEE OFFERS WAGERING REGARDING PAYMENT OF HOST FEES
AND ANY OTHER APPLICABLE FEES, COSTS OR PAYMENTS OF ANY KIND
TO BE PAID TO THE LICENSED RACING ENTITY. THE LICENSED RACING
ENTITY AND THE APPLICABLE HORSEMEN'S ORGANIZATION SHALL
NEGOTIATE A SEPARATE AGREEMENT FOR CONTRIBUTIONS TO THE PURSE
ACCOUNT.] CONTRIBUTE TO THE PURSE ACCOUNT IN ACCORDANCE WITH
SECTION 9331(D) (RELATING TO PARI-MUTUEL WAGERING AT
NONPRIMARY LOCATIONS).

* * *

SECTION 1.3. TITLE 4 IS AMENDED BY ADDING A PART TO READ:

PART I

AMUSEMENTS GENERALLY

CHAPTER

1. PRELIMINARY PROVISIONS (RESERVED)

3. FANTASY CONTESTS

5. LOTTERY

7. ILOTTERY

CHAPTER 1

PRELIMINARY PROVISIONS

(RESERVED)

CHAPTER 3

FANTASY CONTESTS

SUBCHAPTER

A. GENERAL PROVISIONS

B. ADMINISTRATION

C. LICENSURE

D. FISCAL PROVISIONS

E. MISCELLANEOUS PROVISIONS

SUBCHAPTER A

1 GENERAL PROVISIONS

2 SEC.

3 301. SCOPE OF CHAPTER.

4 302. DEFINITIONS.

5 § 301. SCOPE OF CHAPTER.

6 THIS CHAPTER RELATES TO FANTASY CONTESTS.

7 § 302. DEFINITIONS.

8 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
9 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
10 CONTEXT CLEARLY INDICATES OTHERWISE:

11 "BOARD." THE PENNSYLVANIA GAMING CONTROL BOARD.

12 "CONDUCT OF GAMING." AS DEFINED IN SECTION 1103 (RELATING TO
13 DEFINITIONS).

14 "CONTROLLING INTEREST." EITHER OF THE FOLLOWING:

15 (1) FOR A PUBLICLY TRADED DOMESTIC OR FOREIGN
16 CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER
17 FORM OF PUBLICLY TRADED LEGAL ENTITY, A CONTROLLING INTEREST
18 IS AN INTEREST IF A PERSON'S SOLE VOTING RIGHTS UNDER STATE
19 LAW OR CORPORATE ARTICLES OR BYLAWS ENTITLE THE PERSON TO
20 ELECT OR APPOINT ONE OR MORE OF THE MEMBERS OF THE BOARD OF
21 DIRECTORS OR OTHER GOVERNING BOARD OR THE OWNERSHIP OR
22 BENEFICIAL HOLDING OF 5% OR MORE OF THE SECURITIES OF THE
23 PUBLICLY TRADED CORPORATION, PARTNERSHIP, LIMITED LIABILITY
24 COMPANY OR OTHER FORM OF PUBLICLY TRADED LEGAL ENTITY, UNLESS
25 THIS PRESUMPTION OF CONTROL OR ABILITY TO ELECT IS REBUTTED
26 BY CLEAR AND CONVINCING EVIDENCE.

27 (2) FOR A PRIVATELY HELD DOMESTIC OR FOREIGN
28 CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER
29 FORM OF PRIVATELY HELD LEGAL ENTITY, A CONTROLLING INTEREST
30 IS THE HOLDING OF SECURITIES OF 15% OR MORE IN THE LEGAL

1 ENTITY, UNLESS THIS PRESUMPTION OF CONTROL IS REBUTTED BY
2 CLEAR AND CONVINCING EVIDENCE.

3 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

4 "ENTRY FEE." THE CASH OR CASH EQUIVALENT PAID BY A
5 PARTICIPANT TO A LICENSED OPERATOR IN ORDER TO PARTICIPATE IN A
6 FANTASY CONTEST.

7 "FANTASY CONTEST." AN ONLINE FANTASY OR SIMULATED GAME OR
8 CONTEST WITH AN ENTRY FEE AND A PRIZE OR AWARD ADMINISTERED BY A
9 LICENSED OPERATOR IN WHICH:

10 (1) THE VALUE OF ALL PRIZES OR AWARDS OFFERED TO WINNING
11 PARTICIPANTS IS ESTABLISHED AND MADE KNOWN TO PARTICIPANTS IN
12 ADVANCE OF THE CONTEST.

13 (2) ALL WINNING OUTCOMES REFLECT THE RELATIVE KNOWLEDGE
14 AND SKILL OF PARTICIPANTS AND ARE DETERMINED BY ACCUMULATED
15 STATISTICAL RESULTS OF THE PERFORMANCE OF INDIVIDUALS,
16 INCLUDING ATHLETES IN THE CASE OF SPORTS EVENTS.

17 (3) NO WINNING OUTCOME IS BASED ON THE SCORE, POINT
18 SPREAD OR PERFORMANCE OF A SINGLE ACTUAL TEAM OR COMBINATION
19 OF TEAMS OR SOLELY ON A SINGLE PERFORMANCE OF AN INDIVIDUAL
20 ATHLETE OR PLAYER IN A SINGLE ACTUAL EVENT.

21 "FANTASY CONTEST ACCOUNT." THE FORMAL ELECTRONIC SYSTEM
22 IMPLEMENTED BY A LICENSED OPERATOR TO RECORD A PARTICIPANT'S
23 ENTRY FEES, PRIZES OR AWARDS AND OTHER ACTIVITIES RELATED TO
24 PARTICIPATION IN THE LICENSED OPERATOR'S FANTASY CONTESTS.

25 "FANTASY CONTEST ADJUSTED REVENUES." FOR EACH FANTASY
26 CONTEST, THE AMOUNT EQUAL TO THE TOTAL AMOUNT OF ALL ENTRY FEES
27 COLLECTED FROM ALL PARTICIPANTS ENTERING THE FANTASY CONTEST
28 MINUS PRIZES OR AWARDS PAID TO PARTICIPANTS IN THE FANTASY
29 CONTEST, MULTIPLIED BY THE IN-STATE PERCENTAGE.

30 "FANTASY CONTEST LICENSE." A LICENSE ISSUED BY THE BOARD

AUTHORIZING A PERSON TO OFFER FANTASY CONTESTS IN THIS
COMMONWEALTH IN ACCORDANCE WITH THIS CHAPTER.

"FANTASY CONTEST TERMINAL." A PHYSICAL, LAND-BASED
COMPUTERIZED OR ELECTRONIC TERMINAL OR SIMILAR DEVICE THAT
ALLOWS PARTICIPANTS TO:

(1) REGISTER FOR A FANTASY CONTEST ACCOUNT;

(2) PAY AN ENTRY FEE;

(3) SELECT ATHLETES FOR A FANTASY CONTEST;

(4) RECEIVE WINNINGS; OR

(5) OTHERWISE PARTICIPATE IN A FANTASY CONTEST.

"GAMING SERVICE PROVIDER." AS DEFINED IN SECTION 1103.

"IN-STATE PARTICIPANT." AN INDIVIDUAL WHO PARTICIPATES IN A
FANTASY CONTEST CONDUCTED BY A LICENSED OPERATOR AND PAYS A FEE
TO A LICENSED OPERATOR FROM A LOCATION WITHIN THIS COMMONWEALTH.
THE TERM INCLUDES AN INDIVIDUAL WHO PAYS AN ENTRY FEE THROUGH A
FANTASY CONTEST TERMINAL WITHIN A LICENSED FACILITY.

"IN-STATE PERCENTAGE." FOR EACH FANTASY CONTEST, THE
PERCENTAGE, ROUNDED TO THE NEAREST TENTH OF A PERCENT, EQUAL TO
THE TOTAL ENTRY FEES COLLECTED FROM ALL IN-STATE PARTICIPANTS
DIVIDED BY THE TOTAL ENTRY FEES COLLECTED FROM ALL PARTICIPANTS
IN THE FANTASY CONTEST.

"KEY EMPLOYEE." AN INDIVIDUAL WHO IS EMPLOYED BY AN
APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR
IN A DIRECTOR OR DEPARTMENT HEAD CAPACITY AND WHO IS EMPOWERED
TO MAKE DISCRETIONARY DECISIONS THAT REGULATE FANTASY CONTEST
OPERATIONS AS DETERMINED BY THE BOARD.

"LICENSED ENTITY REPRESENTATIVE." A PERSON, INCLUDING AN
ATTORNEY, AGENT OR LOBBYIST, ACTING ON BEHALF OF OR AUTHORIZED
TO REPRESENT THE INTEREST OF AN APPLICANT, LICENSEE OR OTHER
PERSON AUTHORIZED BY THE BOARD TO ENGAGE IN AN ACT OR ACTIVITY

1 WHICH IS REGULATED UNDER THIS CHAPTER REGARDING A MATTER BEFORE,
2 OR WHICH MAY BE REASONABLY BE EXPECTED TO COME BEFORE, THE
3 BOARD.

4 "LICENSED GAMING ENTITY." AS DEFINED IN SECTION 1103.

5 "LICENSED OPERATOR." A PERSON WHO HOLDS A FANTASY CONTEST
6 LICENSE.

7 "PARTICIPANT." AN INDIVIDUAL WHO PARTICIPATES IN A FANTASY
8 CONTEST, WHETHER THE INDIVIDUAL IS LOCATED IN THIS COMMONWEALTH
9 OR ANOTHER JURISDICTION.

10 "PERSON." A NATURAL PERSON, CORPORATION, PUBLICLY TRADED
11 CORPORATION, FOUNDATION, ORGANIZATION, BUSINESS TRUST, ESTATE,
12 LIMITED LIABILITY COMPANY, LICENSED CORPORATION, TRUST,
13 PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, ASSOCIATION OR ANY
14 OTHER FORM OF LEGAL BUSINESS ENTITY.

15 "PRINCIPAL." AN OFFICER, DIRECTOR, PERSON WHO DIRECTLY HOLDS
16 A BENEFICIAL INTEREST IN OR OWNERSHIP OF THE SECURITIES OF AN
17 APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR,
18 PERSON WHO HAS A CONTROLLING INTEREST IN AN APPLICANT FOR A
19 FANTASY CONTEST LICENSE OR A LICENSED OPERATOR OR WHO HAS THE
20 ABILITY TO ELECT A MAJORITY OF THE BOARD OF DIRECTORS OF A
21 LICENSED OPERATOR OR TO OTHERWISE CONTROL A LICENSED OPERATOR,
22 LENDER OR OTHER LICENSED FINANCIAL INSTITUTION OF AN APPLICANT
23 FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR, OTHER THAN
24 A BANK OR LENDING INSTITUTION WHICH MAKES A LOAN OR HOLDS A
25 MORTGAGE OR OTHER LIEN ACQUIRED IN THE ORDINARY COURSE OF
26 BUSINESS, UNDERWRITER OF AN APPLICANT FOR A FANTASY CONTEST
27 LICENSE OR A LICENSED OPERATOR OR OTHER PERSON OR EMPLOYEE OF AN
28 APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR
29 DEEMED TO BE A PRINCIPAL BY THE BOARD.

30 "PRIZE OR AWARD." ANYTHING OF VALUE WORTH \$100 OR MORE OR

1 ANY AMOUNT OF CASH OR CASH EQUIVALENTS.

2 "PUBLICLY TRADED CORPORATION." A PERSON, OTHER THAN AN
3 INDIVIDUAL, THAT:

4 (1) HAS A CLASS OR SERIES OF SECURITIES REGISTERED UNDER
5 THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C.
6 § 78A ET SEQ.);

7 (2) IS A REGISTERED MANAGEMENT COMPANY UNDER THE
8 INVESTMENT COMPANY ACT OF 1940 (54 STAT. 789, 15 U.S.C. §
9 80A-1 ET SEQ.); OR

10 (3) IS SUBJECT TO THE REPORTING OBLIGATIONS IMPOSED BY
11 SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 BY
12 REASON OF HAVING FILED A REGISTRATION STATEMENT THAT HAS
13 BECOME EFFECTIVE UNDER THE SECURITIES ACT OF 1933 (48 STAT.
14 74, 15 U.S.C. § 77A ET SEQ.).

15 "SCRIPT." A LIST OF COMMANDS THAT A FANTASY-CONTEST-RELATED
16 COMPUTER PROGRAM CAN EXECUTE THAT IS CREATED BY A PARTICIPANT OR
17 THIRD PARTY NOT APPROVED BY THE LICENSED OPERATOR TO AUTOMATE
18 PROCESSES ON A LICENSED OPERATOR'S FANTASY CONTEST PLATFORM.

19 "SEASON-LONG FANTASY CONTEST." A FANTASY CONTEST OFFERED BY
20 A LICENSED OPERATOR THAT IS CONDUCTED OVER AN ENTIRE SPORTS
21 SEASON.

22 SUBCHAPTER B

23 ADMINISTRATION

24 SEC.

25 311. GENERAL AND SPECIFIC POWERS OF BOARD.

26 312. TEMPORARY REGULATIONS.

27 313. FANTASY CONTEST LICENSE APPEALS.

28 314. BOARD MINUTES AND RECORDS.

29 315. REPORTS OF BOARD.

30 § 311. GENERAL AND SPECIFIC POWERS OF BOARD.

1 (A) GENERAL POWERS.--

2 (1) THE BOARD SHALL HAVE REGULATORY AUTHORITY OVER
3 LICENSED OPERATORS, PRINCIPALS AND KEY EMPLOYEES AND SHALL
4 ENSURE THE INTEGRITY OF FANTASY CONTESTS OFFERED IN THIS
5 COMMONWEALTH IN ACCORDANCE WITH THIS CHAPTER.

6 (2) THE BOARD MAY EMPLOY INDIVIDUALS AS NECESSARY TO
7 CARRY OUT THE REQUIREMENTS OF THIS CHAPTER, WHO SHALL SERVE
8 AT THE BOARD'S PLEASURE. AN EMPLOYEE OF THE BOARD SHALL BE
9 CONSIDERED A STATE EMPLOYEE FOR PURPOSES OF 71 PA.C.S. PT.
10 XXV (RELATING TO RETIREMENT FOR STATE EMPLOYEES AND
11 OFFICERS).

12 (B) SPECIFIC POWERS.--THE BOARD SHALL HAVE THE FOLLOWING
13 POWERS:

14 (1) AT THE BOARD'S DISCRETION, TO ISSUE, APPROVE, RENEW,
15 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OF LICENSES.

16 (2) AT THE BOARD'S DISCRETION, TO SUSPEND, CONDITION OR
17 DENY THE ISSUANCE OR RENEWAL OF A LICENSE OR LEVY FINES FOR
18 ANY VIOLATION OF THIS CHAPTER.

19 (3) TO PUBLISH EACH JANUARY ON THE BOARD'S PUBLICLY
20 ACCESSIBLE INTERNET WEBSITE A COMPLETE LIST OF ALL PERSONS
21 WHO APPLIED FOR OR HELD A FANTASY CONTEST LICENSE AT ANY TIME
22 DURING THE PRECEDING CALENDAR YEAR AND THE STATUS OF THE
23 APPLICATION OR FANTASY CONTEST LICENSE.

24 (4) TO PREPARE AND, THROUGH THE GOVERNOR, SUBMIT
25 ANNUALLY TO THE GENERAL ASSEMBLY AN ITEMIZED BUDGET
26 CONSISTENT WITH ARTICLE VI OF THE ACT OF APRIL 9, 1929
27 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929,
28 CONSISTING OF THE AMOUNTS NECESSARY TO BE APPROPRIATED BY THE
29 GENERAL ASSEMBLY OUT OF THE ACCOUNTS ESTABLISHED UNDER
30 SECTION 332 (RELATING TO LICENSED OPERATOR DEPOSITS) REQUIRED

1 TO MEET THE OBLIGATIONS UNDER THIS CHAPTER ACCRUING DURING
2 THE PERIOD BEGINNING JULY 1 OF THE FOLLOWING FISCAL YEAR.

3 (5) IN THE EVENT THAT, IN ANY YEAR, APPROPRIATIONS FOR
4 THE ADMINISTRATION OF THIS CHAPTER ARE NOT ENACTED BY JUNE
5 30, ANY FUNDS APPROPRIATED FOR THE ADMINISTRATION OF THIS
6 CHAPTER WHICH ARE UNEXPENDED, UNCOMMITTED AND UNENCUMBERED AT
7 THE END OF A FISCAL YEAR SHALL REMAIN AVAILABLE FOR
8 EXPENDITURE BY THE BOARD UNTIL THE ENACTMENT OF APPROPRIATION
9 FOR THE ENSUING FISCAL YEAR.

10 (6) TO PROMULGATE RULES AND REGULATIONS NECESSARY FOR
11 THE ADMINISTRATION AND ENFORCEMENT OF THIS CHAPTER. EXCEPT AS
12 PROVIDED IN SECTION 312 (RELATING TO TEMPORARY REGULATIONS),
13 REGULATIONS SHALL BE ADOPTED UNDER THE ACT OF JULY 31, 1968
14 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS
15 LAW, AND THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
16 THE REGULATORY REVIEW ACT.

17 (7) TO ADMINISTER OATHS, EXAMINE WITNESSES AND ISSUE
18 SUBPOENAS COMPELLING THE ATTENDANCE OF WITNESSES OR THE
19 PRODUCTION OF DOCUMENTS AND RECORDS OR OTHER EVIDENCE OR TO
20 DESIGNATE OFFICERS OR EMPLOYEES TO PERFORM DUTIES REQUIRED BY
21 THIS CHAPTER.

22 (8) AT THE BOARD'S DISCRETION, TO DELEGATE ANY OF THE
23 BOARD'S RESPONSIBILITIES UNDER THIS CHAPTER TO THE EXECUTIVE
24 DIRECTOR OF THE BOARD OR OTHER DESIGNATED STAFF.

25 (9) TO REQUIRE LICENSED OPERATORS AND APPLICANTS FOR A
26 FANTASY CONTEST LICENSE TO SUBMIT ANY INFORMATION OR
27 DOCUMENTATION NECESSARY TO ENSURE THE PROPER REGULATION OF
28 FANTASY CONTESTS IN ACCORDANCE WITH THIS CHAPTER.

29 (10) TO REQUIRE LICENSED OPERATORS, EXCEPT FOR A
30 LICENSED OPERATOR OPERATING SEASON-LONG FANTASY CONTESTS THAT

1 GENERATE LESS THAN \$250,000 IN SEASON-LONG FANTASY CONTEST
2 ADJUSTED REVENUE, UNLESS THE BOARD DETERMINES OTHERWISE, TO:

3 (I) ANNUALLY CONTRACT WITH A CERTIFIED PUBLIC
4 ACCOUNTANT TO CONDUCT AN INDEPENDENT AUDIT IN ACCORDANCE
5 WITH STANDARDS ADOPTED BY THE AMERICAN INSTITUTE OF
6 CERTIFIED PUBLIC ACCOUNTANTS TO VERIFY COMPLIANCE WITH
7 THE PROVISIONS OF THIS CHAPTER AND BOARD REGULATIONS;

8 (II) ANNUALLY CONTRACT WITH A TESTING LABORATORY
9 APPROVED BY THE BOARD TO VERIFY COMPLIANCE WITH THE
10 PROVISIONS OF THIS CHAPTER AND BOARD REGULATIONS; AND

11 (III) ANNUALLY SUBMIT TO THE BOARD AND DEPARTMENT A
12 COPY OF THE AUDIT REPORT REQUIRED BY SUBPARAGRAPH (I) AND
13 SUBMIT TO THE BOARD A COPY OF THE REPORT OF THE TESTING
14 LABORATORY REQUIRED BY SUBPARAGRAPH (II).

15 (11) IN CONJUNCTION WITH THE DEPARTMENT OF DRUG AND
16 ALCOHOL PROGRAMS OR SUCCESSOR AGENCY, TO DEVELOP A PROCESS BY
17 WHICH LICENSED OPERATORS PROVIDE PARTICIPANTS WITH A TOLL-
18 FREE TELEPHONE NUMBER THAT PROVIDES INDIVIDUALS WITH
19 INFORMATION ON HOW TO ACCESS APPROPRIATE TREATMENT SERVICES
20 FOR COMPULSIVE AND PROBLEM PLAY.

21 (12) TO PROMULGATE REGULATIONS REGARDING THE PLACEMENT
22 AND OPERATION OF FANTASY CONTEST TERMINALS WITHIN LICENSED
23 FACILITIES AND TO ENSURE THE INTEGRITY OF FANTASY CONTEST
24 TERMINALS.

25 (B.1) LICENSED ENTITY REPRESENTATIVE.--

26 (1) A LICENSED ENTITY REPRESENTATIVE SHALL REGISTER WITH
27 THE BOARD, IN A MANNER PRESCRIBED BY THE BOARD. THE
28 REGISTRATION SHALL INCLUDE THE NAME, EMPLOYER OR FIRM,
29 BUSINESS ADDRESS AND BUSINESS TELEPHONE NUMBER OF BOTH THE
30 LICENSED ENTITY REPRESENTATIVE AND ANY LICENSED OPERATOR,

1 APPLICANT FOR LICENSURE OR OTHER PERSON BEING REPRESENTED.

2 (2) A LICENSED ENTITY REPRESENTATIVE SHALL HAVE AN
3 AFFIRMATIVE DUTY TO UPDATE ITS REGISTRATION INFORMATION ON AN
4 ONGOING BASIS. FAILURE TO UPDATE SHALL BE PUNISHABLE BY THE
5 BOARD.

6 (3) THE BOARD SHALL MAINTAIN A LIST OF LICENSED ENTITY
7 REPRESENTATIVES WHICH SHALL CONTAIN THE INFORMATION REQUIRED
8 UNDER PARAGRAPH (1) AND SHALL BE AVAILABLE FOR PUBLIC
9 INSPECTION AT THE OFFICES OF THE BOARD AND ON THE BOARD'S
10 PUBLICLY ACCESSIBLE INTERNET WEBSITE.

11 (C) EXCEPTIONS.--EXCEPT AS PROVIDED UNDER SECTION 342
12 (RELATING TO LICENSED GAMING ENTITIES), NOTHING IN THIS SECTION
13 SHALL BE CONSTRUED TO AUTHORIZE THE BOARD:

14 (1) TO REQUIRE BACKGROUND INVESTIGATIONS FOR EMPLOYEES,
15 OTHER THAN KEY EMPLOYEES AND PRINCIPALS, OF AN APPLICANT FOR
16 A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR.

17 (2) TO REQUIRE ANY ADDITIONAL PERMITS OR LICENSES NOT
18 SPECIFICALLY ENUMERATED IN THIS CHAPTER.

19 § 312. TEMPORARY REGULATIONS.

20 (A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT
21 IMPLEMENTATION OF THIS CHAPTER, REGULATIONS PROMULGATED BY THE
22 BOARD SHALL BE DEEMED TEMPORARY REGULATIONS AND SHALL EXPIRE NO
23 LATER THAN TWO YEARS FOLLOWING THE EFFECTIVE DATE OF THIS
24 SECTION. THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS NOT
25 SUBJECT TO:

26 (1) SECTIONS 201, 202, 203 AND 205 OF THE ACT OF JULY
27 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH
28 DOCUMENTS LAW.

29 (2) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980
30 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

1 (3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
2 THE REGULATORY REVIEW ACT.

3 (B) EXPIRATION.--EXCEPT FOR TEMPORARY REGULATIONS CONCERNING
4 NETWORK CONNECTIVITY, SECURITY AND TESTING AND COMPULSIVE AND
5 PROBLEM PLAY, THE AUTHORITY PROVIDED TO THE BOARD TO ADOPT
6 TEMPORARY REGULATIONS IN SUBSECTION (A) SHALL EXPIRE NO LATER
7 THAN TWO YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION.
8 REGULATIONS ADOPTED AFTER THIS PERIOD SHALL BE PROMULGATED AS
9 PROVIDED BY LAW.

10 § 313. FANTASY CONTEST LICENSE APPEALS.

11 AN APPLICANT MAY APPEAL ANY FINAL ORDER, DETERMINATION OR
12 DECISION OF THE BOARD INVOLVING THE APPROVAL, ISSUANCE, DENIAL,
13 REVOCATION OR CONDITIONING OF A FANTASY CONTEST LICENSE IN
14 ACCORDANCE WITH 2 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE
15 AND PROCEDURE OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING
16 TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

17 § 314. BOARD MINUTES AND RECORDS.

18 (A) RECORD OF PROCEEDINGS.--THE BOARD SHALL MAINTAIN A
19 RECORD OF ALL PROCEEDINGS HELD AT PUBLIC MEETINGS OF THE BOARD.
20 THE VERBATIM TRANSCRIPT OF THE PROCEEDINGS SHALL BE THE PROPERTY
21 OF THE BOARD AND SHALL BE PREPARED BY THE BOARD UPON THE REQUEST
22 OF ANY BOARD MEMBER OR UPON THE REQUEST OF ANY OTHER PERSON AND
23 THE PAYMENT BY THAT PERSON OF THE COSTS OF PREPARATION.

24 (B) APPLICANT INFORMATION.--

25 (1) THE BOARD SHALL MAINTAIN A LIST OF ALL APPLICANTS
26 FOR A FANTASY CONTEST LICENSE. THE LIST SHALL INCLUDE A
27 RECORD OF ALL ACTIONS TAKEN WITH RESPECT TO EACH APPLICANT.
28 THE LIST SHALL BE OPEN TO PUBLIC INSPECTION DURING THE NORMAL
29 BUSINESS HOURS OF THE BOARD.

30 (2) INFORMATION UNDER PARAGRAPH (1) REGARDING AN

1 APPLICANT WHOSE FANTASY CONTEST LICENSE HAS BEEN DENIED,
2 REVOKED OR NOT RENEWED SHALL BE REMOVED FROM THE LIST AFTER
3 SEVEN YEARS FROM THE DATE OF THE ACTION.

4 (C) OTHER FILES AND RECORDS.--THE BOARD SHALL MAINTAIN SUCH
5 OTHER FILES AND RECORDS AS IT MAY DEEM APPROPRIATE.

6 (D) CONFIDENTIALITY OF INFORMATION.--

7 (1) THE FOLLOWING INFORMATION SUBMITTED BY AN APPLICANT
8 FOR A FANTASY CONTEST LICENSE UNDER SECTION 322 (RELATING TO
9 APPLICATION) OR OTHERWISE OBTAINED BY THE BOARD AS PART OF A
10 BACKGROUND OR OTHER INVESTIGATION FROM ANY SOURCE SHALL BE
11 CONFIDENTIAL AND WITHHELD FROM PUBLIC DISCLOSURE:

12 (I) ALL INFORMATION RELATING TO CHARACTER, HONESTY
13 AND INTEGRITY, INCLUDING FAMILY, HABITS, REPUTATION,
14 HISTORY OF CRIMINAL ACTIVITY, BUSINESS ACTIVITIES,
15 FINANCIAL AFFAIRS AND BUSINESS, PROFESSIONAL AND PERSONAL
16 ASSOCIATIONS.

17 (II) NONPUBLIC PERSONAL INFORMATION, INCLUDING HOME
18 ADDRESSES, TELEPHONE NUMBERS AND OTHER PERSONAL CONTACT
19 INFORMATION, SOCIAL SECURITY NUMBERS, EDUCATIONAL
20 RECORDS, MEMBERSHIPS, MEDICAL RECORDS, TAX RETURNS AND
21 DECLARATIONS, ACTUAL OR PROPOSED COMPENSATION, FINANCIAL
22 ACCOUNT RECORDS, CREDITWORTHINESS OR FINANCIAL CONDITION
23 RELATING TO AN APPLICANT.

24 (III) INFORMATION RELATING TO PROPRIETARY
25 INFORMATION, TRADE SECRETS, PATENTS OR EXCLUSIVE
26 LICENSES, ARCHITECTURAL AND ENGINEERING PLANS AND
27 INFORMATION RELATING TO COMPETITIVE MARKETING MATERIALS
28 AND STRATEGIES THAT MAY INCLUDE CUSTOMER-IDENTIFYING
29 INFORMATION OR CUSTOMER PROSPECTS FOR SERVICES SUBJECT TO
30 COMPETITION.

1 (IV) INFORMATION WITH RESPECT TO WHICH THERE IS A
2 REASONABLE POSSIBILITY THAT PUBLIC RELEASE OR INSPECTION
3 OF THE INFORMATION WOULD CONSTITUTE AN UNWARRANTED
4 INVASION INTO PERSONAL PRIVACY OF AN INDIVIDUAL AS
5 DETERMINED BY THE BOARD.

6 (V) RECORDS OF AN APPLICANT FOR A FANTASY CONTEST
7 LICENSE OR A LICENSED OPERATOR NOT REQUIRED TO BE FILED
8 WITH THE SECURITIES AND EXCHANGE COMMISSION BY ISSUERS
9 THAT EITHER HAVE SECURITIES REGISTERED UNDER SECTION 12
10 OF THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15
11 U.S.C. § 78L) OR ARE REQUIRED TO FILE REPORTS UNDER
12 SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 (48
13 STAT. 881, 15 U.S.C. § 78O)

14 (VI) RECORDS CONSIDERED NONPUBLIC MATTERS OR
15 INFORMATION BY THE SECURITIES AND EXCHANGE COMMISSION AS
16 PROVIDED BY 17 CFR 200.80 (RELATING TO COMMISSION RECORDS
17 AND INFORMATION).

18 (VII) FINANCIAL OR SECURITY INFORMATION DEEMED
19 CONFIDENTIAL BY THE BOARD UPON A SHOWING OF GOOD CAUSE BY
20 THE APPLICANT FOR A FANTASY CONTEST LICENSE OR LICENSED
21 OPERATOR.

22 (2) NO CLAIM OF CONFIDENTIALITY MAY BE MADE REGARDING
23 ANY CRIMINAL HISTORY RECORD INFORMATION THAT IS AVAILABLE TO
24 THE PUBLIC UNDER 18 PA.C.S. § 9121(B) (RELATING TO GENERAL
25 REGULATIONS).

26 (3) NO CLAIM OF CONFIDENTIALITY SHALL BE MADE REGARDING
27 ANY RECORD IN POSSESSION OF THE BOARD THAT IS OTHERWISE
28 PUBLICLY AVAILABLE FROM A COMMONWEALTH AGENCY, LOCAL AGENCY
29 OR ANOTHER JURISDICTION.

30 (4) THE INFORMATION MADE CONFIDENTIAL UNDER THIS SECTION

1 SHALL BE WITHHELD FROM PUBLIC DISCLOSURE, IN WHOLE OR IN
2 PART, EXCEPT THAT ANY CONFIDENTIAL INFORMATION SHALL BE
3 RELEASED UPON THE ORDER OF A COURT OF COMPETENT JURISDICTION
4 OR, WITH THE APPROVAL OF THE ATTORNEY GENERAL, TO A DULY
5 AUTHORIZED LAW ENFORCEMENT AGENCY OR SHALL BE RELEASED TO THE
6 PUBLIC, IN WHOLE OR IN PART, TO THE EXTENT THAT SUCH RELEASE
7 IS REQUESTED BY AN APPLICANT FOR A FANTASY CONTEST LICENSE OR
8 LICENSED OPERATOR AND DOES NOT OTHERWISE CONTAIN CONFIDENTIAL
9 INFORMATION ABOUT ANOTHER PERSON.

10 (5) THE BOARD MAY SEEK A VOLUNTARY WAIVER OF
11 CONFIDENTIALITY FROM AN APPLICANT FOR A FANTASY CONTEST
12 LICENSE OR A LICENSED OPERATOR, BUT MAY NOT REQUIRE AN
13 APPLICANT OR LICENSED OPERATOR TO WAIVE ANY CONFIDENTIALITY
14 PROVIDED FOR IN THIS SUBSECTION AS A CONDITION FOR THE
15 APPROVAL OF AN APPLICATION, RENEWAL OF A FANTASY CONTEST
16 LICENSE OR ANY OTHER ACTION OF THE BOARD.

17 (E) NOTICE.--NOTICE OF THE CONTENTS OF ANY INFORMATION,
18 EXCEPT TO A DULY AUTHORIZED LAW ENFORCEMENT AGENCY UNDER THIS
19 SECTION, SHALL BE GIVEN TO AN APPLICANT OR LICENSEE IN A MANNER
20 PRESCRIBED BY THE RULES AND REGULATIONS ADOPTED BY THE BOARD.

21 (F) INFORMATION HELD BY DEPARTMENT.--FILES, RECORDS, REPORTS
22 AND OTHER INFORMATION IN THE POSSESSION OF THE DEPARTMENT
23 PERTAINING TO LICENSED OPERATORS SHALL BE MADE AVAILABLE TO THE
24 BOARD AS MAY BE NECESSARY FOR THE EFFECTIVE ADMINISTRATION OF
25 THIS CHAPTER.

26 § 315. REPORTS OF BOARD.

27 (A) GENERAL RULE.--THE ANNUAL REPORT SUBMITTED BY THE BOARD
28 UNDER SECTION 1211 (RELATING TO REPORTS OF BOARD) SHALL INCLUDE
29 THE FOLLOWING INFORMATION ON THE CONDUCT OF FANTASY CONTESTS:

30 (1) TOTAL FANTASY CONTEST ADJUSTED REVENUES.

1 (2) ALL TAXES, FEES, FINES AND OTHER REVENUE COLLECTED
2 FROM LICENSED OPERATORS DURING THE PREVIOUS YEAR. THE
3 DEPARTMENT SHALL COLLABORATE WITH THE BOARD TO CARRY OUT THE
4 REQUIREMENTS OF THIS SECTION.

5 (3) AT THE BOARD'S DISCRETION, ANY OTHER INFORMATION
6 RELATED TO THE CONDUCT OF FANTASY CONTESTS OR LICENSED
7 OPERATORS.

8 (B) LICENSED OPERATORS.--THE BOARD MAY REQUIRE LICENSED
9 OPERATORS TO PROVIDE INFORMATION TO THE BOARD TO ASSIST IN THE
10 PREPARATION OF THE REPORT.

11 SUBCHAPTER C

12 LICENSURE

13 SEC.

14 321. GENERAL PROHIBITION.

15 322. APPLICATION.

16 323. ISSUANCE AND DENIAL OF LICENSE.

17 324. LICENSE RENEWAL.

18 325. CONDITIONS OF LICENSURE.

19 326. PROHIBITIONS.

20 327. CHANGE IN OWNERSHIP OR CONTROL OF LICENSED OPERATORS.

21 328. PENALTIES.

22 § 321. GENERAL PROHIBITION.

23 (A) GENERAL RULE.--EXCEPT AS PROVIDED FOR IN SUBSECTION (B),
24 NO PERSON MAY OFFER OR OTHERWISE MAKE AVAILABLE FOR PLAY IN THIS
25 COMMONWEALTH A FANTASY CONTEST WITHOUT A FANTASY CONTEST LICENSE
26 ISSUED BY THE BOARD.

27 (B) EXISTING ACTIVITY.--A PERSON WHO APPLIES FOR OR RENEWS A
28 FANTASY CONTEST LICENSE IN ACCORDANCE WITH THIS CHAPTER MAY
29 OPERATE DURING THE APPLICATION OR RENEWAL PERIOD UNLESS:

30 (1) THE BOARD HAS REASONABLE CAUSE TO BELIEVE THE PERSON

1 IS OR MAY BE IN VIOLATION OF THE PROVISIONS OF THIS CHAPTER.

2 (2) THE BOARD REQUIRES THE PERSON TO SUSPEND THE
3 OPERATION OF ANY FANTASY CONTEST UNTIL THE LICENSE IS ISSUED
4 OR RENEWED.

5 § 322. APPLICATION.

6 (A) FORM AND INFORMATION.--AN APPLICATION FOR A LICENSE
7 SHALL BE SUBMITTED ON A FORM AND IN MANNER AS SHALL BE REQUIRED
8 BY THE BOARD. AN APPLICATION FOR A FANTASY CONTEST LICENSE SHALL
9 CONTAIN THE FOLLOWING INFORMATION:

10 (1) (I) IF AN INDIVIDUAL, THE NAME, FEDERAL EMPLOYER
11 IDENTIFICATION NUMBER AND PRINCIPAL ADDRESS OF THE
12 APPLICANT;

13 (II) IF A CORPORATION, THE STATE OF ITS
14 INCORPORATION, THE FULL NAME AND ADDRESS OF EACH OFFICER
15 AND DIRECTOR THEREOF;

16 (III) IF A FOREIGN CORPORATION, WHETHER IT IS
17 QUALIFIED TO DO BUSINESS IN THIS COMMONWEALTH; AND

18 (IV) IF A PARTNERSHIP OR JOINT VENTURE, THE NAME AND
19 ADDRESS OF EACH OFFICER THEREOF.

20 (2) THE NAME AND ADDRESS OF THE PERSON HAVING CUSTODY OF
21 THE APPLICANT'S FINANCIAL RECORDS.

22 (3) THE NAMES AND ADDRESSES OF KEY EMPLOYEES.

23 (4) THE NAMES AND ADDRESSES OF EACH OF THE APPLICANT'S
24 PRINCIPALS.

25 (5) INFORMATION, DOCUMENTATION AND ASSURANCES RELATED TO
26 FINANCIAL AND CRIMINAL HISTORY AS THE BOARD DEEMS NECESSARY
27 TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL
28 STABILITY, INTEGRITY AND RESPONSIBILITY OF THE APPLICANT AND
29 THE APPLICANT'S KEY EMPLOYEES AND PRINCIPALS.

30 (6) INFORMATION AND DOCUMENTATION NECESSARY TO ESTABLISH

1 THE APPLICANT'S ABILITY TO COMPLY WITH SECTION 325 (RELATING
2 TO CONDITIONS OF LICENSURE).

3 (7) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

4 (B) NONREFUNDABLE APPLICATION FEE.--EACH APPLICATION
5 SUBMITTED UNDER THIS CHAPTER SHALL BE ACCOMPANIED BY A
6 NONREFUNDABLE APPLICATION FEE, WHICH SHALL BE ESTABLISHED BY THE
7 BOARD, AND WHICH MAY NOT EXCEED THE AMOUNT NECESSARY TO
8 REIMBURSE THE BOARD FOR ALL COSTS INCURRED BY THE BOARD FOR
9 FULFILLING THE REQUIREMENTS OF THIS SECTION AND SECTION 323
10 (RELATING TO ISSUANCE AND DENIAL OF LICENSE).

11 (C) ADDITIONAL INFORMATION.--A PERSON APPLYING FOR A FANTASY
12 CONTEST LICENSE SHALL HAVE THE CONTINUING DUTY TO PROVIDE
13 INFORMATION REQUIRED BY THE BOARD AND TO COOPERATE IN ANY
14 INQUIRY OR INVESTIGATION.

15 (D) ABBREVIATED APPLICATION PROCESS.--THE BOARD, AT ITS
16 DISCRETION, MAY ESTABLISH AN ABBREVIATED APPLICATION PROCESS FOR
17 A FANTASY CONTEST LICENSE FOR PERSONS THAT ARE ALSO LICENSED
18 GAMING ENTITIES. THE ABBREVIATED APPLICATION MAY ONLY REQUIRE
19 INFORMATION NOT IN POSSESSION OF THE BOARD THAT IS NECESSARY TO
20 FULFILL THE REQUIREMENTS OF THIS CHAPTER.

21 § 323. ISSUANCE AND DENIAL OF LICENSE.

22 (A) DUTY TO REVIEW APPLICATIONS.--THE BOARD SHALL REVIEW ALL
23 APPLICATIONS FOR A LICENSE AND SHALL ISSUE A LICENSE TO ANY
24 APPLICANT THAT:

25 (1) HAS SUBMITTED A COMPLETED APPLICATION AND PAID THE
26 NONREFUNDABLE APPLICATION FEE AS REQUIRED BY THE BOARD UNDER
27 SECTION 322 (RELATING TO APPLICATION).

28 (2) HAS DEMONSTRATED THAT THE APPLICANT HAS THE
29 FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY TO COMPLY
30 WITH THE PROVISIONS OF THIS CHAPTER AND REGULATIONS

1 ESTABLISHED BY THE BOARD.

2 (3) HAS NOT BEEN DENIED A LICENSE UNDER SUBSECTION (B).

3 (B) REASONS TO DENY APPLICATIONS.--THE BOARD MAY DENY AN
4 APPLICATION FOR A LICENSE IF THE APPLICANT:

5 (1) HAS KNOWINGLY MADE A FALSE STATEMENT OF MATERIAL
6 FACT OR HAS DELIBERATELY FAILED TO DISCLOSE ANY INFORMATION
7 REQUESTED;

8 (2) EMPLOYS A PRINCIPAL OR KEY EMPLOYEE WHO HAS BEEN
9 CONVICTED OF A FELONY, A CRIME OF MORAL TURPITUDE OR ANY
10 CRIMINAL OFFENSE INVOLVING DISHONESTY OR BREACH OF TRUST
11 WITHIN 10 YEARS PRIOR TO THE DATE OF THE APPLICATION FOR
12 LICENSE;

13 (3) HAS AT ANY TIME KNOWINGLY FAILED TO COMPLY WITH THE
14 PROVISIONS OF THIS CHAPTER OR OF ANY REQUIREMENTS OF THE
15 BOARD;

16 (4) HAS HAD A REGISTRATION, PERMIT OR LICENSE TO CONDUCT
17 FANTASY CONTESTS DENIED OR REVOKED IN ANY OTHER JURISDICTION;

18 (5) HAS LEGALLY DEFAULTED IN THE PAYMENT OF ANY
19 OBLIGATION OR DEBT DUE TO THE COMMONWEALTH OR IS NOT
20 COMPLIANT WITH TAXES DUE; OR

21 (6) IS NOT QUALIFIED TO DO BUSINESS IN THIS COMMONWEALTH
22 OR IS NOT SUBJECT TO THE JURISDICTION OF THE COURTS OF THE
23 COMMONWEALTH.

24 (C) TIME PERIOD FOR REVIEW.--THE BOARD SHALL CONCLUDE ITS
25 REVIEW OF AN APPLICATION FOR A FANTASY CONTEST LICENSE WITHIN
26 120 DAYS OF RECEIPT OF THE COMPLETED APPLICATION. IF THE LICENSE
27 IS NOT ISSUED, THE BOARD SHALL PROVIDE THE APPLICANT WITH THE
28 JUSTIFICATION FOR NOT ISSUING THE LICENSE WITH SPECIFICITY.

29 (D) LICENSE FEE.--

30 (1) WITHIN 30 DAYS OF THE BOARD ISSUING A FANTASY

1 CONTEST LICENSE, AN APPLICANT SHALL PAY TO THE BOARD A
2 LICENSE FEE OF \$50,000.

3 (2) THE LICENSE FEE COLLECTED UNDER THIS SUBSECTION
4 SHALL BE DEPOSITED INTO THE GENERAL FUND.

5 (3) IF AN APPLICANT FAILS TO PAY THE FEE REQUIRED BY
6 THIS SUBSECTION, THE BOARD SHALL SUSPEND OR REVOKE THE
7 APPLICANT'S FANTASY CONTEST LICENSE UNTIL PAYMENT OF THE
8 LICENSE FEE IS RECEIVED.

9 (E) ABBREVIATED APPROVAL PROCESS.--THE BOARD, AT ITS
10 DISCRETION, MAY ESTABLISH AN ABBREVIATED APPROVAL PROCESS FOR
11 THE ISSUANCE OF A FANTASY CONTEST LICENSE TO A LICENSED GAMING
12 ENTITY WHOSE SLOT MACHINE LICENSE UNDER CHAPTER 13 (RELATING TO
13 LICENSES) AND TABLE GAME OPERATION CERTIFICATE UNDER CHAPTER 13A
14 (RELATING TO TABLE GAMES) ARE IN GOOD STANDING.

15 § 324. LICENSE RENEWAL.

16 (A) RENEWAL.--

17 (1) A LICENSE ISSUED UNDER THIS CHAPTER SHALL BE VALID
18 FOR A PERIOD OF FIVE YEARS.

19 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
20 RELIEVE A LICENSED OPERATOR OF THE AFFIRMATIVE DUTY TO NOTIFY
21 THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF ITS
22 FANTASY CONTEST LICENSE OR TO ANY OTHER INFORMATION CONTAINED
23 IN THE APPLICATION MATERIALS ON FILE WITH THE BOARD.

24 (3) THE APPLICATION FOR RENEWAL OF A FANTASY CONTEST
25 LICENSE MUST BE SUBMITTED AT LEAST 90 DAYS PRIOR TO THE
26 EXPIRATION OF THE LICENSE AND INCLUDE AN UPDATE OF THE
27 INFORMATION CONTAINED IN THE INITIAL APPLICATION FOR A
28 FANTASY CONTEST LICENSE. A FANTASY CONTEST LICENSE FOR WHICH
29 A COMPLETED RENEWAL APPLICATION AND FEE AS REQUIRED UNDER
30 SUBSECTION (C) HAS BEEN RECEIVED BY THE BOARD SHALL CONTINUE

1 IN EFFECT UNLESS AND UNTIL THE BOARD SENDS WRITTEN
2 NOTIFICATION TO THE LICENSED OPERATOR THAT THE BOARD HAS
3 DENIED THE RENEWAL OF THE LICENSE.

4 (B) REVOCATION OR FAILURE TO RENEW.--

5 (1) IN ADDITION TO ANY OTHER SANCTION THE BOARD MAY
6 IMPOSE UNDER THIS CHAPTER, THE BOARD MAY AT ITS DISCRETION
7 SUSPEND, REVOKE OR DENY RENEWAL OF A FANTASY CONTEST LICENSE
8 ISSUED UNDER THIS CHAPTER IF IT RECEIVES INFORMATION THAT:

9 (I) THE APPLICANT OR ANY OF THE APPLICANT'S KEY
10 EMPLOYEES OR PRINCIPALS ARE IN VIOLATION OF ANY PROVISION
11 OF THIS CHAPTER;

12 (II) THE APPLICANT HAS FURNISHED THE BOARD WITH
13 FALSE OR MISLEADING INFORMATION;

14 (III) THE INFORMATION CONTAINED IN THE APPLICANT'S
15 INITIAL APPLICATION OR ANY RENEWAL APPLICATION IS NO
16 LONGER TRUE AND CORRECT;

17 (IV) THE APPLICANT HAS FAILED TO REMIT TAXES OR
18 ASSESSMENTS REQUIRED UNDER SECTION 331 (RELATING TO
19 FANTASY CONTEST TAX), 332 (RELATING TO LICENSED OPERATOR
20 DEPOSITS) OR 333 (RELATING TO RESPONSIBILITY AND
21 AUTHORITY OF DEPARTMENT); OR

22 (V) THE APPLICANT HAS LEGALLY DEFAULTED IN THE
23 PAYMENT OF ANY OBLIGATION OR DEBT DUE TO THE
24 COMMONWEALTH.

25 (2) IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW,
26 THE APPLICANT'S AUTHORIZATION TO CONDUCT FANTASY CONTESTS
27 SHALL IMMEDIATELY CEASE AND ALL FEES PAID IN CONNECTION WITH
28 THE APPLICATION SHALL BE DEEMED TO BE FORFEITED.

29 (3) IN THE EVENT OF A SUSPENSION, THE APPLICANT'S
30 AUTHORIZATION TO CONDUCT FANTASY CONTESTS SHALL IMMEDIATELY

1 CEASE UNTIL THE BOARD HAS NOTIFIED THE APPLICANT THAT THE
2 SUSPENSION IS NO LONGER IN EFFECT.

3 (C) RENEWAL FEE.--

4 (1) WITHIN 30 DAYS OF THE BOARD RENEWING A FANTASY
5 CONTEST LICENSE, THE LICENSED OPERATOR SHALL PAY TO THE BOARD
6 A RENEWAL FEE OF \$5,000, OR AN AMOUNT EQUAL TO 7.5% OF THE
7 APPLICANT'S FANTASY CONTEST ADJUSTED REVENUE, WHICHEVER IS
8 LESS.

9 (2) THE RENEWAL FEE COLLECTED BY THE BOARD UNDER THIS
10 SUBSECTION SHALL BE DEPOSITED INTO THE GENERAL FUND.

11 (3) IF A LICENSED OPERATOR FAILS TO PAY THE RENEWAL FEE
12 REQUIRED UNDER THIS SUBSECTION, THE BOARD SHALL SUSPEND OR
13 REVOKE THE LICENSED OPERATOR'S FANTASY CONTEST LICENSE UNTIL
14 PAYMENT OF THE RENEWAL FEE IS RECEIVED.

15 § 325. CONDITIONS OF LICENSURE.

16 AS A CONDITION OF LICENSURE, A LICENSED OPERATOR SHALL
17 ESTABLISH AND IMPLEMENT THE FOLLOWING COMMERCIALY REASONABLE
18 PROCEDURES RELATED TO CONDUCT OF FANTASY CONTESTS IN THIS
19 COMMONWEALTH:

20 (1) PERMIT ONLY PARTICIPANTS WHO HAVE ESTABLISHED A
21 FANTASY CONTEST ACCOUNT WITH THE LICENSED OPERATOR TO
22 PARTICIPATE IN A FANTASY CONTEST CONDUCTED BY THE LICENSED
23 OPERATOR.

24 (2) VERIFY THE AGE, LOCATION AND IDENTITY OF ANY
25 PARTICIPANT PRIOR TO MAKING A DEPOSIT INTO A FANTASY CONTEST
26 ACCOUNT FOR A PARTICIPANT LOCATED IN THIS COMMONWEALTH. NO
27 PARTICIPANT UNDER 18 YEARS OF AGE MAY BE PERMITTED TO
28 ESTABLISH A FANTASY CONTEST ACCOUNT WITH A LICENSED OPERATOR.

29 (3) VERIFY THE IDENTITY OF A PARTICIPANT BY REQUIRING
30 THE PARTICIPANT TO PROVIDE THE LICENSED OPERATOR A UNIQUE

1 USER NAME AND PASSWORD PRIOR TO ACCESSING A FANTASY CONTEST
2 ACCOUNT.

3 (4) ENSURE RULES AND PRIZES AND AWARDS ESTABLISHED BY
4 THE LICENSED OPERATOR FOR A FANTASY CONTEST ARE MADE KNOWN TO
5 A PARTICIPANT PRIOR TO THE ACCEPTANCE OF ANY ENTRY FEE.

6 (5) ENSURE THAT A PLAYER WHO IS THE SUBJECT OF A FANTASY
7 CONTEST IS RESTRICTED FROM ENTERING AS A PARTICIPANT IN A
8 FANTASY CONTEST THAT IS DETERMINED, IN WHOLE OR PART, ON THE
9 ACCUMULATED STATISTICAL RESULTS OF A TEAM OF INDIVIDUALS IN
10 THE LEAGUE IN WHICH THE PLAYER IS A MEMBER.

11 (6) ALLOW A PERSON TO RESTRICT HIMSELF FROM ENTERING A
12 FANTASY CONTEST OR ACCESSING A FANTASY CONTEST ACCOUNT FOR A
13 SPECIFIC PERIOD OF TIME AS DETERMINED BY THE PARTICIPANT AND
14 IMPLEMENT REASONABLE PROCEDURES TO PREVENT THE INDIVIDUAL
15 FROM PARTICIPATING IN THE LICENSED OPERATOR'S FANTASY
16 CONTESTS.

17 (7) ALLOW A PERSON TO RESTRICT THE TOTAL AMOUNT OF
18 DEPOSITS THAT THE PARTICIPANT MAY PAY TO THE LICENSED
19 OPERATOR FOR A SPECIFIC TIME PERIOD ESTABLISHED BY THE
20 PARTICIPANT AND IMPLEMENT REASONABLE PROCEDURES TO PREVENT
21 THE PARTICIPANT FROM EXCEEDING THE LIMIT.

22 (8) CONSPICUOUSLY POST COMPULSIVE AND PROBLEM PLAY
23 NOTICES AT FANTASY CONTEST REGISTRATION POINTS AND PROVIDE A
24 TOLL-FREE TELEPHONE NUMBER TO PARTICIPANTS WHO HAVE EXPRESSED
25 TO THE LICENSED OPERATOR ISSUES WITH COMPULSIVE AND PROBLEM
26 PLAY OF FANTASY CONTESTS. THE TOLL-FREE TELEPHONE NUMBER AND
27 THE COMPULSIVE AND PROBLEM PLAY NOTICE SHALL BE APPROVED BY
28 THE BOARD, IN CONSULTATION WITH THE DEPARTMENT OF DRUG AND
29 ALCOHOL PROGRAMS OR A SUCCESSOR AGENCY.

30 (9) DISCLOSE THE NUMBER OF ENTRIES A SINGLE PARTICIPANT

1 MAY SUBMIT TO EACH FANTASY CONTEST AND TAKE COMMERCIALY
2 REASONABLE STEPS TO PREVENT SUCH PARTICIPANTS FROM SUBMITTING
3 MORE THAN THE ALLOWABLE NUMBER.

4 (10) PROHIBIT THE LICENSED OPERATOR'S PRINCIPALS,
5 EMPLOYEES AND RELATIVES LIVING IN THE SAME HOUSEHOLD OF AN
6 EMPLOYEE OR PRINCIPAL FROM COMPETING IN A FANTASY CONTEST
7 OFFERED BY ANY LICENSED OPERATOR TO THE GENERAL PUBLIC AND IN
8 WHICH FANTASY CONTEST THE LICENSED OPERATOR OFFERS A PRIZE OR
9 AWARD.

10 (11) PREVENT THE SHARING OF CONFIDENTIAL INFORMATION
11 THAT COULD AFFECT FANTASY CONTEST PLAY WITH THIRD PARTIES
12 UNTIL THE INFORMATION IS MADE PUBLICLY AVAILABLE.

13 (12) TAKE COMMERCIALY REASONABLE STEPS TO MAINTAIN THE
14 CONFIDENTIALITY OF A PARTICIPANT'S PERSONAL AND FINANCIAL
15 INFORMATION.

16 (13) SEGREGATE PARTICIPANT FUNDS FROM OPERATIONAL FUNDS
17 IN SEPARATE ACCOUNTS AND MAINTAIN A RESERVE IN THE FORM OF
18 CASH, CASH EQUIVALENTS, SECURITY DEPOSITS HELD BY BANKS AND
19 PROCESSORS, AN IRREVOCABLE LETTER OF CREDIT, PAYMENT
20 PROCESSOR RESERVES AND RECEIVABLES, A BOND OR A COMBINATION
21 THEREOF IN AN AMOUNT SUFFICIENT TO PAY ALL PRIZES AND AWARDS
22 OFFERED TO WINNING PARTICIPANTS. TO SATISFY THIS PARAGRAPH, A
23 LICENSED OPERATOR THAT ONLY OFFERS SEASON-LONG FANTASY
24 CONTESTS THAT GENERATE LESS THAN \$250,000 IN SEASON-LONG
25 FANTASY CONTEST ADJUSTED REVENUE MAY CONTRACT WITH A THIRD
26 PARTY TO HOLD PRIZES AND AWARDS IN AN ESCROW ACCOUNT UNTIL
27 AFTER THE SEASON IS CONCLUDED AND PRIZES AND AWARDS ARE
28 DISTRIBUTED.

29 (14) PROVIDE WINNING IN-STATE PARTICIPANTS WITH
30 INFORMATION AND DOCUMENTATION NECESSARY TO ENSURE THE PROPER

1 REPORTING OF WINNINGS BY IN-STATE PARTICIPANTS TO THE
2 DEPARTMENT.

3 (15) REMIT TAXES OR ASSESSMENTS TO THE DEPARTMENT IN
4 ACCORDANCE WITH SECTIONS 331 (RELATING TO FANTASY CONTEST
5 TAX), 332 (RELATING TO LICENSED OPERATOR DEPOSITS) AND 333
6 (RELATING TO RESPONSIBILITY AND AUTHORITY OF DEPARTMENT).

7 (16) PROHIBIT THE USE OF SCRIPTS BY PARTICIPANTS AND
8 IMPLEMENT TECHNOLOGIES TO PREVENT THE USE OF SCRIPTS.

9 (17) MONITOR FANTASY CONTESTS FOR THE USE OF SCRIPTS AND
10 RESTRICT PLAYERS FOUND TO HAVE USED SUCH SCRIPTS FROM
11 PARTICIPATION IN FUTURE FANTASY CONTESTS.

12 (18) ESTABLISH ANY OTHER CONDITION DEEMED APPROPRIATE BY
13 THE BOARD.

14 § 326. PROHIBITIONS.

15 (A) GENERAL RULE.--NO LICENSED OPERATOR MAY:

16 (1) ACCEPT AN ENTRY FEE FROM OR PERMIT A NATURAL PERSON
17 UNDER 18 YEARS OF AGE TO BECOME A PARTICIPANT IN A FANTASY
18 CONTEST;

19 (2) OFFER A FANTASY CONTEST BASED, IN WHOLE OR IN PART,
20 ON COLLEGIATE OR HIGH SCHOOL ATHLETIC EVENTS OR PLAYERS;

21 (3) PERMIT A PARTICIPANT TO ENTER A FANTASY CONTEST
22 PRIOR TO ESTABLISHING A FANTASY CONTEST ACCOUNT, UNLESS THE
23 LICENSED OPERATOR IS ALSO A LICENSED GAMING ENTITY AND THE
24 PARTICIPANT ENTERS A FANTASY CONTEST THROUGH A FANTASY
25 CONTEST TERMINAL LOCATED WITHIN THE LICENSED GAMING ENTITY'S
26 LICENSED FACILITY;

27 (4) ESTABLISH A FANTASY CONTEST ACCOUNT FOR A PERSON WHO
28 IS NOT AN INDIVIDUAL;

29 (5) ALTER RULES ESTABLISHED FOR A FANTASY CONTEST AFTER
30 A PARTICIPANT HAS ENTERED THE FANTASY CONTEST;

1 (6) ISSUE CREDIT TO A PARTICIPANT TO ESTABLISH OR FUND A
2 FANTASY CONTEST ACCOUNT;

3 (7) KNOWINGLY DIRECTLY MARKET TO A PARTICIPANT DURING
4 THE TIME PERIOD IN WHICH THE PARTICIPANT HAS SELF-EXCLUDED
5 FROM THE LICENSED OPERATOR'S FANTASY CONTESTS;

6 (8) KNOWINGLY PERMIT A PARTICIPANT TO ENTER THE LICENSED
7 OPERATOR'S FANTASY CONTESTS DURING THE TIME PERIOD IN WHICH
8 THE PARTICIPANT HAS SELF-EXCLUDED FROM THE LICENSED
9 OPERATORS' FANTASY CONTESTS;

10 (8.1) KNOWINGLY ALLOW A SELF-EXCLUDED INDIVIDUAL TO KEEP
11 A PRIZE OR AWARD.

12 (9) KNOWINGLY ACCEPT A DEPOSIT IN EXCESS OF A LIMIT
13 ESTABLISHED BY A PARTICIPANT FOR THE SPECIFIC TIME PERIOD
14 ESTABLISHED BY THE PARTICIPANT;

15 (10) SHARE CONFIDENTIAL INFORMATION THAT COULD AFFECT
16 FANTASY CONTEST PLAY WITH THIRD PARTIES UNTIL THE INFORMATION
17 IS MADE PUBLICLY AVAILABLE;

18 (11) KNOWINGLY PERMIT A PRINCIPAL, AN EMPLOYEE OR A
19 RELATIVE LIVING IN THE SAME HOUSEHOLD OF AN EMPLOYEE OR
20 PRINCIPAL TO BECOME A PARTICIPANT IN A FANTASY CONTEST
21 OFFERED BY ANY LICENSED OPERATOR IN WHICH A LICENSED OPERATOR
22 OFFERS A PRIZE OR AWARD;

23 (12) OFFER A FANTASY CONTEST WHERE:

24 (I) THE MINIMUM VALUE OF ALL PRIZES OR AWARDS
25 OFFERED TO WINNING PARTICIPANTS IS NOT ESTABLISHED AND
26 MADE KNOWN TO PARTICIPANTS IN ADVANCE OF THE FANTASY
27 CONTEST;

28 (II) WINNING OUTCOMES DO NOT REFLECT THE RELATIVE
29 KNOWLEDGE AND SKILL OF PARTICIPANTS;

30 (III) THE WINNING OUTCOME IS BASED ON THE SCORE,

1 POINT SPREAD OR PERFORMANCE OF A SINGLE ACTUAL TEAM OR
2 COMBINATION OF TEAMS OR SOLELY ON A SINGLE PERFORMANCE OF
3 AN INDIVIDUAL ATHLETE OR PLAYER IN A SINGLE ACTUAL EVENT;
4 OR

5 (IV) THE WINNING OUTCOME IS NOT BASED ON STATISTICAL
6 RESULTS ACCUMULATED FROM FULLY COMPLETED ATHLETIC SPORTS
7 CONTESTS OR EVENTS, EXCEPT THAT PARTICIPANTS MAY BE
8 CREDITED FOR STATISTICAL RESULTS ACCUMULATED IN A
9 SUSPENDED OR SHORTENED SPORTS EVENT WHICH HAS BEEN
10 PARTIALLY COMPLETED ON ACCOUNT OF WEATHER OR OTHER
11 NATURAL OR UNFORESEEN EVENT;

12 (13) FAIL TO REMIT TAXES OR ASSESSMENTS TO THE
13 DEPARTMENT IN ACCORDANCE WITH SECTIONS 331 (RELATING TO
14 FANTASY CONTEST TAX), 332 (RELATING TO LICENSED OPERATOR
15 DEPOSITS) AND 333 (RELATING TO RESPONSIBILITY AND AUTHORITY
16 OF DEPARTMENT);

17 (14) KNOWINGLY ALLOW A PARTICIPANT TO USE A SCRIPT
18 DURING A FANTASY CONTEST;

19 (15) EXCEPT AS PERMITTED UNDER SECTION 342 (RELATING TO
20 LICENSED GAMING ENTITIES), OFFER OR MAKE AVAILABLE IN THIS
21 COMMONWEALTH A FANTASY CONTEST TERMINAL; AND

22 (16) PERFORM ANY OTHER ACTION PROHIBITED BY THE BOARD.

23 (B) DEPOSIT.--THE LICENSED OPERATOR SHALL DEPOSIT THE AMOUNT
24 OF THE PRIZE OR AWARD UNDER SUBSECTION (A) (8.1) IN THE GENERAL
25 FUND.

26 § 327. CHANGE IN OWNERSHIP OR CONTROL OF LICENSED OPERATORS.

27 (A) NOTIFICATION AND APPROVAL.--

28 (1) A LICENSED OPERATOR SHALL NOTIFY THE BOARD UPON
29 BECOMING AWARE OF ANY PROPOSED CHANGE OF OWNERSHIP OF THE
30 LICENSED OPERATOR BY A PERSON OR GROUP OF PERSONS ACTING IN

1 CONCERT WHICH INVOLVES ANY OF THE FOLLOWING:

2 (I) MORE THAN 15% OF A LICENSED OPERATOR'S
3 SECURITIES OR OTHER OWNERSHIP INTERESTS.

4 (II) THE SALE OTHER THAN IN THE ORDINARY COURSE OF
5 BUSINESS OF A LICENSED OPERATOR'S ASSETS.

6 (III) ANY OTHER TRANSACTION OR OCCURRENCE DEEMED BY
7 THE BOARD TO BE RELEVANT TO FANTASY CONTEST LICENSE
8 QUALIFICATIONS.

9 (2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1), A
10 LICENSED OPERATOR SHALL NOT BE REQUIRED TO NOTIFY THE BOARD
11 OF ANY ACQUISITION BY AN INSTITUTIONAL INVESTOR UNDER
12 PARAGRAPH (1) (I) OR (II) IF THE INSTITUTIONAL INVESTOR HOLDS
13 LESS THAN 10% OF THE SECURITIES OR OTHER OWNERSHIP INTERESTS
14 REFERRED TO IN PARAGRAPH (1) (I) OR (II), THE SECURITIES OR
15 INTERESTS ARE PUBLICLY TRADED SECURITIES AND ITS HOLDINGS OF
16 SUCH SECURITIES WERE PURCHASED FOR INVESTMENT PURPOSES ONLY
17 AND THE INSTITUTIONAL INVESTOR FILES WITH THE BOARD A
18 CERTIFIED STATEMENT TO THE EFFECT THAT THE INSTITUTIONAL
19 INVESTOR HAS NO INTENTION OF INFLUENCING OR AFFECTING,
20 DIRECTLY OR INDIRECTLY, THE AFFAIRS OF THE LICENSED OPERATOR.
21 HOWEVER, THE INSTITUTIONAL INVESTOR MAY VOTE ON MATTERS PUT
22 TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS. NOTICE TO
23 THE BOARD SHALL BE REQUIRED PRIOR TO COMPLETION OF ANY
24 PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP OF A LICENSED
25 OPERATOR THAT MEETS THE CRITERIA OF THIS SECTION.

26 (B) QUALIFICATION OF PURCHASER AND CHANGE OF CONTROL.--

27 (1) A PURCHASER OF THE ASSETS, OTHER THAN IN THE
28 ORDINARY COURSE OF BUSINESS, OF A LICENSED OPERATOR SHALL
29 INDEPENDENTLY QUALIFY FOR A FANTASY CONTEST LICENSE IN
30 ACCORDANCE WITH THIS CHAPTER AND SHALL PAY THE APPLICATION

1 FEE AND LICENSE FEE AS REQUIRED BY SECTIONS 322 (RELATING TO
2 APPLICATION) AND 323 (RELATING TO ISSUANCE AND DENIAL OF
3 LICENSE), EXCEPT THAT IF THE PURCHASER OF ASSETS IS ANOTHER
4 LICENSED OPERATOR, THE PURCHASER OF ASSETS SHALL NOT BE
5 REQUIRED TO REQUALIFY FOR A FANTASY CONTEST LICENSE OR PAY
6 ANOTHER APPLICATION FEE AND LICENSE FEE.

7 (2) A CHANGE IN CONTROL OF ANY LICENSED OPERATOR SHALL
8 REQUIRE THAT THE LICENSED OPERATOR INDEPENDENTLY QUALIFY FOR
9 A FANTASY CONTEST LICENSE IN ACCORDANCE WITH THIS CHAPTER,
10 AND THE LICENSED OPERATOR SHALL PAY A NEW APPLICATION AND
11 LICENSE FEE AS REQUIRED BY SECTIONS 322 AND 323, EXCEPT THAT
12 IF THE NEW CONTROLLER IS ANOTHER LICENSED OPERATOR, THE NEW
13 CONTROLLER SHALL NOT BE REQUIRED TO REQUALIFY FOR A FANTASY
14 CONTEST LICENSE OR PAY ANOTHER APPLICATION FEE AND LICENSE
15 FEE.

16 (C) LICENSE REVOCATION.--FAILURE TO COMPLY WITH THIS SECTION
17 MAY CAUSE THE FANTASY CONTEST LICENSE ISSUED UNDER THIS CHAPTER
18 TO BE REVOKED OR SUSPENDED BY THE BOARD UNLESS THE PURCHASE OF
19 THE ASSETS OR THE CHANGE IN CONTROL THAT MEETS THE CRITERIA OF
20 THIS SECTION HAS BEEN INDEPENDENTLY QUALIFIED IN ADVANCE BY THE
21 BOARD AND ANY REQUIRED APPLICATION OR LICENSE FEE HAS BEEN PAID.

22 (D) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
23 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
24 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

25 "CHANGE IN CONTROL OF A LICENSED OPERATOR." THE ACQUISITION
26 BY A PERSON OR GROUP OF PERSONS ACTING IN CONCERT OF MORE THAN
27 20% OF A LICENSED OPERATOR'S SECURITIES OR OTHER OWNERSHIP
28 INTERESTS, WITH THE EXCEPTION OF ANY OWNERSHIP INTEREST OF THE
29 PERSON THAT EXISTED AT THE TIME OF INITIAL LICENSING AND PAYMENT
30 OF THE INITIAL FANTASY CONTEST LICENSE FEE, OR MORE THAN 20% OF

1 THE SECURITIES OR OTHER OWNERSHIP INTERESTS OF A CORPORATION OR
2 OTHER FORM OF BUSINESS ENTITY THAT OWNS DIRECTLY OR INDIRECTLY
3 AT LEAST 20% OF THE VOTING OR OTHER SECURITIES OR OTHER
4 OWNERSHIP INTERESTS OF THE LICENSED OPERATOR.

5 § 328. PENALTIES.

6 (A) SUSPENSION OR REVOCATION OF LICENSE.--

7 (1) AFTER A PUBLIC HEARING WITH AT LEAST 15 DAYS'
8 NOTICE, THE BOARD MAY SUSPEND OR REVOKE A LICENSED OPERATOR'S
9 FANTASY CONTEST LICENSE IN ANY CASE WHERE A VIOLATION OF THIS
10 CHAPTER HAS BEEN SHOWN BY A PREPONDERANCE OF THE EVIDENCE.

11 (2) THE BOARD MAY REVOKE A FANTASY CONTEST LICENSE IF
12 THE BOARD FINDS THAT FACTS NOT KNOWN BY THE BOARD AT THE TIME
13 THE BOARD CONSIDERED THE APPLICATION INDICATE THAT SUCH
14 LICENSE SHOULD NOT HAVE BEEN ISSUED.

15 (B) ADMINISTRATIVE PENALTIES.--

16 (1) IN ADDITION TO SUSPENSION OR REVOCATION OF A FANTASY
17 CONTEST LICENSE, THE BOARD MAY IMPOSE ADMINISTRATIVE
18 PENALTIES ON A LICENSED OPERATOR FOR VIOLATIONS OF THIS
19 CHAPTER.

20 (2) A VIOLATION OF THIS CHAPTER THAT IS DETERMINED TO BE
21 AN OFFENSE OF A CONTINUING NATURE SHALL BE DEEMED TO BE A
22 SEPARATE OFFENSE ON EACH EVENT OR DAY DURING WHICH THE
23 VIOLATION OCCURS.

24 (3) THE LICENSED OPERATOR SHALL HAVE THE RIGHT TO APPEAL
25 ADMINISTRATIVE PENALTIES IN ACCORDANCE WITH 2 PA.C.S. CHS. 5
26 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF COMMONWEALTH
27 AGENCIES) AND 7 SUBCH. A (RELATING TO JUDICIAL REVIEW OF
28 COMMONWEALTH AGENCY ACTION).

29 (4) PENALTIES IMPOSED UNDER THIS SUBSECTION SHALL BE
30 DEPOSITED INTO THE GENERAL FUND.

1 (C) CIVIL PENALTIES.--

2 (1) IN ADDITION TO THE PROVISIONS OF THIS SECTION, A
3 PERSON WHO KNOWINGLY VIOLATES A PROVISION OF THIS CHAPTER
4 SHALL BE LIABLE FOR A CIVIL PENALTY OF NOT MORE THAN \$1,000
5 FOR EACH SUCH VIOLATION.

6 (2) THE CIVIL PENALTY SHALL BE RECOVERED IN A CIVIL
7 ACTION BROUGHT BY THE BOARD AND SHALL BE PAID INTO THE
8 GENERAL FUND.

9 SUBCHAPTER D

10 FISCAL PROVISIONS

11 SEC.

12 331. FANTASY CONTEST TAX.

13 332. LICENSED OPERATOR DEPOSITS.

14 333. RESPONSIBILITY AND AUTHORITY OF DEPARTMENT.

15 § 331. FANTASY CONTEST TAX.

16 (A) IMPOSITION.--EACH LICENSED OPERATOR SHALL REPORT TO THE
17 DEPARTMENT AND PAY FROM ITS MONTHLY FANTASY CONTEST ADJUSTED
18 REVENUES, ON A FORM AND IN THE MANNER PRESCRIBED BY THE
19 DEPARTMENT, A TAX OF 19% OF ITS MONTHLY FANTASY CONTEST ADJUSTED
20 REVENUES.

21 (B) DEPOSITS AND DISTRIBUTIONS.--

22 (1) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
23 PAYABLE TO THE DEPARTMENT ON A MONTHLY BASIS AND SHALL BE
24 BASED UPON MONTHLY FANTASY CONTEST ADJUSTED REVENUE DERIVED
25 DURING THE PREVIOUS MONTH.

26 (2) ALL FUNDS OWED TO THE COMMONWEALTH UNDER THIS
27 SECTION SHALL BE HELD IN TRUST FOR THE COMMONWEALTH BY THE
28 LICENSED OPERATOR UNTIL THE FUNDS ARE PAID TO THE DEPARTMENT.

29 (3) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
30 DEPOSITED INTO THE GENERAL FUND.

1 (C) PENALTY.--

2 (1) A LICENSED OPERATOR WHO FAILS TO TIMELY REMIT TO THE
3 DEPARTMENT AMOUNTS REQUIRED UNDER THIS SECTION SHALL BE
4 LIABLE, IN ADDITION TO ANY LIABILITY IMPOSED ELSEWHERE IN
5 THIS CHAPTER, TO A PENALTY OF 5% PER MONTH UP TO A MAXIMUM OF
6 25% OF THE AMOUNTS ULTIMATELY FOUND TO BE DUE, TO BE
7 RECOVERED BY THE DEPARTMENT.

8 (2) PENALTIES IMPOSED UNDER THIS SUBSECTION SHALL BE
9 DEPOSITED IN THE GENERAL FUND.

10 § 332. LICENSED OPERATOR DEPOSITS.

11 (A) ACCOUNTS ESTABLISHED.--THE STATE TREASURER SHALL
12 ESTABLISH WITHIN THE STATE TREASURY AN ACCOUNT FOR EACH LICENSED
13 OPERATOR FOR THE DEPOSIT REQUIRED UNDER SUBSECTION (B) TO:

14 (1) RECOVER COSTS OR EXPENSES INCURRED BY THE BOARD AND
15 THE DEPARTMENT IN CARRYING OUT THEIR POWERS AND DUTIES UNDER
16 THIS CHAPTER BASED UPON A BUDGET SUBMITTED BY THE BOARD AND
17 THE DEPARTMENT UNDER SUBSECTION (C); AND

18 (2) REPAY ANY LOANS MADE BY THE GENERAL FUND TO THE
19 BOARD OR THE DEPARTMENT IN CONNECTION WITH CARRYING OUT ITS
20 POWERS AND DUTIES UNDER THIS CHAPTER.

21 (B) DEPOSITS.--

22 (1) THE DEPARTMENT SHALL DETERMINE THE APPROPRIATE
23 ASSESSMENT AMOUNT FOR EACH LICENSED OPERATOR, WHICH SHALL BE
24 A PERCENTAGE ASSESSED ON THE LICENSED OPERATOR'S FANTASY
25 CONTEST ADJUSTED REVENUES. EACH LICENSED OPERATOR SHALL
26 DEPOSIT FUNDS INTO ITS ACCOUNT ON A QUARTERLY BASIS.

27 (2) THE PERCENTAGE ASSESSED SHALL NOT EXCEED AN AMOUNT
28 NECESSARY TO:

29 (I) RECOVER COSTS OR EXPENSES INCURRED BY THE BOARD
30 AND THE DEPARTMENT IN CARRYING OUT THEIR POWERS AND

1 DUTIES UNDER THIS CHAPTER BASED ON A BUDGET SUBMITTED BY
2 THE BOARD AND THE DEPARTMENT UNDER SUBSECTION (C); AND
3 (II) REPAY ANY LOANS MADE FROM THE GENERAL FUND TO
4 THE BOARD IN CONNECTION WITH CARRYING OUT ITS POWERS AND
5 DUTIES UNDER THIS CHAPTER.

6 (C) ITEMIZED BUDGET REPORTING.--

7 (1) THE BOARD AND THE DEPARTMENT SHALL PREPARE AND
8 ANNUALLY SUBMIT TO THE CHAIRPERSON AND MINORITY CHAIRPERSON
9 OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
10 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
11 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AN ITEMIZED BUDGET
12 CONSISTING OF AMOUNTS TO BE APPROPRIATED OUT OF THE ACCOUNTS
13 ESTABLISHED UNDER THIS SECTION NECESSARY TO ADMINISTER THIS
14 CHAPTER.

15 (2) AS SOON AS PRACTICABLE AFTER SUBMITTING COPIES OF
16 THE ITEMIZED BUDGET, THE DEPARTMENT SHALL SUBMIT TO THE
17 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
18 COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND MINORITY
19 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
20 REPRESENTATIVES ANALYSES OF AND RECOMMENDATIONS REGARDING THE
21 ITEMIZED BUDGET.

22 (3) THE ITEMIZED BUDGET REQUIRED UNDER PARAGRAPH (1)
23 SHALL BE SUBMITTED IN CONJUNCTION WITH THE BUDGET REQUIRED TO
24 BE SUBMITTED UNDER SECTION 1202(B)(28) (RELATING TO GENERAL
25 AND SPECIFIC POWERS).

26 (D) APPROPRIATION.--COSTS AND EXPENSES FROM ACCOUNTS
27 ESTABLISHED UNDER SUBSECTION (A) SHALL ONLY BE DISBURSED UPON
28 APPROPRIATION BY THE GENERAL ASSEMBLY.

29 (E) PENALTY.--

30 (1) A LICENSED OPERATOR WHO FAILS TO TIMELY REMIT TO THE

1 DEPARTMENT AMOUNTS REQUIRED UNDER THIS SECTION SHALL BE
2 LIABLE, IN ADDITION TO ANY LIABILITY IMPOSED ELSEWHERE IN
3 THIS CHAPTER, TO A PENALTY OF 5% PER MONTH UP TO A MAXIMUM OF
4 25% OF THE AMOUNTS ULTIMATELY FOUND TO BE DUE, TO BE
5 RECOVERED BY THE DEPARTMENT.

6 (2) PENALTIES IMPOSED UNDER THIS SUBSECTION SHALL BE
7 DEPOSITED INTO THE GENERAL FUND.

8 § 333. RESPONSIBILITY AND AUTHORITY OF DEPARTMENT.

9 (A) GENERAL RULE.--THE DEPARTMENT MAY ADMINISTER AND COLLECT
10 TAXES IMPOSED UNDER SECTION 331 (RELATING TO FANTASY CONTEST
11 TAX) AND INTEREST IMPOSED UNDER SECTION 806 OF THE ACT OF APRIL
12 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, AND
13 PROMULGATE AND ENFORCE RULES AND REGULATIONS TO CARRY OUT ITS
14 PRESCRIBED DUTIES IN ACCORDANCE WITH SECTIONS 331 AND 332
15 (RELATING TO LICENSED OPERATOR DEPOSITS), INCLUDING THE
16 COLLECTION OF TAXES, PENALTIES, ASSESSMENTS AND INTEREST.

17 (B) PROCEDURE.--FOR PURPOSES OF IMPLEMENTING SECTIONS 331
18 AND 332, THE DEPARTMENT MAY PROMULGATE REGULATIONS IN THE SAME
19 MANNER IN WHICH THE BOARD IS AUTHORIZED AS PROVIDED IN SECTION
20 312 (RELATING TO TEMPORARY REGULATIONS).

21 SUBCHAPTER E

22 MISCELLANEOUS PROVISIONS

23 SEC.

24 341. APPLICABILITY OF OTHER STATUTES.

25 342. LICENSED GAMING ENTITIES.

26 § 341. APPLICABILITY OF OTHER STATUTES.

27 (A) UNLAWFUL GAMBLING.--THE PROVISIONS OF 18 PA.C.S. § 5513
28 (RELATING TO GAMBLING DEVICES, GAMBLING, ETC.) SHALL NOT APPLY
29 TO A FANTASY CONTEST CONDUCTED IN ACCORDANCE WITH THIS CHAPTER.

30 (B) POOL SELLING AND BOOKMAKING.--THE PROVISIONS OF 18

1 PA.C.S. § 5514 (RELATING TO POOL SELLING AND BOOKMAKING) SHALL
2 NOT APPLY TO A FANTASY CONTEST CONDUCTED IN ACCORDANCE WITH THIS
3 CHAPTER.

4 (C) LOTTERIES.--THE PROVISIONS OF 18 PA.C.S. § 5512
5 (RELATING TO LOTTERIES, ETC.) SHALL NOT APPLY TO A FANTASY
6 CONTEST CONDUCTED IN ACCORDANCE WITH THIS CHAPTER.

7 (D) STATE LOTTERY LAW.--THIS CHAPTER SHALL NOT APPLY TO A
8 FANTASY CONTEST OR SIMILAR PRODUCT AUTHORIZED UNDER THE ACT OF
9 AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY
10 LAW, AND AUTHORIZED SOLELY BY THE DEPARTMENT AND THE DIVISION OF
11 THE STATE LOTTERY.

12 § 342. LICENSED GAMING ENTITIES.

13 (A) SCOPE.--THIS SECTION SHALL APPLY TO A LICENSED GAMING
14 ENTITY THAT HOLDS A FANTASY CONTEST LICENSE.

15 (B) APPLICABILITY.--NOTHING IN THIS CHAPTER SHALL BE
16 CONSTRUED TO LIMIT THE BOARD'S GENERAL AND SOLE REGULATORY
17 AUTHORITY OVER THE CONDUCT OF GAMING OR RELATED ACTIVITIES UNDER
18 PART II (RELATING TO GAMING), INCLUDING, BUT NOT LIMITED TO, THE
19 CERTIFICATION, REGISTRATION AND REGULATION OF GAMING SERVICE
20 PROVIDERS AND INDIVIDUALS AND ENTITIES ASSOCIATED WITH THEM.

21 (C) RESTRICTED CONTESTS.--A LICENSED GAMING ENTITY MAY OFFER
22 FANTASY CONTESTS THAT ARE EXCLUSIVE TO PARTICIPANTS WHO ARE AT
23 LEAST 21 YEARS OF AGE.

24 (D) PROMOTIONAL PLAY.--FOR A RESTRICTED CONTEST UNDER
25 SUBSECTION (C), A LICENSED GAMING ENTITY MAY OFFER SLOT MACHINE
26 OR TABLE GAME PROMOTIONAL PLAY TO A PARTICIPANT WHO IS AT LEAST
27 21 YEARS OF AGE AS A PRIZE OR AWARD OR FOR PARTICIPATING IN A
28 FANTASY CONTEST CONDUCTED BY THE LICENSED GAMING ENTITY.

29 (E) GAMING SERVICE PROVIDERS.--A LICENSED OPERATOR WHO IS
30 NOT A LICENSED GAMING ENTITY MAY, AT THE DISCRETION OF THE

1 BOARD, BE CERTIFICATED OR REGISTERED AS A GAMING SERVICE
2 PROVIDER UNDER SECTION 1317.2 (RELATING TO GAMING SERVICE
3 PROVIDER) IN ORDER TO OPERATE FANTASY CONTESTS SUBJECT TO THE
4 RESTRICTIONS OF SUBSECTIONS (C) AND (F) ON BEHALF OF A LICENSED
5 GAMING ENTITY.

6 (F) FANTASY CONTEST TERMINALS.--

7 (1) A LICENSED GAMING ENTITY MAY PETITION THE BOARD, ON
8 A FORM AND IN A MANNER AS REQUIRED BY THE BOARD, TO PLACE AND
9 OPERATE FANTASY CONTEST TERMINALS WITHIN THE LICENSED GAMING
10 ENTITY'S LICENSED FACILITY.

11 (2) THE BOARD MAY, ACCORDING TO REGULATIONS ADOPTED BY
12 THE BOARD, APPROVE THE PLACEMENT AND OPERATION OF FANTASY
13 CONTEST TERMINALS AT ONE OR MORE LOCATIONS WITHIN A LICENSED
14 FACILITY, PROVIDED THAT FANTASY CONTEST TERMINALS MAY NOT BE
15 PLACED ON THE GAMING FLOOR.

16 (3) THE BOARD MAY NOT REQUIRE A PARTICIPANT TO ESTABLISH
17 A FANTASY CONTEST ACCOUNT PRIOR TO ENTERING A FANTASY CONTEST
18 THROUGH A FANTASY CONTEST TERMINAL.

19 CHAPTER 5

20 LOTTERY

21 SEC.

22 501. DEFINITIONS.

23 502. SALES AGENT COMPENSATION.

24 503. LOTTERY SALES ADVISORY COUNCIL.

25 § 501. DEFINITIONS.

26 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
27 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
28 CONTEXT CLEARLY INDICATES OTHERWISE:

29 "CASH BONUS." COMPENSATION PAID TO A LICENSED LOTTERY SALES
30 AGENT FOR ISSUING PRIZES TO PLAYERS FOR WINNING LOTTERY TICKETS

1 OR SHARES, THE AMOUNT OF WHICH COMPENSATION IS A PERCENTAGE
2 AMOUNT OF THE PRIZE AWARDED BY THE LICENSED LOTTERY SALES AGENT
3 TO A PLAYER FOR A WINNING TICKET OR SHARE.

4 "COMMISSION." COMPENSATION PAID TO A LICENSED LOTTERY SALES
5 AGENT FOR THE SALE OF LOTTERY TICKETS OR SHARES TO THE PUBLIC,
6 THE AMOUNT OF WHICH COMPENSATION IS A PERCENTAGE AMOUNT OF THE
7 RETAIL PRICE OF A TICKET OR SHARE SOLD BY A LICENSED LOTTERY
8 SALES AGENT.

9 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

10 "SECRETARY." THE SECRETARY OF REVENUE OF THE COMMONWEALTH.

11 § 502. SALES AGENT COMPENSATION.

12 (A) COMMISSION REQUIRED.--

13 (1) NOTWITHSTANDING SECTION 303 OF THE ACT OF AUGUST 26,
14 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW, AND
15 SUBJECT TO PARAGRAPH (2), THE SECRETARY SHALL PROVIDE A
16 COMMISSION TO LICENSED LOTTERY SALES AGENTS THAT SHALL BE NO
17 LESS THAN 5.5%.

18 (2) BEGINNING ONE YEAR AFTER THE EFFECTIVE DATE OF THIS
19 SECTION, THE SECRETARY SHALL PROVIDE A COMMISSION TO LICENSED
20 LOTTERY SALES AGENTS IN AN AMOUNT THAT SHALL BE NO LESS THAN
21 6%.

22 (B) CASH BONUS REQUIRED.--

23 (1) NOTWITHSTANDING SECTION 303 OF THE STATE LOTTERY
24 LAW, THE SECRETARY SHALL PROVIDE A CASH BONUS TO LICENSED
25 LOTTERY SALES AGENTS IN AN AMOUNT THAT SHALL BE NO LESS THAN
26 1%.

27 (2) THE SECRETARY SHALL PERMIT A LICENSED LOTTERY SALES
28 AGENT TO REDEEM A WINNING TICKET OR SHARE FOR A PRIZE AMOUNT
29 OF \$2,500 OR LESS.

30 § 503. LOTTERY SALES ADVISORY COUNCIL.

1 (A) ESTABLISHMENT.--

2 (1) THE DEPARTMENT SHALL ESTABLISH A LOTTERY SALES
3 ADVISORY COUNCIL WHICH SHALL BE COMPRISED OF THE SECRETARY,
4 THE DIRECTOR OF THE DIVISION OF THE STATE LOTTERY, A
5 REPRESENTATIVE FROM THE DEPARTMENT OF AGING OR A SUCCESSOR
6 AGENCY, REPRESENTATIVES FROM A STATEWIDE FOOD MERCHANTS
7 ASSOCIATION, LICENSED LOTTERY SALES AGENTS AND ANY OTHER
8 INDIVIDUAL, AT THE DISCRETION OF THE DEPARTMENT.

9 (2) THE LOTTERY SALES ADVISORY COUNCIL SHALL MEET AT
10 TIMES AND IN A MANNER AT THE DEPARTMENT'S DISCRETION FOR THE
11 PURPOSES OF INCREASING THE PARTNERSHIP BETWEEN THE STATE
12 LOTTERY AND LICENSED LOTTERY SALES AGENTS AND DEVELOPING
13 POLICY RECOMMENDATIONS FOR INCREASED LOTTERY SALES.

14 (3) THE LOTTERY SALES ADVISORY COUNCIL SHALL OPERATE IN
15 AN ADVISORY, NONBINDING CAPACITY.

16 (B) COMPENSATION.--NO MEMBER OF THE LOTTERY SALES ADVISORY
17 COUNCIL SHALL BE ENTITLED TO ANY FORM OF COMPENSATION FROM THE
18 COMMONWEALTH FOR THE PERFORMANCE OF ANY DUTY THAT MAY BE
19 REQUIRED BY THE LOTTERY SALES ADVISORY COUNCIL.

20 CHAPTER 7

21 ILOTTERY

22 SEC.

23 701. SCOPE OF CHAPTER.

24 702. DEFINITIONS.

25 703. ILOTTERY AUTHORIZATION.

26 § 701. SCOPE OF CHAPTER.

27 THIS CHAPTER RELATES TO ILOTTERY.

28 § 702. DEFINITIONS.

29 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
30 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

1 CONTEXT CLEARLY INDICATES OTHERWISE:

2 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

3 "ILOTTERY." A DIGITAL SYSTEM THAT PROVIDES FOR THE

4 DISTRIBUTION OF LOTTERY PRODUCTS THROUGH NUMEROUS CHANNELS THAT

5 INCLUDE, BUT ARE NOT LIMITED TO, WEB APPLICATIONS, MOBILE

6 APPLICATIONS, MOBILE WEB, TABLETS AND SOCIAL MEDIA PLATFORMS

7 THAT ALLOWS PLAYERS TO INTERFACE THROUGH A PORTAL FOR THE

8 PURPOSE OF OBTAINING LOTTERY PRODUCTS AND ANCILLARY SERVICES,

9 SUCH AS ACCOUNT MANAGEMENT, GAME PURCHASE, GAME PLAY AND PRIZE

10 REDEMPTION. THE TERM DOES NOT INCLUDE GAMES THAT REPRESENT

11 PHYSICAL, INTERNET-BASED OR MONITOR-BASED INTERACTIVE LOTTERY

12 GAMES WHICH SIMULATE CASINO-STYLE LOTTERY GAMES, SPECIFICALLY

13 INCLUDING POKER, ROULETTE, SLOT MACHINES OR BLACKJACK.

14 "INTERNET INSTANT GAME." A LOTTERY GAME OF CHANCE IN WHICH,

15 BY THE USE OF A COMPUTER, TABLET COMPUTER OR OTHER MOBILE

16 DEVICE, A PLAYER PURCHASES A LOTTERY PLAY, WITH THE RESULT OF

17 PLAY BEING A REVEAL ON THE DEVICE OF NUMBERS, LETTERS OR SYMBOLS

18 INDICATING WHETHER A LOTTERY PRIZE HAS BEEN WON ACCORDING TO AN

19 ESTABLISHED METHODOLOGY AS PROVIDED BY THE LOTTERY.

20 "LOTTERY PRODUCTS." PLAYS, SHARES OR CHANCES OFFERED BY THE

21 LOTTERY AS WELL AS LOTTERY PROPERTY THAT MAY BE EXCHANGED FOR

22 PLAYS, SHARES OR CHANCES. THE TERM INCLUDES INSTANT TICKETS,

23 TERMINAL-BASED TICKETS, RAFFLE GAMES, INTERNET INSTANT TICKETS,

24 ILOTTERY GAMES, PLAY-FOR-FUN GAMES, LOTTERY VOUCHERS,

25 SUBSCRIPTION SERVICES AND GIFT CARDS.

26 "SECRETARY." THE SECRETARY OF REVENUE OF THE COMMONWEALTH.

27 "SUBSCRIPTION SERVICES." A PAYMENT, ADVANCE PAYMENT OR

28 PROMISE OF PAYMENT FOR MULTIPLE LOTTERY PRODUCTS OVER A

29 SPECIFIED PERIOD OF TIME, INCLUDING PAYMENT THROUGH ILOTTERY.

30 § 703. ILOTTERY AUTHORIZATION.

1 (A) AUTHORITY.--NOTWITHSTANDING ANY PROVISION OF LAW TO THE
2 CONTRARY, THE DEPARTMENT MAY OPERATE ILOTTERY AND INTERNET
3 INSTANT GAMES.

4 (B) TEMPORARY REGULATORY AUTHORITY.--

5 (1) IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION OF
6 ILOTTERY PRODUCTS OR NEW SALES METHODS OF EXISTING LOTTERY
7 PRODUCTS OVER THE INTERNET, REGULATIONS PROMULGATED BY THE
8 SECRETARY SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL
9 EXPIRE NOT LATER THAN TWO YEARS FOLLOWING THE PUBLICATION OF
10 THE TEMPORARY REGULATIONS. THE SECRETARY MAY PROMULGATE
11 TEMPORARY REGULATIONS NOT SUBJECT TO:

12 (I) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT
13 OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
14 COMMONWEALTH DOCUMENTS LAW.

15 (II) SECTIONS 204(B) AND 301(10) OF THE ACT OF
16 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE
17 COMMONWEALTH ATTORNEYS ACT.

18 (III) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
19 KNOWN AS THE REGULATORY REVIEW ACT.

20 (2) REGULATIONS ADOPTED AFTER THE TWO-YEAR TIME PERIOD
21 SHALL BE PROMULGATED AS PROVIDED BY LAW.

22 (C) PROMPT IMPLEMENTATION.--NOTWITHSTANDING ANY OTHER
23 PROVISION OF LAW TO THE CONTRARY AND IN ORDER TO FACILITATE THE
24 PROMPT IMPLEMENTATION OF ILOTTERY IN THIS COMMONWEALTH, INITIAL
25 CONTRACTS ENTERED INTO BY THE DEPARTMENT FOR ILOTTERY AND
26 RELATED GAMING SYSTEMS, INCLUDING ANY NECESSARY HARDWARE,
27 SOFTWARE, LICENSES OR RELATED SERVICES, SHALL NOT BE SUBJECT TO
28 THE PROVISIONS OF 62 PA.C.S. (RELATING TO PROCUREMENT).
29 CONTRACTS ENTERED INTO UNDER THIS SUBSECTION MAY NOT EXCEED FIVE
30 YEARS.

1 (D) PLAYER IDENTIFIABLE INFORMATION.--WITH THE EXCEPTION OF
2 CERTAIN INFORMATION RELEASED BY THE DEPARTMENT TO NOTIFY THE
3 PUBLIC OF THE IDENTITY OF A PRIZE RECIPIENT OR TO PERFORM ANY
4 OTHER OBLIGATION OF THE LOTTERY UNDER LAWS OR REGULATIONS
5 RELATED TO THE PAYMENT OF LOTTERY PRIZES, PERSONALLY IDENTIFYING
6 INFORMATION OBTAINED BY THE DEPARTMENT AS A RESULT OF A PLAYER'S
7 PURCHASE OF LOTTERY PRODUCTS OR THE CLAIM OF A LOTTERY PRIZE,
8 SUCH AS NAME, ADDRESS, TELEPHONE NUMBER OR PLAYER FINANCIAL
9 INFORMATION, SHALL BE CONSIDERED CONFIDENTIAL AND OTHERWISE
10 EXEMPT FROM DISCLOSURE WHETHER RETAINED BY THE DEPARTMENT, AN
11 AGENT OF THE DEPARTMENT OR A LOTTERY RETAILER.

12 (E) LOTTERY PROPRIETARY INFORMATION.--

13 (1) INFORMATION OBTAINED BY THE DEPARTMENT AS A RESULT
14 OF A PLAYER'S PURCHASE OF LOTTERY PRODUCTS OR ENTERING A
15 LOTTERY DRAWING, SUCH AS AGGREGATE STATISTICAL DATA WHICH MAY
16 INCLUDE PLAY HISTORY OR PLAYER TENDENCIES, SHALL BE
17 CONSIDERED PROPRIETARY INFORMATION OF THE DEPARTMENT AND
18 OTHERWISE EXEMPT FROM DISCLOSURE WHETHER RETAINED BY THE
19 DEPARTMENT, AN AGENT OF THE LOTTERY OR A LOTTERY RETAILER.

20 (2) PROPRIETARY INFORMATION SHALL INCLUDE ANY RESEARCH
21 OR STUDY CONDUCTED BY THE LOTTERY OR A LOTTERY VENDOR THAT
22 UTILIZES PROPRIETARY INFORMATION OBTAINED UNDER THIS SECTION.

23 (F) REVENUES.--

24 (1) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
25 CONTRARY, REVENUES ACCRUING FROM THE SALE OF LOTTERY PRODUCTS
26 UNDER THIS CHAPTER SHALL BE DEDICATED TO AND DEPOSITED IN THE
27 STATE LOTTERY FUND AS PROVIDED FOR IN SECTION 311 OF THE ACT
28 OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE
29 LOTTERY LAW. THE REVENUES SHALL BE APPORTIONED AS PROVIDED
30 FOR IN SECTION 303(A) (11) OF THE STATE LOTTERY LAW.

1 (2) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2017,
2 REVENUES RAISED UNDER THIS CHAPTER SHALL NOT BE SUBJECT TO
3 THE PROFIT MARGIN LIMITATIONS SPECIFIED IN SECTION 303(A) (11)
4 (IV) OF THE STATE LOTTERY LAW.

5 (G) PREPAID CARDS.--

6 (1) THE DEPARTMENT SHALL PROVIDE LICENSED LOTTERY SALES
7 AGENTS PREPAID CARDS OR OTHER MECHANISMS FOR SALE TO THE
8 PUBLIC THAT ALLOW A PLAYER TO PREPURCHASE LOTTERY PRODUCTS
9 OFFERED THROUGH ILOTTERY.

10 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
11 REQUIRE A PLAYER TO PURCHASE PREPAID CARDS OR OTHER
12 MECHANISMS FROM A LICENSED LOTTERY SALES AGENT IN ORDER TO
13 ENGAGE IN ILOTTERY.

14 (H) SALES AGENT COMPENSATION.--A LICENSED LOTTERY SALES
15 AGENT SHALL BE ENTITLED TO NO LESS THAN 6% OF THE RETAIL AMOUNT
16 OF A PREPAID CARD OR OTHER MECHANISM AUTHORIZED UNDER SUBSECTION
17 (G) THAT IS SOLD BY THE LICENSED LOTTERY SALES AGENT.

18 SECTION 2. SECTION 1102 OF TITLE 4 IS AMENDED TO READ:
19 § 1102. LEGISLATIVE INTENT.

20 THE GENERAL ASSEMBLY RECOGNIZES THE FOLLOWING PUBLIC POLICY
21 PURPOSES AND DECLARES THAT THE FOLLOWING OBJECTIVES OF THE
22 COMMONWEALTH ARE TO BE SERVED BY THIS PART:

23 (1) THE PRIMARY OBJECTIVE OF THIS PART TO WHICH ALL
24 OTHER OBJECTIVES AND PURPOSES ARE SECONDARY IS TO PROTECT THE
25 PUBLIC THROUGH THE REGULATION AND POLICING OF ALL ACTIVITIES
26 INVOLVING GAMING AND PRACTICES THAT CONTINUE TO BE UNLAWFUL.

27 (2) THE AUTHORIZATION OF LIMITED GAMING BY THE
28 INSTALLATION AND OPERATION OF SLOT MACHINES AS AUTHORIZED IN
29 THIS PART IS INTENDED TO ENHANCE LIVE HORSE RACING, BREEDING
30 PROGRAMS, ENTERTAINMENT AND EMPLOYMENT IN THIS COMMONWEALTH.

1 (2.1) THE AUTHORIZATION OF TABLE GAMES AND INTERACTIVE
2 GAMING IN THIS PART IS INTENDED TO SUPPLEMENT SLOT MACHINE
3 GAMING BY INCREASING REVENUES TO THE COMMONWEALTH AND
4 PROVIDING NEW EMPLOYMENT OPPORTUNITIES BY CREATING SKILLED
5 JOBS FOR INDIVIDUALS RELATED TO THE CONDUCT OF TABLE GAMES AT
6 LICENSED FACILITIES IN THIS COMMONWEALTH AND RELATED TO THE
7 CONDUCT OF INTERACTIVE GAMING.

8 (3) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO
9 PROVIDE A SIGNIFICANT SOURCE OF NEW REVENUE TO THE
10 COMMONWEALTH TO SUPPORT PROPERTY TAX RELIEF, WAGE TAX
11 REDUCTION, ECONOMIC DEVELOPMENT OPPORTUNITIES AND OTHER
12 SIMILAR INITIATIVES.

13 (4) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO
14 POSITIVELY ASSIST THE COMMONWEALTH'S HORSE RACING INDUSTRY,
15 SUPPORT PROGRAMS INTENDED TO FOSTER AND PROMOTE HORSE
16 BREEDING AND IMPROVE THE LIVING AND WORKING CONDITIONS OF
17 PERSONNEL WHO WORK AND RESIDE IN AND AROUND THE STABLE AND
18 BACKSIDE AREAS OF RACETRACKS.

19 (5) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO
20 PROVIDE BROAD ECONOMIC OPPORTUNITIES TO THE CITIZENS OF THIS
21 COMMONWEALTH AND SHALL BE IMPLEMENTED IN SUCH A MANNER AS TO
22 PREVENT POSSIBLE MONOPOLIZATION BY ESTABLISHING REASONABLE
23 RESTRICTIONS ON THE CONTROL OF MULTIPLE LICENSED GAMING
24 FACILITIES IN THIS COMMONWEALTH.

25 (6) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO
26 ENHANCE THE FURTHER DEVELOPMENT OF THE TOURISM MARKET
27 THROUGHOUT THIS COMMONWEALTH, INCLUDING, BUT NOT LIMITED TO,
28 YEAR-ROUND RECREATIONAL AND TOURISM LOCATIONS IN THIS
29 COMMONWEALTH.

30 (7) PARTICIPATION IN LIMITED GAMING AUTHORIZED UNDER

1 THIS PART BY ANY LICENSEE [OR] PERMITTEE, REGISTRANT OR
2 CERTIFICATE HOLDER SHALL BE DEEMED A PRIVILEGE, CONDITIONED
3 UPON THE PROPER AND CONTINUED QUALIFICATION OF THE LICENSEE
4 [OR] PERMITTEE, REGISTRANT OR CERTIFICATE HOLDER AND UPON
5 THE DISCHARGE OF THE AFFIRMATIVE RESPONSIBILITY OF EACH
6 LICENSEE, PERMITTEE, REGISTRANT AND CERTIFICATE HOLDER TO
7 PROVIDE THE REGULATORY AND INVESTIGATORY AUTHORITIES OF THE
8 COMMONWEALTH WITH ASSISTANCE AND INFORMATION NECESSARY TO
9 ASSURE THAT THE POLICIES DECLARED BY THIS PART ARE ACHIEVED.

10 (8) STRICTLY MONITORED AND ENFORCED CONTROL OVER ALL
11 LIMITED GAMING AUTHORIZED BY THIS PART SHALL BE PROVIDED
12 THROUGH REGULATION, LICENSING AND APPROPRIATE ENFORCEMENT
13 ACTIONS OF SPECIFIED LOCATIONS, PERSONS, ASSOCIATIONS,
14 PRACTICES, ACTIVITIES, LICENSEES [AND] PERMITTEES,
15 REGISTRANTS AND CERTIFICATE HOLDERS.

16 (9) STRICT FINANCIAL MONITORING AND CONTROLS SHALL BE
17 ESTABLISHED AND ENFORCED BY ALL LICENSEES [OR] PERMITTEES,
18 REGISTRANTS AND CERTIFICATE HOLDERS.

19 (10) THE PUBLIC INTEREST OF THE CITIZENS OF THIS
20 COMMONWEALTH AND THE SOCIAL EFFECT OF GAMING SHALL BE TAKEN
21 INTO CONSIDERATION IN ANY DECISION OR ORDER MADE PURSUANT TO
22 THIS PART.

23 (10.1) THE GENERAL ASSEMBLY HAS A COMPELLING INTEREST IN
24 PROTECTING THE INTEGRITY OF BOTH THE ELECTORAL PROCESS AND
25 THE LEGISLATIVE PROCESS BY PREVENTING CORRUPTION AND THE
26 APPEARANCE OF CORRUPTION WHICH MAY ARISE THROUGH PERMITTING
27 ANY TYPE OF POLITICAL CAMPAIGN CONTRIBUTIONS BY CERTAIN
28 PERSONS INVOLVED IN THE GAMING INDUSTRY AND REGULATED UNDER
29 THIS PART.

30 (10.2) BANNING ALL TYPES OF POLITICAL CAMPAIGN

1 CONTRIBUTIONS BY CERTAIN PERSONS SUBJECT TO THIS PART IS
2 NECESSARY TO PREVENT CORRUPTION AND THE APPEARANCE OF
3 CORRUPTION THAT MAY ARISE WHEN POLITICAL CAMPAIGN
4 CONTRIBUTIONS AND GAMING REGULATED UNDER THIS PART ARE
5 INTERMINGLED.

6 (11) IT IS NECESSARY TO MAINTAIN THE INTEGRITY OF THE
7 REGULATORY CONTROL AND LEGISLATIVE OVERSIGHT OVER THE
8 OPERATION AND PLAY OF SLOT MACHINES [AND], TABLE GAMES AND
9 INTERACTIVE GAMING IN THIS COMMONWEALTH; TO ENSURE THE
10 BIPARTISAN ADMINISTRATION OF THIS PART; AND AVOID ACTIONS
11 THAT MAY ERODE PUBLIC CONFIDENCE IN THE SYSTEM OF
12 REPRESENTATIVE GOVERNMENT.

13 (12) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO
14 AUTHORIZE THE OPERATION AND PLAY OF SLOT MACHINES [AND], TABLE GAMES AND INTERACTIVE GAMING UNDER A SINGLE SLOT
15 MACHINE LICENSE ISSUED TO A SLOT MACHINE LICENSEE WHEN A SLOT
16 MACHINE LICENSEE HAS BEEN ISSUED A TABLE GAME OPERATION
17 CERTIFICATE AND AN INTERACTIVE GAMING CERTIFICATE UNDER THIS
18 PART.

19 (12.1) THE CONTINUED GROWTH AND SUCCESS OF THE
20 COMMERCIAL GAMING INDUSTRY IN THIS COMMONWEALTH IS DEPENDENT
21 UPON A REGULATORY ENVIRONMENT WHICH PROMOTES AND FOSTERS
22 TECHNOLOGICAL ADVANCES AND ENCOURAGES THE DEVELOPMENT AND
23 DELIVERY OF INNOVATIVE GAMING PRODUCTS.

24 (12.2) IT IS ALSO THE INTENT OF THE GENERAL ASSEMBLY TO
25 ENSURE THE SUSTAINABILITY AND COMPETITIVENESS OF THE
26 COMMERCIAL GAMING INDUSTRY IN THIS COMMONWEALTH BY
27 AUTHORIZING INTERACTIVE GAMING, THE OPERATION OF MULTISTATE
28 WIDE-AREA PROGRESSIVE SLOT MACHINES, SKILL AND HYBRID SLOT
29 MACHINES.

1 (12.3) IT IS ALSO THE INTENT OF THE GENERAL ASSEMBLY TO
2 AUTHORIZE THE OPERATION AND PLAY OF INTERACTIVE GAMING IN
3 CONFORMANCE WITH FEDERAL LAW, INCLUDING THE UNLAWFUL INTERNET
4 GAMBLING ENFORCEMENT ACT OF 2006 (TITLE VIII OF PUBLIC LAW
5 109-347, 31 U.S.C. §§ 5361-5367)).

6 (13) THE AUTHORIZATION OF LIMITED GAMING IN THIS
7 COMMONWEALTH REQUIRES THE COMMONWEALTH TO TAKE STEPS TO
8 INCREASE AWARENESS OF COMPULSIVE AND PROBLEM GAMBLING AND TO
9 DEVELOP AND IMPLEMENT EFFECTIVE STRATEGIES FOR PREVENTION,
10 ASSESSMENT AND TREATMENT OF THIS BEHAVIORAL DISORDER.

11 (14) RESEARCH INDICATES THAT [FOR SOME INDIVIDUALS]
12 COMPULSIVE AND PROBLEM GAMBLING AND DRUG AND ALCOHOL
13 ADDICTION ARE RELATED. THEREFORE, THE GENERAL ASSEMBLY
14 INTENDS TO ESTABLISH AN APPROACH TO COMPULSIVE AND PROBLEM
15 GAMBLING PREVENTION, ASSESSMENT AND TREATMENT THAT WILL
16 ENSURE THE PROVISION OF ADEQUATE RESOURCES TO IDENTIFY,
17 ASSESS AND TREAT BOTH COMPULSIVE AND PROBLEM GAMBLING AND
18 DRUG AND ALCOHOL ADDICTION.

19 SECTION 3. THE DEFINITIONS OF "ASSOCIATED EQUIPMENT," "CASH
20 EQUIVALENT," "CHEAT," "CHEATING OR THIEVING DEVICE,"
21 "COMMISSION" OR "COMMISSIONS," "CONDUCT OF GAMING," "CONTEST,"
22 "COUNTERFEIT CHIP," "FULLY AUTOMATED ELECTRONIC GAMING TABLE,"
23 "GAMING EMPLOYEE," "GAMING SCHOOL," "GAMING SERVICE PROVIDER,"
24 "KEY EMPLOYEE," "LICENSED FACILITY," "LICENSED RACING ENTITY,"
25 "MANUFACTURER," "MANUFACTURER LICENSE," "PLAYER," "PROGRESSIVE
26 PAYOUT," "PROGRESSIVE SYSTEM," "RACE HORSE INDUSTRY REFORM ACT,"
27 "SLOT MACHINE," "SUPPLIER," "SUPPLIER LICENSE," "TABLE GAME" AND
28 "TABLE GAME DEVICE" IN SECTION 1103 OF TITLE 4 ARE AMENDED AND
29 THE SECTION IS AMENDED BY ADDING DEFINITIONS TO READ:
30 § 1103. DEFINITIONS.

1 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL
2 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
3 CONTEXT CLEARLY INDICATES OTHERWISE:

4 * * *

5 "AIRPORT AUTHORITY." ANY OF THE FOLLOWING:

6 (1) THE GOVERNING BODY OF A MUNICIPAL AUTHORITY
7 ORGANIZED AND INCORPORATED TO OVERSEE THE OPERATIONS OF A
8 QUALIFIED AIRPORT UNDER 53 PA.C.S. CH. 56 (RELATING TO
9 MUNICIPAL AUTHORITIES); OR

10 (2) A CITY OF THE FIRST CLASS THAT REGULATES THE USE AND
11 CONTROL OF A QUALIFIED AIRPORT LOCATED PARTIALLY IN A COUNTY
12 OF THE FIRST CLASS AND PARTIALLY IN A COUNTY CONTIGUOUS TO A
13 COUNTY OF THE FIRST CLASS.

14 "AIRPORT GAMING AREA." A LOCATION OR LOCATIONS WITHIN A
15 QUALIFIED AIRPORT APPROVED BY THE AIRPORT AUTHORITY AND THE
16 PENNSYLVANIA GAMING CONTROL BOARD FOR THE CONDUCT OF INTERACTIVE
17 GAMING THROUGH THE USE OF MULTI-USE COMPUTING DEVICES BY
18 ELIGIBLE PASSENGERS.

19 * * *

20 "ASSOCIATED EQUIPMENT." ANY EQUIPMENT OR MECHANICAL,
21 ELECTROMECHANICAL OR ELECTRONIC CONTRIVANCE, COMPONENT OR
22 MACHINE USED IN CONNECTION WITH SLOT MACHINES OR TABLE GAMES,
23 INCLUDING LINKING DEVICES WHICH CONNECT TO PROGRESSIVE SLOT
24 MACHINES AND MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINES OR
25 SLOT [MACHINES, REPLACEMENT] MACHINE REPLACEMENT PARTS,
26 EQUIPMENT WHICH AFFECTS THE PROPER REPORTING AND COUNTING OF
27 GROSS TERMINAL REVENUE [AND] GROSS TABLE GAME REVENUE AND GROSS
28 INTERACTIVE GAMING REVENUE, COMPUTERIZED SYSTEMS FOR CONTROLLING
29 AND MONITORING SLOT MACHINES [OR] TABLE GAMES OR INTERACTIVE
30 GAMES, INCLUDING, BUT NOT LIMITED TO, THE CENTRAL CONTROL

1 COMPUTER TO WHICH ALL SLOT MACHINES COMMUNICATE [AND], L DEVICES
2 FOR WEIGHING OR COUNTING MONEY[.] AND INTERACTIVE GAMING DEVICES
3 NECESSARY FOR THE OPERATION OF INTERACTIVE GAMES AS APPROVED BY
4 THE PENNSYLVANIA GAMING CONTROL BOARD. THE TERM SHALL NOT
5 INCLUDE COUNT ROOM EQUIPMENT.

6 * * *

7 "AUTHORIZED INTERACTIVE GAME." AN INTERACTIVE GAME APPROVED
8 BY REGULATION OF THE PENNSYLVANIA GAMING CONTROL BOARD TO BE
9 SUITABLE FOR INTERACTIVE GAMING OFFERED BY AN INTERACTIVE GAMING
10 CERTIFICATE HOLDER OR AN INTERACTIVE GAMING OPERATOR ON BEHALF
11 OF AN INTERACTIVE GAMING CERTIFICATE HOLDER IN ACCORDANCE WITH
12 CHAPTER 13B (RELATING TO INTERACTIVE GAMING). THE TERM SHALL
13 INCLUDE ANY INTERACTIVE GAME APPROVED BY REGULATION OF THE
14 PENNSYLVANIA CONTROL BOARD TO BE SUITABLE FOR INTERACTIVE GAMING
15 THROUGH THE USE OF A MULTI-USE COMPUTING DEVICE.

16 * * *

17 "CASH EQUIVALENT." AN ASSET THAT IS READILY CONVERTIBLE TO
18 CASH, INCLUDING, BUT NOT LIMITED TO, ANY OF THE FOLLOWING:

- 19 (1) CHIPS OR TOKENS.
- 20 (2) TRAVELERS CHECKS.
- 21 (3) FOREIGN CURRENCY AND COIN.
- 22 (4) CERTIFIED CHECKS, CASHIER'S CHECKS AND MONEY ORDERS.
- 23 (5) PERSONAL CHECKS OR DRAFTS.
- 24 (6) A NEGOTIABLE INSTRUMENT APPLIED AGAINST CREDIT
25 EXTENDED BY A CERTIFICATE HOLDER, AN INTERACTIVE GAMING
26 CERTIFICATE HOLDER, AN INTERACTIVE GAMING OPERATOR OR A
27 FINANCIAL INSTITUTION.

28 (6.1) A PREPAID ACCESS INSTRUMENT.

- 29 (7) ANY OTHER INSTRUMENT OR REPRESENTATION OF VALUE THAT
30 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 3 PA.C.S. §
9301 (RELATING TO DEFINITIONS).

"COMMUNICATIONS TECHNOLOGY." 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.

* * *

"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
AND CASINO SIMULCASTING 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 UNDER SUBCHAPTER B.1 OF
CHAPTER 13B (RELATING TO MULTI-USE COMPUTING DEVICES).

"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 (1) USED OR INTENDED TO BE USED TO PLAY A TABLE GAME AT
2 A CERTIFICATE HOLDER'S LICENSED FACILITY AND WHICH WAS NOT
3 ISSUED BY THAT CERTIFICATE HOLDER FOR SUCH USE; [OR]

4 (2) PRESENTED TO A CERTIFICATE HOLDER FOR REDEMPTION IF
5 THE OBJECT WAS NOT ISSUED BY THE CERTIFICATE HOLDER[.];

6 (3) USED OR INTENDED TO BE USED TO PLAY AN AUTHORIZED
7 INTERACTIVE GAME WHICH WAS NOT APPROVED BY THE INTERACTIVE
8 GAMING CERTIFICATE HOLDER FOR SUCH USE; OR

9 (4) PRESENTED DURING PLAY OF AN AUTHORIZED INTERACTIVE
10 GAME FOR REDEMPTION, IF THE OBJECT OR THING WAS NOT ISSUED BY
11 THE INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE
12 GAMING OPERATOR.

13 * * *

14 "ELIGIBLE PASSENGER." AN INDIVIDUAL 21 YEARS OF AGE OR OLDER
15 WHO HAS CLEARED SECURITY CHECK POINTS WITH A VALID AIRLINE
16 BOARDING PASS FOR TRAVEL FROM ONE DESTINATION TO ANOTHER BY
17 AIRPLANE.

18 * * *

19 "FULLY AUTOMATED ELECTRONIC GAMING TABLE." AN ELECTRONIC
20 GAMING TABLE DETERMINED BY THE PENNSYLVANIA GAMING CONTROL BOARD
21 TO BE PLAYABLE OR OPERABLE AS A TABLE GAME WITHOUT THE
22 ASSISTANCE OR PARTICIPATION OF A PERSON ACTING ON BEHALF OF A
23 CERTIFICATE HOLDER. THE TERM SHALL INCLUDE A MULTI-USE COMPUTING
24 DEVICE, WHICH THROUGH THE USE OF DIGITAL, ELECTRONIC OR OTHER
25 COMMUNICATIONS TECHNOLOGY, IS CAPABLE OF SIMULATING A TABLE
26 GAME.

27 * * *

28 "GAMING EMPLOYEE." ANY EMPLOYEE OF A SLOT MACHINE LICENSEE,
29 INCLUDING, BUT NOT LIMITED TO:

30 (1) CASHIERS.

1 (2) CHANGE PERSONNEL.

2 (3) COUNT ROOM PERSONNEL.

3 (4) SLOT ATTENDANTS.

4 (5) HOSTS OR OTHER INDIVIDUALS AUTHORIZED TO EXTEND

5 COMPLIMENTARY SERVICES, INCLUDING EMPLOYEES PERFORMING

6 FUNCTIONS SIMILAR TO THOSE PERFORMED BY A GAMING JUNKET

7 REPRESENTATIVE.

8 (6) MACHINE MECHANICS, COMPUTER MACHINE TECHNICIANS OR

9 TABLE GAME DEVICE TECHNICIANS.

10 (7) SECURITY PERSONNEL.

11 (8) SURVEILLANCE PERSONNEL.

12 (9) PROMOTIONAL PLAY SUPERVISORS, CREDIT SUPERVISORS,

13 PIT SUPERVISORS, CASHIER SUPERVISORS, SHIFT SUPERVISORS,

14 TABLE GAME MANAGERS AND ASSISTANT MANAGERS AND OTHER

15 SUPERVISORS AND MANAGERS, EXCEPT FOR THOSE SPECIFICALLY

16 IDENTIFIED IN THIS PART AS KEY EMPLOYEES.

17 (10) BOXMEN.

18 (11) DEALERS OR CROUPIERS.

19 (12) FLOORMEN.

20 (13) PERSONNEL AUTHORIZED TO ISSUE PROMOTIONAL PLAY.

21 (14) PERSONNEL AUTHORIZED TO ISSUE CREDIT.

22 THE TERM SHALL INCLUDE EMPLOYEES OF A PERSON HOLDING A

23 SUPPLIER'S LICENSE WHOSE DUTIES ARE DIRECTLY INVOLVED WITH THE

24 REPAIR OR DISTRIBUTION OF SLOT MACHINES, TABLE GAME DEVICES OR

25 ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR ASSOCIATED

26 EQUIPMENT SOLD OR PROVIDED TO A LICENSED FACILITY WITHIN THIS

27 COMMONWEALTH AS DETERMINED BY THE PENNSYLVANIA GAMING CONTROL

28 BOARD. THE TERM SHALL FURTHER INCLUDE EMPLOYEES OF A PERSON

29 AUTHORIZED BY THE BOARD TO SUPPLY GOODS AND SERVICES RELATED TO

30 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 AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE
GAMING OPERATOR WHO ARE DIRECTLY INVOLVED IN THE OPERATIONS OF
INTERACTIVE GAMING. 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 WHICH IS SPECIFICALLY DESIGNATED BY THE
PENNSYLVANIA GAMING CONTROL BOARD AS RESTRICTED OR BY THE SLOT
MACHINE LICENSEE AS RESTRICTED IN ITS BOARD-APPROVED INTERNAL
CONTROLS.

* * *

"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.

1 "GAMING SERVICE PROVIDER." A PERSON THAT IS NOT REQUIRED TO
2 BE LICENSED AS A MANUFACTURER, SUPPLIER, MANAGEMENT COMPANY OR
3 GAMING JUNKET ENTERPRISE UNDER THIS PART OR REGULATIONS OF THE
4 PENNSYLVANIA GAMING CONTROL BOARD AND:

5 (1) PROVIDES GOODS OR SERVICES, INCLUDING, BUT NOT
6 LIMITED TO, COUNT ROOM EQUIPMENT, TO A SLOT MACHINE LICENSEE
7 OR AN APPLICANT FOR A SLOT MACHINE LICENSE FOR USE IN THE
8 OPERATION OF A LICENSED FACILITY; [OR] AND

9 (2) PROVIDES GOODS OR SERVICES [AT] TO A SLOT MACHINE
10 LICENSEE OR AN APPLICANT FOR A SLOT MACHINE LICENSE THAT
11 REQUIRES ACCESS TO THE GAMING FLOOR OR A GAMING-RELATED
12 RESTRICTED AREA OF A LICENSED FACILITY AS DETERMINED BY THE
13 PENNSYLVANIA GAMING CONTROL BOARD.

14 "GROSS INTERACTIVE GAMING REVENUE." AS FOLLOWS:

15 (1) THE TOTAL OF ALL CASH OR CASH EQUIVALENT WAGERS PAID
16 BY REGISTERED PLAYERS OR ELIGIBLE PASSENGERS TO AN
17 INTERACTIVE GAMING CERTIFICATE HOLDER IN CONSIDERATION FOR
18 THE PLAY OF AUTHORIZED INTERACTIVE GAMES, MINUS:

19 (I) THE TOTAL OF CASH OR CASH EQUIVALENTS PAID OUT
20 TO REGISTERED PLAYERS AS WINNINGS.

21 (II) THE CASH EQUIVALENT VALUE OF ANY PERSONAL
22 PROPERTY OR OTHER NONCASH ITEMS OR THINGS OF VALUE
23 INCLUDED IN A DRAWING, CONTEST OR TOURNAMENT AND
24 DISTRIBUTED TO REGISTERED PLAYERS AS A RESULT OF PLAYING
25 AUTHORIZED INTERACTIVE GAMES.

26 (III) ANY ADMINISTRATIVE FEE, OPERATIONS FEE OR TAX
27 PAID TO ANOTHER STATE OR JURISDICTION PURSUANT TO AN
28 INTERACTIVE GAMING RECIPROCAL AGREEMENT.

29 (2) AMOUNTS DEPOSITED WITH AN INTERACTIVE GAMING
30 CERTIFICATE HOLDER FOR PURPOSES OF INTERACTIVE GAMING AND

1 AMOUNTS TAKEN IN FRAUDULENT ACTS PERPETRATED AGAINST AN
2 INTERACTIVE GAMING CERTIFICATE HOLDER FOR WHICH THE
3 INTERACTIVE GAMING CERTIFICATE HOLDER IS NOT REIMBURSED SHALL
4 NOT BE CONSIDERED TO HAVE BEEN PAID TO THE INTERACTIVE GAMING
5 CERTIFICATE HOLDER FOR PURPOSES OF CALCULATING GROSS
6 INTERACTIVE GAMING REVENUE. FOR PURPOSES OF CALCULATING THE
7 TAX IMPOSED UNDER SECTION 13B52 (RELATING TO INTERACTIVE
8 GAMING TAX) AND THE LOCAL SHARE ASSESSMENT IMPOSED UNDER
9 SECTION 13B53 (RELATING TO LOCAL SHARE ASSESSMENT), THE TERM
10 SHALL NOT INCLUDE GROSS REVENUE GENERATED FROM THE CONDUCT OF
11 INTERACTIVE GAMING THROUGH MULTI-USE COMPUTING DEVICES AT A
12 QUALIFIED AIRPORT.

13 * * *

14 "HYBRID SLOT MACHINE." A SLOT MACHINE IN WHICH A COMBINATION
15 OF THE SKILL OF THE PLAYER AND ELEMENTS OF CHANCE AFFECTS THE
16 OUTCOME OF THE GAME.

17 * * *

18 "INTERACTIVE GAME." ANY GAMBLING GAME OFFERED THROUGH THE
19 USE OF COMMUNICATIONS TECHNOLOGY THAT ALLOWS A PERSON, UTILIZING
20 MONEY, CHECKS, ELECTRONIC CHECKS, ELECTRONIC TRANSFERS OF MONEY,
21 CREDIT CARDS OR ANY OTHER INSTRUMENTALITY TO TRANSMIT ELECTRONIC
22 INFORMATION TO ASSIST IN THE PLACEMENT OF A BET OR WAGER AND
23 CORRESPONDING INFORMATION RELATED TO THE DISPLAY OF THE GAME,
24 GAME OUTCOMES OR OTHER SIMILAR INFORMATION. THE TERM SHALL NOT
25 INCLUDE:

26 (1) A LOTTERY GAME OR INTERNET INSTANT GAME AS DEFINED
27 IN THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE
28 STATE LOTTERY LAW.

29 (2) ILOTTERY UNDER CHAPTER 7 (RELATING TO ILOTTERY).

30 (3) A NONGAMBLING GAME THAT DOES NOT OTHERWISE REQUIRE A

1 LICENSE UNDER THE LAWS OF THIS COMMONWEALTH.
2 "INTERACTIVE GAMING." THE PLACING OF WAGERS WITH AN
3 INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING
4 OPERATOR USING A COMPUTER NETWORK OF BOTH FEDERAL AND NON-
5 FEDERAL INTEROPERABLE PACKET SWITCHED DATA NETWORKS THROUGH
6 WHICH AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY OFFER
7 AUTHORIZED INTERACTIVE GAMES TO REGISTERED PLAYERS. THE TERM
8 SHALL INCLUDE THE PLACING OF WAGERS THROUGH THE USE OF A MULTI-
9 USE COMPUTING DEVICE.

10 "INTERACTIVE GAMING ACCOUNT." THE FORMAL, ELECTRONIC SYSTEM
11 IMPLEMENTED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER TO
12 RECORD THE BALANCE OF A REGISTERED PLAYER'S DEBITS, CREDITS AND
13 OTHER FINANCIAL ACTIVITY RELATED TO INTERACTIVE GAMING.

14 "INTERACTIVE GAMING ACCOUNT AGREEMENT." AN AGREEMENT ENTERED
15 INTO BETWEEN AN INTERACTIVE GAMING CERTIFICATE HOLDER AND A
16 REGISTERED PLAYER WHICH GOVERNS THE TERMS AND CONDITIONS OF THE
17 REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT AND THE USE OF
18 THE INTERNET FOR PURPOSES OF PLACING WAGERS ON AUTHORIZED
19 INTERACTIVE GAMES OPERATED BY AN INTERACTIVE GAMING CERTIFICATE
20 HOLDER OR INTERACTIVE GAMING OPERATOR.

21 "INTERACTIVE GAMING AGREEMENT." AN AGREEMENT ENTERED INTO BY
22 OR BETWEEN AN INTERACTIVE GAMING CERTIFICATE HOLDER AND AN
23 INTERACTIVE GAMING OPERATOR RELATED TO THE OFFERING OR OPERATION
24 OF INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM BY THE
25 INTERACTIVE GAMING OPERATOR ON BEHALF OF THE INTERACTIVE GAMING
26 CERTIFICATE HOLDER. THE TERM SHALL INCLUDE AN INTERACTIVE GAMING
27 AGREEMENT ENTERED INTO BETWEEN AN INTERACTIVE GAMING CERTIFICATE
28 HOLDER AND AN INTERACTIVE GAMING OPERATOR FOR THE CONDUCT OF
29 INTERACTIVE GAMING THROUGH THE USE OF MULTI-USE COMPUTING
30 DEVICES AT A QUALIFIED AIRPORT IN ACCORDANCE WITH CHAPTER 13B

1 (RELATING TO INTERACTIVE GAMING) .

2 "INTERACTIVE GAMING CERTIFICATE." THE AUTHORIZATION ISSUED
3 TO A SLOT MACHINE LICENSEE BY THE PENNSYLVANIA GAMING CONTROL
4 BOARD AUTHORIZING THE OPERATION AND CONDUCT OF INTERACTIVE
5 GAMING BY A SLOT MACHINE LICENSEE IN ACCORDANCE WITH CHAPTER 13B
6 (RELATING TO INTERACTIVE GAMING) .

7 "INTERACTIVE GAMING CERTIFICATE HOLDER." A SLOT MACHINE
8 LICENSEE THAT HAS BEEN GRANTED AUTHORIZATION BY THE PENNSYLVANIA
9 GAMING CONTROL BOARD TO OPERATE INTERACTIVE GAMING IN ACCORDANCE
10 WITH CHAPTER 13B (RELATING TO INTERACTIVE GAMING) .

11 "INTERACTIVE GAMING DEVICE." ALL HARDWARE AND SOFTWARE AND
12 OTHER TECHNOLOGY, EQUIPMENT OR DEVICE OF ANY KIND AS DETERMINED
13 BY THE PENNSYLVANIA GAMING CONTROL BOARD TO BE NECESSARY FOR THE
14 CONDUCT OF AUTHORIZED INTERACTIVE GAMES.

15 "INTERACTIVE GAMING LICENSE." A LICENSE ISSUED TO AN
16 INTERACTIVE GAMING OPERATOR BY THE PENNSYLVANIA GAMING CONTROL
17 BOARD UNDER CHAPTER 13B (RELATING TO INTERACTIVE GAMING) .

18 "INTERACTIVE GAMING OPERATOR." A PERSON LICENSED BY THE
19 PENNSYLVANIA GAMING CONTROL BOARD TO OPERATE INTERACTIVE GAMING
20 OR AN INTERACTIVE GAMING SYSTEM ON BEHALF OF AN INTERACTIVE
21 GAMING CERTIFICATE HOLDER. THE TERM SHALL INCLUDE A PERSON THAT
22 HAS RECEIVED CONDITIONAL AUTHORIZATION UNDER SECTION 13B14
23 (RELATING TO INTERACTIVE GAMING OPERATORS) FOR SO LONG AS SUCH
24 AUTHORIZATION IS EFFECTIVE.

25 "INTERACTIVE GAMING PLATFORM." THE COMBINATION OF HARDWARE
26 AND SOFTWARE OR OTHER TECHNOLOGY DESIGNED AND USED TO MANAGE,
27 CONDUCT AND RECORD INTERACTIVE GAMES AND THE WAGERS ASSOCIATED
28 WITH INTERACTIVE GAMES, AS APPROVED BY THE PENNSYLVANIA GAMING
29 CONTROL BOARD. THE TERM SHALL INCLUDE ANY EMERGING OR NEW
30 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 REGULATORY 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
OPERATOR 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 BY AN
INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING
OPERATOR TO REGISTERED PLAYERS IN THIS COMMONWEALTH OR
REGISTERED PLAYERS IN ANY OTHER STATE OR JURISDICTION WHICH HAS
ENTERED INTO AN INTERACTIVE GAMING RECIPROCAL AGREEMENT.

"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
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

1 OR DEPARTMENT HEAD CAPACITY AND WHO IS EMPOWERED TO MAKE
2 DISCRETIONARY DECISIONS THAT REGULATE SLOT MACHINE [OR]
3 OPERATIONS, TABLE GAME OPERATIONS, INTERACTIVE GAMING OPERATIONS
4 OR CASINO SIMULCASTING, INCLUDING THE GENERAL MANAGER AND
5 ASSISTANT MANAGER OF THE LICENSED FACILITY, DIRECTOR OF SLOT
6 OPERATIONS, DIRECTOR OF TABLE GAME OPERATIONS, DIRECTOR OF
7 INTERACTIVE GAMING, DIRECTOR OF CAGE AND/OR CREDIT OPERATIONS,
8 DIRECTOR OF SURVEILLANCE, DIRECTOR OF MARKETING, DIRECTOR OF
9 MANAGEMENT INFORMATION SYSTEMS, DIRECTOR OF INTERACTIVE GAMING
10 SYSTEM PROGRAMS OR OTHER SIMILAR JOB CLASSIFICATIONS ASSOCIATED
11 WITH INTERACTIVE GAMING AND CASINO SIMULCASTING, PERSONS WHO
12 MANAGE, CONTROL OR ADMINISTER INTERACTIVE GAMING AND CASINO
13 SIMULCASTING OR THE BETS AND WAGERS ASSOCIATED WITH AUTHORIZED
14 INTERACTIVE GAMES AND CASINO SIMULCASTING, DIRECTOR OF SECURITY,
15 COMPTROLLER AND ANY EMPLOYEE WHO IS NOT OTHERWISE DESIGNATED AS
16 A GAMING EMPLOYEE AND WHO SUPERVISES THE OPERATIONS OF THESE
17 DEPARTMENTS OR TO WHOM THESE DEPARTMENT DIRECTORS OR DEPARTMENT
18 HEADS REPORT AND SUCH OTHER POSITIONS NOT OTHERWISE DESIGNATED
19 OR DEFINED UNDER THIS PART WHICH THE PENNSYLVANIA GAMING CONTROL
20 BOARD SHALL DETERMINE BASED ON DETAILED ANALYSES OF JOB
21 DESCRIPTIONS AS PROVIDED IN THE INTERNAL CONTROLS OF THE
22 LICENSEE AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD.
23 ALL OTHER GAMING EMPLOYEES UNLESS OTHERWISE DESIGNATED BY THE
24 PENNSYLVANIA GAMING CONTROL BOARD SHALL BE CLASSIFIED AS NON-KEY
25 EMPLOYEES.

26 * * *

27 "LICENSED FACILITY." AS FOLLOWS:

28 (1) THE PHYSICAL LAND-BASED LOCATION AT WHICH A LICENSED
29 GAMING ENTITY IS AUTHORIZED TO PLACE AND OPERATE SLOT
30 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)] (I) 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)] (II) BOARD-APPROVED INTERIM FACILITY OR
TEMPORARY FACILITY; [AND]

[(3)] (III) AREA OF A HOTEL WHICH THE PENNSYLVANIA
GAMING CONTROL BOARD DETERMINES IS SUITABLE TO CONDUCT
TABLE GAMES[.]; AND

(IV) AREA OF A LICENSED FACILITY WHERE CASINO
SIMULCASTING IS CONDUCTED, AS APPROVED BY THE
PENNSYLVANIA GAMING CONTROL BOARD.

(2) 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 OR IN CONNECTION WITH
CASINO SIMULCASTING.

* * *

"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]

1 THE STATE HORSE RACING COMMISSION [OR THE STATE HARNESS RACING
2 COMMISSION] PURSUANT TO [THE ACT OF DECEMBER 17, 1981 (P.L.435,
3 NO.135), KNOWN AS] THE RACE HORSE INDUSTRY REFORM ACT.

4 "MANUFACTURER." A PERSON WHO MANUFACTURES, BUILDS, REBUILDS,
5 FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR OTHERWISE
6 MAKES MODIFICATIONS TO ANY SLOT MACHINE, TABLE GAME DEVICE OR
7 ASSOCIATED EQUIPMENT OR AUTHORIZED INTERACTIVE GAMES FOR USE OR
8 PLAY OF SLOT MACHINES [OR], TABLE GAMES OR AUTHORIZED
9 INTERACTIVE GAMES IN THIS COMMONWEALTH FOR GAMING PURPOSES. THE
10 TERM SHALL NOT INCLUDE A PERSON WHO MANUFACTURES, BUILDS,
11 REBUILDS, FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR
12 OTHERWISE MAKES MODIFICATIONS TO MULTI-USE COMPUTING DEVICES
13 USED IN CONNECTION WITH THE CONDUCT OF INTERACTIVE GAMING AT A
14 QUALIFIED AIRPORT.

15 "MANUFACTURER LICENSE." A LICENSE ISSUED BY THE PENNSYLVANIA
16 GAMING CONTROL BOARD AUTHORIZING A MANUFACTURER TO MANUFACTURE
17 OR PRODUCE SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED
18 EQUIPMENT, INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT
19 FOR USE IN THIS COMMONWEALTH FOR GAMING PURPOSES.

20 * * *

21 "MULTI-USE COMPUTING DEVICE." AS FOLLOWS:

22 (1) A COMPUTING DEVICE, INCLUDING, BUT NOT LIMITED TO, A
23 TABLET COMPUTER, THAT:

24 (I) IS LOCATED AND ACCESSIBLE TO ELIGIBLE PASSENGERS
25 ONLY IN AN AIRPORT GAMING AREA.

26 (II) ALLOWS AN ELIGIBLE PASSENGER TO PLAY AN
27 AUTHORIZED INTERACTIVE GAME.

28 (III) COMMUNICATES WITH A SERVER THAT IS IN A
29 LOCATION APPROVED BY THE PENNSYLVANIA GAMING CONTROL
30 BOARD.

1 (IV) IS APPROVED BY THE PENNSYLVANIA GAMING CONTROL
2 BOARD.

3 (V) HAS THE CAPABILITY OF BEING LINKED TO AND
4 MONITORED BY THE DEPARTMENT'S CENTRAL CONTROL COMPUTER
5 SYSTEM, AS APPLICABLE FOR ANY PARTICULAR INTERACTIVE
6 GAME, IN ACCORDANCE WITH SECTION 1323 (RELATING TO
7 CENTRAL CONTROL COMPUTER SYSTEM) .

8 (VI) OFFERS A PLAYER ADDITIONAL FUNCTIONS WHICH
9 SHALL INCLUDE INTERNET BROWSING, THE CAPABILITY OF
10 CHECKING FLIGHT STATUS AND ORDERING FOOD OR BEVERAGES.

11 (2) THE TERM SHALL NOT INCLUDE ANY TABLET OR COMPUTING
12 DEVICE THAT RESTRICTS, PROHIBITS OR IS INCAPABLE OF PROVIDING
13 ACCESS TO INTERACTIVE GAMING, INTERACTIVE GAMING SKINS OR
14 INTERACTIVE GAMING PLATFORMS.

15 "MULTISTATE AGREEMENT." THE WRITTEN AGREEMENT BETWEEN THE
16 PENNSYLVANIA GAMING CONTROL BOARD AND REGULATORY AGENCIES IN
17 OTHER STATES OR JURISDICTIONS FOR THE OPERATION OF A MULTISTATE
18 WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM.

19 "MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM." THE
20 LINKING OF SLOT MACHINES LOCATED IN THIS COMMONWEALTH WITH SLOT
21 MACHINES LOCATED IN ONE OR MORE STATES OR JURISDICTIONS WHOSE
22 REGULATORY AGENCIES HAVE ENTERED INTO WRITTEN AGREEMENTS WITH
23 THE PENNSYLVANIA GAMING CONTROL BOARD FOR THE OPERATION OF THE
24 SYSTEM.

25 * * *

26 "NONGAMING SERVICE PROVIDER." A PERSON THAT IS NOT A GAMING
27 SERVICE PROVIDER OR REQUIRED TO BE LICENSED AS A MANUFACTURER,
28 SUPPLIER, MANAGEMENT COMPANY OR GAMING JUNKET ENTERPRISE UNDER
29 THIS PART OR REGULATIONS OF THE PENNSYLVANIA GAMING CONTROL
30 BOARD AND THAT PROVIDES GOODS OR SERVICES:

1 (1) TO A SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
2 MACHINE LICENSE FOR USE IN THE OPERATION OF A LICENSED
3 FACILITY; AND

4 (2) THAT DOES NOT REQUIRE ACCESS TO THE GAMING FLOOR OR
5 A GAMING-RELATED RESTRICTED AREA OF A LICENSED FACILITY.

6 * * *

7 "PLAYER." AN INDIVIDUAL WAGERING CASH, A CASH EQUIVALENT OR
8 OTHER THING OF VALUE IN THE PLAY OR OPERATION OF A SLOT MACHINE
9 [OR], AN AUTHORIZED INTERACTIVE GAME OR A TABLE GAME, INCLUDING
10 DURING A CONTEST OR TOURNAMENT, THE PLAY OR OPERATION OF WHICH
11 MAY DELIVER OR ENTITLE THE INDIVIDUAL PLAYING OR OPERATING THE
12 SLOT MACHINE [OR], AUTHORIZED INTERACTIVE GAME OR TABLE GAME TO
13 RECEIVE CASH, A CASH EQUIVALENT OR OTHER THING OF VALUE FROM
14 ANOTHER PLAYER OR A SLOT MACHINE LICENSEE.

15 "PREPAID ACCESS INSTRUMENT." A CARD, CODE, ELECTRONIC SERIAL
16 NUMBER, MOBILE IDENTIFICATION NUMBER, PERSONAL IDENTIFICATION
17 NUMBER OR SIMILAR DEVICE THAT:

18 (1) ALLOWS PATRON ACCESS TO FUNDS THAT HAVE BEEN PAID IN
19 ADVANCE AND CAN BE RETRIEVED OR TRANSFERRED AT SOME POINT IN
20 THE FUTURE THROUGH THE DEVICE.

21 (2) QUALIFIES AS AN ACCESS DEVICE FOR PURPOSES OF
22 REGULATION E ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL
23 RESERVE SYSTEM UNDER 12 CFR PT. 205 (RELATING TO ELECTRONIC
24 FUND TRANSFERS (REGULATION E));

25 (3) MUST BE DISTRIBUTED BY A SLOT MACHINE LICENSEE OR
26 ITS AFFILIATES IN ORDER TO BE CONSIDERED A CASH EQUIVALENT AT
27 THE SLOT MACHINE LICENSEE'S LOCATION OR THE LOCATION OF THE
28 SLOT MACHINE LICENSEE'S AFFILIATES.

29 (4) MUST BE USED IN CONJUNCTION WITH AN APPROVED
30 CASHLESS WAGERING SYSTEM OR ELECTRONIC CREDIT SYSTEM IN ORDER

1 TO TRANSFER FUNDS FOR GAMING PURPOSES.

2 * * *

3 "PROGRESSIVE PAYOUT." A SLOT MACHINE WAGER PAYOUT THAT
4 INCREASES IN A MONETARY AMOUNT BASED ON THE AMOUNTS WAGERED IN A
5 PROGRESSIVE SYSTEM, INCLUDING A MULTISTATE WIDE-AREA PROGRESSIVE
6 SLOT MACHINE SYSTEM.

7 "PROGRESSIVE SYSTEM." A COMPUTERIZED SYSTEM LINKING SLOT
8 MACHINES IN ONE OR MORE LICENSED FACILITIES WITHIN THIS
9 COMMONWEALTH AND OFFERING ONE OR MORE COMMON PROGRESSIVE PAYOUTS
10 BASED ON THE AMOUNTS WAGERED. THE TERM SHALL INCLUDE A
11 MULTISTATE WIDE-AREA PROGRESSIVE SYSTEM.

12 * * *

13 "QUALIFIED AIRPORT." ANY OF THE FOLLOWING:

14 (1) A PUBLICLY OWNED COMMERCIAL SERVICE AIRPORT THAT IS
15 DESIGNATED BY THE FEDERAL GOVERNMENT AS AN INTERNATIONAL
16 AIRPORT.

17 (2) A PUBLICLY OWNED COMMERCIAL SERVICE AIRPORT THAT HAS
18 AT LEAST 50,000 PASSENGER ENPLANEMENTS IN ANY CALENDAR YEAR.

19 "RACE HORSE INDUSTRY REFORM ACT." [THE ACT OF DECEMBER 17,
20 1981 (P.L.435, NO.135), KNOWN AS THE RACE HORSE INDUSTRY REFORM
21 ACT.] 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM).

22 * * *

23 "REDUNDANCY FACILITIES." ANY AND ALL ROOMS OR AREAS USED BY
24 A SLOT MACHINE LICENSEE FOR EMERGENCY BACKUP, REDUNDANCY OR
25 SECONDARY OPERATIONS ATTENDANT TO INTERACTIVE GAMING AS APPROVED
26 BY THE PENNSYLVANIA GAMING CONTROL BOARD.

27 "REGISTERED PLAYER." AN INDIVIDUAL WHO HAS ENTERED INTO AN
28 INTERACTIVE GAMING ACCOUNT AGREEMENT WITH AN INTERACTIVE GAMING
29 CERTIFICATE HOLDER.

30 * * *

1 "SKILL." THE KNOWLEDGE, DEXTERITY, ADROITNESS, ACUMEN OR
2 OTHER MENTAL SKILL OF AN INDIVIDUAL.

3 "SKILL SLOT MACHINE." A SLOT MACHINE IN WHICH THE SKILL OF
4 THE PLAYER, RATHER THAN THE ELEMENTS OF CHANCE, IS THE
5 PREDOMINANT FACTOR IN AFFECTING THE OUTCOME OF THE GAME.

6 " SLOT MACHINE."

7 (1) THE TERM INCLUDES:

8 (I) ANY MECHANICAL, ELECTRICAL OR COMPUTERIZED
9 CONTRIVANCE, TERMINAL, MACHINE OR OTHER DEVICE APPROVED
10 BY THE PENNSYLVANIA GAMING CONTROL BOARD WHICH, UPON
11 INSERTION OF A COIN, BILL, TICKET, TOKEN OR SIMILAR
12 OBJECT THEREIN OR UPON PAYMENT OF ANY CONSIDERATION
13 WHATSOEVER, INCLUDING THE USE OF ANY ELECTRONIC PAYMENT
14 SYSTEM EXCEPT A CREDIT CARD OR DEBIT CARD, IS AVAILABLE
15 TO PLAY OR OPERATE, THE PLAY OR OPERATION OF WHICH,
16 WHETHER BY REASON OF SKILL OR APPLICATION OF THE ELEMENT
17 OF CHANCE OR BOTH[, MAY]:

18 (A) MAY DELIVER OR ENTITLE THE PERSON OR PERSONS
19 PLAYING OR OPERATING THE CONTRIVANCE, TERMINAL,
20 MACHINE OR OTHER DEVICE TO RECEIVE CASH, BILLETS,
21 TICKETS, TOKENS OR ELECTRONIC CREDITS TO BE EXCHANGED
22 FOR CASH OR TO RECEIVE MERCHANDISE OR ANYTHING OF
23 VALUE WHATSOEVER, WHETHER THE PAYOFF IS MADE
24 AUTOMATICALLY FROM THE MACHINE OR MANUALLY. [A SLOT
25 MACHINE:]

26 [(1)] (B) MAY UTILIZE SPINNING REELS OR VIDEO
27 DISPLAYS OR BOTH.

28 [(2)] (C) MAY OR MAY NOT DISPENSE COINS, TICKETS
29 OR TOKENS TO WINNING PATRONS.

30 [(3)] (D) MAY USE AN ELECTRONIC CREDIT SYSTEM

FOR RECEIVING WAGERS AND MAKING PAYOUTS. [THE TERM
SHALL INCLUDE ASSOCIATED EQUIPMENT.]

(II) ASSOCIATED EQUIPMENT NECESSARY TO CONDUCT THE
OPERATION OF THE CONTRIVANCE, TERMINAL, MACHINE OR OTHER
DEVICE.

(III) 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.

(IV) A SLOT MACHINE USED IN A MULTISTATE WIDE-AREA
PROGRESSIVE SLOT MACHINE SYSTEM AND DEVICES AND
ASSOCIATED EQUIPMENT AS DEFINED BY THE PENNSYLVANIA
GAMING CONTROL BOARD THROUGH REGULATIONS.

(V) A MULTI-USE COMPUTING DEVICE WHICH IS CAPABLE OF
SIMULATING, EITHER DIGITALLY OR ELECTRONICALLY, A SLOT
MACHINE.

(2) THE TERM DOES NOT INCLUDE A FANTASY CONTEST TERMINAL
WITHIN THE MEANING OF CHAPTER 3 (RELATING TO FANTASY
CONTESTS).

* * *

"SUPPLIER." A PERSON THAT SELLS, LEASES, OFFERS OR OTHERWISE
PROVIDES, DISTRIBUTES OR SERVICES ANY SLOT MACHINE, TABLE GAME
DEVICE OR ASSOCIATED EQUIPMENT, OR 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

1 OR SERVICES RELATED TO SLOT MACHINES, TABLE GAME DEVICES OR
2 ASSOCIATED EQUIPMENT, INTERACTIVE GAMING DEVICES, INCLUDING ANY
3 MULTI-USE COMPUTING DEVICE OR ASSOCIATED EQUIPMENT, TO SLOT
4 MACHINE LICENSEES FOR USE IN THIS COMMONWEALTH FOR GAMING
5 PURPOSES.

6 * * *

7 "TABLE GAME." ANY BANKING OR NONBANKING GAME APPROVED BY THE
8 PENNSYLVANIA GAMING CONTROL BOARD. THE TERM INCLUDES ROULETTE,
9 BACCARAT, BLACKJACK, POKER, CRAPS, BIG SIX WHEEL, MINI-BACCARAT,
10 RED DOG, PAI GOW, TWENTY-ONE, CASINO WAR, ACEY-DUCEY, SIC BO,
11 CHUCK-A-LUCK, PANGUINGUE, FAN-TAN, ASIA POKER, BOSTON 5 STUD
12 POKER, CARIBBEAN STUD POKER, COLORADO HOLD'EM POKER, DOUBLE
13 ATTACK BLACKJACK, DOUBLE CROSS POKER, DOUBLE DOWN STUD POKER,
14 FAST ACTION HOLD'EM, FLOP POKER, FOUR CARD POKER, LET IT RIDE
15 POKER, MINI-CRAPS, MINI-DICE, PAI GOW POKER, POKETTE, SPANISH
16 21, TEXAS HOLD'EM BONUS POKER, THREE CARD POKER, TWO CARD JOKER
17 POKER, ULTIMATE TEXAS HOLD'EM, WINNER'S POT POKER AND ANY OTHER
18 BANKING OR NONBANKING GAME. THE TERM SHALL NOT INCLUDE:

19 (1) LOTTERY GAMES OF THE PENNSYLVANIA STATE LOTTERY AS
20 AUTHORIZED UNDER THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91),
21 KNOWN AS THE STATE LOTTERY LAW.

22 (2) BINGO AS AUTHORIZED UNDER THE ACT OF JULY 10, 1981
23 (P.L.214, NO.67), KNOWN AS THE BINGO LAW.

24 (3) PARI-MUTUEL BETTING ON THE OUTCOME OF THOROUGHBRED
25 OR HARNESS HORSE RACING AS AUTHORIZED UNDER THE ACT OF
26 DECEMBER 17, 1981 (P.L.435, NO.135), KNOWN AS THE RACE HORSE
27 INDUSTRY REFORM ACT.

28 (4) SMALL GAMES OF CHANCE AS AUTHORIZED UNDER THE ACT OF
29 DECEMBER 19, 1988 (P.L.1262, NO.156), KNOWN AS THE LOCAL
30 OPTION SMALL GAMES OF CHANCE ACT.

(5) SLOT MACHINE GAMING AND PROGRESSIVE SLOT MACHINE
GAMING AS DEFINED AND AUTHORIZED UNDER THIS PART.

(6) KENO.

(7) A FANTASY CONTEST TERMINAL WITHIN THE MEANING OF
CHAPTER 3 (RELATING TO FANTASY CONTESTS).

(8) ILOTTERY UNDER CHAPTER 7 (RELATING TO ILOTTERY).

"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 4. SECTION 1201(H)(11) OF TITLE 4 IS AMENDED TO
READ:

§ 1201. PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED.

* * *

(H) QUALIFICATIONS AND RESTRICTIONS.--

* * *

(11) NO MEMBER, EMPLOYEE OF THE BOARD OR INDEPENDENT
CONTRACTOR SHALL ACCEPT A COMPLIMENTARY SERVICE, WAGER OR BE
PAID ANY PRIZE FROM ANY WAGER AT ANY LICENSED FACILITY WITHIN
THIS COMMONWEALTH [OR], AT ANY OTHER FACILITY OUTSIDE THIS
COMMONWEALTH WHICH IS OWNED OR OPERATED BY A LICENSED GAMING
ENTITY OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES
OR HOLDING COMPANIES OR AS A RESULT OF PLAYING AN INTERACTIVE
GAME INCLUDING ON A MULTI-USE COMPUTING DEVICE FOR THE
DURATION OF THEIR TERM OF OFFICE, EMPLOYMENT OR CONTRACT WITH

1 THE BOARD AND FOR A PERIOD OF TWO YEARS FROM THE TERMINATION
2 OF TERM OF OFFICE, EMPLOYMENT OR CONTRACT WITH THE BOARD. THE
3 PROVISIONS OF THIS PARAGRAPH PROHIBITING WAGERING DURING THE
4 TERM OF EMPLOYMENT SHALL NOT APPLY TO EMPLOYEES OR
5 INDEPENDENT CONTRACTORS WHILE UTILIZING SLOT MACHINES [OR],
6 TABLE GAME DEVICES, INTERACTIVE GAMING DEVICES OR MULTI-USE
7 COMPUTING DEVICES FOR TESTING PURPOSES OR WHILE VERIFYING THE
8 PERFORMANCE OF A SLOT MACHINE [OR], TABLE GAME, INTERACTIVE
9 GAMING DEVICE OR MULTI-USE COMPUTING DEVICE AS PART OF AN
10 ENFORCEMENT INVESTIGATION.

11 * * *

12 SECTION 5. SECTION 1202(A)(1) AND (B)(17), (18), (20) AND
13 (23) OF TITLE 4 ARE AMENDED AND SUBSECTION (B) IS AMENDED BY
14 ADDING PARAGRAPHS TO READ:

15 § 1202. GENERAL AND SPECIFIC POWERS.

16 (A) GENERAL POWERS.--

17 (1) THE BOARD SHALL HAVE GENERAL AND SOLE REGULATORY
18 AUTHORITY OVER THE CONDUCT OF GAMING [OR] AND RELATED
19 ACTIVITIES AS DESCRIBED IN THIS PART. THE BOARD SHALL ENSURE
20 THE INTEGRITY OF THE ACQUISITION AND OPERATION OF SLOT
21 MACHINES, TABLE GAMES, TABLE GAME DEVICES AND ASSOCIATED
22 EQUIPMENT AND AUTHORIZED INTERACTIVE GAMES AND INTERACTIVE
23 GAMING DEVICES AND ASSOCIATED EQUIPMENT AND SHALL HAVE SOLE
24 REGULATORY AUTHORITY OVER EVERY ASPECT OF THE AUTHORIZATION,
25 OPERATION AND PLAY OF SLOT MACHINES [AND], TABLE GAMES AND
26 INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT AND THE
27 IMPLEMENTATION AND REGULATION OF AIRPORT GAMING.

28 * * *

29 (B) SPECIFIC POWERS.--THE BOARD SHALL HAVE THE SPECIFIC
30 POWER AND DUTY:

1 * * *

2 (12.2) AT ITS DISCRETION, TO AWARD, REVOKE, SUSPEND,
3 CONDITION OR DENY AN INTERACTIVE GAMING CERTIFICATE OR AN
4 INTERACTIVE GAMING LICENSE IN ACCORDANCE WITH CHAPTER 13B
5 (RELATING TO INTERACTIVE GAMING).

6 (12.3) TO AWARD, REVOKE, SUSPEND, CONDITION OR DENY A
7 CASINO SIMULCASTING PERMIT IN ACCORDANCE WITH CHAPTER 13F
8 (RELATING TO CASINO SIMULCASTING).

9 * * *

10 (17) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,
11 INDEPENDENT CONTRACTORS, APPLICANTS, LICENSEES AND PERMITTEES
12 TO SUBMIT TO FINGERPRINTING BY THE PENNSYLVANIA STATE POLICE
13 OR AN AUTHORIZED AGENT OF THE PENNSYLVANIA STATE POLICE. THE
14 PENNSYLVANIA STATE POLICE OR AN AUTHORIZED AGENT OF THE
15 PENNSYLVANIA STATE POLICE SHALL SUBMIT THE FINGERPRINTS TO
16 THE FEDERAL BUREAU OF INVESTIGATION FOR PURPOSES OF VERIFYING
17 THE IDENTITY OF THE INDIVIDUAL AND OBTAINING RECORDS OF
18 CRIMINAL ARRESTS AND CONVICTIONS.

19 (18) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,
20 INDEPENDENT CONTRACTORS, APPLICANTS, LICENSEES AND PERMITTEES
21 TO SUBMIT PHOTOGRAPHS CONSISTENT WITH THE STANDARDS [OF THE
22 COMMONWEALTH PHOTO IMAGING NETWORK] ESTABLISHED BY THE BOARD.

23 * * *

24 (20) IN ADDITION TO THE POWER OF THE BOARD REGARDING
25 LICENSE AND PERMIT APPLICANTS, TO DETERMINE AT ITS DISCRETION
26 THE SUITABILITY OF ANY PERSON WHO FURNISHES OR SEEKS TO
27 FURNISH TO A SLOT MACHINE LICENSEE DIRECTLY OR INDIRECTLY ANY
28 GOODS, SERVICES OR PROPERTY RELATED TO SLOT MACHINES, TABLE
29 GAMES, TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT,
30 INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND

1 ASSOCIATED EQUIPMENT OR CASINO SIMULCASTING TECHNOLOGY AND
2 EQUIPMENT OR THROUGH ANY ARRANGEMENTS UNDER WHICH THAT PERSON
3 RECEIVES PAYMENT BASED DIRECTLY OR INDIRECTLY ON EARNINGS,
4 PROFITS OR RECEIPTS FROM THE SLOT MACHINES, TABLE GAMES,
5 TABLE GAME DEVICES AND ASSOCIATED EQUIPMENT[.], INTERACTIVE
6 GAMES, INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT OR
7 CASINO SIMULCASTING TECHNOLOGY AND EQUIPMENT. THE BOARD MAY
8 REQUIRE ANY SUCH PERSON TO COMPLY WITH THE REQUIREMENTS OF
9 THIS PART AND THE REGULATIONS OF THE BOARD AND MAY PROHIBIT
10 THE PERSON FROM FURNISHING THE GOODS, SERVICES OR PROPERTY[.]
11 EXCEPT THAT, IN DETERMINING THE SUITABILITY OF A PERSON WHO
12 FURNISHES OR SEEKS TO FURNISH CASINO SIMULCASTING TECHNOLOGY
13 AND EQUIPMENT, THE BOARD SHALL CONSULT THE COMMISSION.

14 * * *

15 (23) THE BOARD SHALL NOT APPROVE AN APPLICATION FOR OR
16 ISSUE OR RENEW A LICENSE, CERTIFICATE, REGISTRATION OR PERMIT
17 UNLESS IT IS SATISFIED THAT THE APPLICANT HAS DEMONSTRATED BY
18 CLEAR AND CONVINCING EVIDENCE THAT THE APPLICANT IS A PERSON
19 OF GOOD CHARACTER, HONESTY AND INTEGRITY AND IS A PERSON
20 WHOSE PRIOR ACTIVITIES, CRIMINAL RECORD, IF ANY, REPUTATION,
21 HABITS AND ASSOCIATIONS DO NOT POSE A THREAT TO THE PUBLIC
22 INTEREST OR THE EFFECTIVE REGULATION AND CONTROL OF SLOT
23 MACHINE [OR] OPERATIONS, TABLE GAME OPERATIONS, INTERACTIVE
24 GAMING OPERATIONS OR CASINO SIMULCASTING, OR CREATE OR
25 ENHANCE THE DANGER OF UNSUITABLE, UNFAIR OR ILLEGAL
26 PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF SLOT
27 MACHINE [OR] OPERATIONS, TABLE GAME OPERATIONS, INTERACTIVE
28 GAMING OPERATIONS OR CASINO SIMULCASTING OR THE CARRYING ON
29 OF THE BUSINESS AND FINANCIAL ARRANGEMENTS INCIDENTAL
30 THERETO.

1 * * *

2 (27.2) WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF THIS
3 SECTION, TO PUBLISH ON THE BOARD'S INTERNET WEBSITE A
4 COMPLETE LIST OF ALL SLOT MACHINE LICENSEES WHO FILED A
5 PETITION SEEKING AUTHORIZATION TO CONDUCT INTERACTIVE GAMING
6 AND THE STATUS OF EACH PETITION OR INTERACTIVE GAMING
7 CERTIFICATE.

8 * * *

9 (35) TO REVIEW DETAILED SITE PLANS IDENTIFYING THE
10 INTERACTIVE GAMING RESTRICTED AREA OR ROOM WHERE A SLOT
11 MACHINE LICENSEE PROPOSES TO MANAGE, ADMINISTER OR CONTROL
12 INTERACTIVE GAMING OPERATIONS TO DETERMINE THE ADEQUACY OF
13 THE PROPOSED INTERNAL AND EXTERNAL SECURITY AND PROPOSED
14 SURVEILLANCE MEASURES.

15 (36) TO REQUIRE EACH SLOT MACHINE LICENSEE THAT HOLDS AN
16 INTERACTIVE GAMING CERTIFICATE TO PROVIDE ON A QUARTERLY
17 BASIS THE FOLLOWING INFORMATION WITH RESPECT TO INTERACTIVE
18 GAMING:

19 (I) THE NAME OF ANY PERSON, ENTITY OR FIRM TO WHOM
20 ANY PAYMENT, REMUNERATION OR OTHER BENEFIT OR THING OF
21 VALUE HAS BEEN MADE OR CONFERRED FOR PROFESSIONAL
22 SERVICES, INCLUDING, BUT NOT LIMITED TO, INTERACTIVE
23 GAMING SYSTEM OPERATIONS OR MANAGEMENT, LEGAL, CONSULTING
24 AND LOBBYING SERVICES;

25 (II) THE AMOUNT OR VALUE OF THE PAYMENTS,
26 REMUNERATION, BENEFIT OR THING OF VALUE;

27 (III) THE DATE ON WHICH THE PAYMENTS, REMUNERATION,
28 BENEFIT OR THING OF VALUE WAS SUBMITTED; AND

29 (IV) THE REASON OR PURPOSE FOR THE PROCUREMENT OF
30 THE SERVICES.

1 (37) TO REVIEW AND APPROVE DETAILED SITE AND
2 ARCHITECTURAL PLANS IDENTIFYING THE AREA OF A LICENSED
3 FACILITY WHERE A SLOT MACHINE LICENSEE PROPOSES TO PLACE SLOT
4 MACHINES THAT ARE OR WILL BE USED IN A MULTISTATE WIDE-AREA
5 PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT MACHINES OR
6 HYBRID SLOT MACHINES OR ADMINISTER CASINO SIMULCASTING AND
7 MAKE THEM AVAILABLE FOR PLAY IN ORDER TO DETERMINE THE
8 ADEQUACY OF PROPOSED INTERNAL AND EXTERNAL CONTROLS, SECURITY
9 AND PROPOSED SURVEILLANCE MEASURES.

10 SECTION 6. SECTIONS 1204 AND 1206(F)(1) OF TITLE 4 ARE
11 AMENDED TO READ:

12 § 1204. LICENSED GAMING ENTITY APPLICATION APPEALS FROM BOARD.

13 THE SUPREME COURT OF PENNSYLVANIA SHALL BE VESTED WITH
14 EXCLUSIVE APPELLATE JURISDICTION TO CONSIDER APPEALS OF ANY
15 FINAL ORDER, DETERMINATION OR DECISION OF THE BOARD INVOLVING
16 THE APPROVAL, ISSUANCE, DENIAL OR CONDITIONING OF A SLOT MACHINE
17 LICENSE [OR], THE AWARD, DENIAL OR CONDITIONING OF A TABLE GAME
18 OPERATION CERTIFICATE[.] OR THE AWARD, DENIAL OR CONDITIONING OF
19 AN INTERACTIVE GAMING CERTIFICATE, AN INTERACTIVE GAMING LICENSE
20 OR A CASINO SIMULCASTING PERMIT. NOTWITHSTANDING THE PROVISIONS
21 OF 2 PA.C.S. CH. 7 SUBCH. A (RELATING TO JUDICIAL REVIEW OF
22 COMMONWEALTH AGENCY ACTION) AND 42 PA.C.S. § 763 (RELATING TO
23 DIRECT APPEALS FROM GOVERNMENT AGENCIES), THE SUPREME COURT
24 SHALL AFFIRM ALL FINAL ORDERS, DETERMINATIONS OR DECISIONS OF
25 THE BOARD INVOLVING THE APPROVAL, ISSUANCE, DENIAL OR
26 CONDITIONING OF A SLOT MACHINE LICENSE [OR], THE AWARD, DENIAL
27 OR CONDITIONING OF A TABLE GAME OPERATION CERTIFICATE OR THE
28 AWARD, DENIAL OR CONDITIONING OF AN INTERACTIVE GAMING
29 CERTIFICATE, AN INTERACTIVE GAMING LICENSE OR A CASINO
30 SIMULCASTING PERMIT, UNLESS IT SHALL FIND THAT THE BOARD

1 COMMITTED AN ERROR OF LAW OR THAT THE ORDER, DETERMINATION OR
2 DECISION OF THE BOARD WAS ARBITRARY AND THERE WAS A CAPRICIOUS
3 DISREGARD OF THE EVIDENCE.

4 § 1206. BOARD MINUTES AND RECORDS.

5 * * *

6 (F) CONFIDENTIALITY OF INFORMATION.--

7 (1) THE FOLLOWING INFORMATION SUBMITTED BY AN APPLICANT,
8 PERMITTEE, CERTIFICATE HOLDER, INTERACTIVE GAMING CERTIFICATE
9 HOLDER OR LICENSEE PURSUANT TO SECTION 1310(A) (RELATING TO
10 SLOT MACHINE LICENSE APPLICATION CHARACTER REQUIREMENTS)
11 [OR], 1308(A.1) (RELATING TO APPLICATIONS FOR LICENSE OR
12 PERMIT), 13B12 (RELATING TO INTERACTIVE GAMING CERTIFICATE
13 REQUIRED AND CONTENT OF PETITION), 13B14 (RELATING TO
14 INTERACTIVE GAMING OPERATORS) OR 13F12 (RELATING TO CASINO
15 SIMULCASTING PERMIT) OR OBTAINED BY THE BOARD OR THE BUREAU
16 AS PART OF A BACKGROUND OR OTHER INVESTIGATION FROM ANY
17 SOURCE SHALL BE CONFIDENTIAL AND WITHHELD FROM PUBLIC
18 DISCLOSURE:

19 (I) ALL INFORMATION RELATING TO CHARACTER, HONESTY
20 AND INTEGRITY, INCLUDING FAMILY, HABITS, REPUTATION,
21 HISTORY OF CRIMINAL ACTIVITY, BUSINESS ACTIVITIES,
22 FINANCIAL AFFAIRS AND BUSINESS, PROFESSIONAL AND PERSONAL
23 ASSOCIATIONS SUBMITTED UNDER SECTION 1310(A) OR 1308(A.1)
24 OR OTHERWISE OBTAINED BY THE BOARD OR THE BUREAU.

25 (II) NONPUBLIC PERSONAL INFORMATION, INCLUDING HOME
26 ADDRESSES, TELEPHONE NUMBERS AND OTHER PERSONAL CONTACT
27 INFORMATION, SOCIAL SECURITY NUMBERS, EDUCATIONAL
28 RECORDS, MEMBERSHIPS, MEDICAL RECORDS, TAX RETURNS AND
29 DECLARATIONS, ACTUAL OR PROPOSED COMPENSATION, FINANCIAL
30 ACCOUNT RECORDS, CREDITWORTHINESS OR FINANCIAL CONDITION

1 RELATING TO AN APPLICANT, LICENSEE [OR], PERMITTEE,
2 CERTIFICATE HOLDER, INTERACTIVE GAMING CERTIFICATE HOLDER
3 OR CASINO SIMULCASTING PERMIT HOLDER, OR THE IMMEDIATE
4 FAMILY THEREOF.

5 (III) INFORMATION RELATING TO PROPRIETARY
6 INFORMATION, TRADE SECRETS, PATENTS OR EXCLUSIVE
7 LICENSES, ARCHITECTURAL AND ENGINEERING PLANS AND
8 INFORMATION RELATING TO COMPETITIVE MARKETING MATERIALS
9 AND STRATEGIES, WHICH MAY INCLUDE CUSTOMER-IDENTIFYING
10 INFORMATION OR CUSTOMER PROSPECTS FOR SERVICES SUBJECT TO
11 COMPETITION.

12 (IV) SECURITY INFORMATION, INCLUDING RISK PREVENTION
13 PLANS, DETECTION AND COUNTERMEASURES, LOCATION OF COUNT
14 ROOMS, LOCATION OF INTERACTIVE GAMING RESTRICTED AREAS
15 AND REDUNDANCY FACILITIES, EMERGENCY MANAGEMENT PLANS,
16 SECURITY AND SURVEILLANCE PLANS, EQUIPMENT AND USAGE
17 PROTOCOLS AND THEFT AND FRAUD PREVENTION PLANS AND
18 COUNTERMEASURES.

19 (V) INFORMATION WITH RESPECT TO WHICH THERE IS A
20 REASONABLE POSSIBILITY THAT PUBLIC RELEASE OR INSPECTION
21 OF THE INFORMATION WOULD CONSTITUTE AN UNWARRANTED
22 INVASION INTO PERSONAL PRIVACY OF ANY INDIVIDUAL AS
23 DETERMINED BY THE BOARD.

24 (VI) RECORDS OF AN APPLICANT OR LICENSEE NOT
25 REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE
26 COMMISSION BY ISSUERS THAT EITHER HAVE SECURITIES
27 REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE
28 ACT OF 1934 (48 STAT. 881, 15 U.S.C. § 78L) OR ARE
29 REQUIRED TO FILE REPORTS UNDER SECTION 15(D) OF THE
30 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 7. SECTION 1207(1), (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 AUTHORIZATION PROVIDED FOR IN THIS PART IF THE BOARD FINDS IN ITS SOLE DISCRETION THAT A LICENSEE [OR] PERMITTEE, REGISTRANT, CERTIFICATE HOLDER, OR INTERACTIVE GAMING CERTIFICATE HOLDER, 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 AUTHORIZATION.

* * *

(5) PRESCRIBE THE PROCEDURES TO BE FOLLOWED BY SLOT MACHINE LICENSEES FOR ANY FINANCIAL EVENT THAT OCCURS IN THE

1 OPERATION AND PLAY OF SLOT MACHINES [OR] TABLE GAMES,
2 AUTHORIZED INTERACTIVE GAMES, CASINO SIMULCASTING OR MULTI-
3 USE COMPUTING DEVICES.

4 (6) PRESCRIBE CRITERIA AND CONDITIONS FOR THE OPERATION
5 OF SLOT MACHINE PROGRESSIVE SYSTEMS, INCLUDING MULTISTATE
6 WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS. A WIDE AREA
7 PROGRESSIVE SLOT SYSTEM SHALL BE COLLECTIVELY ADMINISTERED BY
8 PARTICIPATING SLOT MACHINE LICENSEES IN ACCORDANCE WITH THE
9 TERMS OF A WRITTEN AGREEMENT EXECUTED BY EACH PARTICIPATING
10 SLOT MACHINE LICENSEE AND, IN THE CASE OF A MULTISTATE WIDE-
11 AREA PROGRESSIVE SLOT MACHINE SYSTEM, IN ACCORDANCE WITH THE
12 MULTISTATE AGREEMENT, AS APPROVED BY THE BOARD.

13 (6.1) COLLABORATE WITH THE APPROPRIATE REGULATORY
14 AGENCIES IN OTHER STATES OR JURISDICTIONS TO FACILITATE THE
15 ESTABLISHMENT OF MULTISTATE WIDE-AREA PROGRESSIVE SLOT
16 MACHINE SYSTEMS BY SLOT MACHINE LICENSEES IN THIS
17 COMMONWEALTH AND, IF DETERMINED NECESSARY, ENTER INTO THE
18 MULTISTATE AGREEMENTS.

19 * * *

20 (7.2) ENFORCE PRESCRIBED HOURS FOR THE OPERATION OF
21 AUTHORIZED INTERACTIVE GAMES SO THAT AN INTERACTIVE GAMING
22 CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR MAY CONDUCT
23 AUTHORIZED INTERACTIVE GAMES ON ANY DAY DURING THE YEAR IN
24 ORDER TO MEET THE NEEDS OF REGISTERED PLAYERS OR TO MEET
25 COMPETITION.

26 (7.3) IN CONSULTATION WITH THE COMMISSION, ENFORCE
27 PRESCRIBED HOURS OF OPERATION OF CASINO SIMULCASTING BY SLOT
28 MACHINE LICENSEES AND THE OPERATION OF SLOT MACHINES AT A
29 NONPRIMARY LOCATION BY A CATEGORY 1 SLOT MACHINE LICENSEE.

30 (8) REQUIRE THAT EACH LICENSED GAMING ENTITY PROHIBIT

1 PERSONS UNDER 21 YEARS OF AGE FROM OPERATING OR USING SLOT
2 MACHINES [OR], PLAYING TABLE GAMES OR PARTICIPATING IN
3 INTERACTIVE GAMING AND CASINO SIMULCASTING.

4 (9) ESTABLISH PROCEDURES FOR THE INSPECTION AND
5 CERTIFICATION OF COMPLIANCE OF EACH SLOT MACHINE, TABLE GAME,
6 TABLE GAME DEVICE AND ASSOCIATED EQUIPMENT, INTERACTIVE GAME
7 AND INTERACTIVE GAMING DEVICE AND ASSOCIATED EQUIPMENT AND
8 CASINO SIMULCASTING TECHNOLOGY AND EQUIPMENT PRIOR TO BEING
9 PLACED INTO USE BY A SLOT MACHINE LICENSEE. HOWEVER, THE
10 BOARD SHALL COLLABORATE WITH THE COMMISSION TO FACILITATE THE
11 INSPECTION AND CERTIFICATION OF CASINO SIMULCASTING
12 TECHNOLOGY AND EQUIPMENT.

13 (10) [REQUIRE] SUBJECT TO PARAGRAPH (10.1), REQUIRE THAT
14 NO SLOT MACHINE OR AUTHORIZED INTERACTIVE GAME THAT
15 REPLICATES THE PLAY OF A SLOT MACHINE, OTHER THAN A SLOT
16 MACHINE OR AUTHORIZED INTERACTIVE GAME THAT REPLICATES THE
17 PLAY OF A SLOT MACHINE THAT IS USED IN A MULTISTATE WIDE-AREA
18 PROGRESSIVE SLOT MACHINE SYSTEM, MAY BE SET TO PAY OUT LESS
19 THAN THE THEORETICAL PAYOUT PERCENTAGE, WHICH SHALL BE NO
20 LESS THAN 85%, AS SPECIFICALLY APPROVED BY THE BOARD. THE
21 BOARD SHALL ADOPT REGULATIONS THAT DEFINE THE THEORETICAL
22 PAYOUT PERCENTAGE [OF A SLOT MACHINE GAME] BASED ON THE TOTAL
23 VALUE OF THE JACKPOTS EXPECTED TO BE PAID BY A PLAY OR A SLOT
24 MACHINE GAME OR AN AUTHORIZED INTERACTIVE GAME THAT
25 REPLICATES THE PLAY OF A SLOT MACHINE DIVIDED BY THE TOTAL
26 VALUE [OF SLOT MACHINE] WAGERS EXPECTED TO BE MADE ON THAT
27 PLAY OR SLOT MACHINE GAME OR AN AUTHORIZED INTERACTIVE GAME
28 THAT REPLICATES THE PLAY OF A SLOT MACHINE DURING THE SAME
29 PORTION OF THE GAME CYCLE. IN SO DOING, THE BOARD SHALL
30 DECIDE WHETHER THE CALCULATION SHALL INCLUDE THE ENTIRE CYCLE

1 OF A SLOT MACHINE GAME OR AN AUTHORIZED INTERACTIVE GAME THAT
2 REPLICATES THE PLAY OF A SLOT MACHINE OR ANY PORTION THEREOF.
3 SUBJECT TO PARAGRAPH (10.1), IN THE CASE OF A SLOT MACHINE
4 THAT IS USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT
5 MACHINE SYSTEM, THE THEORETICAL PAYOUT PERCENTAGE SHALL BE AS
6 SET FORTH IN THE MULTISTATE AGREEMENT.

7 (10.1) FOR EACH OF THE FOLLOWING, DEFINE THE PLAYER'S
8 WIN PERCENTAGE BASED ON THE RELATIVE SKILL OF THE PLAYER OR
9 THE COMBINATION OF SKILL AND THE ELEMENTS OF CHANCE OF THE
10 GAME:

11 (I) A SKILL SLOT MACHINE OR AN AUTHORIZED
12 INTERACTIVE GAME THAT REPLICATES THE PLAY OF A SKILL SLOT
13 MACHINE. FOR A SKILL SLOT MACHINE OR AUTHORIZED
14 INTERACTIVE GAME THAT REPLICATES THE PLAY OF A SKILL SLOT
15 MACHINE THAT IS USED IN A MULTISTATE WIDE-AREA
16 PROGRESSIVE SLOT MACHINE SYSTEM, THE PLAYER'S WIN
17 PERCENTAGE SHALL BE AS SET FORTH IN THE MULTISTATE
18 AGREEMENT.

19 (II) A HYBRID SLOT MACHINE OR AN AUTHORIZED
20 INTERACTIVE GAME THAT REPLICATES THE PLAY OF A HYBRID
21 SLOT MACHINE. FOR A HYBRID SLOT MACHINE OR AN AUTHORIZED
22 INTERACTIVE GAME THAT REPLICATES THE PLAY OF A HYBRID
23 SLOT MACHINE THAT IS USED IN A MULTISTATE WIDE-AREA
24 PROGRESSIVE SLOT MACHINE SYSTEM, THE PLAYER'S WIN
25 PERCENTAGE SHALL BE SET FORTH IN THE MULTISTATE
26 AGREEMENT.

27 * * *

28 (21) AUTHORIZE, IN ITS DISCRETION, A SLOT MACHINE
29 LICENSEE TO CONDUCT SLOT MACHINE CONTESTS OR TOURNAMENTS,
30 TABLE GAME CONTESTS OR TOURNAMENTS IN ACCORDANCE WITH SECTION

1 13A22.1 (RELATING TO TABLE GAME TOURNAMENTS) OR INTERACTIVE
2 GAMING CONTESTS OR TOURNAMENTS AND ADOPT REGULATIONS
3 GOVERNING THE CONDUCT OF SUCH CONTESTS AND TOURNAMENTS.

4 (21.1) AUTHORIZE, AT ITS DISCRETION, A SLOT MACHINE
5 LICENSEE TO PLACE SLOT MACHINES THAT ARE USED IN A MULTISTATE
6 WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT
7 MACHINES OR HYBRID SLOT MACHINES AND MAKE THEM AVAILABLE FOR
8 PLAY AT LICENSED FACILITIES.

9 (21.2) ADOPT AND PROMULGATE REGULATIONS TO GOVERN THE
10 OPERATION AND PLACEMENT OF SKILL SLOT MACHINES AND HYBRID
11 SLOT MACHINES BY SLOT MACHINE LICENSEES AT LICENSED
12 FACILITIES IN THE SAME MANNER AS PROVIDED IN SECTION 13B03
13 (RELATING TO REGULATIONS).

14 (22) LICENSE, REGULATE, INVESTIGATE AND TAKE ANY OTHER
15 ACTION DETERMINED NECESSARY REGARDING ALL ASPECTS OF
16 INTERACTIVE GAMING AND CASINO SIMULCASTING.

17 (23) DEFINE AND LIMIT THE RULES OF AUTHORIZED
18 INTERACTIVE GAMES, INCLUDING ODDS, INTERACTIVE GAMING DEVICES
19 AND ASSOCIATED EQUIPMENT PERMITTED AND THE METHOD OF
20 OPERATION OF AUTHORIZED INTERACTIVE GAMES AND INTERACTIVE
21 GAMING DEVICES AND ASSOCIATED EQUIPMENT.

22 (24) REQUIRE, AS APPLICABLE, THAT ALL WAGERING OFFERED
23 THROUGH INTERACTIVE GAMING DISPLAY ONLINE THE PERMISSIBLE
24 MINIMUM AND MAXIMUM WAGERS ASSOCIATED WITH EACH AUTHORIZED
25 INTERACTIVE GAME.

26 (25) ENSURE, IN CONSULTATION WITH THE COMMISSION, THAT
27 THE WAGERING AT CASINO SIMULCASTING FACILITIES IS CONDUCTED
28 IN CONFORMANCE WITH THE PARI-MUTUEL SYSTEM OF WAGERING
29 REGULATED BY THE COMMISSION UNDER 3 PA.C.S. CH. 93 (RELATING
30 TO RACE HORSE INDUSTRY REFORM).

1 (26) NEGOTIATE AND ENTER INTO INTERACTIVE GAMING
2 RECIPROCAL AGREEMENTS ON BEHALF OF THE COMMONWEALTH TO GOVERN
3 THE CONDUCT OF INTERACTIVE GAMING BETWEEN INTERACTIVE GAMING
4 CERTIFICATE HOLDERS IN THIS COMMONWEALTH AND GAMING ENTITIES
5 IN OTHER STATES OR JURISDICTIONS. NOTWITHSTANDING ANY
6 PROVISION OF THIS PART, WAGERS MAY BE ACCEPTED IN ACCORDANCE
7 WITH THIS PART AND REGULATIONS OF THE BOARD FROM PERSONS IN
8 OTHER STATES OR JURISDICTIONS AND WAGERS FROM PERSONS IN THIS
9 COMMONWEALTH MAY BE MADE THROUGH AN INTERACTIVE GAMING
10 PLATFORM TO A STATE OR JURISDICTION WITH WHICH THE
11 COMMONWEALTH HAS AN INTERACTIVE GAMING RECIPROCAL AGREEMENT
12 IF THE BOARD DETERMINES THAT SUCH WAGERING IS NOT
13 INCONSISTENT WITH FEDERAL LAW OR THE LAW OF THE STATE OR
14 JURISDICTION IN WHICH THE PERSON OR GAMING ENTITY IS LOCATED,
15 OR SUCH WAGERING IS CONDUCTED PURSUANT TO AN INTERACTIVE
16 GAMING RECIPROCAL AGREEMENT TO WHICH THIS COMMONWEALTH IS A
17 PARTY THAT IS NOT INCONSISTENT WITH FEDERAL LAW. THE BOARD IS
18 HEREBY DESIGNATED AS THE AGENCY OF THE COMMONWEALTH WITH THE
19 SOLE POWER AND AUTHORITY TO ENTER INTO INTERACTIVE GAMING
20 RECIPROCAL AGREEMENTS WITH OTHER STATES OR JURISDICTIONS.

21 (27) ENTER INTO MULTISTATE AGREEMENTS WITH OTHER STATES
22 OR JURISDICTIONS FOR THE OPERATION OF MULTISTATE WIDE-AREA
23 PROGRESSIVE SLOT MACHINE SYSTEMS.

24 (28) AUTHORIZE A CATEGORY 2 OR CATEGORY 3 SLOT MACHINE
25 LICENSEE TO ENTER INTO AN AGREEMENT WITH A CATEGORY 1 SLOT
26 MACHINE LICENSEE FOR THE CONDUCT OF CASINO SIMULCASTING UNDER
27 THE CATEGORY 1 SLOT MACHINE LICENSEE'S AUTHORITY AS A
28 LICENSED RACING ENTITY, IF SUCH AGREEMENT IS APPROVED BY THE
29 BOARD AND BY THE COMMISSION, PURSUANT TO THE COMMISSION'S
30 AUTHORITY UNDER 3 PA.C.S. CH. 93.

1 (29) ADOPT, IN CONSULTATION WITH THE COMMISSION,
2 REGULATIONS TO GOVERN THE CONDUCT OF CASINO SIMULCASTING BY A
3 CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSEE IN ACCORDANCE
4 WITH PARAGRAPH (28).

5 (30) ADOPT AND PROMULGATE REGULATIONS TO GOVERN THE
6 INSTALLATION OF VIDEO DISPLAY TECHNOLOGY IN APPROVED AREAS OF
7 A CATEGORY 1 LICENSED FACILITY TO ENABLE THE DELIVERY OF
8 SIMULCAST HORSE RACE MEETINGS TO PATRONS THROUGH VIDEO WALLS
9 AND OTHER SUCH VIDEO DISPLAY TECHNOLOGY. THE BOARD MAY
10 CONSULT WITH THE COMMISSION TO FACILITATE THE INSTALLATION OF
11 VIDEO DISPLAY MONITORS IN ACCORDANCE WITH THIS PARAGRAPH AND
12 TO FACILITATE THE CONDUCT OF CASINO SIMULCASTING UNDER
13 PARAGRAPH (28).

14 SECTION 8. SECTION 1209(B) OF TITLE 4 IS AMENDED TO READ:
15 § 1209. SLOT MACHINE LICENSE FEE.

16 * * *

17 (B) TERM.--A SLOT MACHINE LICENSE, AFTER PAYMENT OF THE FEE,
18 SHALL BE IN EFFECT UNLESS SUSPENDED, REVOKED OR NOT RENEWED BY
19 THE BOARD UPON GOOD CAUSE CONSISTENT WITH THE LICENSE
20 REQUIREMENTS AS PROVIDED FOR IN THIS PART. SLOT MACHINE
21 LICENSEES SHALL BE REQUIRED TO UPDATE THE INFORMATION IN THEIR
22 INITIAL APPLICATIONS ANNUALLY, AND THE LICENSE OF A LICENSEE IN
23 GOOD STANDING SHALL BE RENEWED EVERY [THREE] FIVE YEARS. NOTHING
24 IN THIS SUBSECTION SHALL RELIEVE A LICENSEE OF THE AFFIRMATIVE
25 DUTY TO NOTIFY THE BOARD OF ANY CHANGES RELATING TO THE STATUS
26 OF ITS LICENSE OR TO ANY OTHER INFORMATION CONTAINED IN THE
27 APPLICATION MATERIALS ON FILE WITH THE BOARD. AS TO THE RENEWAL
28 OF A LICENSE, EXCEPT AS REQUIRED IN SUBSECTION (F) (3), NO
29 ADDITIONAL LICENSE FEE PURSUANT TO SUBSECTION (A) SHALL BE
30 REQUIRED.

* * *

SECTION 9. 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 INTERACTIVE GAMING OPERATORS TO PROVIDE
INFORMATION TO THE BOARD TO ASSIST IN THE PREPARATION OF THE
REPORT.

* * *

(D.1) IMPACT OF INTERACTIVE GAMING.--COMMENCING ONE YEAR
AFTER THE ISSUANCE OF THE FIRST INTERACTIVE GAMING CERTIFICATE
AND CONTINUING ANNUALLY THEREAFTER, THE BOARD SHALL PREPARE AND
DISTRIBUTE A REPORT TO THE GOVERNOR AND THE STANDING COMMITTEES
OF THE GENERAL ASSEMBLY WITH JURISDICTION OVER THE BOARD ON THE
IMPACT OF INTERACTIVE GAMING ON COMPULSIVE AND PROBLEM GAMBLING
AND GAMBLING ADDICTION IN THIS COMMONWEALTH. THE REPORT SHALL BE

1 PREPARED BY A PRIVATE ORGANIZATION OR ENTITY WITH EXPERTISE IN
2 SERVING AND TREATING THE NEEDS OF PERSONS WITH COMPULSIVE
3 GAMBLING ADDICTIONS, WHICH ORGANIZATION OR ENTITY SHALL BE
4 SELECTED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS. THE
5 REPORT MAY BE PREPARED AND DISTRIBUTED IN COORDINATION WITH THE
6 BOARD. ANY COSTS ASSOCIATED WITH THE PREPARATION AND
7 DISTRIBUTION OF THE REPORT SHALL BE BORNE BY ALL INTERACTIVE
8 GAMING CERTIFICATE HOLDERS. THE BOARD SHALL BE AUTHORIZED TO
9 ASSESS A FEE AGAINST EACH INTERACTIVE GAMING CERTIFICATE HOLDER
10 FOR THESE PURPOSES.

11 (D.2) ADDITIONAL INFORMATION FOR ANNUAL REPORT.--

12 (1) ONE YEAR AFTER THE COMMENCEMENT OF CASINO
13 SIMULCASTING IN ACCORDANCE WITH CHAPTER 13F (RELATING TO
14 CASINO SIMULCASTING), THE OPERATION OF SKILL SLOT MACHINES,
15 HYBRID SLOT MACHINES AND THE OPERATION OF A MULTISTATE WIDE-
16 AREA SLOT MACHINE SYSTEM, THE REPORT REQUIRED UNDER
17 SUBSECTION (A) SHALL INCLUDE INFORMATION RELATED TO THE
18 FOLLOWING:

19 (I) THE CONDUCT OF CASINO SIMULCASTING.

20 (II) THE OPERATION OF SKILL SLOT MACHINES AND HYBRID
21 SLOT MACHINES.

22 (III) THE OPERATION OF THE MULTISTATE WIDE-AREA
23 PROGRESSIVE SLOT MACHINE SYSTEM.

24 (2) INFORMATION ON REVENUE, TAXES, FEES AND FINES, IF
25 ANY, COLLECTED DURING THE PRECEDING CALENDAR YEAR AND ANY
26 OTHER INFORMATION, DATA OR RECOMMENDATIONS RELATED TO THE
27 CONDUCT OF CASINO SIMULCASTING AND THE OPERATION OF THE
28 MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, SKILL
29 SLOT MACHINES AND HYBRID SLOT MACHINES AS DETERMINED BY THE
30 BOARD.

1 (D.3) STUDY.--THE BOARD SHALL STUDY AND ANNUALLY REPORT TO
2 THE STANDING COMMITTEES OF THE GENERAL ASSEMBLY WITH
3 JURISDICTION OVER THE BOARD ON DEVELOPMENTS IN GAMING TECHNOLOGY
4 AND THE IMPACT, IF ANY, NEW TECHNOLOGIES ARE HAVING OR ARE
5 EXPECTED TO HAVE ON THE SUSTAINABILITY AND COMPETITIVENESS OF
6 THE GAMING INDUSTRY IN THIS COMMONWEALTH. THE INITIAL REPORT
7 SHALL BE DUE ONE YEAR AFTER THE EFFECTIVE DATE OF THIS
8 SUBSECTION. EACH REPORT SHALL SPECIFICALLY ADDRESS THE
9 FOLLOWING:

10 (1) AWARENESS AND GROWTH, TO THE EXTENT KNOWN, OF ANY
11 UNREGULATED COMMERCIAL GAMING PRODUCTS, SUCH AS E-SPORTS AND
12 OTHER SUCH DIGITAL-BASED COMPUTER OR VIDEO TECHNOLOGY.

13 (2) NEW GAMING PRODUCTS, IF ANY, WHICH HAVE BEEN
14 INTRODUCED IN OTHER STATES OR JURISDICTIONS.

15 (3) ANY GAMING PRODUCTS WHICH THE BOARD MAY AUTHORIZE
16 PURSUANT TO ITS REGULATORY AUTHORITY UNDER THIS PART.

17 (4) ANY LEGISLATIVE OR ADMINISTRATIVE CONCERNS REGARDING
18 TRADITIONAL, NEW OR EMERGING GAMING TECHNOLOGIES WITH
19 RECOMMENDATIONS REGARDING RESOLUTION OF SUCH CONCERNS.

20 * * *

21 SECTION 10. SECTION 1212(E) OF TITLE 4 IS AMENDED BY ADDING
22 PARAGRAPHS TO READ:

23 § 1212. DIVERSITY GOALS OF BOARD.

24 * * *

25 (E) DEFINITION.--AS USED IN THIS SECTION, THE TERM
26 "PROFESSIONAL SERVICES" MEANS THOSE SERVICES RENDERED TO A SLOT
27 MACHINE LICENSEE WHICH RELATE TO A LICENSED FACILITY IN THIS
28 COMMONWEALTH, INCLUDING, BUT NOT LIMITED TO:

29 * * *

30 (9) TECHNOLOGY RELATED TO INTERACTIVE GAMING AND

1 INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT.

2 (10) TECHNOLOGY RELATED TO CASINO SIMULCASTING.

3 SECTION 11. SECTION 1302(A) OF TITLE 4 IS AMENDED TO READ:

4 § 1302. CATEGORY 1 SLOT MACHINE LICENSE.

5 (A) ELIGIBILITY.--A PERSON MAY BE ELIGIBLE TO APPLY FOR A
6 CATEGORY 1 LICENSE TO PLACE AND OPERATE SLOT MACHINES AT A
7 LICENSED RACETRACK FACILITY IF THE PERSON:

8 (1) HAS BEEN ISSUED A LICENSE FROM EITHER THE STATE
9 HORSE RACING COMMISSION OR THE STATE HARNESS RACING
10 COMMISSION TO CONDUCT THOROUGHBRED OR HARNESS RACE MEETINGS
11 RESPECTIVELY WITH PARI-MUTUEL WAGERING AND HAS CONDUCTED LIVE
12 HORSE RACES FOR NOT LESS THAN TWO YEARS IMMEDIATELY PRECEDING
13 THE EFFECTIVE DATE OF THIS PART;

14 (2) HAS BEEN APPROVED OR ISSUED A LICENSE FROM EITHER
15 THE STATE HORSE RACING COMMISSION OR THE STATE HARNESS RACING
16 COMMISSION TO CONDUCT THOROUGHBRED OR HARNESS RACE MEETINGS
17 RESPECTIVELY WITH PARI-MUTUEL WAGERING WITHIN 18 MONTHS
18 IMMEDIATELY PRECEDING THE EFFECTIVE DATE OF THIS PART AND
19 WILL SUCCESSFULLY CONDUCT LIVE RACING PURSUANT TO THE
20 REQUIREMENTS OF SECTION 1303 (RELATING TO ADDITIONAL CATEGORY
21 1 SLOT MACHINE LICENSE REQUIREMENTS);

22 (3) HAS BEEN APPROVED BY THE STATE HARNESS RACING
23 COMMISSION, AFTER THE EFFECTIVE DATE OF THIS PART, TO CONDUCT
24 HARNESS RACE MEETINGS WITH PARI-MUTUEL WAGERING AND WILL
25 CONDUCT LIVE RACING PURSUANT TO THE REQUIREMENTS OF SECTION
26 1303; OR

27 (4) IS A SUCCESSOR IN INTEREST TO PERSONS ELIGIBLE UNDER
28 PARAGRAPH (1), (2) OR (3) WHO COMPLY WITH THE REQUIREMENTS OF
29 SECTION 1328 (RELATING TO CHANGE IN OWNERSHIP OR CONTROL OF
30 SLOT MACHINE LICENSEE) OR IS A SUCCESSOR IN INTEREST TO

PERSONS OTHERWISE ELIGIBLE UNDER PARAGRAPH (1), (2) OR (3)
BUT PRECLUDED FROM ELIGIBILITY UNDER THE PROVISIONS OF
SECTION [1330] 1330.1 (RELATING TO UNDUE ECONOMIC
CONCENTRATION PROHIBITED).

NOTHING IN THIS PART SHALL BE CONSTRUED TO PERMIT THE APPROVAL
OR ISSUANCE OF MORE THAN ONE SLOT MACHINE LICENSE AT A LICENSED
RACETRACK FACILITY.

* * *

SECTION 12. SECTION 1305(A) AND (E) OF TITLE 4 ARE AMENDED
AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS 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.

1 (III) AN AUTHORIZED EMPLOYEE OF THE SLOT MACHINE
2 LICENSEE, OF A GAMING SERVICE PROVIDER, OF THE BOARD OR
3 OF ANY REGULATORY, EMERGENCY RESPONSE OR LAW ENFORCEMENT
4 AGENCY WHILE ENGAGED IN THE PERFORMANCE OF THE EMPLOYEE'S
5 DUTIES.

6 (IV) AN INDIVIDUAL HOLDING A VALID MEMBERSHIP
7 APPROVED IN ACCORDANCE WITH PARAGRAPH (1.1) OR A GUEST OF
8 SUCH INDIVIDUAL.

9 (1.1) THE BOARD MAY APPROVE A SEASONAL OR YEAR-ROUND
10 MEMBERSHIP THAT ALLOWS AN INDIVIDUAL TO USE ONE OR MORE OF
11 THE AMENITIES PROVIDED BY THE WELL-ESTABLISHED RESORT HOTEL
12 HOLDING A CATEGORY 3 SLOT MACHINE LICENSE. THE MEMBERSHIP
13 SHALL ALLOW THE MEMBER AND ONE GUEST TO ENTER THE GAMING
14 FLOOR AT ANY TIME AS LONG AS THE GUEST IS ACCOMPANIED BY THE
15 INDIVIDUAL OWNING OR HOLDING THE MEMBERSHIP. THE BOARD SHALL
16 BASE ITS APPROVAL OF A MEMBERSHIP ON ALL OF THE FOLLOWING:

17 (I) THE DURATION OF THE MEMBERSHIP.

18 (II) THE AMENITY COVERED BY THE MEMBERSHIP.

19 (III) WHETHER THE FEE CHARGED FOR THE MEMBERSHIP
20 REPRESENTS THE FAIR MARKET VALUE FOR THE USE OF THE
21 AMENITY.]

22 (2) NOTWITHSTANDING SECTION 1512(A) AND (A.1) (RELATING
23 TO PUBLIC OFFICIAL FINANCIAL INTEREST), IF AT THE TIME OF
24 APPLICATION AN APPLICANT HAS TERMINATED PUBLIC OFFICE OR
25 EMPLOYMENT AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE WITHIN THE
26 LAST CALENDAR YEAR, THE APPLICANT SHALL BE ELIGIBLE TO APPLY
27 FOR A SLOT MACHINE LICENSE UNDER THIS SECTION BUT MAY NOT BE
28 ISSUED A LICENSE UNTIL ONE YEAR FOLLOWING THE DATE OF
29 TERMINATION AS A PUBLIC OFFICIAL OR EXECUTIVE-LEVEL PUBLIC
30 EMPLOYEE. AN APPLICATION SUBMITTED IN ACCORDANCE WITH THIS

1 PARAGRAPH SHALL NOT CONSTITUTE A VIOLATION OF SECTION 1512 (A)
2 OR (A.1) .

3 (3) IF THE PERSON SEEKING A SLOT MACHINE LICENSE
4 PROPOSES TO PLACE THE LICENSED FACILITY UPON LAND DESIGNATED
5 A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE
6 UNDER THE ACT OF OCTOBER 6, 1998 (P.L.705, NO.92), KNOWN AS
7 THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION
8 ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, THE
9 PERSON SHALL, AT ANY TIME PRIOR TO THE APPLICATION BEING
10 APPROVED, SUBMIT A STATEMENT WAIVING THE EXEMPTIONS,
11 DEDUCTIONS, ABATEMENTS OR CREDITS GRANTED UNDER THE KEYSTONE
12 OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND
13 KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT IF THE BOARD
14 APPROVES THE APPLICATION.

15 * * *

16 (C.1) ADDITIONAL SLOT MACHINES.--

17 (1) UPON SUBMISSION BY A CATEGORY 3 SLOT MACHINE
18 LICENSEE OF A PETITION TO THE BOARD, IN SUCH FORM AND MANNER
19 AS THE BOARD MAY REQUIRE, THE BOARD MAY AUTHORIZE THE
20 CATEGORY 3 SLOT MACHINE LICENSEE TO INCREASE THE NUMBER OF
21 SLOT MACHINES AT THE CATEGORY 3 SLOT MACHINE LICENSEE'S
22 LICENSED FACILITY.

23 (2) AN INCREASE IN THE NUMBER OF SLOT MACHINES BY A
24 CATEGORY 3 SLOT MACHINE LICENSEE UNDER PARAGRAPH (1) MAY NOT,
25 AT THE DISCRETION OF THE BOARD, EXCEED 250 ADDITIONAL SLOT
26 MACHINES, WHICH SHALL BE IN ADDITION TO THE NUMBER OF
27 PERMISSIBLE SLOT MACHINES AUTHORIZED UNDER SUBSECTION (C).

28 * * *

29 (D.1) ADDITIONAL FEE.--NOTWITHSTANDING SUBSECTION (D), NO
30 LATER THAN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION,

EACH HOLDER OF AN EXISTING CATEGORY 3 SLOT MACHINE LICENSE
ISSUED BY THE BOARD BEFORE JANUARY 1, 2017, SHALL PAY A ONE-TIME
FEE OF \$1,000,000. EACH HOLDER OF A CATEGORY 3 SLOT MACHINE
LICENSE ISSUED BY THE BOARD AFTER JANUARY 1, 2017, SHALL PAY A
ONE-TIME FEE OF \$1,000,000 WITHIN 60 DAYS OF ISSUANCE OF THE
SLOT MACHINE LICENSE. THE FEE SHALL BE DEPOSITED 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

1 REGISTERED GUESTS OF THE WELL-ESTABLISHED RESORT HOTEL.]

2 SECTION 12.1. TITLE 4 IS AMENDED BY ADDING A SECTION TO
3 READ:

4 § 1306.1. REMAINING CATEGORY 2 LICENSES.

5 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS PART, THE BOARD
6 SHALL CREATE AN EXPEDITED APPROVAL PROCESS THAT PRIORITIZES THE
7 ISSUANCE OF ANY REMAINING CATEGORY 2 SLOT MACHINE LICENSES NOT
8 ISSUED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION, PROVIDED
9 THAT THE EXPEDITED APPROVAL PROCESS SHALL PROTECT THE PUBLIC
10 INTEREST AND INTEGRITY OF GAMING. WHEN CREATING THE EXPEDITED
11 APPROVAL PROCESS, THE BOARD SHALL INCLUDE PROCEDURES FOR
12 ENSURING THAT A CATEGORY 2 SLOT MACHINE LICENSE APPLIED FOR, THE
13 APPLICATION FOR WHICH IS WITHDRAWN AFTER THE EFFECTIVE DATE OF
14 THIS SECTION, IS ELIGIBLE TO BE REAPPLIED FOR BY ANOTHER
15 APPLICANT WITHIN 30 DAYS OF THE WITHDRAWN APPLICATION. THE BOARD
16 SHALL CREATE THE EXPEDITED APPROVAL PROCESS WITHIN 30 DAYS OF
17 THE EFFECTIVE DATE OF THIS SECTION.

18 SECTION 12.2. SECTION 1307 OF TITLE 4 IS AMENDED TO READ:
19 § 1307. NUMBER OF SLOT MACHINE LICENSES.

20 (A) LIMITATION.--THE BOARD MAY LICENSE NO MORE THAN SEVEN
21 CATEGORY 1 LICENSED FACILITIES AND NO MORE THAN FIVE CATEGORY 2
22 LICENSED FACILITIES, AS IT MAY DEEM APPROPRIATE, AS LONG AS TWO,
23 AND NOT MORE, CATEGORY 2 LICENSED FACILITIES ARE LOCATED BY THE
24 BOARD WITHIN THE CITY OF THE FIRST CLASS AND THAT ONE, AND NOT
25 MORE, CATEGORY 2 LICENSED FACILITY IS LOCATED BY THE BOARD
26 WITHIN THE CITY OF THE SECOND CLASS. THE BOARD MAY AT ITS
27 DISCRETION INCREASE THE TOTAL NUMBER OF CATEGORY 2 LICENSED
28 FACILITIES PERMITTED TO BE LICENSED BY THE BOARD BY AN AMOUNT
29 NOT TO EXCEED THE TOTAL NUMBER OF CATEGORY 1 LICENSES NOT
30 APPLIED FOR WITHIN FIVE YEARS FOLLOWING THE EFFECTIVE DATE OF

1 THIS PART. EXCEPT AS PERMITTED BY SECTION 1328 (RELATING TO
2 CHANGE IN OWNERSHIP OR CONTROL OF SLOT MACHINE LICENSEE), ANY
3 CATEGORY 1 LICENSE MAY BE REISSUED BY THE BOARD AT ITS
4 DISCRETION AS A CATEGORY 2 LICENSE IF AN APPLICATION FOR
5 ISSUANCE OF SUCH LICENSE HAS NOT BEEN MADE TO THE BOARD. THE
6 BOARD MAY LICENSE NO MORE THAN [THREE] TWO CATEGORY 3 LICENSED
7 FACILITIES.

8 (B) DELAY OF ISSUANCE.--NOTWITHSTANDING SUBSECTION (A) OR
9 ANY OTHER PROVISIONS OF THIS PART, THE BOARD MAY NOT:

10 (1) ACCEPT AN APPLICATION FOR A CATEGORY 1 SLOT MACHINE
11 LICENSE FOR A PERIOD STARTING ON THE EFFECTIVE DATE OF THIS
12 SUBSECTION THROUGH JULY 1, 2020.

13 (2) ISSUE A CATEGORY 1 SLOT MACHINE LICENSE FOR A PERIOD
14 STARTING ON THE EFFECTIVE DATE OF THIS SUBSECTION THROUGH
15 JULY 1, 2020.

16 (C) APPLICABILITY.--SUBSECTION (B) SHALL NOT APPLY TO A
17 CHANGE OF OWNERSHIP OR CONTROL OF A CATEGORY 1 SLOT MACHINE
18 LICENSE AS PERMITTED BY SECTION 1328.

19 SECTION 13. SECTION 1309(A.1) HEADING OF TITLE 4 IS AMENDED
20 AND THE SUBSECTION IS AMENDED BY ADDING A PARAGRAPH TO READ:
21 § 1309. SLOT MACHINE LICENSE APPLICATION.

22 * * *

23 (A.1) TABLE GAMES AND INTERACTIVE GAMING INFORMATION.--

24 * * *

25 (3) THE BOARD MAY PERMIT AN APPLICANT FOR A SLOT MACHINE
26 LICENSE THAT HAS AN APPLICATION UNDER PARAGRAPH (1) OR (2)
27 PENDING BEFORE THE BOARD TO SUPPLEMENT ITS APPLICATION WITH
28 ALL INFORMATION REQUIRED UNDER CHAPTER 13B (RELATING TO
29 INTERACTIVE GAMING) AND TO REQUEST THAT THE BOARD CONSIDER
30 ITS APPLICATION FOR A SLOT MACHINE LICENSE, A TABLE GAME

1 OPERATION CERTIFICATE AND AN INTERACTIVE GAMING CERTIFICATE
2 CONCURRENTLY. ALL FEES FOR AN INTERACTIVE GAMING CERTIFICATE
3 SHALL BE PAID BY THE APPLICANT IN ACCORDANCE WITH THE
4 REQUIREMENTS OF THIS PART.

5 * * *

6 SECTION 14. SECTIONS 1317(A) AND (C) AND 1317.1(A), (B),
7 (C), (C.1), (D.1) AND (E) OF TITLE 4 ARE AMENDED AND THE
8 SECTIONS ARE AMENDED BY ADDING SUBSECTIONS TO READ:

9 § 1317. SUPPLIER LICENSES.

10 (A) APPLICATION.--A MANUFACTURER THAT ELECTS TO CONTRACT
11 WITH A SUPPLIER UNDER SECTION 1317.1(D.1) (RELATING TO
12 MANUFACTURER LICENSES) SHALL ENSURE THAT THE SUPPLIER IS
13 APPROPRIATELY LICENSED UNDER THIS SECTION. A PERSON SEEKING TO
14 PROVIDE SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED
15 EQUIPMENT, INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT OR
16 MULTI-USE COMPUTING DEVICES TO A SLOT MACHINE LICENSEE, AN
17 INTERACTIVE GAMING CERTIFICATE HOLDER OR AN INTERACTIVE GAMING
18 OPERATOR WITHIN THIS COMMONWEALTH THROUGH A CONTRACT WITH A
19 LICENSED MANUFACTURER SHALL APPLY TO THE BOARD FOR THE
20 APPROPRIATE SUPPLIER LICENSE.

21 * * *

22 (C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
23 REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY
24 APPROVE THE APPLICATION AND ISSUE THE APPLICANT A SUPPLIER
25 LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

26 (1) THE [INITIAL LICENSE SHALL BE FOR A PERIOD OF ONE
27 YEAR, AND, IF RENEWED UNDER SUBSECTION (D), THE] LICENSE
28 SHALL BE ISSUED FOR A PERIOD OF [THREE] FIVE YEARS AND SHALL
29 BE RENEWED IN ACCORDANCE WITH SUBSECTION (D). NOTHING IN THIS
30 PARAGRAPH SHALL RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO

1 NOTIFY THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF ITS
2 LICENSE OR TO ANY INFORMATION CONTAINED IN THE APPLICATION
3 MATERIALS ON FILE WITH THE BOARD.

4 (2) THE LICENSE SHALL BE NONTRANSFERABLE.

5 (3) ANY OTHER CONDITION ESTABLISHED BY THE BOARD.

6 * * *

7 (C.2) ABBREVIATED PROCESS FOR SUPPLIER.--

8 (1) NOTWITHSTANDING SUBSECTION (C.1) (1) OR ANY
9 REGULATIONS OF THE BOARD TO THE CONTRARY, THE BOARD MAY
10 EXTEND THE USE OF THE ABBREVIATED PROCESS AUTHORIZED UNDER
11 SUBSECTION (C.1) TO AN APPLICANT FOR A SUPPLIER LICENSE TO
12 SUPPLY SLOT MACHINES USED IN A MULTISTATE WIDE-AREA
13 PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT MACHINES, HYBRID
14 SLOT MACHINES AND DEVICES OR ASSOCIATED EQUIPMENT USED IN
15 CONNECTION WITH MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE
16 SYSTEMS, SKILL SLOT MACHINES OR HYBRID SLOT MACHINES,
17 INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT USED IN
18 CONNECTION WITH INTERACTIVE GAMING, INCLUDING MULTI-USE
19 COMPUTING DEVICES, IF THE APPLICANT HOLDS A VALID SUPPLIER
20 LICENSE ISSUED BY THE BOARD TO SUPPLY SLOT MACHINES OR
21 ASSOCIATED EQUIPMENT OR TABLE GAMES OR TABLE GAME DEVICES OR
22 ASSOCIATED EQUIPMENT. THE REQUIREMENTS OF SUBSECTION (C.1) (2)
23 AND (3) SHALL APPLY TO THIS SUBSECTION.

24 (2) AN APPLICANT FOR A SUPPLIER'S LICENSE TO SUPPLY SLOT
25 MACHINES USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SYSTEMS,
26 SKILL SLOT MACHINES OR HYBRID SLOT MACHINES OR ASSOCIATED
27 EQUIPMENT OR INTERACTIVE GAMING DEVICES OR ASSOCIATED
28 EQUIPMENT SHALL BE SUBJECT TO THE APPLICABLE PROVISIONS OF
29 THIS PART.

30 * * *

1 § 1317.1. MANUFACTURER LICENSES.

2 (A) APPLICATION.--A PERSON SEEKING TO MANUFACTURE SLOT
3 MACHINES, TABLE GAME DEVICES AND ASSOCIATED EQUIPMENT OR
4 INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT FOR USE IN
5 THIS COMMONWEALTH SHALL APPLY TO THE BOARD FOR A MANUFACTURER
6 LICENSE.

7 (B) REQUIREMENTS.--AN APPLICATION FOR A MANUFACTURER LICENSE
8 SHALL BE ON THE FORM REQUIRED BY THE BOARD, ACCOMPANIED BY THE
9 APPLICATION FEE, AND SHALL INCLUDE ALL OF THE FOLLOWING:

10 (1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT AND
11 THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND
12 HOLDING COMPANIES; THE PRINCIPALS AND KEY EMPLOYEES OF EACH
13 BUSINESS; AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN
14 EACH BUSINESS, AS WELL AS ANY FINANCIAL INFORMATION REQUIRED
15 BY THE BOARD.

16 (2) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE,
17 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT
18 ARE NOT SLOT MACHINE LICENSEES.

19 (3) THE CONSENT TO A BACKGROUND INVESTIGATION OF THE
20 APPLICANT, ITS PRINCIPALS AND KEY EMPLOYEES OR OTHER PERSONS
21 REQUIRED BY THE BOARD AND A RELEASE TO OBTAIN ANY AND ALL
22 INFORMATION NECESSARY FOR THE COMPLETION OF THE BACKGROUND
23 INVESTIGATION.

24 (4) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR
25 DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS
26 AUTHORIZED BY THIS PART ARE PERMITTED AND CONSENT FOR THE
27 BOARD TO ACQUIRE COPIES OF APPLICATIONS SUBMITTED OR LICENSES
28 ISSUED IN CONNECTION THEREWITH.

29 (5) THE TYPE OF SLOT MACHINES, TABLE GAME DEVICES OR
30 ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR

1 ASSOCIATED EQUIPMENT TO BE MANUFACTURED OR REPAIRED.

2 (6) ANY OTHER INFORMATION DETERMINED BY THE BOARD TO BE
3 APPROPRIATE.

4 (C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
5 REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY
6 APPROVE THE APPLICATION AND GRANT THE APPLICANT A MANUFACTURER
7 LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

8 (1) THE [INITIAL LICENSE SHALL BE FOR A PERIOD OF ONE
9 YEAR, AND, IF RENEWED UNDER SUBSECTION (D), THE] LICENSE
10 SHALL BE ISSUED FOR A PERIOD OF [THREE] FIVE YEARS AND SHALL
11 BE RENEWED IN ACCORDANCE WITH SUBSECTION (D). NOTHING IN THIS
12 PARAGRAPH SHALL RELIEVE THE LICENSEE OF THE AFFIRMATIVE DUTY
13 TO NOTIFY THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF
14 ITS LICENSE OR TO ANY OTHER INFORMATION CONTAINED IN
15 APPLICATION MATERIALS ON FILE WITH THE BOARD.

16 (2) THE LICENSE SHALL BE NONTRANSFERABLE.

17 (3) ANY OTHER CONDITION ESTABLISHED BY THE BOARD.

18 (C.1) ABBREVIATED PROCESS.--IN THE EVENT AN APPLICANT FOR A
19 MANUFACTURER LICENSE TO MANUFACTURE TABLE GAME DEVICES OR
20 ASSOCIATED EQUIPMENT USED IN CONNECTION WITH TABLE GAMES IS
21 LICENSED BY THE BOARD UNDER THIS SECTION TO MANUFACTURE SLOT
22 MACHINES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH SLOT
23 MACHINES, THE BOARD MAY DETERMINE TO USE AN ABBREVIATED PROCESS
24 REQUIRING ONLY THAT INFORMATION DETERMINED BY THE BOARD TO BE
25 NECESSARY TO CONSIDER THE ISSUANCE OF A LICENSE TO MANUFACTURE
26 TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION
27 WITH TABLE GAMES, INCLUDING FINANCIAL VIABILITY OF THE
28 APPLICANT. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE
29 ANY FEES ASSOCIATED WITH OBTAINING A LICENSE, CERTIFICATE OR
30 PERMIT THROUGH THE NORMAL APPLICATION PROCESS. THE BOARD MAY

1 ONLY USE THE ABBREVIATED PROCESS IF ALL OF THE FOLLOWING APPLY:

2 (1) THE MANUFACTURER LICENSE WAS ISSUED BY THE BOARD
3 WITHIN A 36-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE THE
4 MANUFACTURER LICENSEE FILES AN APPLICATION TO MANUFACTURE
5 TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT.

6 (2) THE PERSON TO WHOM THE MANUFACTURER LICENSE WAS
7 ISSUED AFFIRMS THERE HAS BEEN NO MATERIAL CHANGE IN
8 CIRCUMSTANCES RELATING TO THE LICENSE.

9 (3) THE BOARD DETERMINES, IN ITS SOLE DISCRETION, THAT
10 THERE HAS BEEN NO MATERIAL CHANGE IN CIRCUMSTANCES RELATING
11 TO THE LICENSEE THAT NECESSITATES THAT THE ABBREVIATED
12 PROCESS NOT BE USED.

13 (C.2) ABBREVIATED PROCESS FOR MANUFACTURER.--

14 (1) NOTWITHSTANDING SUBSECTION (C.1) (1) OR ANY
15 REGULATIONS OF THE BOARD TO THE CONTRARY, THE BOARD MAY
16 EXTEND THE USE OF THE ABBREVIATED PROCESS AUTHORIZED UNDER
17 SUBSECTION (C.1) TO AN APPLICANT FOR A MANUFACTURER LICENSE
18 TO MANUFACTURE SLOT MACHINES USED IN MULTISTATE WIDE-AREA
19 PROGRESSIVE SLOT MACHINE SYSTEMS, SKILL SLOT MACHINES, HYBRID
20 SLOT MACHINES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH
21 MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS, SKILL
22 SLOT MACHINES OR HYBRID SLOT MACHINES OR INTERACTIVE GAMING
23 DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH
24 INTERACTIVE GAMING, IF THE APPLICANT HOLDS A VALID
25 MANUFACTURER LICENSE ISSUED BY THE BOARD TO MANUFACTURER SLOT
26 MACHINES OR ASSOCIATED EQUIPMENT OR TABLE GAMES OR TABLE GAME
27 DEVICES OR ASSOCIATED EQUIPMENT. THE REQUIREMENTS OF
28 SUBSECTION (C.1) (2) AND (3) SHALL APPLY TO THIS SUBSECTION.

29 (2) AN APPLICANT FOR A MANUFACTURER LICENSE TO
30 MANUFACTURE SLOT MACHINES USED IN A MULTISTATE WIDE-AREA

1 PROGRESSIVE SYSTEM, SKILL OR HYBRID SLOT MACHINES OR
2 ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR
3 ASSOCIATED EQUIPMENT SHALL BE SUBJECT TO THE APPLICABLE
4 PROVISIONS OF THIS PART.

5 * * *

6 (D.1) AUTHORITY.--THE FOLLOWING SHALL APPLY TO A LICENSED
7 MANUFACTURER:

8 (1) A MANUFACTURER OR ITS DESIGNEE, AS LICENSED BY THE
9 BOARD, MAY SUPPLY OR REPAIR ANY SLOT MACHINE, TABLE GAME
10 DEVICE OR ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICE
11 OR ASSOCIATED EQUIPMENT MANUFACTURED BY THE MANUFACTURER,
12 PROVIDED THE MANUFACTURER HOLDS THE APPROPRIATE MANUFACTURER
13 LICENSE.

14 (2) A MANUFACTURER OF SLOT MACHINES MAY CONTRACT WITH A
15 SUPPLIER UNDER SECTION 1317 (RELATING TO SUPPLIER LICENSES)
16 TO PROVIDE SLOT MACHINES OR ASSOCIATED EQUIPMENT TO A SLOT
17 MACHINE LICENSEE WITHIN THIS COMMONWEALTH, PROVIDED THE
18 SUPPLIER IS LICENSED TO SUPPLY SLOT MACHINES OR ASSOCIATED
19 EQUIPMENT USED IN CONNECTION WITH SLOT MACHINES.

20 (3) A MANUFACTURER MAY CONTRACT WITH A SUPPLIER UNDER
21 SECTION 1317 TO PROVIDE TABLE GAME DEVICES OR ASSOCIATED
22 EQUIPMENT TO A CERTIFICATE HOLDER, PROVIDED THE SUPPLIER IS
23 LICENSED TO SUPPLY TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT
24 USED IN CONNECTION WITH TABLE GAMES.

25 (4) A MANUFACTURER MAY CONTRACT WITH A SUPPLIER UNDER
26 SECTION 1317 TO PROVIDE SLOT MACHINES USED IN A MULTISTATE
27 WIDE-AREA PROGRESSIVE SYSTEM, SKILL SLOT MACHINES OR HYBRID
28 SLOT MACHINES OR ASSOCIATED EQUIPMENT, INTERACTIVE GAMING
29 DEVICES OR ASSOCIATED EQUIPMENT, PROVIDED THAT THE
30 MANUFACTURER IS LICENSED TO MANUFACTURE SLOT MACHINES USED IN

1 A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, SKILL
2 SLOT MACHINES OR HYBRID SLOT MACHINES OR ASSOCIATED EQUIPMENT
3 OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT USED IN
4 CONNECTION WITH INTERACTIVE GAMES.

5 (E) PROHIBITIONS.--

6 (1) NO PERSON MAY MANUFACTURE SLOT MACHINES, TABLE GAME
7 DEVICES OR ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES
8 OR ASSOCIATED EQUIPMENT FOR USE WITHIN THIS COMMONWEALTH [BY
9 A SLOT MACHINE LICENSEE] UNLESS THE PERSON HAS BEEN ISSUED
10 THE APPROPRIATE MANUFACTURER LICENSE UNDER THIS SECTION.

11 (2) EXCEPT AS PERMITTED IN SECTION 13A23.1 (RELATING TO
12 TRAINING EQUIPMENT), NO [SLOT MACHINE LICENSEE] PERSON MAY
13 USE SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED
14 EQUIPMENT, AUTHORIZED INTERACTIVE GAMES OR INTERACTIVE GAMING
15 DEVICES OR ASSOCIATED EQUIPMENT UNLESS THE SLOT MACHINES,
16 TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT, INTERACTIVE GAMES
17 OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT WERE
18 MANUFACTURED BY A PERSON THAT HAS BEEN ISSUED THE APPROPRIATE
19 MANUFACTURER LICENSE UNDER THIS SECTION.

20 (3) NO PERSON ISSUED A LICENSE UNDER THIS SECTION SHALL
21 APPLY FOR OR BE ISSUED A LICENSE UNDER SECTION 1317.

22 (4) NO LIMITATION SHALL BE PLACED ON THE NUMBER OF
23 MANUFACTURER LICENSES ISSUED OR THE TIME PERIOD TO SUBMIT
24 APPLICATIONS FOR LICENSURE, EXCEPT AS REQUIRED TO COMPLY WITH
25 SECTION 1306 (RELATING TO ORDER OF INITIAL LICENSE ISSUANCE).

26 SECTION 15. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:

27 § 1317.3. NONGAMING SERVICE PROVIDER.

28 (A) NOTIFICATION REQUIRED.--

29 (1) A SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
30 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 THE SLOT MACHINE LICENSEE'S LICENSED
FACILITY; OR

(II) THE PROVISION OF GOODS OR SERVICES FOR USE IN
THE OPERATION OF THE SLOT MACHINE LICENSEE'S 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 NEITHER THE
NONGAMING SERVICE PROVIDER NOR ITS EMPLOYEES WILL ADVERSELY
AFFECT THE PUBLIC INTEREST OR INTEGRITY OF GAMING.

(5) ANY OTHER INFORMATION THAT THE BOARD MAY REQUIRE.

1 (C) DURATION OF NOTIFICATION.--THE NONGAMING SERVICE
2 PROVIDER NOTIFICATION REQUIRED UNDER SUBSECTION (A) MAY BE VALID
3 FOR THREE YEARS UNLESS MODIFIED BY THE BOARD. IN DETERMINING THE
4 DURATION OF A NONGAMING SERVICE PROVIDER NOTIFICATION, THE BOARD
5 SHALL CONSIDER THE FOLLOWING:

6 (1) THE TYPE OR NATURE OF THE GOODS OR SERVICES.

7 (2) THE FREQUENCY OF BUSINESS TRANSACTIONS RELATED TO
8 THE PROVISION OF SUCH GOODS OR SERVICES.

9 (3) ANY OTHER INFORMATION THE BOARD DEEMS NECESSARY AND
10 APPROPRIATE.

11 (D) CONDITIONS.--A SLOT MACHINE LICENSEE OR APPLICANT FOR A
12 SLOT MACHINE LICENSE THAT CONTRACTS OR OTHERWISE ENGAGES IN
13 BUSINESS WITH A NONGAMING SERVICE PROVIDER SHALL BE SUBJECT TO
14 THE FOLLOWING CONDITIONS:

15 (1) THE NONGAMING SERVICE PROVIDER AND ITS EMPLOYEES
16 SHALL ONLY PROVIDE THE GOODS AND SERVICES DESCRIBED IN THE
17 NOTIFICATION UNDER THIS SECTION.

18 (2) THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
19 MACHINE LICENSE SHALL NOTIFY THE BOARD OF ANY MATERIAL CHANGE
20 IN THE INFORMATION PROVIDED IN THE NOTIFICATION UNDER THIS
21 SECTION. NO FEE SHALL BE REQUIRED FOR A SUBSEQUENT CHANGE
22 DURING THE TIME FOR WHICH THE NOTIFICATION REMAINS VALID
23 UNDER SUBSECTION (C).

24 (3) THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
25 MACHINE LICENSE SHALL ENSURE THAT EMPLOYEES OF THE NONGAMING
26 SERVICE PROVIDER DO NOT ENTER THE GAMING FLOOR OR A GAMING-
27 RELATED RESTRICTED AREA OF THE LICENSED FACILITY.

28 (4) THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
29 MACHINE LICENSE SHALL REPORT TO THE BOARD AN EMPLOYEE OF A
30 NONGAMING SERVICE PROVIDER THAT DOES ANY OF THE FOLLOWING:

1 (I) ENTERS THE GAMING FLOOR OR A GAMING-RELATED
2 RESTRICTED AREA OF THE LICENSED FACILITY.

3 (II) COMMITS AN ACT THAT ADVERSELY AFFECTS THE
4 PUBLIC INTEREST OR INTEGRITY OF GAMING.

5 (5) THE BOARD MAY PROHIBIT A NONGAMING SERVICE PROVIDER
6 OR ANY OF ITS EMPLOYEES FROM PROVIDING GOODS OR SERVICES TO A
7 SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE
8 AT A LICENSED FACILITY IF THE BOARD DETERMINES THE
9 PROHIBITION IS NECESSARY TO PROTECT THE PUBLIC INTEREST OR
10 INTEGRITY OF GAMING.

11 (E) AUTHORITY TO EXEMPT.--THE BOARD MAY EXEMPT A SLOT
12 MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE FROM
13 THE NOTIFICATION REQUIREMENTS OF THIS SECTION IF THE BOARD
14 DETERMINES ANY OF THE FOLLOWING:

15 (1) THE NONGAMING SERVICE PROVIDER OR THE TYPE OR NATURE
16 OF THE NONGAMING SERVICE PROVIDER'S BUSINESS IS REGULATED BY
17 AN AGENCY OF THE FEDERAL GOVERNMENT, AN AGENCY OF THE
18 COMMONWEALTH OR THE PENNSYLVANIA SUPREME COURT.

19 (2) NOTIFICATION IS NOT NECESSARY TO PROTECT THE PUBLIC
20 INTEREST OR INTEGRITY OF GAMING.

21 (F) (RESERVED).

22 (G) CRIMINAL HISTORY RECORD INFORMATION.--NOTWITHSTANDING
23 ANY OTHER PROVISION OF THIS PART OR REGULATION OF THE BOARD, A
24 NONGAMING SERVICE PROVIDER SHALL OBTAIN FROM THE PENNSYLVANIA
25 STATE POLICE AND PROVIDE TO THE BOARD THE RESULTS OF A CRIMINAL
26 HISTORY RECORD INFORMATION CHECK UNDER 18 PA.C.S. CH. 91
27 (RELATING TO CRIMINAL HISTORY RECORD INFORMATION).

28 (H) EMERGENCY NOTIFICATION.--

29 (1) A SLOT MACHINE LICENSEE MAY USE A NONGAMING SERVICE
30 PROVIDER PRIOR TO THE BOARD RECEIVING NOTIFICATION UNDER THIS

1 SECTION WHEN A THREAT TO PUBLIC HEALTH, WELFARE OR SAFETY
2 EXISTS OR CIRCUMSTANCES OUTSIDE THE CONTROL OF THE SLOT
3 MACHINE LICENSEE REQUIRE IMMEDIATE ACTION TO MITIGATE DAMAGE
4 OR LOSS TO THE SLOT MACHINE LICENSEE'S LICENSED FACILITY OR
5 TO THE COMMONWEALTH.

6 (2) A SLOT MACHINE LICENSEE THAT USES A NONGAMING
7 SERVICE PROVIDER IN ACCORDANCE WITH PARAGRAPH (1) SHALL:

8 (I) NOTIFY THE BOARD IMMEDIATELY UPON ENGAGING A
9 NONGAMING SERVICE PROVIDER FOR WHICH THE BOARD HAS NOT
10 PREVIOUSLY RECEIVED NOTIFICATION IN ACCORDANCE WITH
11 SUBSECTION (A).

12 (II) PROVIDE THE NOTIFICATION REQUIRED UNDER
13 SUBSECTION (A) WITHIN A REASONABLE TIME AS ESTABLISHED BY
14 THE BOARD.

15 (I) NONGAMING SERVICE PROVIDER LIST.--

16 (1) THE BOARD SHALL HAVE THE AUTHORITY TO PROHIBIT A
17 NONGAMING SERVICE PROVIDER FROM ENGAGING IN BUSINESS WITH A
18 SLOT MACHINE LICENSEE UPON A FINDING BY THE BOARD THAT THE
19 PROHIBITION IS NECESSARY TO PROTECT THE PUBLIC INTEREST AND
20 THE INTEGRITY OF GAMING.

21 (2) THE BOARD SHALL DEVELOP AND MAINTAIN A LIST OF
22 PROHIBITED NONGAMING SERVICE PROVIDERS AND MAKE IT AVAILABLE
23 UPON REQUEST TO A SLOT MACHINE LICENSEE OR AN APPLICANT FOR A
24 SLOT MACHINE LICENSE.

25 (3) A SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
26 MACHINE LICENSE MAY NOT ENTER INTO AN AGREEMENT OR ENGAGE IN
27 BUSINESS WITH A NONGAMING SERVICE PROVIDER APPEARING ON THE
28 LIST DESCRIBED IN PARAGRAPH (2).

29 (J) DUTIES OF NONGAMING SERVICE PROVIDER.--A NONGAMING
30 SERVICE PROVIDER SHALL:

1 (1) COOPERATE WITH THE BOARD AND BUREAU REGARDING AN
2 INVESTIGATION, HEARING, ENFORCEMENT ACTION OR DISCIPLINARY
3 ACTION.

4 (2) COMPLY WITH EACH CONDITION, RESTRICTION,
5 REQUIREMENT, ORDER OR RULING OF THE BOARD ISSUED UNDER THIS
6 PART OR REGULATION OF THE BOARD.

7 (3) REPORT ANY CHANGE IN CIRCUMSTANCES TO THE SLOT
8 MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE THAT
9 MAY RENDER THE NONGAMING SERVICE PROVIDER INELIGIBLE,
10 UNQUALIFIED OR UNSUITABLE FOR THE PROVISION OF GOODS OR
11 SERVICES AT A LICENSED FACILITY OR USE IN THE OPERATION OF A
12 LICENSED FACILITY. THE SLOT MACHINE LICENSEE OR APPLICANT FOR
13 A SLOT MACHINE LICENSE SHALL REPORT ANY CHANGE IN
14 CIRCUMSTANCES TO THE BOARD IN SUCH FORM AND MANNER AS THE
15 BOARD MAY ESTABLISH.

16 (K) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
17 CONSTRUED TO LIMIT THE POWERS AND AUTHORITY OF THE BOARD UNDER
18 SECTION 1202 (RELATING TO GENERAL AND SPECIFIC POWERS) OR THE
19 REGULATORY AUTHORITY OF THE BOARD UNDER SECTION 1207 (RELATING
20 TO REGULATORY AUTHORITY OF BOARD).

21 SECTION 16. SECTION 1320(A) OF TITLE 4 IS AMENDED AND THE
22 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

23 § 1320. SLOT MACHINE TESTING AND CERTIFICATION STANDARDS.

24 (A) USE OF OTHER STATE STANDARDS.--[UNTIL SUCH TIME AS THE
25 BOARD ESTABLISHES AN INDEPENDENT TESTING AND CERTIFICATION
26 FACILITY PURSUANT TO SUBSECTION (B), THE] THE BOARD MAY
27 DETERMINE, AT ITS DISCRETION, WHETHER THE SLOT MACHINE TESTING
28 AND CERTIFICATION STANDARDS OF ANOTHER JURISDICTION WITHIN THE
29 UNITED STATES IN WHICH AN APPLICANT FOR A MANUFACTURER LICENSE
30 IS LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR

1 ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS PART. IF THE BOARD
2 MAKES THAT DETERMINATION, IT MAY PERMIT A MANUFACTURER THROUGH A
3 LICENSED SUPPLIER AS PROVIDED IN SECTION 1317 (RELATING TO
4 SUPPLIER [AND MANUFACTURER LICENSES APPLICATION] LICENSES) TO
5 DEPLOY THOSE SLOT MACHINES WHICH HAVE MET THE SLOT MACHINE
6 TESTING AND CERTIFICATION STANDARDS IN SUCH OTHER JURISDICTIONS
7 WITHOUT UNDERGOING THE FULL TESTING AND CERTIFICATION PROCESS BY
8 A BOARD-ESTABLISHED INDEPENDENT FACILITY. IN THE EVENT SLOT
9 MACHINES OF AN APPLICANT FOR A MANUFACTURER LICENSE ARE LICENSED
10 IN SUCH OTHER JURISDICTION, THE BOARD MAY DETERMINE TO USE AN
11 ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED
12 BY THE BOARD TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A SLOT
13 MACHINE CERTIFICATION TO SUCH AN APPLICANT. [ALTERNATIVELY, THE
14 BOARD IN ITS DISCRETION MAY ALSO RELY UPON THE CERTIFICATION OF
15 A SLOT MACHINE THAT HAS MET THE TESTING AND CERTIFICATION
16 STANDARDS OF A BOARD-APPROVED PRIVATE TESTING AND CERTIFICATION
17 FACILITY UNTIL SUCH TIME AS THE BOARD ESTABLISHES AN INDEPENDENT
18 TESTING AND CERTIFICATION FACILITY PURSUANT TO SUBSECTION (B).
19 NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE ANY FEES
20 ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE NORMAL
21 APPLICATION PROCESS.]

22 * * *

23 (B.1) USE OF PRIVATE TESTING AND CERTIFICATION FACILITIES.--
24 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS PART OR REGULATION
25 OF THE BOARD, IF A SLOT MACHINE IS TESTED AND CERTIFIED BY A
26 PRIVATE TESTING AND CERTIFICATION FACILITY REGISTERED WITH THE
27 BOARD, THE BOARD SHALL USE AN ABBREVIATED CERTIFICATION PROCESS
28 REQUIRING ONLY THAT INFORMATION DETERMINED BY IT TO BE NECESSARY
29 TO CONSIDER THE ISSUANCE OF A SLOT MACHINE CERTIFICATION UNDER
30 THIS SECTION. WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS

1 SUBSECTION, THE BOARD SHALL PROMULGATE REGULATIONS THAT:

2 (1) PROVIDE FOR THE REGISTRATION OF PRIVATE TESTING AND
3 CERTIFICATION FACILITIES. PERSONS SEEKING REGISTRATION UNDER
4 THIS SUBSECTION SHALL BE SUBJECT TO SECTION 1202(B) (9)
5 (RELATING TO GENERAL AND SPECIFIC POWERS).

6 (2) SPECIFY THE FORM AND CONTENT OF THE APPLICATION FOR
7 REGISTRATION.

8 (3) ESTABLISH AND COLLECT AN APPLICATION FEE FOR PERSONS
9 SEEKING REGISTRATION. THE APPLICATION FEE SHALL INCLUDE THE
10 COSTS OF ALL BACKGROUND INVESTIGATIONS AS DETERMINED
11 NECESSARY AND APPROPRIATE BY THE BUREAU.

12 (4) ESTABLISH UNIFORM PROCEDURES AND STANDARDS WHICH
13 PRIVATE TESTING AND CERTIFICATION FACILITIES MUST COMPLY WITH
14 DURING THE TESTING AND CERTIFICATION OF SLOT MACHINES.

15 (5) UTILIZE INFORMATION PROVIDED BY PRIVATE TESTING AND
16 CERTIFICATION FACILITIES FOR THE ABBREVIATED CERTIFICATION OF
17 SLOT MACHINES.

18 (6) ESTABLISH AN ABBREVIATED CERTIFICATION PROCESS THAT
19 MAY BE USED BY REGISTERED PRIVATE TESTING AND CERTIFICATION
20 FACILITIES TO TEST AND CERTIFY SLOT MACHINES.

21 (7) ESTABLISH FEES THAT MUST BE PAID BY LICENSED
22 MANUFACTURERS.

23 (8) REQUIRE SLOT MACHINES SUBMITTED FOR ABBREVIATED
24 CERTIFICATION TO BE APPROVED OR DENIED BY THE BOARD WITHIN 30
25 DAYS FROM THE DATE OF SUBMISSION TO THE BOARD. IF THE BOARD
26 FAILS TO ACT WITHIN THE 30-DAY PERIOD, THE ABBREVIATED
27 CERTIFICATION SHALL BE DEEMED CONDITIONALLY APPROVED.

28 (9) PROVIDE PROCEDURES AND STANDARDS FOR THE SUSPENSION
29 AND REVOCATION OF THE REGISTRATION OF A PRIVATE TESTING AND
30 CERTIFICATION FACILITY AND THE REINSTATEMENT OF A SUSPENDED

1 OR REVOKED REGISTRATION, AS DETERMINED APPROPRIATE BY THE
2 BOARD.

3 * * *

4 SECTION 17. SECTION 1326 OF TITLE 4 IS AMENDED TO READ:

5 § 1326. [LICENSE RENEWALS] RENEWALS.

6 (A) RENEWAL.--ALL PERMITS [AND] LICENSES, REGISTRATIONS OR
7 CERTIFICATES ISSUED UNDER THIS PART UNLESS OTHERWISE PROVIDED
8 SHALL BE SUBJECT TO RENEWAL EVERY [THREE] FIVE YEARS. NOTHING IN
9 THIS SUBSECTION SHALL RELIEVE A LICENSEE, PERMITTEE OR HOLDER OF
10 A CERTIFICATE OR REGISTRATION OF THE AFFIRMATIVE DUTY TO NOTIFY
11 THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF ITS LICENSE,
12 PERMIT, CERTIFICATE OR REGISTRATION OR TO ANY OTHER INFORMATION
13 CONTAINED IN THE APPLICATION MATERIALS ON FILE WITH THE BOARD.
14 THE APPLICATION FOR RENEWAL SHALL BE SUBMITTED AT LEAST [60] 180
15 DAYS PRIOR TO THE EXPIRATION OF THE PERMIT [OR] LICENSE,
16 REGISTRATION OR CERTIFICATE AND SHALL INCLUDE AN UPDATE OF THE
17 INFORMATION CONTAINED IN THE INITIAL AND ANY PRIOR RENEWAL
18 APPLICATIONS AND THE PAYMENT OF ANY RENEWAL FEE REQUIRED BY THIS
19 PART. UNLESS OTHERWISE SPECIFICALLY PROVIDED IN THIS PART, THE
20 AMOUNT OF ANY RENEWAL FEE SHALL BE CALCULATED BY THE BOARD TO
21 REFLECT THE LONGER RENEWAL PERIOD. A PERMIT [OR] LICENSE,
22 REGISTRATION OR CERTIFICATE FOR WHICH A COMPLETED RENEWAL
23 APPLICATION AND FEE, IF REQUIRED, HAS BEEN RECEIVED BY THE BOARD
24 WILL CONTINUE IN EFFECT UNLESS AND UNTIL THE BOARD SENDS WRITTEN
25 NOTIFICATION TO THE HOLDER OF THE PERMIT [OR] LICENSE,
26 REGISTRATION OR CERTIFICATE THAT THE BOARD HAS DENIED THE
27 RENEWAL OF SUCH PERMIT [OR] LICENSE, REGISTRATION OR
28 CERTIFICATE.

29 (B) REVOCATION OR FAILURE TO RENEW.--IN ADDITION TO ANY
30 OTHER SANCTIONS THE BOARD MAY IMPOSE UNDER THIS PART, THE BOARD

1 MAY AT ITS DISCRETION SUSPEND, REVOKE OR DENY RENEWAL OF ANY
2 PERMIT [OR], LICENSE, REGISTRATION OR CERTIFICATE ISSUED UNDER
3 THIS PART IF IT RECEIVES ANY INFORMATION FROM ANY SOURCE THAT
4 THE APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OWNERS OR KEY
5 EMPLOYEES IS IN VIOLATION OF ANY PROVISION OF THIS PART, THAT
6 THE APPLICANT HAS FURNISHED THE BOARD WITH FALSE OR MISLEADING
7 INFORMATION OR THAT THE INFORMATION CONTAINED IN THE APPLICANT'S
8 INITIAL APPLICATION OR ANY RENEWAL APPLICATION IS NO LONGER TRUE
9 AND CORRECT. IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW,
10 THE APPLICANT'S AUTHORIZATION TO CONDUCT THE PREVIOUSLY APPROVED
11 ACTIVITY SHALL IMMEDIATELY CEASE, AND ALL FEES PAID IN
12 CONNECTION THEREWITH SHALL BE DEEMED TO BE FORFEITED. IN THE
13 EVENT OF A SUSPENSION, THE APPLICANT'S AUTHORIZATION TO CONDUCT
14 THE PREVIOUSLY APPROVED ACTIVITY SHALL IMMEDIATELY CEASE UNTIL
15 THE BOARD HAS NOTIFIED THE APPLICANT THAT THE SUSPENSION IS NO
16 LONGER IN EFFECT.

17 SECTION 18. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:
18 § 1326.1. SLOT MACHINE LICENSE OPERATION FEE.

19 (A) IMPOSITION.--BEGINNING JANUARY 1, 2017, EACH CATEGORY 1
20 AND CATEGORY 2 LICENSED GAMING ENTITY, EXCEPT A CATEGORY 1 OR
21 CATEGORY 2 LICENSED GAMING ENTITY LOCATED IN A CITY OF THE FIRST
22 CLASS, SHALL PAY TO THE BOARD AN ANNUAL SLOT MACHINE LICENSE
23 OPERATION FEE IN AN AMOUNT EQUAL TO 20% OF THE SLOT MACHINE
24 LICENSE FEE PAID AT THE TIME OF ISSUANCE UNDER SECTION 1209(A)
25 (RELATING TO SLOT MACHINE LICENSE FEE).

26 (B) PAYMENT OF FEE.--THE SLOT MACHINE LICENSE OPERATION FEE
27 IMPOSED UNDER SUBSECTION (A) SHALL BE PAID IN EQUAL MONTHLY
28 INSTALLMENTS ON OR BEFORE THE FIRST DAY OF EACH MONTH.

29 (C) FAILURE TO PAY.--THE BOARD MAY AT THE BOARD'S DISCRETION
30 SUSPEND, REVOKE OR DENY ANY PERMIT OR LICENSE ISSUED UNDER THIS

PART TO A CATEGORY 1 LICENSED GAMING ENTITY OR CATEGORY 2
LICENSED GAMING ENTITY THAT FAILS TO PAY THE SLOT MACHINE
LICENSE OPERATION FEE IMPOSED UNDER SUBSECTION (A).

(D) DEPOSIT.--THE SLOT MACHINE LICENSE OPERATION FEES
COLLECTED BY THE BOARD UNDER THIS SECTION SHALL BE DEPOSITED IN
THE FUND AND SHALL BE APPROPRIATED TO THE DEPARTMENT ON A
CONTINUING BASIS FOR THE PURPOSES UNDER SECTION 1403(C) (3)
(RELATING TO ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT
MACHINE REVENUE DISTRIBUTION).

SECTION 19. SECTION 1328(D) OF TITLE 4 IS AMENDED AND THE
SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

§ 1328. CHANGE IN OWNERSHIP OR CONTROL OF SLOT MACHINE
LICENSEE.

* * *

(D) FEE REDUCTION.--THE BOARD MAY IN ITS DISCRETION
ELIMINATE THE NEED FOR QUALIFICATION AND/OR PROPORTIONATELY
REDUCE[, BUT NOT ELIMINATE,] THE NEW LICENSE FEE OTHERWISE
REQUIRED PURSUANT TO THIS SECTION IN CONNECTION WITH A CHANGE OF
CONTROL OF A LICENSEE, PROVIDED THAT THE REDUCED MINIMUM LICENSE
FEE FOR A CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSE SHALL
NOT BE LESS THAN \$15,000,000 AND THE REDUCED MINIMUM LICENSE FEE
FOR A CATEGORY 3 SLOT MACHINE LICENSE SHALL NOT BE LESS THAN
\$1,000,000, DEPENDING UPON THE TYPE OF TRANSACTION, THE RELEVANT
OWNERSHIP INTERESTS AND CHANGES THERETO RESULTING FROM THE
TRANSACTION AND OTHER CONSIDERATIONS DEEMED RELEVANT BY THE
BOARD.

* * *

(F) UNDUE ECONOMIC CONCENTRATION PROHIBITED.--A CHANGE IN
OWNERSHIP OR CONTROL OF A SLOT MACHINE LICENSEE SHALL COMPLY
WITH SECTION 1330.1 (RELATING TO UNDUE ECONOMIC CONCENTRATION

1 PROHIBITED).

2 SECTION 20. SECTION 1330 OF TITLE 4 IS REPEALED:

3 [§ 1330. MULTIPLE SLOT MACHINE LICENSE PROHIBITION.

4 NO SLOT MACHINE LICENSEE, ITS AFFILIATE, INTERMEDIARY,
5 SUBSIDIARY OR HOLDING COMPANY MAY POSSESS AN OWNERSHIP OR
6 FINANCIAL INTEREST THAT IS GREATER THAN 33.3% OF ANOTHER SLOT
7 MACHINE LICENSEE OR PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1
8 LICENSE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
9 COMPANY. THE BOARD SHALL APPROVE THE TERMS AND CONDITIONS OF ANY
10 DIVESTITURE UNDER THIS SECTION. UNDER NO CIRCUMSTANCES SHALL ANY
11 SUCH DIVESTITURE BE APPROVED BY THE BOARD IF THE COMPENSATION
12 FOR THE DIVESTED INTEREST IN A PERSON ELIGIBLE TO APPLY FOR A
13 CATEGORY 1 LICENSE EXCEEDS THE GREATER OF THE ORIGINAL COST OF
14 THE INTEREST, THE BOOK VALUE OF THE INTEREST OR AN INDEPENDENTLY
15 ASSESSED VALUE OF THE INTEREST ONE MONTH PRIOR TO THE EFFECTIVE
16 DATE OF THIS PART AND, IN THE CASE OF A PERSON ELIGIBLE TO APPLY
17 FOR A CATEGORY 1 LICENSE, UNLESS THE PERSON ACQUIRING THE
18 DIVESTED INTEREST IS REQUIRED TO CONTINUE CONDUCTING LIVE RACING
19 AT THE LOCATION WHERE LIVE RACING IS CURRENTLY BEING CONDUCTED
20 IN ACCORDANCE WITH SECTION 1303 (RELATING TO ADDITIONAL CATEGORY
21 1 SLOT MACHINE LICENSE REQUIREMENTS) AND BE APPROVED FOR A
22 CATEGORY 1 SLOT MACHINE LICENSE. NO SUCH SLOT MACHINE LICENSE
23 APPLICANT SHALL BE ISSUED A SLOT MACHINE LICENSE UNTIL THE
24 APPLICANT HAS COMPLETELY DIVESTED ITS OWNERSHIP OR FINANCIAL
25 INTEREST THAT IS IN EXCESS OF 33.3% IN ANOTHER SLOT MACHINE
26 LICENSEE OR PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE,
27 ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY.]

28 SECTION 21. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:

29 § 1330.1. UNDUE ECONOMIC CONCENTRATION PROHIBITED.

30 (A) GENERAL RULE.--NO SLOT MACHINE LICENSEE, ITS AFFILIATE,

1 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY MAY POSSESS AN
2 OWNERSHIP OR FINANCIAL INTEREST OF ANOTHER SLOT MACHINE LICENSEE
3 OR PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE, ITS
4 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY IF THE
5 OWNERSHIP OR FINANCIAL INTEREST WOULD RESULT IN UNDUE ECONOMIC
6 CONCENTRATION IN THIS COMMONWEALTH.

7 (B) BOARD TO ESTABLISH CRITERIA.--THE BOARD SHALL ESTABLISH
8 THROUGH REGULATION CRITERIA FOR DETERMINING WHETHER THE ISSUANCE
9 OF A SLOT MACHINE LICENSE OR A CHANGE IN OWNERSHIP OR CONTROL OF
10 A SLOT MACHINE LICENSEE OCCURRING UNDER SECTION 1328 (RELATING
11 TO CHANGE IN OWNERSHIP OR CONTROL OF SLOT MACHINE LICENSEE)
12 CONSTITUTES UNDUE ECONOMIC CONCENTRATION. THE CRITERIA SHALL
13 INCLUDE:

14 (1) THE PERCENTAGE SHARE OF THE MARKET PRESENTLY
15 CONTROLLED BY THE APPLICANT.

16 (2) THE ESTIMATED INCREASE IN THE MARKET SHARE IF THE
17 APPLICANT IS ISSUED THE SLOT MACHINE LICENSE.

18 (3) THE RELATIVE POSITION OF OTHER SLOT MACHINE
19 LICENSEES.

20 (4) THE CURRENT AND PROJECTED FINANCIAL CONDITION OF THE
21 GAMING INDUSTRY IN THIS COMMONWEALTH.

22 (5) CURRENT MARKET CONDITIONS, INCLUDING LEVEL OF
23 COMPETITION, CONSUMER DEMAND, MARKET CONCENTRATION, ANY
24 CONSOLIDATION TRENDS IN THE INDUSTRY AND ANY OTHER RELEVANT
25 CHARACTERISTICS OF THE MARKET.

26 (6) WHETHER THE APPLICANT HAS SEPARATE ORGANIZATIONAL
27 STRUCTURES OR OTHER INDEPENDENT OBLIGATIONS.

28 (7) POTENTIAL IMPACT ON THE PROJECTED FUTURE GROWTH AND
29 DEVELOPMENT OF THE GAMING INDUSTRY IN THIS COMMONWEALTH.

30 (8) WHETHER THE ISSUANCE OR HOLDING OF THE SLOT MACHINE

LICENSE BY THE APPLICANT WILL ADVERSELY IMPACT CONSUMER INTERESTS.

(9) ANY OTHER CRITERIA THE BOARD MAY REQUIRE.

(C) DIVESTITURE.--NO APPLICANT SHALL BE ISSUED A SLOT MACHINE LICENSE OR APPROVED FOR A CHANGE IN OWNERSHIP OR CONTROL UNTIL THE APPLICANT HAS COMPLETELY DIVESTED A PORTION OF OWNERSHIP OR FINANCIAL INTEREST OF ANOTHER SLOT MACHINE LICENSEE. THE BOARD SHALL APPROVE THE TERMS AND CONDITIONS OF ANY DIVESTITURE THAT MAY BE REQUIRED UNDER THIS SECTION.

(D) DEFINITION.--FOR THE PURPOSE OF THIS SECTION, "UNDUE ECONOMIC CONCENTRATION" MEANS THAT A SLOT MACHINE LICENSEE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY WOULD HAVE SUCH ACTUAL OR POTENTIAL DOMINATION OF THE GAMING MARKET IN THIS COMMONWEALTH AS TO SUBSTANTIALLY IMPEDE OR SUPPRESS COMPETITION AMONG SLOT MACHINE LICENSEES OR ADVERSELY IMPACT THE ECONOMIC STABILITY OF THE GAMING INDUSTRY IN THIS COMMONWEALTH.

SECTION 22. SECTIONS 13A11(B), 13A22.1(C) AND 13A27(A) AND (C) OF TITLE 4 ARE AMENDED TO READ:

§ 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 AT A CATEGORY 3 LICENSED FACILITY SHALL BE EXEMPT FROM SECTION 13A11(B) (2) 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.

(A) CREDIT.--

(1) NOTWITHSTANDING SECTION 1504 (RELATING TO WAGERING ON CREDIT), A CERTIFICATE HOLDER MAY EXTEND INTEREST-FREE, UNSECURED CREDIT TO PATRONS FOR THE PURPOSE OF PLAYING SLOT MACHINES OR TABLE GAMES IN ACCORDANCE WITH THIS SECTION; HOWEVER, A CERTIFICATE HOLDER SHALL NOT ACCEPT CREDIT CARDS, CHARGE CARDS OR DEBIT CARDS FROM A PATRON OR PLAYER FOR THE EXCHANGE OR PURCHASE OF CHIPS, SLOT MACHINE OR TABLE GAME CREDITS OR FOR AN ADVANCE OF COINS OR CURRENCY TO BE UTILIZED BY A PLAYER TO PLAY SLOT MACHINE OR TABLE GAMES. NO CREDIT CARD ADVANCE MACHINE MAY BE PLACED ON THE GAMING FLOOR.

1 (2) PREPAID ACCESS INSTRUMENTS ARE NOT DEEMED TO BE A
2 CREDIT CARD, CHARGE CARD, DEBIT CARD OR ANY OTHER INSTRUMENT
3 OF CREDIT AND ARE NOT PROHIBITED UNDER THIS SECTION. A DEVICE
4 OR OTHER MECHANISM THAT ALLOWS OR FACILITATES THE FUNDING OF
5 A PREPAID ACCESS INSTRUMENT SHALL NOT BE DEEMED A CREDIT CARD
6 ADVANCE MACHINE UNDER THIS SECTION.

7 * * *

8 (C) CREDIT APPLICATION VERIFICATION.---PRIOR TO APPROVING AN
9 APPLICATION FOR CREDIT, A CERTIFICATE HOLDER SHALL VERIFY:

10 (1) THE IDENTITY, CREDITWORTHINESS AND INDEBTEDNESS
11 INFORMATION OF THE APPLICANT BY CONDUCTING A COMPREHENSIVE
12 REVIEW OF THE INFORMATION SUBMITTED WITH THE APPLICATION AND
13 ANY INFORMATION REGARDING THE APPLICANT'S CREDIT ACTIVITY AT
14 OTHER LICENSED FACILITIES WHICH THE CERTIFICATE HOLDER MAY
15 OBTAIN THROUGH A CASINO CREDIT BUREAU AND, IF APPROPRIATE,
16 THROUGH DIRECT CONTACT WITH OTHER SLOT MACHINE LICENSEES.

17 (2) THAT THE APPLICANT'S NAME IS NOT INCLUDED ON AN
18 EXCLUSION LIST UNDER SECTION 1514 (RELATING TO REGULATION
19 REQUIRING EXCLUSION [OR] EJECTION OR DENIAL OF ACCESS OF
20 CERTAIN PERSONS) OR 1516 (RELATING TO LIST OF PERSONS SELF
21 EXCLUDED FROM GAMING ACTIVITIES) OR THE VOLUNTARY CREDIT
22 SUSPENSION LIST UNDER SUBSECTION (H) .

23 * * *

24 SECTION 23. SECTION 13A41 OF TITLE 4 IS AMENDED BY ADDING A
25 SUBSECTION TO READ:

26 § 13A41. TABLE GAME DEVICE AND ASSOCIATED EQUIPMENT TESTING AND
27 CERTIFICATION STANDARDS.

28 * * *

29 (B.1) USE OF PRIVATE TESTING AND CERTIFICATION FACILITIES.--
30 NOTWITHSTANDING ANY PROVISION OF THIS PART OR REGULATION OF THE

1 BOARD, IF A TABLE GAME DEVICE OR ASSOCIATED EQUIPMENT IS TESTED
2 AND CERTIFIED BY A PRIVATE TESTING AND CERTIFICATION FACILITY
3 REGISTERED WITH THE BOARD, THE BOARD SHALL USE AN ABBREVIATED
4 CERTIFICATION PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED
5 BY IT TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A TABLE GAME
6 DEVICE OR ASSOCIATED EQUIPMENT CERTIFICATION UNDER THIS SECTION.
7 WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS SUBSECTION, THE
8 BOARD SHALL PROMULGATE REGULATIONS THAT:

9 (1) PROVIDE FOR THE REGISTRATION OF PRIVATE TESTING AND
10 CERTIFICATION FACILITIES. PERSONS SEEKING REGISTRATION UNDER
11 THIS SUBSECTION SHALL BE SUBJECT TO SECTION 1202(B) (9)
12 (RELATING TO GENERAL AND SPECIFIC POWERS).

13 (2) SPECIFY THE FORM AND CONTENT OF THE APPLICATION FOR
14 REGISTRATION.

15 (3) ESTABLISH AND COLLECT AN APPLICATION FEE FOR PERSONS
16 SEEKING REGISTRATION. THE APPLICATION FEE SHALL INCLUDE THE
17 COSTS OF ALL BACKGROUND INVESTIGATIONS AS DETERMINED
18 NECESSARY AND APPROPRIATE BY THE BOARD.

19 (4) ESTABLISH UNIFORM PROCEDURES AND STANDARDS WHICH
20 PRIVATE TESTING AND CERTIFICATION FACILITIES MUST COMPLY WITH
21 DURING THE TESTING AND CERTIFICATION OF TABLE GAME DEVICES
22 AND ASSOCIATED EQUIPMENT.

23 (5) UTILIZE INFORMATION PROVIDED BY PRIVATE TESTING AND
24 CERTIFICATION FACILITIES FOR THE ABBREVIATED CERTIFICATION OF
25 TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT.

26 (6) ESTABLISH AN ABBREVIATED CERTIFICATION PROCESS THAT
27 MAY BE USED BY REGISTERED PRIVATE TESTING AND CERTIFICATION
28 FACILITIES TO TEST AND CERTIFY TABLE GAME DEVICES OR
29 ASSOCIATED EQUIPMENT.

30 (7) ESTABLISH FEES THAT MUST BE PAID BY A LICENSED

1 MANUFACTURER.

2 (8) REQUIRE TABLE GAME DEVICES AND ASSOCIATED EQUIPMENT
3 SUBMITTED FOR ABBREVIATED CERTIFICATION TO BE APPROVED OR
4 DENIED BY THE BOARD WITHIN 30 DAYS FROM THE DATE OF
5 SUBMISSION TO THE BOARD. IF THE BOARD FAILS TO ACT WITHIN THE
6 30-DAY PERIOD, THE ABBREVIATED CERTIFICATION SHALL BE DEEMED
7 CONDITIONALLY APPROVED.

8 (9) PROVIDE PROCEDURES AND STANDARDS FOR THE SUSPENSION
9 AND REVOCATION OF THE REGISTRATION OF A PRIVATE TESTING AND
10 CERTIFICATION FACILITY AND THE REINSTATEMENT OF A SUSPENDED
11 OR REVOKED REGISTRATION.

12 SECTION 23.1. SECTION 13A61(A) OF TITLE 4 IS AMENDED BY
13 ADDING A PARAGRAPH TO READ:

14 § 13A61. TABLE GAME AUTHORIZATION FEE.

15 (A) AMOUNT OF AUTHORIZATION FEE.--

16 * * *

17 (3.1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART,
18 NO LATER THAN 60 DAYS AFTER THE BOARD APPROVES A REQUEST FOR
19 ADDITIONAL TABLE GAMES IN ACCORDANCE WITH SECTION 13A11
20 (RELATING TO AUTHORIZATION TO CONDUCT TABLE GAMES) SUBMITTED
21 BY A CATEGORY 3 SLOT MACHINE LICENSEE, THE CATEGORY 3 SLOT
22 MACHINE LICENSEE SHALL PAY A ONE-TIME NONREFUNDABLE FEE IN
23 THE AMOUNT OF \$1,000,000. THE FEE SHALL BE DEPOSITED INTO THE
24 GENERAL FUND.

25 * * *

26 SECTION 24. SECTION 13A63(B) (3) (III) (C) AND (4) OF TITLE 4
27 ARE AMENDED TO READ:

28 § 13A63. LOCAL SHARE ASSESSMENT.

29 * * *

30 (B) DISTRIBUTIONS TO COUNTIES.--THE DEPARTMENT SHALL MAKE

1 QUARTERLY DISTRIBUTIONS FROM THE LOCAL SHARE ASSESSMENTS
2 DEPOSITED INTO THE FUND UNDER SUBSECTION (A) TO COUNTIES,
3 INCLUDING HOME RULE COUNTIES, HOSTING A LICENSED FACILITY
4 AUTHORIZED TO CONDUCT TABLE GAMES UNDER THIS CHAPTER IN
5 ACCORDANCE WITH THE FOLLOWING:

6 * * *

7 (3) IF THE FACILITY IS A CATEGORY 2 LICENSED FACILITY
8 AND IF THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED
9 IS:

10 * * *

11 (III) A COUNTY OF THE THIRD CLASS WHERE A CITY OF
12 THE THIRD CLASS HOSTING THE LICENSED FACILITY IS LOCATED
13 IN TWO COUNTIES OF THE THIRD CLASS: 50% OF THE LICENSED
14 FACILITY'S LOCAL SHARE ASSESSMENT SHALL BE DISTRIBUTED AS
15 FOLLOWS:

16 * * *

17 (C) TWENTY PERCENT TO THE NONHOST COUNTY IN
18 WHICH THE HOST CITY IS LOCATED, OF WHICH 50% SHALL BE
19 DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE
20 ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY
21 TO BE USED [SOLELY FOR GRANTS TO MUNICIPALITIES [THAT
22 ARE CONTIGUOUS TO THE HOST CITY] EXCLUSIVELY FOR
23 ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY IMPROVEMENT
24 PROJECTS AND OTHER PROJECTS IN THE PUBLIC INTEREST
25 WITHIN THE NONHOST COUNTY, WITH PRIORITY GIVEN TO
26 MUNICIPALITIES CONTIGUOUS TO THE HOST CITY.

27 * * *

28 (4) THE FOLLOWING APPLY:

29 (I) IF THE FACILITY IS A CATEGORY 3 LICENSED
30 FACILITY LOCATED IN A COUNTY OF THE SECOND CLASS A: 50%

1 OF THE LICENSED FACILITY'S LOCAL SHARE ASSESSMENT SHALL
2 BE [DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE
3 ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE
4 USED EXCLUSIVELY FOR GRANTS OR GUARANTEES FOR PROJECTS IN
5 THE COUNTY THAT QUALIFY UNDER 64 PA.C.S. §§ 1551
6 (RELATING TO BUSINESS IN OUR SITES PROGRAM), 1556
7 (RELATING TO TAX INCREMENT FINANCING GUARANTEE PROGRAM)
8 AND 1558 (RELATING TO WATER SUPPLY AND WASTE WATER
9 INFRASTRUCTURE PROGRAM).] DISTRIBUTED AS FOLLOWS:

10 (A) SEVENTY-FIVE PERCENT SHALL BE DISTRIBUTED TO
11 THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH
12 SUCH LICENSED FACILITY FOR THE PURPOSE OF SUPPORTING
13 THE MAINTENANCE AND REFURBISHMENT OF THE PARKS AND
14 HERITAGE SITES THROUGHOUT THE COUNTY IN WHICH THE
15 LICENSEE IS LOCATED.

16 (B) TWELVE AND ONE-HALF PERCENT SHALL BE
17 DISTRIBUTED TO THE COUNTY HOSTING THE LICENSED
18 FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE
19 PURPOSE OF SUPPORTING A CHILD ADVOCACY CENTER LOCATED
20 WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

21 (C) TWELVE AND ONE-HALF PERCENT SHALL BE
22 DISTRIBUTED TO THE COUNTY HOSTING THE LICENSED
23 FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE
24 PURPOSE OF SUPPORTING AN ORGANIZATION PROVIDING
25 COMPREHENSIVE SUPPORT SERVICES TO VICTIMS OF DOMESTIC
26 VIOLENCE, INCLUDING LEGAL AND MEDICAL AID, SHELTERS,
27 TRANSITIONAL HOUSING AND COUNSELING LOCATED WITHIN
28 THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

29 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (I), IF THE
30 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 25. TITLE 4 IS AMENDED BY ADDING CHAPTERS TO READ:

CHAPTER 13B

INTERACTIVE GAMING

SUBCHAPTER

A. GENERAL PROVISIONS

B. INTERACTIVE GAMING AUTHORIZED

B.1. MULTI-USE COMPUTING DEVICES

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. (RESERVED).

13B02. REGULATORY AUTHORITY.

13B03. REGULATIONS.

§ 13B01. (RESERVED).

§ 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

1 NOT LIMITED TO, REGULATIONS:

2 (1) ENSURING THAT INTERACTIVE GAMING IS OFFERED FOR PLAY
3 IN THIS COMMONWEALTH IN A MANNER THAT IS CONSISTENT WITH
4 FEDERAL LAW AND THE PROVISIONS OF THIS CHAPTER.

5 (2) ESTABLISHING STANDARDS AND PROCEDURES FOR TESTING
6 AND APPROVING INTERACTIVE GAMES AND INTERACTIVE GAMING
7 DEVICES AND ASSOCIATED EQUIPMENT, AND ANY VARIATIONS OR
8 COMPOSITES OF AUTHORIZED INTERACTIVE GAMES, PROVIDED THAT THE
9 BOARD DETERMINES THAT THE INTERACTIVE GAMES AND ANY NEW
10 INTERACTIVE GAMES OR ANY VARIATIONS OR COMPOSITES ARE
11 SUITABLE FOR USE AFTER A TEST OR EXPERIMENTAL PERIOD UNDER
12 ANY TERMS AND CONDITIONS AS THE BOARD MAY DEEM APPROPRIATE.
13 THE BOARD MAY GIVE PRIORITY TO THE TESTING OF INTERACTIVE
14 GAMES, INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT OR
15 OTHER GAMING EQUIPMENT WHICH A SLOT MACHINE LICENSEE OR AN
16 APPLICANT FOR AN INTERACTIVE GAMING LICENSE HAS CERTIFIED
17 THAT IT WILL USE TO CONDUCT INTERACTIVE GAMING IN THIS
18 COMMONWEALTH. NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO
19 PROHIBIT THE BOARD FROM USING THE TESTING AND CERTIFICATION
20 STANDARDS OF ANOTHER STATE OR JURISDICTION IN WHICH
21 INTERACTIVE GAMING IS CONDUCTED, IF IT DETERMINES THAT THE
22 STANDARDS OF THE JURISDICTION ARE COMPREHENSIVE, THOROUGH AND
23 PROVIDE SIMILAR AND ADEQUATE SAFEGUARDS AS THOSE REQUIRED
24 UNDER THIS PART. IF THE BOARD MAKES SUCH A DETERMINATION AND
25 THE SLOT MACHINE LICENSEE OR APPLICANT FOR AN INTERACTIVE
26 GAMING LICENSE IS LICENSED IN ANOTHER STATE OR JURISDICTION
27 TO OPERATE INTERACTIVE GAMING OR AN INTERACTIVE GAMING
28 SYSTEM, IT MAY USE AN ABBREVIATED PROCESS REQUIRING ONLY THE
29 INFORMATION DETERMINED BY IT TO BE NECESSARY TO CONSIDER THE
30 ISSUANCE OF AN INTERACTIVE GAMING CERTIFICATE OR INTERACTIVE

1 GAMING LICENSE UNDER THIS CHAPTER. THE BOARD, IN ITS
2 DISCRETION, MAY ALSO RELY UPON THE CERTIFICATION OF
3 INTERACTIVE GAMES THAT HAVE MET THE TESTING AND CERTIFICATION
4 STANDARDS OF A BOARD-APPROVED PRIVATE TESTING AND
5 CERTIFICATION FACILITY.

6 (3) ESTABLISHING STANDARDS AND RULES TO GOVERN THE
7 CONDUCT OF INTERACTIVE GAMING AND THE SYSTEM OF AND WAGERING
8 ASSOCIATED WITH INTERACTIVE GAMING, INCLUDING INTERNAL
9 CONTROLS AND ACCOUNTING CONTROLS, AND THE TYPE, NUMBER,
10 PAYOUT, WAGERING LIMITS AND RULES FOR INTERACTIVE GAMES.

11 (4) ESTABLISHING THE METHOD FOR CALCULATING GROSS
12 INTERACTIVE GAMING REVENUE AND STANDARDS FOR THE DAILY
13 COUNTING AND RECORDING OF CASH AND CASH EQUIVALENTS RECEIVED
14 IN THE CONDUCT OF AUTHORIZED INTERACTIVE GAMES AND ENSURE
15 THAT INTERNAL CONTROLS AND ACCOUNTING CONTROLS ARE FOLLOWED,
16 INCLUDING THE MAINTENANCE OF FINANCIAL BOOKS AND RECORDS AND
17 THE CONDUCT OF AUDITS. THE BOARD SHALL CONSULT WITH THE
18 DEPARTMENT IN ESTABLISHING THESE REGULATIONS.

19 (5) ESTABLISHING NOTICE REQUIREMENTS PERTAINING TO
20 MINIMUM AND MAXIMUM WAGERS ON AUTHORIZED INTERACTIVE GAMES.

21 (6) ENSURING THAT ALL FACILITIES AND INTERACTIVE GAMING
22 DEVICES AND ASSOCIATED EQUIPMENT ARE ARRANGED IN A MANNER TO
23 PROMOTE APPROPRIATE SECURITY FOR INTERACTIVE GAMING.

24 (7) ESTABLISHING TECHNICAL STANDARDS FOR THE APPROVAL OF
25 INTERACTIVE GAMES, INTERACTIVE GAMING DEVICES AND ASSOCIATED
26 EQUIPMENT, INCLUDING MECHANICAL, ELECTRICAL OR PROGRAM
27 RELIABILITY, SECURITY AGAINST TAMPERING AND ANY OTHER
28 STANDARDS AS IT MAY DEEM NECESSARY TO PROTECT REGISTERED
29 PLAYERS FROM FRAUD OR DECEPTION.

30 (8) GOVERNING THE CREATION, OWNERSHIP AND UTILIZATION OF

1 INTERACTIVE GAMING ACCOUNTS BY REGISTERED PLAYERS, INCLUDING
2 THE FOLLOWING:

3 (I) REQUIRING THAT AN INTERACTIVE GAMING ACCOUNT BE
4 CREATED, OWNED AND UTILIZED BY A NATURAL PERSON AND NOT
5 IN THE NAME OF ANY BENEFICIARY, CUSTODIAN, JOINT TRUST,
6 CORPORATION, PARTNERSHIP OR OTHER ORGANIZATION OR ENTITY.

7 (II) PROHIBITING THE ASSIGNMENT OR OTHER TRANSFER OF
8 AN INTERACTIVE GAMING ACCOUNT.

9 (III) PROHIBITING THE CREATION, OWNERSHIP OR
10 UTILIZATION OF AN INTERACTIVE GAMING ACCOUNT BY AN
11 INDIVIDUAL UNDER 21 YEARS OF AGE.

12 (9) ESTABLISHING PROCEDURES FOR A REGISTERED PLAYER TO
13 LOG INTO THE REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT,
14 AUTHENTICATE THE REGISTERED PLAYER'S IDENTITY, AGREE TO
15 TERMS, CONDITIONS AND RULES APPLICABLE TO AUTHORIZED
16 INTERACTIVE GAMES AND LOG OUT OF THE REGISTERED PLAYER'S
17 INTERACTIVE GAMING ACCOUNT, INCLUDING PROCEDURES FOR
18 AUTOMATICALLY LOGGING OFF A REGISTERED PLAYER FROM AN
19 INTERACTIVE GAME AFTER A SPECIFIED PERIOD OF INACTIVITY.

20 (10) ESTABLISHING PROCEDURES FOR:

21 (I) DEPOSITING FUNDS IN AN INTERACTIVE GAMING
22 ACCOUNT BY CASH, TRANSFER OR OTHER MEANS, AS APPROVED BY
23 THE BOARD.

24 (II) THE WITHDRAWAL OF FUNDS FROM AN INTERACTIVE
25 GAMING ACCOUNT.

26 (III) THE SUSPENSION OF INTERACTIVE GAMING ACCOUNT
27 ACTIVITY FOR SECURITY REASONS.

28 (IV) THE TERMINATION OF AN INTERACTIVE GAMING
29 ACCOUNT AND DISPOSITION OF FUNDS IN THE ACCOUNT.

30 (V) THE DISPOSITION OF UNCLAIMED FUNDS IN A DORMANT

1 INTERACTIVE GAMING ACCOUNT.

2 (11) ESTABLISHING MECHANISMS BY WHICH A REGISTERED
3 PLAYER MAY PLACE A LIMIT ON THE AMOUNT OF MONEY BEING WAGERED
4 ON AN AUTHORIZED INTERACTIVE GAME OR DURING ANY SPECIFIED
5 TIME PERIOD OR THE AMOUNT OF MONEY LOST DURING ANY SPECIFIED
6 TIME PERIOD.

7 (12) ESTABLISHING MECHANISMS TO EXCLUDE FROM INTERACTIVE
8 GAMING PERSONS NOT ELIGIBLE TO PLAY BY REASON OF AGE,
9 IDENTITY OR LOCATION OR INCLUSION ON A LIST OF PERSONS DENIED
10 ACCESS TO INTERACTIVE GAMING ACTIVITIES IN ACCORDANCE WITH
11 SECTIONS 1514 (RELATING TO REGULATION REQUIRING EXCLUSION,
12 EJECTION OR DENIAL OF ACCESS OF CERTAIN PERSONS), 1515
13 (RELATING TO REPEAT OFFENDERS EXCLUDABLE FROM LICENSED GAMING
14 FACILITY) AND 1516 (RELATING TO LIST OF PERSONS SELF EXCLUDED
15 FROM GAMING ACTIVITIES).

16 (13) ESTABLISHING PROCEDURES FOR THE PROTECTION,
17 SECURITY AND RELIABILITY OF INTERACTIVE GAMING ACCOUNTS,
18 AUTHORIZED INTERACTIVE GAMES, INTERACTIVE GAMING DEVICES AND
19 ASSOCIATED EQUIPMENT AND MECHANISMS TO PREVENT TAMPERING OR
20 UTILIZATION BY UNAUTHORIZED PERSONS.

21 (14) ESTABLISHING DATA SECURITY STANDARDS TO GOVERN AGE,
22 IDENTITY AND LOCATION VERIFICATION OF PERSONS ENGAGED IN
23 INTERACTIVE GAMING ACTIVITY.

24 (15) REQUIRING EACH INTERACTIVE GAMING CERTIFICATE
25 HOLDER TO:

26 (I) PROVIDE WRITTEN INFORMATION ON ITS INTERACTIVE
27 GAMING SKIN OR INTERNET WEBSITE, WHICH EXPLAINS THE RULES
28 FOR EACH AUTHORIZED INTERACTIVE GAME, PAYOFFS OR WINNING
29 WAGERS AND OTHER INFORMATION AS THE BOARD MAY REQUIRE.

30 (II) DESIGNATE ONE OR MORE INTERACTIVE GAMING

1 RESTRICTED AREAS WHERE INTERACTIVE GAMING WILL BE
2 MANAGED, ADMINISTERED OR CONTROLLED.

3 (III) PROVIDE THE BOARD WITH ACCESS TO THE
4 INTERACTIVE GAMING SKIN OR WEBSITE, INTERACTIVE GAMING
5 PLATFORM, SIGNAL OR TRANSMISSION USED IN CONNECTION WITH
6 INTERACTIVE GAMING AND INTERACTIVE GAMING RESTRICTED
7 AREAS.

8 (IV) ADOPT PROCEDURES FOR THE RECORDATION,
9 REPLICATION AND STORAGE OF ALL PLAY AND TRANSACTIONS FOR
10 A PERIOD TO BE DETERMINED BY THE BOARD.

11 (V) PROVIDE STATEMENTS ON ITS INTERACTIVE GAMING
12 SKIN OR WEBSITE ABOUT THE PERMISSIBLE MINIMUM AND MAXIMUM
13 WAGERS FOR EACH AUTHORIZED INTERACTIVE GAME, AS
14 APPLICABLE.

15 (VI) ADOPT POLICIES OR PROCEDURES TO PROHIBIT ANY
16 UNAUTHORIZED PERSON FROM HAVING ACCESS TO INTERACTIVE
17 GAMING DEVICES AND ASSOCIATED EQUIPMENT.

18 (VII) ADOPT DATA SECURITY STANDARDS TO VERIFY THE
19 AGE, IDENTITY AND LOCATION OF PERSONS ENGAGED IN
20 INTERACTIVE GAMING AND PREVENT UNAUTHORIZED ACCESS BY ANY
21 PERSON WHOSE AGE, IDENTITY AND LOCATION HAVE NOT BEEN
22 VERIFIED OR WHOSE AGE, IDENTITY AND LOCATION CANNOT BE
23 VERIFIED IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE
24 BOARD.

25 (VIII) ADOPT STANDARDS TO PROTECT THE PRIVACY AND
26 SECURITY OF REGISTERED PLAYERS ENGAGED IN INTERACTIVE
27 GAMING.

28 (IX) COLLECT, REPORT AND PAY ANY AND ALL APPLICABLE
29 TAXES AND FEES AND MAINTAIN ALL BOOKS, RECORDS AND
30 DOCUMENTS RELATED TO THE INTERACTIVE GAMING CERTIFICATE

1 HOLDER'S INTERACTIVE GAMING ACTIVITIES IN A MANNER AND IN
2 A LOCATION WITHIN THIS COMMONWEALTH AS APPROVED BY THE
3 BOARD OR THE DEPARTMENT. ALL BOOKS, RECORDS AND DOCUMENTS
4 SHALL BE IMMEDIATELY AVAILABLE FOR INSPECTION DURING ALL
5 HOURS OF OPERATION IN ACCORDANCE WITH THE REGULATIONS OF
6 THE BOARD AND SHALL BE MAINTAINED IN A MANNER AND DURING
7 PERIODS OF TIME AS THE BOARD SHALL BY REGULATION REQUIRE.

8 (B) ADDITIONAL AUTHORITY.--

9 (1) AT ITS DISCRETION, THE BOARD MAY DETERMINE WHETHER
10 PERSONS THAT PROVIDE THE FOLLOWING GOODS OR SERVICES SHALL BE
11 REQUIRED TO OBTAIN A LICENSE, PERMIT OR OTHER AUTHORIZATION:

12 (I) PAYMENT PROCESSING AND RELATED MONEY
13 TRANSMITTING AND SERVICES.

14 (II) IDENTITY, LOCATION OR AGE VERIFICATION AND
15 GEOSPATIAL TECHNOLOGY SERVICES.

16 (III) GENERAL TELECOMMUNICATIONS SERVICES, WHICH ARE
17 NOT SPECIFICALLY DESIGNED FOR OR RELATED TO INTERACTIVE
18 GAMING.

19 (IV) OTHER GOODS OR SERVICES THAT ARE NOT
20 SPECIFICALLY DESIGNED FOR USE WITH INTERACTIVE GAMING IF
21 THE PERSONS PROVIDING THE GOODS OR SERVICES ARE NOT PAID
22 A PERCENTAGE OF GAMING REVENUE OR OF MONEY WAGERED ON
23 INTERACTIVE GAMES OR OF ANY FEES, NOT INCLUDING FEES TO
24 FINANCIAL INSTITUTIONS AND PAYMENT PROVIDERS FOR
25 FACILITATING A DEPOSIT BY AN INTERACTIVE GAMING ACCOUNT
26 HOLDER.

27 (V) ANY OTHER GOODS OR SERVICES RELATED TO
28 INTERACTIVE GAMING AS THE BOARD MAY DETERMINE.

29 (2) THE BOARD SHALL DEVELOP A CLASSIFICATION SYSTEM FOR
30 THE LICENSURE, PERMITTING OR OTHER AUTHORIZATION OF PERSONS

1 THAT PROVIDE THE FOLLOWING GOODS OR SERVICES RELATED TO
2 INTERACTIVE GAMING:

3 (I) PERSONS THAT PROVIDE INTERACTIVE GAMES AND
4 INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT.

5 (II) PERSONS THAT MANAGE, CONTROL OR ADMINISTER THE
6 INTERACTIVE GAMES OR THE WAGERS ASSOCIATED WITH
7 INTERACTIVE GAMES.

8 (III) PROVIDERS OF CUSTOMER LISTS COMPRISED OF
9 PERSONS IDENTIFIED OR SELECTED, IN WHOLE OR IN PART,
10 BECAUSE THEY PLACED OR MAY PLACE WAGERS ON INTERACTIVE
11 GAMING.

12 § 13B03. REGULATIONS.

13 (A) PROMULGATION.--

14 (1) IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION OF
15 THIS CHAPTER, THE BOARD SHALL HAVE THE AUTHORITY TO
16 PROMULGATE TEMPORARY REGULATIONS WHICH SHALL EXPIRE NOT LATER
17 THAN TWO YEARS FOLLOWING THE PUBLICATION OF THE TEMPORARY
18 REGULATION IN THE PENNSYLVANIA BULLETIN AND ON THE BOARD'S
19 PUBLICLY ACCESSIBLE INTERNET WEBSITE.

20 (2) THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS NOT
21 SUBJECT TO:

22 (I) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT
23 OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
24 COMMONWEALTH DOCUMENTS LAW.

25 (II) SECTIONS 204(B) AND 301(10) OF THE ACT OF
26 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE
27 COMMONWEALTH ATTORNEYS ACT.

28 (III) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
29 KNOWN AS THE REGULATORY REVIEW ACT.

30 (B) PUBLICATIONS.--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, IDENTITY 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 INTERACTIVE GAMING
LICENSE.

1 13B16. TIMING OF INITIAL INTERACTIVE GAMING AUTHORIZATIONS.

2 § 13B11. AUTHORIZATION TO CONDUCT INTERACTIVE GAMING.

3 (A) AUTHORITY OF BOARD.--THE BOARD MAY AUTHORIZE A SLOT
4 MACHINE LICENSEE:

5 (1) TO CONDUCT INTERACTIVE GAMING DIRECTLY OR THROUGH AN
6 INTERACTIVE GAMING OPERATOR UNDER AN INTERACTIVE GAMING
7 AGREEMENT, INCLUDING CONTESTS AND TOURNAMENTS AND ANY OTHER
8 GAME WHICH IS DETERMINED BY THE BOARD TO BE SUITABLE FOR
9 INTERACTIVE GAMING.

10 (2) TO DEPLOY INTERACTIVE GAMING SKINS OR INTERNET
11 WEBSITES TO FACILITATE THE CONDUCT OF INTERACTIVE GAMING
12 ACTIVITIES.

13 (B) AUTHORITY TO PLAY INTERACTIVE GAMES.--NOTWITHSTANDING
14 ANY OTHER PROVISION OF LAW, AN INDIVIDUAL WHO IS 21 YEARS OF AGE
15 OR OLDER IS HEREBY PERMITTED TO PARTICIPATE AS A REGISTERED
16 PLAYER IN INTERACTIVE GAMING AND WAGERING ASSOCIATED WITH
17 PLAYING AN AUTHORIZED INTERACTIVE GAME OFFERED BY AN INTERACTIVE
18 GAMING CERTIFICATE HOLDER IN ACCORDANCE WITH THIS CHAPTER AND
19 REGULATIONS OF THE BOARD. EXCEPT AS PROVIDED IN SUBCHAPTER G
20 (RELATING TO MISCELLANEOUS PROVISIONS), A REGISTERED PLAYER MUST
21 BE PHYSICALLY LOCATED WITHIN THIS COMMONWEALTH IN ORDER TO
22 PARTICIPATE IN INTERACTIVE GAMING.

23 § 13B12. INTERACTIVE GAMING CERTIFICATE REQUIRED AND CONTENT OF
24 PETITION.

25 (A) CERTIFICATE REQUIRED.--NO PERSON SHALL OPERATE OR
26 CONDUCT OR ATTEMPT TO OPERATE OR CONDUCT INTERACTIVE GAMING,
27 EXCEPT FOR TEST PURPOSES AS APPROVED BY THE BOARD, OR OFFER OPEN
28 INTERACTIVE GAMING FOR PLAY BY THE PUBLIC IN THIS COMMONWEALTH
29 WITHOUT FIRST OBTAINING AN INTERACTIVE GAMING CERTIFICATE OR AN
30 INTERACTIVE GAMING LICENSE FROM THE BOARD. A SLOT MACHINE

1 LICENSEE MAY SEEK APPROVAL TO CONDUCT INTERACTIVE GAMING BY
2 FILING A PETITION FOR AN INTERACTIVE GAMING CERTIFICATE WITH THE
3 BOARD. THE BOARD SHALL PRESCRIBE THE FORM AND THE MANNER IN
4 WHICH IT SHALL BE FILED.

5 (B) CONTENT OF PETITION.--IN ADDITION TO INFORMATION AND
6 DOCUMENTATION DEMONSTRATING THAT THE SLOT MACHINE LICENSEE IS
7 QUALIFIED FOR AN INTERACTIVE GAMING CERTIFICATE UNDER THIS
8 CHAPTER, A PETITION FOR AN INTERACTIVE GAMING CERTIFICATE SHALL
9 INCLUDE THE FOLLOWING:

10 (1) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION
11 OF THE SLOT MACHINE LICENSEE.

12 (2) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION
13 OF ANY AFFILIATE OR OTHER PERSON THAT WILL BE A PARTY TO AN
14 AGREEMENT WITH THE SLOT MACHINE LICENSEE RELATED TO THE
15 OPERATION OF INTERACTIVE GAMING OR AN INTERACTIVE GAMING
16 SYSTEM ON BEHALF OF THE SLOT MACHINE LICENSEE, INCLUDING A
17 PERSON APPLYING FOR AN INTERACTIVE GAMING LICENSE.

18 (3) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A
19 PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE SLOT
20 MACHINE LICENSEE WHO WILL BE INVOLVED IN THE CONDUCT OF
21 INTERACTIVE GAMING, WHETHER OR NOT THE PRINCIPAL OR KEY
22 EMPLOYEE IS CURRENTLY LICENSED BY THE BOARD, IF KNOWN.

23 (4) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A
24 PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE
25 INTERACTIVE GAMING OPERATOR, IF ANY, WHO WILL CONDUCT
26 INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM ON BEHALF
27 OF THE SLOT MACHINE LICENSEE, WHETHER OR NOT THE PRINCIPAL OR
28 KEY EMPLOYEE IS CURRENTLY LICENSED BY THE BOARD, IF KNOWN.

29 (5) AN ITEMIZED LIST OF THE INTERACTIVE GAMES AND ANY
30 OTHER GAME OR GAMES THE SLOT MACHINE LICENSEE PLANS TO OFFER

1 OVER THE INTERNET FOR WHICH AUTHORIZATION IS BEING SOUGHT.
2 THE SLOT MACHINE LICENSEE SHALL, IN ACCORDANCE WITH
3 REGULATIONS PROMULGATED BY THE BOARD, FILE WITH THE BOARD ANY
4 CHANGES IN THE NUMBER OF AUTHORIZED INTERACTIVE GAMES OFFERED
5 THROUGH INTERACTIVE GAMING.

6 (6) THE ESTIMATED NUMBER OF FULL-TIME AND PART-TIME
7 EMPLOYMENT POSITIONS THAT WILL BE CREATED AT THE SLOT MACHINE
8 LICENSEE'S LICENSED FACILITY OR AT ANY INTERACTIVE GAMING
9 RESTRICTED AREA IF AN INTERACTIVE GAMING CERTIFICATE IS
10 ISSUED AND AN UPDATED HIRING PLAN UNDER SECTION 1510(A)
11 (RELATING TO LABOR HIRING PREFERENCES) WHICH OUTLINES THE
12 SLOT MACHINE LICENSEE'S PLAN TO PROMOTE THE REPRESENTATION OF
13 DIVERSE GROUPS AND COMMONWEALTH RESIDENTS IN THE EMPLOYMENT
14 POSITIONS.

15 (7) A BRIEF DESCRIPTION OF THE ECONOMIC BENEFITS
16 EXPECTED TO BE REALIZED BY THE COMMONWEALTH, THE HOST
17 MUNICIPALITIES AND RESIDENTS IF AN INTERACTIVE GAMING
18 CERTIFICATE IS ISSUED.

19 (8) THE DETAILS OF ANY FINANCING OBTAINED OR THAT WILL
20 BE OBTAINED TO FUND AN EXPANSION OR MODIFICATION OF THE SLOT
21 MACHINE LICENSEE'S LICENSED FACILITY TO ACCOMMODATE
22 INTERACTIVE GAMING AND TO OTHERWISE FUND THE COST OF
23 COMMENCING INTERACTIVE GAMING.

24 (9) INFORMATION AND DOCUMENTATION CONCERNING FINANCIAL
25 BACKGROUND AND RESOURCES, AS THE BOARD MAY REQUIRE, TO
26 ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL
27 STABILITY, INTEGRITY AND RESPONSIBILITY OF THE SLOT MACHINE
28 LICENSEE, AND INFORMATION OR DOCUMENTATION CONCERNING ANY
29 PERSON THAT WILL OPERATE INTERACTIVE GAMING OR AN INTERACTIVE
30 GAMING SYSTEM ON BEHALF OF THE SLOT MACHINE LICENSEE AS AN

1 INTERACTIVE GAMING OPERATOR, AS THE BOARD MAY REQUIRE. THE
2 INTERACTIVE GAMING AGREEMENT WITH SUCH PERSON SHALL BE
3 SUBJECT TO THE REVIEW AND APPROVAL OF THE BOARD.

4 (10) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY
5 REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT
6 THE SLOT MACHINE LICENSEE HAS SUFFICIENT BUSINESS ABILITY AND
7 EXPERIENCE TO CONDUCT A SUCCESSFUL INTERACTIVE GAMING
8 OPERATION. IN MAKING THIS DETERMINATION, THE BOARD MAY
9 CONSIDER THE RESULTS OF THE SLOT MACHINE LICENSEE'S SLOT
10 MACHINE AND TABLE GAME OPERATIONS, INCLUDING FINANCIAL
11 INFORMATION, EMPLOYMENT DATA AND CAPITAL INVESTMENT.

12 (11) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY
13 REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT
14 THE SLOT MACHINE LICENSEE HAS OR WILL HAVE THE FINANCIAL
15 ABILITY TO PAY THE INTERACTIVE GAMING AUTHORIZATION FEE.

16 (12) DETAILED SITE PLANS IDENTIFYING THE PROPOSED
17 INTERACTIVE GAMING RESTRICTED AREA WHERE INTERACTIVE GAMING
18 OPERATIONS WILL BE MANAGED, ADMINISTERED OR CONTROLLED AS
19 APPROVED BY THE BOARD.

20 (13) A DETAILED DESCRIPTION OF ALL OF THE FOLLOWING:

21 (I) THE SLOT MACHINE LICENSEE'S INITIAL SYSTEM OF
22 INTERNAL AND ACCOUNTING CONTROLS APPLICABLE TO
23 INTERACTIVE GAMING.

24 (II) THE SLOT MACHINE LICENSEE'S PROPOSED STANDARDS
25 TO PROTECT, WITH A REASONABLE DEGREE OF CERTAINTY, THE
26 PRIVACY AND SECURITY OF ITS REGISTERED PLAYERS.

27 (III) HOW THE SLOT MACHINE LICENSEE WILL FACILITATE
28 COMPLIANCE WITH ALL OF THE REQUIREMENTS SET FORTH IN THIS
29 CHAPTER AND IN SECTION 802(A) OF THE UNLAWFUL INTERNET
30 GAMBLING ENFORCEMENT ACT OF 2006 (PUBLIC LAW 109-347, 31

1 U.S.C. § 5362(10)(B)), INCLUDING, BUT NOT LIMITED TO, ALL
2 OF THE FOLLOWING:

3 (A) AGE, IDENTITY AND LOCATION VERIFICATION
4 REQUIREMENTS.

5 (B) APPROPRIATE DATA SECURITY STANDARDS TO
6 PREVENT UNAUTHORIZED ACCESS BY ANY PERSON WHOSE AGE,
7 IDENTITY OR LOCATION HAVE NOT BEEN VERIFIED OR CANNOT
8 BE VERIFIED IN ACCORDANCE WITH THIS CHAPTER AND
9 APPLICABLE REGULATIONS OF THE BOARD.

10 (C) EXCEPT AS PROVIDED IN SUBCHAPTER G (RELATING
11 TO MISCELLANEOUS PROVISIONS), THE REQUIREMENT THAT
12 ALL WAGERS MADE IN THE CONDUCT OF INTERACTIVE GAMING
13 BE INITIATED AND RECEIVED OR OTHERWISE MADE
14 EXCLUSIVELY WITHIN THIS COMMONWEALTH.

15 (IV) THE SLOT MACHINE LICENSEE'S PROPOSED AGE,
16 IDENTITY AND LOCATION VERIFICATION STANDARDS DESIGNED TO
17 BLOCK ACCESS TO PERSONS UNDER 21 YEARS OF AGE AND OTHER
18 PERSONS EXCLUDED OR PROHIBITED FROM PARTICIPATING IN
19 INTERACTIVE GAMING UNDER THIS CHAPTER.

20 (V) THE PROCEDURES THE SLOT MACHINE LICENSEE WILL
21 USE TO REGISTER INDIVIDUALS AS REGISTERED PLAYERS.

22 (VI) THE PROCEDURES THE SLOT MACHINE LICENSEE WILL
23 USE TO ESTABLISH INTERACTIVE GAMING ACCOUNTS FOR
24 REGISTERED PLAYERS.

25 (VII) THE INTERACTIVE GAMES AND SERVICES THE SLOT
26 MACHINE LICENSEE PROPOSES TO OFFER TO REGISTERED PLAYERS.

27 (VIII) DOCUMENTATION AND INFORMATION RELATING TO
28 KNOWN PROPOSED CONTRACTORS OF THE SLOT MACHINE LICENSEE
29 AND SUBCONTRACTORS OF THE CONTRACTORS.

30 (14) THE INTERACTIVE GAMING DEVICES AND ASSOCIATED

1 EQUIPMENT AND INTERACTIVE GAMING SYSTEM OR SYSTEMS, THAT THE
2 SLOT MACHINE LICENSEE PLANS TO OR WILL UTILIZE TO MANAGE,
3 ADMINISTER OR CONTROL ITS INTERACTIVE GAMING OPERATIONS.

4 (15) COMPLIANCE CERTIFICATION OF THE SLOT MACHINE
5 LICENSEE'S PROPOSED INTERACTIVE GAMING DEVICES AND ASSOCIATED
6 EQUIPMENT, INCLUDING INTERACTIVE GAMING SOFTWARE AND
7 HARDWARE, BY A BOARD-APPROVED GAMING LABORATORY TO ENSURE
8 THAT THE GAMING SOFTWARE AND HARDWARE COMPLY WITH THE
9 REQUIREMENTS OF THIS CHAPTER AND REGULATIONS OF THE BOARD.

10 (16) DETAILED DESCRIPTION OF ACCOUNTING SYSTEMS,
11 INCLUDING, BUT NOT LIMITED TO, ACCOUNTING SYSTEMS FOR ALL OF
12 THE FOLLOWING:

13 (I) INTERACTIVE GAMING ACCOUNTS.

14 (II) PER-HAND CHARGES, IF APPLICABLE.

15 (III) TRANSPARENCY AND REPORTING TO THE BOARD AND
16 THE DEPARTMENT.

17 (IV) DISTRIBUTION OF REVENUE TO THE COMMONWEALTH AND
18 WINNINGS TO REGISTERED PLAYERS.

19 (V) ONGOING AUDITING AND INTERNAL CONTROL COMPLIANCE
20 REVIEWS.

21 (17) DETAILED INFORMATION ON SECURITY SYSTEMS TO PROTECT
22 THE INTERACTIVE GAMING SKINS OR INTERNET WEBSITE FROM
23 INTERNAL AND EXTERNAL BREACHES AND THREATS.

24 (18) ANY OTHER INFORMATION THE BOARD MAY REQUIRE.

25 (C) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD
26 UNDER SUBSECTION (B) MAY BE CONSIDERED CONFIDENTIAL BY THE BOARD
27 IF THE INFORMATION WOULD BE CONFIDENTIAL UNDER SECTION 1206(F)
28 (RELATING TO BOARD MINUTES AND RECORDS).

29 § 13B13. ISSUANCE OF INTERACTIVE GAMING CERTIFICATE.

30 (A) REQUIREMENTS FOR APPROVAL OF PETITION.--

1 (1) THE BOARD MAY APPROVE A PETITION UNDER SECTION 13B12
2 (RELATING TO INTERACTIVE GAMING CERTIFICATE REQUIRED AND
3 CONTENT OF PETITION) UPON FINDING CLEAR AND CONVINCING
4 EVIDENCE OF ALL OF THE FOLLOWING:

5 (I) THE SLOT MACHINE LICENSEE'S PROPOSED CONDUCT OF
6 INTERACTIVE GAMING COMPLIES IN ALL RESPECTS WITH THE
7 REQUIREMENTS OF THIS CHAPTER AND REGULATIONS PROMULGATED
8 BY THE BOARD.

9 (II) AGE, IDENTITY AND LOCATION VERIFICATION
10 REQUIREMENTS DESIGNED TO BLOCK ACCESS TO INDIVIDUALS
11 UNDER 21 YEARS OF AGE AND PERSONS OTHERWISE EXCLUDED OR
12 PROHIBITED FROM ENGAGING IN INTERACTIVE GAMING IN
13 ACCORDANCE WITH THIS CHAPTER, AS APPROVED BY THE BOARD,
14 HAVE BEEN IMPLEMENTED BY THE SLOT MACHINE LICENSEE.

15 (III) THE SLOT MACHINE LICENSEE HAS IMPLEMENTED OR
16 WILL IMPLEMENT APPROPRIATE DATA SECURITY STANDARDS TO
17 PREVENT UNAUTHORIZED ACCESS BY ANY PERSON WHOSE AGE,
18 IDENTITY AND LOCATION HAS NOT BEEN VERIFIED OR CANNOT BE
19 VERIFIED IN ACCORDANCE WITH THE REGULATIONS PROMULGATED
20 BY THE BOARD.

21 (IV) THE SLOT MACHINE LICENSEE HAS IMPLEMENTED OR
22 WILL IMPLEMENT APPROPRIATE STANDARDS TO PROTECT THE
23 PRIVACY AND SECURITY OF REGISTERED PLAYERS WITH A
24 REASONABLE DEGREE OF CERTAINTY.

25 (V) THE SLOT MACHINE LICENSEE'S INITIAL SYSTEM OF
26 INTERNAL AND ACCOUNTING CONTROLS APPLICABLE TO
27 INTERACTIVE GAMING, AND THE SECURITY AND INTEGRITY OF ALL
28 FINANCIAL TRANSACTIONS IN CONNECTION WITH THE SYSTEM,
29 COMPLIES WITH THIS CHAPTER AND REGULATIONS PROMULGATED BY
30 THE BOARD.

1 (VI) THE SLOT MACHINE LICENSEE IS IN GOOD STANDING
2 WITH THE BOARD.

3 (VII) THE SLOT MACHINE LICENSEE AGREES THAT THE
4 NUMBER OF SLOT MACHINES AND TABLE GAMES IN OPERATION AT
5 ITS LICENSED FACILITY, AS OF THE EFFECTIVE DATE OF THIS
6 SECTION, WILL NOT BE REDUCED AS A RESULT OF THE
7 AUTHORIZATION AND COMMENCEMENT OF INTERACTIVE GAMING.

8 (2) IT SHALL BE AN EXPRESS CONDITION OF THE ISSUANCE AND
9 CONTINUED VALIDITY OF AN INTERACTIVE GAMING CERTIFICATE THAT
10 A SLOT MACHINE LICENSEE SHALL COLLECT, REPORT AND PAY ALL
11 APPLICABLE TAXES AND FEES AND SHALL MAINTAIN ALL BOOKS,
12 RECORDS AND DOCUMENTS PERTAINING TO THE SLOT MACHINE
13 LICENSEE'S INTERACTIVE GAMING OPERATIONS IN A MANNER AND
14 LOCATION WITHIN THIS COMMONWEALTH AS APPROVED BY THE BOARD.
15 ALL BOOKS, RECORDS AND DOCUMENTS SHALL BE IMMEDIATELY
16 AVAILABLE FOR INSPECTION BY THE BOARD AND THE DEPARTMENT
17 DURING ALL HOURS OF OPERATION IN ACCORDANCE WITH THE
18 REGULATIONS OF THE BOARD AND SHALL BE MAINTAINED IN A MANNER
19 AND DURING PERIODS OF TIME AS THE BOARD SHALL REQUIRE.

20 (B) ISSUANCE OF INTERACTIVE GAMING CERTIFICATE.--

21 (1) UPON APPROVAL OF A PETITION FOR AN INTERACTIVE
22 GAMING CERTIFICATE, THE BOARD SHALL ISSUE AN INTERACTIVE
23 GAMING CERTIFICATE TO THE SLOT MACHINE LICENSEE. THE ISSUANCE
24 OF AN INTERACTIVE GAMING CERTIFICATE PRIOR TO THE FULL
25 PAYMENT OF THE AUTHORIZATION FEE REQUIRED UNDER SECTION 13B51
26 (RELATING TO INTERACTIVE GAMING AUTHORIZATION FEE) SHALL NOT
27 RELIEVE THE SLOT MACHINE LICENSEE FROM THE OBLIGATION TO PAY
28 THE AUTHORIZATION FEE IN ACCORDANCE WITH THE REQUIREMENTS OF
29 SECTION 13B51.

30 (2) UPON ISSUING AN INTERACTIVE GAMING CERTIFICATE, THE

1 BOARD SHALL AMEND THE SLOT MACHINE LICENSEE'S STATEMENT OF
2 CONDITIONS TO INCLUDE CONDITIONS PERTAINING TO THE
3 REQUIREMENTS OF THIS CHAPTER.

4 (C) TERM OF INTERACTIVE GAMING CERTIFICATE.--SUBJECT TO THE
5 POWER OF THE BOARD TO DENY, REVOKE OR SUSPEND AN INTERACTIVE
6 GAMING CERTIFICATE, AN INTERACTIVE GAMING CERTIFICATE SHALL BE
7 VALID FOR FIVE YEARS FROM THE DATE OF ISSUANCE AND MAY BE
8 RENEWED IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 1326
9 (RELATING TO RENEWALS).

10 (D) SANCTIONS.--AN INTERACTIVE GAMING CERTIFICATE HOLDER
11 THAT FAILS TO ABIDE BY THE REQUIREMENTS OF THIS CHAPTER OR
12 REGULATIONS OF THE BOARD OR ANY CONDITION CONTAINED IN THE
13 INTERACTIVE GAMING CERTIFICATE HOLDER'S STATEMENT OF CONDITIONS
14 GOVERNING THE OPERATION OF INTERACTIVE GAMING SHALL BE SUBJECT
15 TO BOARD-IMPOSED ADMINISTRATIVE SANCTIONS OR OTHER PENALTIES
16 AUTHORIZED UNDER THIS PART.

17 (E) BACKGROUND INVESTIGATIONS.--EACH PETITION FOR AN
18 INTERACTIVE GAMING CERTIFICATE SHALL BE ACCOMPANIED BY A
19 NONREFUNDABLE FEE ESTABLISHED BY THE BOARD TO COVER THE COST OF
20 BACKGROUND INVESTIGATIONS. THE BOARD SHALL DETERMINE BY
21 REGULATION THE PERSONS WHO SHALL BE SUBJECT TO BACKGROUND
22 INVESTIGATION. ANY ADDITIONAL COSTS AND EXPENSES INCURRED IN ANY
23 BACKGROUND INVESTIGATION OR OTHER INVESTIGATION OR PROCEEDING
24 UNDER THIS CHAPTER SHALL BE REIMBURSED TO THE BOARD.

25 § 13B14. INTERACTIVE GAMING OPERATORS.

26 (A) LICENSE REQUIRED.--NO PERSON SHALL SERVE OR ATTEMPT TO
27 SERVE AS AN INTERACTIVE GAMING OPERATOR WITHOUT FIRST OBTAINING
28 AN INTERACTIVE GAMING LICENSE FROM THE BOARD FOR EACH
29 INTERACTIVE GAMING CERTIFICATE HOLDER THE APPLICANT PROPOSES TO
30 OPERATE INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM ON

1 BEHALF OF. A PERSON MAY SEEK APPROVAL TO SERVE AS AN INTERACTIVE
2 GAMING OPERATOR BY FILING AN APPLICATION WITH THE BOARD. THE
3 BOARD SHALL PRESCRIBE THE FORM OF THE APPLICATION AND THE MANNER
4 IN WHICH IT SHALL BE FILED. THE BOARD SHALL:

5 (1) DETERMINE SUITABILITY OF THE PERSON FILING AN
6 APPLICATION UNDER THIS SECTION. THE BOARD SHALL DETERMINE
7 SUITABILITY IN ACCORDANCE WITH THE SAME REQUIREMENTS OF THIS
8 PART APPLICABLE TO THE DETERMINATION OF SUITABILITY OF THE
9 ISSUANCE OF AN INTERACTIVE GAMING CERTIFICATE TO A SLOT
10 MACHINE LICENSEE. NOTWITHSTANDING THE PROVISIONS OF THIS
11 PARAGRAPH, THE BOARD MAY CONSIDER A HOLDER OF A VALID
12 LICENSE, PERMIT, REGISTRATION, CERTIFICATE OR OTHER
13 AUTHORIZATION APPROVED AND ISSUED UNDER THIS PART, WHICH IS
14 IN GOOD STANDING, AS SUITABLE UNDER THIS SECTION WITHOUT
15 ADDITIONAL INVESTIGATION. THE CONSIDERATION SHALL NOT RELIEVE
16 THE APPLICANT FOR AN INTERACTIVE GAMING LICENSE FROM PAYMENT
17 OF ALL FEES IMPOSED UNDER THIS CHAPTER.

18 (2) PROVIDE FOR THE APPROVAL OF THE TERMS AND CONDITIONS
19 OF ALL AGREEMENTS ENTERED INTO BY OR BETWEEN AN INTERACTIVE
20 GAMING CERTIFICATE HOLDER AND A PERSON APPLYING FOR AN
21 INTERACTIVE GAMING LICENSE.

22 (B) CLASSIFICATION AND APPROVAL OF EMPLOYEES.--

23 (1) THE BOARD SHALL ESTABLISH A CLASSIFICATION SYSTEM
24 FOR EMPLOYEES OF INTERACTIVE GAMING OPERATORS OR OTHER
25 PERSONS WHO PROVIDE PRODUCTS OR SERVICES ASSOCIATED WITH OR
26 RELATED TO INTERACTIVE GAMING, INTERACTIVE GAMING PLATFORMS
27 AND INTERACTIVE GAMING SYSTEMS.

28 (2) THE BOARD SHALL PROVIDE FOR THE LICENSURE,
29 PERMITTING, REGISTRATION OR CERTIFICATION, AS IT DEEMS
30 APPROPRIATE, OF EMPLOYEES IN EACH EMPLOYEE CLASSIFICATION

1 ESTABLISHED BY IT IN ACCORDANCE WITH PARAGRAPH (1).

2 (C) APPLICABILITY OF CERTAIN PROVISIONS.--INTERACTIVE GAMING
3 OPERATORS SHALL BE SUBJECT TO THE APPLICABLE PROVISIONS OF THIS
4 PART THAT APPLY TO INTERACTIVE GAMING CERTIFICATE HOLDERS, AS
5 DETERMINED BY THE BOARD, INCLUDING THE PROVISIONS OF SECTION
6 13B13(D) (RELATING TO ISSUANCE OF INTERACTIVE GAMING
7 CERTIFICATE).

8 (D) TERM OF INTERACTIVE GAMING LICENSE.--SUBJECT TO THE
9 POWER OF THE BOARD TO DENY, REVOKE OR SUSPEND AN INTERACTIVE
10 GAMING LICENSE, AN INTERACTIVE GAMING LICENSE SHALL BE VALID FOR
11 FIVE YEARS FROM THE DATE OF ISSUANCE AND MAY BE RENEWED IN
12 ACCORDANCE WITH THE REQUIREMENTS OF SECTION 1326 (RELATING TO
13 RENEWALS).

14 (E) INTERACTIVE GAMING LICENSE AND CONDITIONAL
15 AUTHORIZATION.--

16 (1) THE FOLLOWING SHALL APPLY:

17 (I) DURING THE FIRST 18 MONTHS AFTER THE EFFECTIVE
18 DATE OF THIS SECTION, THE BOARD MAY ISSUE CONDITIONAL
19 AUTHORIZATION TO A PERSON APPLYING FOR AN INTERACTIVE
20 GAMING LICENSE.

21 (II) CONDITIONAL AUTHORIZATION ISSUED UNDER THIS
22 SUBSECTION SHALL REMAIN IN EFFECT UNTIL THE EARLIER OF
23 THE DATE OCCURRING 12 MONTHS AFTER THE ISSUANCE OF THE
24 AUTHORIZATION OR THE DATE UPON WHICH THE BOARD MAKES A
25 FINAL DETERMINATION ON THE PERSON'S APPLICATION.

26 (III) THE EFFECTIVENESS OF A CONDITIONAL
27 AUTHORIZATION MAY BE EXTENDED BY THE BOARD NOT MORE THAN
28 ONCE, UPON A SHOWING OF GOOD CAUSE.

29 (IV) CONDITIONAL AUTHORIZATION SHALL ALLOW AN
30 APPLICANT FOR AN INTERACTIVE GAMING LICENSE TO ENGAGE IN

1 ALL OF THE FUNCTIONS OF A LICENSED INTERACTIVE GAMING
2 OPERATOR FOR THE DURATION OF THE CONDITIONAL
3 AUTHORIZATION.

4 (2) A CONDITIONAL AUTHORIZATION MAY NOT BE ISSUED
5 UNLESS:

6 (I) THE APPLICANT HAS SUBMITTED A COMPLETE
7 APPLICATION FOR AN INTERACTIVE GAMING LICENSE TO THE
8 BOARD.

9 (II) THE APPLICANT AGREES TO PAY OR HAS PAID THE FEE
10 PRESCRIBED IN SECTION 13B51 (RELATING TO INTERACTIVE
11 GAMING AUTHORIZATION FEE) PRIOR TO THE ISSUANCE OF
12 CONDITIONAL AUTHORIZATION.

13 (III) THE BUREAU HAS NO OBJECTION TO THE ISSUANCE OF
14 A CONDITIONAL AUTHORIZATION TO THE APPLICANT.

15 (3) WITHIN 45 DAYS OF THE DATE THAT THE BUREAU RECEIVES
16 THE COMPLETED APPLICATION FOR AN INTERACTIVE GAMING LICENSE
17 FROM AN APPLICANT FOR INVESTIGATION, THE BUREAU SHALL CONDUCT
18 A PRELIMINARY INVESTIGATION OF THE APPLICANT AND ANY EMPLOYEE
19 OF THE APPLICANT DETERMINED BY THE BOARD TO BE INCLUDED IN
20 THE INVESTIGATION, WHICH SHALL INCLUDE A CRIMINAL BACKGROUND
21 INVESTIGATION.

22 (4) IF THE BUREAU'S PRELIMINARY INVESTIGATION DISCLOSES
23 NO ADVERSE INFORMATION THAT WOULD IMPACT SUITABILITY FOR
24 LICENSURE, THE BUREAU SHALL PROVIDE THE BOARD WITH A
25 STATEMENT OF NO OBJECTION TO THE ISSUANCE OF CONDITIONAL
26 AUTHORIZATION TO THE APPLICANT.

27 (5) IF THE BUREAU'S PRELIMINARY INVESTIGATION DISCLOSES
28 ADVERSE INFORMATION THAT WOULD IMPACT SUITABILITY FOR
29 LICENSURE, IT SHALL REGISTER AN OBJECTION, AND A CONDITIONAL
30 AUTHORIZATION MAY NOT BE ISSUED UNTIL THE BUREAU'S CONCERNS

1 ARE RESOLVED.

2 (6) A CONDITIONAL AUTHORIZATION APPROVED AND ISSUED TO
3 AN APPLICANT FOR AN INTERACTIVE GAMING LICENSE UNDER THIS
4 SUBSECTION MAY BE SUSPENDED OR WITHDRAWN BY THE BOARD UPON A
5 SHOWING OF GOOD CAUSE BY THE BUREAU.

6 § 13B15. INTERACTIVE GAMING CERTIFICATE AND INTERACTIVE GAMING
7 LICENSE.

8 THE FOLLOWING SHALL APPLY:

9 (1) AN INTERACTIVE GAMING CERTIFICATE AND AN INTERACTIVE
10 GAMING LICENSE ISSUED TO AN INTERACTIVE GAMING OPERATOR
11 CONDUCTING INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM
12 ON BEHALF OF THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL
13 BE VALID UNLESS NOT RENEWED IN ACCORDANCE WITH THE PROVISIONS
14 OF THIS CHAPTER OR:

15 (I) THE CERTIFICATE OR LICENSE IS SUSPENDED OR
16 REVOKED BY THE BOARD AS PERMITTED BY THIS PART AND
17 REGULATIONS OF THE BOARD.

18 (II) THE INTERACTIVE GAMING CERTIFICATE HOLDER'S
19 SLOT MACHINE LICENSE IS SUSPENDED, REVOKED OR NOT RENEWED
20 BY THE BOARD AS PERMITTED BY THIS PART AND REGULATIONS OF
21 THE BOARD.

22 (III) THE INTERACTIVE GAMING CERTIFICATE HOLDER
23 LICENSEE RELINQUISHES OR DOES NOT SEEK RENEWAL OF ITS
24 SLOT MACHINE LICENSE.

25 (IV) THE INTERACTIVE GAMING CERTIFICATE HOLDER DOES
26 NOT SEEK RENEWAL OF ITS INTERACTIVE GAMING CERTIFICATE.

27 (2) THE INTERACTIVE GAMING CERTIFICATE MAY INCLUDE AN
28 INITIAL ITEMIZED LIST BY NUMBER AND TYPE OF AUTHORIZED
29 INTERACTIVE GAMES FOR INTERACTIVE GAMING TO BE CONDUCTED BY
30 THE INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE

1 GAMING OPERATOR. THE INTERACTIVE GAMING CERTIFICATE HOLDER
2 MAY INCREASE OR DECREASE THE NUMBER OF INTERACTIVE GAMES
3 AUTHORIZED FOR PLAY ON ITS INTERACTIVE GAMING SKIN OR
4 INTERNET WEBSITE OR CHANGE THE TYPE OF AUTHORIZED INTERACTIVE
5 GAMES PLAYED ON ITS INTERACTIVE GAMING SKIN OR INTERNET
6 WEBSITE UPON NOTICE, IF REQUIRED BY THE BOARD, TO THE BOARD
7 AND APPROVAL BY THE BOARD OR A DESIGNATED EMPLOYEE OF THE
8 BOARD. UNLESS APPROVED BY THE BOARD OR A DESIGNATED EMPLOYEE
9 OF THE BOARD, THE TOTAL NUMBER AND TYPE OF AUTHORIZED
10 INTERACTIVE GAMES OFFERED FOR PLAY BY AN INTERACTIVE GAMING
11 CERTIFICATE HOLDER MAY NOT DIFFER FROM THE NUMBER AND TYPE
12 APPROVED BY THE BOARD AND AUTHORIZED IN THE INTERACTIVE
13 GAMING CERTIFICATE.

14 (3) A SLOT MACHINE LICENSEE SHALL BE REQUIRED TO UPDATE
15 THE INFORMATION IN ITS PETITION FOR AN INTERACTIVE GAMING
16 CERTIFICATE AT TIMES AND IN THE FORM AND MANNER PRESCRIBED BY
17 THE BOARD.

18 (4) A VALID INTERACTIVE GAMING CERTIFICATE OR
19 INTERACTIVE GAMING LICENSE MAY BE RENEWED IN ACCORDANCE WITH
20 THE PROCEDURES SET FORTH IN SECTION 1326 (RELATING TO
21 RENEWALS) AND UPON THE PAYMENT OF THE APPLICABLE RENEWAL FEE
22 REQUIRED BY SECTION 13B51(C) (RELATING TO INTERACTIVE GAMING
23 AUTHORIZATION FEE).

24 § 13B16. TIMING OF INITIAL INTERACTIVE GAMING AUTHORIZATIONS.

25 THE BOARD SHALL PRESCRIBE THE DATE ON WHICH PETITIONS FOR AN
26 INTERACTIVE GAMING CERTIFICATE AND APPLICATIONS FOR AN
27 INTERACTIVE GAMING LICENSE MUST BE FILED WITH THE BOARD AND
28 SHALL APPROVE OR DENY A PETITION OR APPLICATION WITHIN 90 DAYS
29 FOLLOWING RECEIPT.

30 SUBCHAPTER B.1

MULTI-USE COMPUTING DEVICES

SEC.

13B20. AUTHORIZATION.

13B20.1. (RESERVED).

13B20.2. (RESERVED).

13B20.3. FEE.

13B20.4. MULTI-USE GAMING DEVICE TAX.

13B20.5. LOCAL SHARE ASSESSMENT.

13B20.6. REGULATIONS.

13B20.7. CONSTRUCTION.

§ 13B20. AUTHORIZATION.

(A) AUTHORITY.--THE BOARD MAY AUTHORIZE AN INTERACTIVE
GAMING CERTIFICATE HOLDER TO PROVIDE FOR THE CONDUCT OF
INTERACTIVE GAMING, EITHER DIRECTLY OR THROUGH AN INTERACTIVE
GAMING OPERATOR UNDER AN INTERACTIVE GAMING AGREEMENT, AT A
QUALIFIED AIRPORT THROUGH THE USE OF MULTI-USE COMPUTING DEVICES
BY ELIGIBLE PASSENGERS IN ACCORDANCE WITH THIS SUBCHAPTER AND
THE REGULATIONS OF THE BOARD. THE FOLLOWING SHALL APPLY:

(1) IF THE INTERACTIVE GAMING CERTIFICATE HOLDER INTENDS
TO OPERATE INTERACTIVE GAMING UNDER AN INTERACTIVE GAMING
AGREEMENT, THE INTERACTIVE GAMING OPERATOR THAT IS A PARTY TO
THE INTERACTIVE GAMING AGREEMENT SHALL HAVE BEEN ISSUED AN
INTERACTIVE GAMING LICENSE OR WILL BE ISSUED AN INTERACTIVE
GAMING LICENSE PRIOR TO THE COMMENCEMENT OF OPERATIONS UNDER
THE INTERACTIVE GAMING AGREEMENT. THE INTERACTIVE GAMING
AGREEMENT SHALL BE SUBJECT TO THE REVIEW AND APPROVAL OF THE
BOARD.

(2) THE INTERACTIVE GAMING CERTIFICATE HOLDER OR THE
INTERACTIVE GAMING OPERATOR, AS THE CASE MAY BE, SHALL ENTER
INTO WRITTEN AGREEMENTS WITH THE AIRPORT AUTHORITY AND THE

1 CONCESSION OPERATOR AT THE QUALIFIED AIRPORT OR, FOR
2 OPERATION AT A QUALIFIED AIRPORT WHICH IS NOT LOCATED
3 PRIMARILY WITHIN A CITY OF THE FIRST CLASS, A WRITTEN
4 AGREEMENT WITH THE AIRPORT AUTHORITY THAT PERMITS THE CONDUCT
5 OF INTERACTIVE GAMING THROUGH THE USE OF MULTI-USE COMPUTING
6 DEVICES WITHIN THE AIRPORT GAMING AREA. THE AGREEMENTS SHALL
7 BE SUBJECT TO THE REVIEW AND APPROVAL OF THE BOARD.

8 (3) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY
9 CONTAINED IN THIS PART OR REGULATION OF THE BOARD, AN
10 ELIGIBLE PASSENGER DOES NOT NEED TO BE A REGISTERED PLAYER.

11 (B) PETITION.--AN INTERACTIVE GAMING CERTIFICATE HOLDER
12 DESIRING TO PROVIDE INTERACTIVE GAMING AT A QUALIFIED AIRPORT
13 UNDER SUBSECTION (A) SHALL SUBMIT A PETITION FOR APPROVAL TO THE
14 BOARD. THE PETITION SHALL BE IN THE FORM AND SUBMITTED IN THE
15 MANNER PRESCRIBED BY THE BOARD.

16 (C) REQUIREMENTS.--THE PETITION FILED UNDER SUBSECTION (B)
17 SHALL INCLUDE THE FOLLOWING:

18 (1) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION
19 OF THE INTERACTIVE GAMING CERTIFICATE HOLDER AND THE NAME,
20 BUSINESS ADDRESS AND CONTACT INFORMATION OF THE INTERACTIVE
21 GAMING OPERATOR, IF APPLICABLE.

22 (2) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A
23 PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE, IF KNOWN, OF
24 THE INTERACTIVE GAMING CERTIFICATE HOLDER AND THE INTERACTIVE
25 GAMING OPERATOR, IF APPLICABLE, WHO WILL BE DIRECTLY INVOLVED
26 IN THE CONDUCT OF THE AUTHORIZED INTERACTIVE GAMES AT THE
27 QUALIFIED AIRPORT AND WHO ARE NOT CURRENTLY LICENSED BY THE
28 BOARD.

29 (3) THE NAME AND JOB TITLE OF THE PERSON OR PERSONS WHO
30 WILL BE RESPONSIBLE FOR ENSURING THE OPERATION AND INTEGRITY

1 OF THE CONDUCT OF INTERACTIVE GAMING AT THE QUALIFIED AIRPORT
2 AND FOR REVIEWING REPORTS OF SUSPICIOUS TRANSACTIONS.

3 (4) A COPY OF THE INTERACTIVE GAMING AGREEMENT, IF
4 APPLICABLE.

5 (5) THE LOCATION OF THE QUALIFIED AIRPORT TOGETHER WITH
6 DETAILED SITE PLANS INDICATING THE LOCATION OF THE PROPOSED
7 AIRPORT GAMING AREA.

8 (6) EXCEPT AS PROVIDED IN PARAGRAPH (7), THE NAME AND
9 BUSINESS ADDRESS OF THE AIRPORT AUTHORITY GOVERNING THE
10 QUALIFIED AIRPORT AND THE NAMES OF THE MEMBERS OF THE
11 GOVERNING BODY OF THE AIRPORT AUTHORITY.

12 (7) IF THE USE AND CONTROL OF THE QUALIFIED AIRPORT IS
13 REGULATED BY A CITY OF THE FIRST CLASS, AN IDENTIFICATION OF
14 THE MUNICIPAL AGENCY AND PRIMARY OFFICIALS OF THE CITY OF THE
15 FIRST CLASS.

16 (8) COPIES OF THE AGREEMENTS REQUIRED UNDER SUBSECTION
17 (A) (2) .

18 (9) THE BRAND NAME OF THE MULTI-USE COMPUTING DEVICES
19 THAT WILL BE PLACED IN OPERATION AT THE QUALIFIED AIRPORT AND
20 ANY INFORMATION REQUIRED BY THE BOARD, IN ITS DISCRETION,
21 REGARDING PERSONS THAT MANUFACTURE OR WILL SUPPLY THE MULTI-
22 USE COMPUTING DEVICES AS IT DEEMS NECESSARY.

23 (10) THE INTERACTIVE GAMES THE INTERACTIVE GAMING
24 CERTIFICATE HOLDER OR THE INTERACTIVE GAMING OPERATOR, AS
25 APPLICABLE, INTENDS TO OFFER FOR PLAY AT THE QUALIFIED
26 AIRPORT.

27 (11) INFORMATION, AS THE BOARD MAY REQUIRE, ON ANY
28 COMPUTER APPLICATIONS, INCLUDING GAMING APPLICATIONS, THAT
29 CAN BE ACCESSED ON THE MULTI-USE COMPUTING DEVICES TO BE
30 PLACED INTO OPERATION AT THE QUALIFIED AIRPORT.

1 (12) INFORMATION AND DOCUMENTATION EVIDENCING THE
2 FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY OF THE
3 INTERACTIVE GAMING CERTIFICATE HOLDER AND THE INTERACTIVE
4 GAMING OPERATOR, IF APPLICABLE.

5 (13) THE AGREEMENT OF THE INTERACTIVE GAMING CERTIFICATE
6 HOLDER TO PAY THE FEE REQUIRED BY SECTION 13B20.3 (RELATING
7 TO FEE).

8 (14) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

9 (D) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD
10 UNDER SUBSECTION (C) MAY BE CONSIDERED CONFIDENTIAL BY THE BOARD
11 IF THE INFORMATION WOULD BE CONFIDENTIAL UNDER SECTION 1206(F)
12 (RELATING TO BOARD MINUTES AND RECORDS).

13 (E) APPROVAL.--THE BOARD SHALL APPROVE THE PETITION
14 SUBMITTED UNDER SUBSECTION (B) UPON REVIEW AND APPROVAL OF THE
15 INFORMATION SUBMITTED UNDER SUBSECTION (C) AND A DETERMINATION
16 BY THE BOARD BY CLEAR AND CONVINCING EVIDENCE THAT:

17 (1) THE INTERACTIVE GAMING CERTIFICATE HOLDER AND THE
18 INTERACTIVE GAMING OPERATOR, IF APPLICABLE, HAVE PAID ALL
19 REQUIRED FEES AND TAXES PAYABLE UNDER PROVISIONS OF THIS PART
20 OTHER THAN THIS SUBCHAPTER TO THE DATE OF SUBMISSION OF THE
21 PETITION.

22 (2) THE INTERACTIVE GAMING CERTIFICATE HOLDER, OR THE
23 INTERACTIVE GAMING OPERATOR, AS THE CASE MAY BE, POSSESSES
24 THE NECESSARY FUNDS OR HAS SECURED ADEQUATE FINANCING TO
25 COMMENCE THE CONDUCT OF INTERACTIVE GAMING AT THE QUALIFIED
26 AIRPORT.

27 (3) THE PROPOSED INTERNAL AND EXTERNAL SECURITY AND
28 SURVEILLANCE MEASURES AT THE QUALIFIED AIRPORT AND WITHIN THE
29 AIRPORT GAMING AREA ARE ADEQUATE.

30 (4) INTERACTIVE GAMING AT THE QUALIFIED AIRPORT WILL BE

1 CONDUCTED AND OPERATED IN ACCORDANCE WITH THIS PART AND
2 REGULATIONS OF THE BOARD.

3 § 13B20.1. (RESERVED).

4 § 13B20.2. (RESERVED).

5 § 13B20.3. FEE.

6 (A) REQUIRED FEE.--

7 (1) AN INTERACTIVE GAMING CERTIFICATE HOLDER SHALL PAY A
8 ONE-TIME, NONREFUNDABLE FEE UPON THE AUTHORIZATION TO CONDUCT
9 INTERACTIVE GAMING AT A QUALIFIED AIRPORT THROUGH THE USE OF
10 MULTI-USE COMPUTING DEVICES IN ACCORDANCE WITH THIS
11 SUBCHAPTER.

12 (2) THE AMOUNT OF THE FEE SHALL BE AS FOLLOWS:

13 (I) IF THE AIRPORT IS AN INTERNATIONAL AIRPORT
14 LOCATED PARTIALLY IN A COUNTY OF THE FIRST CLASS AND
15 PARTIALLY IN A COUNTY CONTIGUOUS TO A COUNTY OF THE FIRST
16 CLASS, THE AMOUNT OF THE FEE SHALL BE \$5,000,000.

17 (II) IF THE AIRPORT IS AN INTERNATIONAL AIRPORT
18 LOCATED IN A COUNTY OF THE SECOND CLASS, THE AMOUNT OF
19 THE FEE SHALL BE \$2,500,000.

20 (III) IF THE AIRPORT IS AN INTERNATIONAL AIRPORT
21 LOCATED IN A COUNTY OTHER THAN A COUNTY OF THE FIRST OR
22 SECOND CLASS, THE AMOUNT OF THE FEE SHALL BE \$1,000,000.

23 (IV) IF THE AIRPORT IS A QUALIFIED AIRPORT THAT HAS
24 NOT BEEN DESIGNATED AN INTERNATIONAL AIRPORT, THE AMOUNT
25 OF THE FEE SHALL BE \$250,000.

26 (B) DEPOSIT OF FEES.--NOTWITHSTANDING SECTION 1208 (RELATING
27 TO COLLECTION OF FEES AND FINES), ALL FEES OR PENALTIES RECEIVED
28 BY THE BOARD UNDER THIS SUBCHAPTER SHALL BE DEPOSITED IN THE
29 GENERAL FUND.

30 § 13B20.4. MULTI-USE GAMING DEVICE TAX.

1 (A) IMPOSITION.--

2 (1) EACH INTERACTIVE GAMING CERTIFICATE HOLDER
3 AUTHORIZED TO CONDUCT INTERACTIVE GAMING AT A QUALIFIED
4 AIRPORT IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBCHAPTER
5 SHALL REPORT TO THE DEPARTMENT AND PAY FROM ITS DAILY GROSS
6 INTERACTIVE GAMING REVENUE GENERATED FROM THE CONDUCT OF
7 INTERACTIVE GAMING THROUGH MULTI-USE COMPUTING DEVICES AT THE
8 QUALIFIED AIRPORT, ON A FORM AND IN THE MANNER PRESCRIBED BY
9 THE DEPARTMENT, A TAX OF 16% OF ITS DAILY GROSS INTERACTIVE
10 GAMING REVENUE GENERATED FROM MULTI-USE COMPUTING DEVICES AT
11 THE QUALIFIED AIRPORT.

12 (2) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
13 PAYABLE TO THE DEPARTMENT ON A DAILY BASIS AND SHALL BE BASED
14 UPON THE GROSS INTERACTIVE GAMING REVENUE GENERATED FROM
15 MULTI-USE COMPUTING DEVICES AT THE QUALIFIED AIRPORT DERIVED
16 DURING THE PREVIOUS DAY.

17 (3) ALL FUNDS OWED TO THE COMMONWEALTH UNDER THIS
18 SECTION SHALL BE HELD IN TRUST FOR THE COMMONWEALTH BY THE
19 INTERACTIVE GAMING CERTIFICATE HOLDER UNTIL THE FUNDS ARE
20 PAID TO THE DEPARTMENT. AN INTERACTIVE GAMING CERTIFICATE
21 HOLDER SHALL ESTABLISH A SEPARATE BANK ACCOUNT INTO WHICH
22 GROSS INTERACTIVE GAMING REVENUE FROM MULTI-USE COMPUTING
23 DEVICES AT A QUALIFIED AIRPORT SHALL BE DEPOSITED AND
24 MAINTAINED UNTIL SUCH TIME AS THE FUNDS ARE PAID TO THE
25 DEPARTMENT UNDER THIS SECTION.

26 (4) THE DEPARTMENT SHALL TRANSFER THE FUNDS COLLECTED
27 UNDER THIS SECTION TO THE GENERAL FUND.

28 § 13B20.5. LOCAL SHARE ASSESSMENT.

29 (A) REQUIRED PAYMENT.--IN ADDITION TO THE TAX IMPOSED UNDER
30 SECTION 13B20.4 (RELATING TO MULTI-USE GAMING DEVICE TAX), EACH

1 INTERACTIVE GAMING CERTIFICATE HOLDER AUTHORIZED TO CONDUCT
2 INTERACTIVE GAMING AT A QUALIFIED AIRPORT SHALL PAY, ON A FORM
3 AND IN A MANNER PRESCRIBED BY THE DEPARTMENT, A LOCAL SHARE
4 ASSESSMENT EQUAL TO 20% OF THE INTERACTIVE GAMING CERTIFICATE
5 HOLDER'S DAILY GROSS INTERACTIVE GAMING REVENUE FROM MULTI-USE
6 DEVICES AT THE QUALIFIED AIRPORT. THE FUNDS SHALL BE PAYABLE TO
7 THE DEPARTMENT ON A WEEKLY BASIS AND SHALL BE BASED UPON THE
8 REVENUE GENERATED DURING THE PREVIOUS WEEK. THE FUNDS SHALL BE
9 PAID INTO A RESTRICTED RECEIPTS ACCOUNT ESTABLISHED BY THE
10 DEPARTMENT IN THE FUND. ALL FUNDS OWED TO THE COMMONWEALTH UNDER
11 THIS SECTION SHALL BE HELD IN TRUST BY THE INTERACTIVE GAMING
12 CERTIFICATE HOLDER UNTIL THE FUNDS ARE PAID TO THE DEPARTMENT.
13 FUNDS IN THE ACCOUNT ARE HEREBY APPROPRIATED TO THE DEPARTMENT
14 ON A CONTINUING BASIS FOR THE PURPOSES SET FORTH IN THIS
15 SECTION.

16 (B) DISTRIBUTIONS TO QUALIFIED AIRPORTS.--

17 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), THE DEPARTMENT
18 SHALL MAKE QUARTERLY DISTRIBUTIONS FROM THE LOCAL SHARE
19 ASSESSMENTS DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT
20 UNDER SUBSECTION (A) TO EACH AIRPORT AUTHORITY REGULATING THE
21 USE AND CONTROL OF A QUALIFIED AIRPORT WHERE INTERACTIVE
22 GAMING IS CONDUCTED UNDER THIS SUBCHAPTER. THE AMOUNT
23 DISTRIBUTED TO AN AIRPORT AUTHORITY UNDER THIS SUBSECTION
24 SHALL BE EQUAL TO THE FUNDS DEPOSITED INTO THE RESTRICTED
25 RECEIPTS ACCOUNT BY THE INTERACTIVE GAMING CERTIFICATE HOLDER
26 AUTHORIZED TO CONDUCT INTERACTIVE GAMING AT THE QUALIFIED
27 AIRPORT REGULATED BY THE AIRPORT AUTHORITY.

28 (2) (RESERVED).

29 § 13B20.6. REGULATIONS.

30 THE BOARD SHALL PROMULGATE REGULATIONS RELATED TO THE

1 OPERATION OF AUTHORIZED INTERACTIVE GAMES THROUGH THE USE OF
2 MULTI-USE COMPUTING DEVICES AT QUALIFIED AIRPORTS, INCLUDING,
3 BUT NOT LIMITED TO:

4 (1) PROCEDURES FOR THE CREATION OF TEMPORARY OR
5 PROVISIONAL INTERACTIVE GAMING ACCOUNTS THAT TAKE INTO
6 CONSIDERATION THE NATURE OF INTERACTIVE GAMING THROUGH MULTI-
7 USE COMPUTING DEVICES AT QUALIFIED AIRPORTS.

8 (2) PROCEDURES TO GOVERN CREDITS, DEBITS, DEPOSITS AND
9 PAYMENTS TO INTERACTIVE GAMING ACCOUNTS.

10 (3) IN CONSULTATION WITH THE DEPARTMENT, PROCEDURES TO
11 GOVERN FINANCIAL TRANSACTIONS BETWEEN AN INTERACTIVE GAMING
12 CERTIFICATE HOLDER, AN INTERACTIVE GAMING OPERATOR OR OTHER
13 PERSONS THAT RELATES TO THE REPORTING OF GROSS INTERACTIVE
14 GAMING REVENUE GENERATED THROUGH THE USE OF MULTI-USE
15 COMPUTING DEVICES AT QUALIFIED AIRPORTS.

16 § 13B20.7. CONSTRUCTION.

17 NOTHING IN THIS SUBCHAPTER SHALL BE CONSTRUED TO:

18 (1) CREATE A SEPARATE LICENSE GOVERNING THE USE OF
19 MULTI-USE COMPUTING DEVICES FOR THE CONDUCT OF INTERACTIVE
20 GAMES AT ELIGIBLE AIRPORTS BY INTERACTIVE GAMING CERTIFICATE
21 HOLDERS WITHIN THIS COMMONWEALTH.

22 (2) LIMIT THE BOARD'S AUTHORITY TO DETERMINE THE
23 SUITABILITY OF ANY PERSON WHO MAY BE DIRECTLY OR INDIRECTLY
24 INVOLVED IN OR ASSOCIATED WITH THE OPERATION OF INTERACTIVE
25 GAMING AT A QUALIFIED AIRPORT OR TO ENSURE THE INTEGRITY OF
26 INTERACTIVE GAMING AND PROTECT THE PUBLIC INTEREST.

27 SUBCHAPTER C

28 CONDUCT OF INTERACTIVE GAMING

29 SEC.

30 13B21. SITUS OF INTERACTIVE GAMING OPERATIONS.

1 13B22. ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS.

2 13B23. INTERACTIVE GAMING ACCOUNT CREDITS, DEBITS, DEPOSITS AND
3 PAYMENTS.

4 13B24. ACCEPTANCE OF WAGERS.

5 13B25. DORMANT INTERACTIVE GAMING ACCOUNTS.

6 13B26. LOG-IN PROCEDURE REQUIRED.

7 13B27. INFORMATION PROVIDED AT LOGIN.

8 13B28. PROHIBITIONS.

9 13B29. COMMENCEMENT OF INTERACTIVE GAMING OPERATIONS.

10 § 13B21. SITUS OF INTERACTIVE GAMING OPERATIONS.

11 EXCEPT AS PROVIDED IN SUBCHAPTER G (RELATING TO MISCELLANEOUS
12 PROVISIONS), ALL WAGERS MADE THROUGH INTERACTIVE GAMING SHALL BE
13 DEEMED TO BE INITIATED, RECEIVED OR OTHERWISE MADE WITHIN THE
14 GEOGRAPHIC BOUNDARIES OF THIS COMMONWEALTH. THE INTERMEDIATE
15 ROUTING OF ELECTRONIC DATA ASSOCIATED OR IN CONNECTION WITH
16 INTERACTIVE GAMING SHALL NOT DETERMINE THE LOCATION OR LOCATIONS
17 IN WHICH A BET OR WAGER IS INITIATED, RECEIVED OR OTHERWISE
18 MADE.

19 § 13B22. ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS.

20 (A) REGISTRATION RESTRICTIONS.--ONLY A REGISTERED PLAYER WHO
21 HAS FIRST ESTABLISHED AN INTERACTIVE GAMING ACCOUNT SHALL BE
22 PERMITTED TO PLAY AN AUTHORIZED INTERACTIVE GAME OR PLACE A
23 WAGER ASSOCIATED WITH AN AUTHORIZED INTERACTIVE GAME. THE
24 INTERACTIVE GAMING ACCOUNT SHALL BE IN THE NAME OF A REGISTERED
25 PLAYER AND MAY NOT BE IN THE NAME OF ANY BENEFICIARY, CUSTODIAN,
26 JOINT TRUST, CORPORATION, PARTNERSHIP OR OTHER ORGANIZATION OR
27 ENTITY. AN ELIGIBLE PASSENGER IS NOT REQUIRED TO COMPLY WITH
28 THIS SECTION IN ORDER TO PLAY OR PLACE A WAGER ASSOCIATED WITH
29 AN INTERACTIVE GAME THROUGH THE USE OF A MULTI-USE COMPUTING
30 DEVICE AT A QUALIFIED AIRPORT.

1 (B) ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS.--

2 (1) AN INTERACTIVE GAMING ACCOUNT MAY BE ESTABLISHED IN
3 PERSON, PROVIDED THAT THE BOARD SHALL, THROUGH REGULATIONS,
4 PROVIDE PROCEDURES FOR THE ESTABLISHMENT OF INTERACTIVE
5 GAMING ACCOUNTS OVER THE INTERNET THROUGH THE INTERACTIVE
6 GAMING CERTIFICATE HOLDER'S INTERACTIVE GAMING SKIN OR
7 INTERNET WEBSITE. EACH INTERACTIVE GAMING ACCOUNT SHALL
8 COMPLY WITH THE INTERNAL CONTROLS OF THE INTERACTIVE GAMING
9 CERTIFICATE HOLDER THAT, AT A MINIMUM, REQUIRE THE FOLLOWING:

10 (I) THE FILING AND EXECUTION OF AN INTERACTIVE
11 GAMING ACCOUNT APPLICATION, THE FORM OF WHICH HAS BEEN
12 PREAPPROVED BY THE BOARD.

13 (II) PROOF OF AGE, IDENTITY AND PHYSICAL ADDRESS OF
14 THE PRINCIPAL RESIDENCE OF THE PROSPECTIVE INTERACTIVE
15 GAMING ACCOUNT HOLDER IN A METHOD APPROVED BY THE BOARD
16 THROUGH REGULATION.

17 (III) ELECTRONIC MAIL ADDRESS AND OTHER CONTACT
18 INFORMATION OF THE PROSPECTIVE ACCOUNT HOLDER, AS THE
19 BOARD OR INTERACTIVE GAMING CERTIFICATE HOLDER MAY
20 REQUIRE.

21 (IV) PASSWORD OR OTHER SECURED IDENTIFICATION
22 PROVIDED BY THE INTERACTIVE GAMING CERTIFICATE HOLDER TO
23 ACCESS THE INTERACTIVE GAMING ACCOUNT OR SOME OTHER
24 MECHANISM APPROVED BY THE BOARD TO AUTHENTICATE THE
25 REGISTERED PLAYER AS THE HOLDER TO THE INTERACTIVE GAMING
26 ACCOUNT.

27 (V) AN ACKNOWLEDGMENT UNDER PENALTY OF PERJURY THAT
28 FALSE OR MISLEADING STATEMENTS MADE IN REGARD TO AN
29 APPLICATION FOR AN INTERACTIVE GAMING ACCOUNT MAY SUBJECT
30 THE APPLICANT TO CIVIL AND CRIMINAL PENALTIES.

1 (2) THE INTERACTIVE GAMING CERTIFICATE HOLDER MAY ACCEPT
2 OR REJECT AN APPLICATION AFTER RECEIPT AND REVIEW OF THE
3 APPLICATION AND VERIFICATION OF AGE, IDENTITY AND PHYSICAL
4 ADDRESS FOR COMPLIANCE WITH THE PROVISIONS OF THIS CHAPTER.
5 THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL HAVE THE
6 RIGHT, AT ANY TIME WITH OR WITHOUT CAUSE, TO SUSPEND OR CLOSE
7 ANY INTERACTIVE GAMING ACCOUNT AT ITS SOLE DISCRETION.

8 (3) THE ADDRESS PROVIDED BY THE APPLICANT IN THE
9 APPLICATION FOR AN INTERACTIVE GAMING ACCOUNT SHALL BE DEEMED
10 THE ADDRESS OF RECORD FOR THE PURPOSES OF MAILING CHECKS,
11 ACCOUNT WITHDRAWALS, NOTICES AND OTHER MATERIALS TO THE
12 PROSPECTIVE INTERACTIVE GAMING ACCOUNT HOLDER.

13 (4) AN INTERACTIVE GAMING ACCOUNT SHALL BE A NONINTEREST
14 BEARING ACCOUNT AND SHALL NOT BE ASSIGNABLE OR OTHERWISE
15 TRANSFERABLE.

16 (C) PASSWORD REQUIRED.--AS PART OF THE APPLICATION PROCESS,
17 THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL PROVIDE THE
18 PROSPECTIVE INTERACTIVE GAMING ACCOUNT HOLDER WITH A PASSWORD TO
19 ACCESS THE INTERACTIVE GAMING ACCOUNT OR SHALL ESTABLISH SOME
20 OTHER METHOD APPROVED BY THE BOARD TO AUTHENTICATE THE
21 REGISTERED PLAYER AS THE HOLDER OF THE INTERACTIVE GAMING
22 ACCOUNT AND ALLOW THE REGISTERED PLAYER ACCESS TO THE
23 INTERACTIVE GAMING ACCOUNT.

24 (D) GROUNDS FOR REJECTION.--ANY INDIVIDUAL WHO PROVIDES
25 FALSE OR MISLEADING INFORMATION IN THE APPLICATION FOR AN
26 INTERACTIVE GAMING ACCOUNT MAY BE SUBJECT TO REJECTION OF THE
27 APPLICATION OR CANCELLATION OF THE ACCOUNT BY THE INTERACTIVE
28 GAMING CERTIFICATE HOLDER.

29 (E) SUSPENSION OF INTERACTIVE GAMING ACCOUNT.--THE
30 INTERACTIVE GAMING CERTIFICATE HOLDER SHALL HAVE THE RIGHT TO

1 SUSPEND OR CLOSE ANY INTERACTIVE GAMING ACCOUNT OR DECLARE ALL
2 OR ANY PART OF AN INTERACTIVE GAMING ACCOUNT CLOSED FOR WAGERING
3 AT ITS DISCRETION.

4 (F) PERSONS PROHIBITED FROM ESTABLISHING OR MAINTAINING AN
5 INTERACTIVE GAMING ACCOUNT.--THE FOLLOWING PERSONS SHALL NOT BE
6 ENTITLED TO ESTABLISH OR MAINTAIN AN INTERACTIVE GAMING ACCOUNT:

7 (1) A PERSON UNDER 21 YEARS OF AGE.

8 (2) A PERSON ON THE LIST OF PERSONS WHO ARE OR WILL BE
9 EXCLUDED OR EJECTED FROM OR DENIED ACCESS TO ANY LICENSED
10 FACILITY UNDER SECTION 1514 (RELATING TO REGULATION REQUIRING
11 EXCLUSION, EJECTION OR DENIAL OF ACCESS OF CERTAIN PERSONS),
12 1515 (RELATING TO REPEAT OFFENDERS EXCLUDABLE FROM LICENSED
13 GAMING FACILITY) OR 1516 (RELATING TO LIST OF PERSONS SELF
14 EXCLUDED FROM GAMING ACTIVITIES).

15 (3) A GAMING EMPLOYEE, KEY EMPLOYEE OR PRINCIPAL
16 EMPLOYEE OF A SLOT MACHINE LICENSEE AND ANY EMPLOYEE OR KEY
17 EMPLOYEE OF AN INTERACTIVE GAMING OPERATOR.

18 § 13B23. INTERACTIVE GAMING ACCOUNT CREDITS, DEBITS, DEPOSITS
19 AND PAYMENTS.

20 (A) DUTY OF BOARD.--THE BOARD SHALL, BY REGULATION, DEVELOP
21 PROCEDURES TO GOVERN CREDITS, DEBITS AND DEPOSITS TO INTERACTIVE
22 GAMING ACCOUNTS. NOTWITHSTANDING ANY PROVISION OF THIS PART TO
23 THE CONTRARY, ALL CREDITS, DEBITS AND DEPOSITS TO INTERACTIVE
24 GAMING ACCOUNTS SHALL BE MADE IN ACCORDANCE WITH REGULATIONS
25 PROMULGATED BY THE BOARD, IN CONSULTATION WITH THE DEPARTMENT,
26 AND ALL PAYMENTS OF WINNINGS SHALL BE MADE IN ACCORDANCE WITH
27 THE RULES OF EACH AUTHORIZED INTERACTIVE GAME.

28 (B) RIGHTS OF INTERACTIVE GAMING CERTIFICATE HOLDER.--AN
29 INTERACTIVE GAMING CERTIFICATE HOLDER SHALL HAVE THE RIGHT TO:

30 (1) CREDIT AN INTERACTIVE GAMING ACCOUNT AS PART OF A

1 PROMOTION.

2 (2) REFUSE ALL OR PART OF ANY WAGER OR DEPOSIT TO THE
3 INTERACTIVE GAMING ACCOUNT OF A REGISTERED PLAYER.

4 § 13B24. ACCEPTANCE OF WAGERS.

5 (A) ACCEPTANCE.--AN INTERACTIVE GAMING CERTIFICATE HOLDER
6 MAY ACCEPT WAGERS ONLY AS FOLLOWS:

7 (1) THE WAGER SHALL BE PLACED DIRECTLY WITH THE
8 INTERACTIVE GAMING CERTIFICATE HOLDER BY THE REGISTERED
9 PLAYER, AFTER THE INTERACTIVE GAMING CERTIFICATE HOLDER HAS
10 VERIFIED THE IDENTITY OF THE INDIVIDUAL SEEKING TO PLACE THE
11 WAGER.

12 (2) THE REGISTERED PLAYER PROVIDES THE INTERACTIVE
13 GAMING CERTIFICATE HOLDER WITH THE CORRECT PASSWORD OR OTHER
14 AUTHENTICATION INFORMATION FOR ACCESS TO THE INTERACTIVE
15 GAMING ACCOUNT.

16 (B) NONACCEPTANCE.--AN INTERACTIVE GAMING CERTIFICATE HOLDER
17 MAY NOT ACCEPT A WAGER IN AN AMOUNT IN EXCESS OF FUNDS ON
18 DEPOSIT IN THE INTERACTIVE GAMING ACCOUNT OF THE REGISTERED
19 PLAYER PLACING THE WAGER. FUNDS ON DEPOSIT INCLUDE AMOUNTS
20 CREDITED TO A REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT IN
21 ACCORDANCE WITH REGULATIONS OF THE BOARD AND ANY FUNDS IN THE
22 ACCOUNT AT THE TIME THE WAGER IS PLACED.

23 § 13B25. DORMANT INTERACTIVE GAMING ACCOUNTS.

24 BEFORE CLOSING A DORMANT INTERACTIVE GAMING ACCOUNT, THE
25 INTERACTIVE GAMING CERTIFICATE HOLDER SHALL ATTEMPT TO CONTACT
26 THE INTERACTIVE GAMING ACCOUNT HOLDER BY MAIL AND PHONE OR E-
27 MAIL TO INFORM THE ACCOUNT HOLDER THAT THE INTERACTIVE GAMING
28 ACCOUNT IS INACTIVE AND MAY BE SUBJECT TO TERMINATION. THE TIME
29 AND MANNER OF TERMINATING A DORMANT INTERACTIVE GAMING ACCOUNT
30 SHALL BE PRESCRIBED BY REGULATION OF THE BOARD.

1 § 13B26. LOG-IN PROCEDURE REQUIRED.

2 EACH INTERACTIVE GAMING CERTIFICATE HOLDER SHALL ESTABLISH A
3 LOG-IN PROCEDURE FOR A REGISTERED PLAYER TO ACCESS INTERACTIVE
4 GAMING. THE LOG-IN PROCEDURE SHALL INCLUDE THE PROVISION OF THE
5 APPROPRIATE AUTHENTICATION INFORMATION BY THE REGISTERED PLAYER
6 FOR ACCESS TO THE REGISTERED PLAYER'S INTERACTIVE GAMING
7 ACCOUNT. THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL NOT
8 ALLOW A REGISTERED PLAYER TO LOG IN AND ACCESS AN INTERACTIVE
9 GAMING ACCOUNT UNLESS THE CORRECT PASSWORD OR OTHER
10 AUTHENTICATION INFORMATION IS PROVIDED.

11 § 13B27. INFORMATION PROVIDED AT LOGIN.

12 THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL CONFIGURE ITS
13 INTERACTIVE GAMING SKIN TO INCLUDE A LINK THAT, UPON LOGIN, WILL
14 ALLOW A REGISTERED PLAYER TO ACCESS ALL OF THE FOLLOWING
15 INFORMATION:

16 (1) THE CURRENT AMOUNT OF FUNDS IN THE REGISTERED
17 PLAYER'S INTERACTIVE GAMING ACCOUNT.

18 (2) THE WINS AND LOSSES SINCE THE REGISTERED PLAYER'S
19 INTERACTIVE GAMING ACCOUNT WAS ESTABLISHED.

20 (3) THE WINS AND LOSSES AT THE BEGINNING OF THE CURRENT
21 GAMING SESSION AND THE WINS AND LOSSES AT THE END OF THE
22 CURRENT GAMING SESSION.

23 (4) THE COMPLETE TEXT IN SEARCHABLE FORMAT OF THE RULES
24 OF EACH AUTHORIZED INTERACTIVE GAME OFFERED BY THE
25 INTERACTIVE GAMING CERTIFICATE HOLDER AND ANY OTHER
26 INFORMATION AS THE BOARD MAY REQUIRE.

27 § 13B28. PROHIBITIONS.

28 EXCEPT AS PROVIDED IN THIS PART, NO INTERACTIVE GAMING
29 CERTIFICATE HOLDER OR ANY PERSON LICENSED UNDER THIS PART TO
30 OPERATE INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM AND

1 NO PERSON ACTING ON BEHALF OF, OR UNDER ANY ARRANGEMENT WITH, AN
2 INTERACTIVE GAMING CERTIFICATE HOLDER OR OTHER PERSON LICENSED
3 UNDER THIS PART SHALL:

4 (1) MAKE ANY LOAN TO ANY PERSON FOR THE PURPOSE OF
5 CREDITING AN INTERACTIVE GAMING ACCOUNT.

6 (2) RELEASE OR DISCHARGE ANY DEBT, EITHER IN WHOLE OR IN
7 PART, OR MAKE ANY LOAN WHICH REPRESENTS ANY LOSSES INCURRED
8 BY ANY REGISTERED PLAYER WHILE PLAYING AN AUTHORIZED
9 INTERACTIVE GAME WITHOUT MAINTAINING A WRITTEN RECORD THEREOF
10 IN ACCORDANCE WITH REGULATIONS OF THE BOARD.

11 § 13B29. COMMENCEMENT OF INTERACTIVE GAMING OPERATIONS.

12 AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY NOT OPERATE OR
13 OFFER INTERACTIVE GAMES FOR PLAY ON ITS INTERACTIVE GAMING SKIN
14 UNTIL THE BOARD DETERMINES THAT:

15 (1) THE INTERACTIVE GAMING CERTIFICATE HOLDER IS IN
16 COMPLIANCE WITH THE REQUIREMENTS OF THIS CHAPTER.

17 (2) THE INTERACTIVE GAMING CERTIFICATE HOLDER'S
18 INTERNAL, ADMINISTRATIVE AND ACCOUNTING CONTROLS ARE
19 SUFFICIENT TO MEET THE REQUIREMENTS OF SECTION 13B32
20 (RELATING TO INTERNAL, ADMINISTRATIVE AND ACCOUNTING
21 CONTROLS) AND HAVE BEEN IMPLEMENTED.

22 (3) THE INTERACTIVE GAMING CERTIFICATE HOLDER'S
23 INTERACTIVE GAMING EMPLOYEES, WHERE APPLICABLE, ARE LICENSED,
24 PERMITTED, REGISTERED, CERTIFIED OR OTHERWISE AUTHORIZED BY
25 THE BOARD TO PERFORM THEIR RESPECTIVE DUTIES.

26 (4) THE EMPLOYEES OF THE INTERACTIVE GAMING OPERATOR, IF
27 ANY, THAT IS CONDUCTING INTERACTIVE GAMING ON BEHALF OF THE
28 INTERACTIVE GAMING CERTIFICATE HOLDER ARE, WHERE APPLICABLE,
29 LICENSED, PERMITTED OR OTHERWISE AUTHORIZED BY THE BOARD TO
30 PERFORM THEIR DUTIES.

1 (5) THE INTERACTIVE GAMING CERTIFICATE HOLDER IS
2 PREPARED IN ALL RESPECTS TO OFFER INTERACTIVE GAMING TO THE
3 PUBLIC OVER ITS INTERACTIVE GAMING SKIN.

4 (6) THE INTERACTIVE GAMING CERTIFICATE HOLDER HAS
5 IMPLEMENTED NECESSARY SECURITY ARRANGEMENTS AND SURVEILLANCE
6 SYSTEMS FOR THE OPERATION OF INTERACTIVE GAMING.

7 (7) THE INTERACTIVE GAMING CERTIFICATE HOLDER IS IN
8 COMPLIANCE WITH OR WILL COMPLY WITH SECTION 13B31 (RELATING
9 TO RESPONSIBILITIES OF INTERACTIVE GAMING CERTIFICATE
10 HOLDER).

11 (8) THE BOARD HAS APPROVED THE INTERACTIVE GAMING
12 AGREEMENT BETWEEN THE INTERACTIVE GAMING CERTIFICATE HOLDER
13 AND THE INTERACTIVE GAMING OPERATOR, IF APPLICABLE.

14 SUBCHAPTER D

15 FACILITIES AND EQUIPMENT

16 SEC.

17 13B31. RESPONSIBILITIES OF INTERACTIVE GAMING CERTIFICATE
18 HOLDER.

19 13B32. INTERNAL, ADMINISTRATIVE AND ACCOUNTING CONTROLS.

20 § 13B31. RESPONSIBILITIES OF INTERACTIVE GAMING CERTIFICATE
21 HOLDER.

22 (A) FACILITIES AND EQUIPMENT.--ALL FACILITIES AND
23 INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT SHALL:

24 (1) BE ARRANGED IN A MANNER PROMOTING APPROPRIATE
25 SECURITY FOR INTERACTIVE GAMING.

26 (2) INCLUDE A CLOSED-CIRCUIT VIDEO MONITORING SYSTEM
27 ACCORDING TO RULES OR SPECIFICATIONS APPROVED BY THE BOARD,
28 WITH BOARD ABSOLUTE ACCESS TO THE INTERACTIVE GAMING
29 CERTIFICATE HOLDER'S INTERACTIVE GAMING SKIN, INTERNET
30 WEBSITE AND PLATFORM, SIGNAL OR TRANSMISSION USED IN

1 CONNECTION WITH INTERACTIVE GAMING.

2 (3) NOT BE DESIGNED IN ANY WAY THAT MIGHT INTERFERE WITH
3 OR IMPEDE THE BOARD IN ITS REGULATION OF INTERACTIVE GAMING.

4 (4) COMPLY IN ALL RESPECTS WITH REGULATIONS OF THE
5 BOARD.

6 (B) LOCATION OF EQUIPMENT AND INTERACTIVE GAMING RESTRICTED
7 AREAS.--

8 (1) ALL INTERACTIVE GAMING DEVICES AND ASSOCIATED
9 EQUIPMENT USED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER OR
10 AN INTERACTIVE GAMING LICENSEE TO CONDUCT INTERACTIVE GAMING
11 MAY BE LOCATED, WITH THE PRIOR APPROVAL OF THE BOARD, IN AN
12 INTERACTIVE GAMING RESTRICTED AREA ON THE PREMISES OF THE
13 LICENSED FACILITY, IN AN INTERACTIVE GAMING RESTRICTED AREA
14 WITHIN THE GEOGRAPHIC LIMITS OF THE COUNTY IN THIS
15 COMMONWEALTH WHERE THE LICENSED FACILITY IS SITUATED OR IN
16 ANY OTHER AREA APPROVED BY THE BOARD.

17 (2) ALL WAGERS ASSOCIATED WITH INTERACTIVE GAMING SHALL
18 BE DEEMED TO BE PLACED, INITIATED AND RECEIVED WHEN RECEIVED
19 BY THE INTERACTIVE GAMING CERTIFICATE HOLDER.

20 § 13B32. INTERNAL, ADMINISTRATIVE AND ACCOUNTING CONTROLS.

21 (A) SUBMISSIONS TO BOARD.--NOTWITHSTANDING ANY PROVISION OF
22 THIS PART, EACH SLOT MACHINE LICENSEE WHO HOLDS OR HAS APPLIED
23 FOR AN INTERACTIVE GAMING CERTIFICATE IN ACCORDANCE WITH THIS
24 CHAPTER SHALL SUBMIT A DESCRIPTION OF ITS SYSTEM OF INTERNAL
25 PROCEDURES AND ADMINISTRATIVE AND ACCOUNTING CONTROLS FOR
26 INTERACTIVE GAMING TO THE BOARD, INCLUDING PROVISIONS THAT
27 PROVIDE FOR REAL-TIME MONITORING, RECORDATION OR STORAGE OF ALL
28 INTERACTIVE GAMES AND A DESCRIPTION OF ANY CHANGES TO ITS
29 PROCEDURES AND CONTROLS. THE SUBMISSION SHALL BE MADE AT LEAST
30 90 DAYS BEFORE 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 AND SHALL INCLUDE BUT NEED NOT BE
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 PHYSICAL
ADDRESS OF AN APPLICANT FOR AN INTERACTIVE GAMING ACCOUNT AND

1 WHETHER THE APPLICANT IS A PERSON PROHIBITED FROM
2 ESTABLISHING OR MAINTAINING AN ACCOUNT UNDER SECTION 13B22
3 (RELATING TO ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS).

4 (5) PROCEDURES FOR TERMINATING A REGISTERED PLAYER'S
5 INTERACTIVE GAMING ACCOUNT AND THE RETURN OF ANY FUNDS
6 REMAINING IN THE INTERACTIVE GAMING ACCOUNT TO THE REGISTERED
7 PLAYER.

8 (6) PROCEDURES FOR SUSPENDING OR TERMINATING A DORMANT
9 INTERACTIVE GAMING ACCOUNT AND THE RETURN OF ANY FUNDS
10 REMAINING IN THE DORMANT INTERACTIVE GAMING ACCOUNT TO THE
11 REGISTERED PLAYER.

12 (7) PROCEDURES FOR THE LOGGING IN AND AUTHENTICATION OF
13 A REGISTERED PLAYER IN ORDER TO ENABLE THE PLAYER TO COMMENCE
14 INTERACTIVE GAMING AND THE LOGGING OFF OF THE REGISTERED
15 PLAYER WHEN THE PLAYER HAS COMPLETED PLAY, INCLUDING A
16 PROCEDURE TO AUTOMATICALLY LOG A REGISTERED PLAYER OUT OF THE
17 PLAYER'S INTERACTIVE GAMING ACCOUNT AFTER A SPECIFIED PERIOD
18 OF INACTIVITY.

19 (8) PROCEDURES FOR THE CREDITING AND DEBITING OF A
20 REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT.

21 (9) PROCEDURES FOR CASHING CHECKS, RECEIVING ELECTRONIC
22 NEGOTIABLE INSTRUMENTS AND FOR REDEEMING CHIPS, TOKENS OR
23 OTHER CASH EQUIVALENTS.

24 (10) PROCEDURES FOR WITHDRAWING FUNDS FROM AN
25 INTERACTIVE GAMING ACCOUNT BY THE REGISTERED PLAYER.

26 (11) PROCEDURES FOR THE PROTECTION OF A REGISTERED
27 PLAYER'S FUNDS, INCLUDING THE SEGREGATION OF A REGISTERED
28 PLAYER'S FUNDS FROM OPERATING FUNDS OF THE INTERACTIVE GAMING
29 CERTIFICATE HOLDER.

30 (12) PROCEDURES FOR RECORDING TRANSACTIONS PERTAINING TO

1 INTERACTIVE GAMING.

2 (13) PROCEDURES FOR THE SECURITY AND SHARING OF PERSONAL
3 IDENTIFIABLE INFORMATION OF A REGISTERED PLAYER, FUNDS IN AN
4 INTERACTIVE GAMING ACCOUNT AND OTHER INFORMATION AS REQUIRED
5 BY THE BOARD. THE PROCEDURES SHALL INCLUDE THE MEANS BY WHICH
6 AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE
7 GAMING OPERATOR WILL PROVIDE NOTICE TO A REGISTERED PLAYER
8 RELATED TO THE SHARING OF PERSONAL IDENTIFIABLE INFORMATION.
9 FOR THE PURPOSE OF THIS PARAGRAPH, "PERSONAL IDENTIFIABLE
10 INFORMATION" SHALL MEAN ANY DATA OR INFORMATION THAT CAN BE
11 USED, ON ITS OWN OR WITH OTHER DATA OR INFORMATION, TO
12 IDENTIFY, CONTACT OR OTHERWISE LOCATE A REGISTERED PLAYER,
13 INCLUDING A REGISTERED PLAYER'S NAME, ADDRESS, DATE OF BIRTH
14 AND SOCIAL SECURITY NUMBER.

15 (14) PROCEDURES AND SECURITY FOR THE CALCULATION AND
16 RECORDATION OF REVENUE.

17 (15) PROCEDURES FOR THE SECURITY OF INTERACTIVE GAMING
18 DEVICES AND ASSOCIATED EQUIPMENT.

19 (16) PROCEDURES AND SECURITY STANDARDS AS TO RECEIPT,
20 HANDLING AND STORAGE OF INTERACTIVE GAMING DEVICES AND
21 ASSOCIATED EQUIPMENT.

22 (17) PROCEDURES AND SECURITY STANDARDS TO PROTECT THE
23 INTERACTIVE GAMING CERTIFICATE HOLDER'S INTERACTIVE GAMING
24 SKIN OR INTERNET WEBSITE AND INTERACTIVE GAMING DEVICES AND
25 ASSOCIATED EQUIPMENT FROM HACKING OR TAMPERING BY ANY PERSON.

26 (18) PROCEDURES FOR RESPONDING TO SUSPECTED OR ACTUAL
27 HACKING OR TAMPERING WITH AN INTERACTIVE GAMING CERTIFICATE
28 HOLDER'S INTERACTIVE GAMING SKIN OR INTERNET WEBSITE AND
29 INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT,
30 INCLUDING PARTIAL OR COMPLETE SUSPENSION OF INTERACTIVE

1 GAMING OR THE SUSPENSION OF ANY OR ALL INTERACTIVE GAMING
2 ACCOUNTS WHEN WARRANTED.

3 (19) PROCEDURES TO VERIFY EACH REGISTERED PLAYER'S
4 PHYSICAL LOCATION EACH TIME A REGISTERED PLAYER LOGS INTO HIS
5 OR HER INTERACTIVE GAMING ACCOUNT AND AT APPROPRIATE
6 INTERVALS THEREAFTER AS DETERMINED BY THE BOARD.

7 (20) PROCEDURES TO ENSURE, TO A REASONABLE DEGREE OF
8 CERTAINTY, THAT THE INTERACTIVE GAMES ARE FAIR AND HONEST AND
9 THAT APPROPRIATE MEASURES ARE IN PLACE TO DETER, DETECT AND,
10 TO THE EXTENT REASONABLY POSSIBLE, TO PREVENT CHEATING,
11 INCLUDING COLLUSION, AND USE OF CHEATING DEVICES, INCLUDING
12 THE USE OF SOFTWARE PROGRAMS THAT MAKE WAGERS ACCORDING TO
13 ALGORITHMS.

14 (21) PROCEDURES TO ASSIST PROBLEM AND COMPULSIVE
15 GAMBLERS, INCLUDING PROCEDURES REASONABLY INTENDED TO PREVENT
16 A PERSON FROM PARTICIPATING IN INTERACTIVE GAMING ACTIVITIES
17 IN ACCORDANCE WITH SECTIONS 1514 (RELATING TO REGULATION
18 REQUIRING EXCLUSION, EJECTION OR DENIAL OF ACCESS OF CERTAIN
19 PERSONS), 1515 (RELATING TO REPEAT OFFENDERS EXCLUDABLE FROM
20 LICENSED GAMING FACILITY) AND 1516 (RELATING TO LIST OF
21 PERSONS SELF EXCLUDED FROM GAMING ACTIVITIES).

22 (22) PROCEDURES TO GOVERN EMERGENCIES, INCLUDING
23 SUSPECTED OR ACTUAL CYBER ATTACKS, HACKING OR TAMPERING WITH
24 THE INTERACTIVE GAMING CERTIFICATE HOLDER'S INTERACTIVE
25 GAMING SKIN, PLATFORM OR INTERNET WEBSITE.

26 (C) REVIEW OF SUBMISSIONS.--

27 (1) THE BOARD SHALL REVIEW EACH SUBMISSION REQUIRED BY
28 SUBSECTIONS (A) AND (B) AND SHALL DETERMINE WHETHER THE
29 SUBMISSION CONFORMS TO THE REQUIREMENTS OF THIS CHAPTER AND
30 REGULATIONS PROMULGATED BY THE BOARD AND WHETHER THE SYSTEM

1 SUBMITTED PROVIDES ADEQUATE AND EFFECTIVE CONTROLS FOR
2 INTERACTIVE GAMING OF THE INTERACTIVE GAMING CERTIFICATE
3 HOLDER MAKING THE SUBMISSION.

4 (2) IF THE BOARD DETERMINES THAT THE SUBMISSION IS NOT
5 SUFFICIENT, IT SHALL SPECIFY THE INSUFFICIENCIES IN WRITING
6 TO THE INTERACTIVE GAMING CERTIFICATE HOLDER, WHO SHALL MAKE
7 APPROPRIATE ALTERATIONS TO ENSURE COMPLIANCE WITH THE
8 REQUIREMENTS OF THIS CHAPTER AND REGULATIONS OF THE BOARD.
9 WHEN THE BOARD DETERMINES A SUBMISSION TO BE ADEQUATE IN ALL
10 RESPECTS, IT SHALL NOTIFY THE INTERACTIVE GAMING CERTIFICATE
11 HOLDER.

12 (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (A) OR AN
13 EMERGENCY SITUATION THREATENING THE INTEGRITY OF THE
14 INTERACTIVE GAMING PLATFORM, NO INTERACTIVE GAMING
15 CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR OTHER
16 PERSON SHALL COMMENCE OR ALTER INTERACTIVE GAMING OPERATIONS
17 UNLESS AND UNTIL THE SYSTEM OF PROCEDURES, CONTROLS AND
18 ALTERNATIONS IS SUBMITTED TO AND APPROVED BY THE BOARD.

19 SUBCHAPTER E

20 TESTING AND CERTIFICATION

21 SEC.

22 13B41. INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND
23 ASSOCIATED EQUIPMENT TESTING AND CERTIFICATION
24 STANDARDS.

25 § 13B41. INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND
26 ASSOCIATED EQUIPMENT TESTING AND CERTIFICATION
27 STANDARDS.

28 (A) TESTING REQUIRED.--

29 (1) NO INTERACTIVE GAME OR INTERACTIVE GAMING DEVICE OR
30 ASSOCIATED EQUIPMENT SHALL BE USED TO CONDUCT INTERACTIVE

1 GAMING UNLESS IT HAS BEEN TESTED AND APPROVED BY THE BOARD.
2 THE BOARD MAY, IN ITS DISCRETION AND FOR THE PURPOSE OF
3 EXPEDITING THE APPROVAL PROCESS, REFER TESTING TO ANY TESTING
4 LABORATORY AS APPROVED BY THE BOARD.

5 (2) THE BOARD SHALL ESTABLISH, BY REGULATION, TECHNICAL
6 STANDARDS FOR APPROVAL OF INTERACTIVE GAMES AND INTERACTIVE
7 GAMING DEVICES AND ASSOCIATED EQUIPMENT, INCLUDING STANDARDS
8 TO GOVERN MECHANICAL, ELECTRICAL OR PROGRAM RELIABILITY AND
9 SECURITY AGAINST TAMPERING AND THREATS, AS IT MAY DEEM
10 NECESSARY TO PROTECT A REGISTERED PLAYER FROM FRAUD OR
11 DECEPTION AND TO ENSURE THE INTEGRITY OF INTERACTIVE GAMING.

12 (B) COST OF TESTING AND CERTIFICATION.--ANY COSTS ASSOCIATED
13 WITH THE BOARD'S TESTING AND CERTIFICATION UNDER THIS SECTION
14 SHALL BE ASSESSED ON PERSONS AUTHORIZED BY THE BOARD TO
15 MANUFACTURE, SUPPLY, DISTRIBUTE OR OTHERWISE PROVIDE INTERACTIVE
16 GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT TO
17 INTERACTIVE GAMING CERTIFICATE HOLDERS OR TO INTERACTIVE GAMING
18 OPERATORS IN THIS COMMONWEALTH. THE COSTS SHALL BE ASSESSED IN
19 ACCORDANCE WITH A SCHEDULE ADOPTED BY THE BOARD.

20 (C) USE OF OTHER STATE STANDARDS.--THE BOARD MAY DETERMINE
21 WHETHER THE TESTING AND CERTIFICATION STANDARDS FOR INTERACTIVE
22 GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT AS
23 ADOPTED BY ANOTHER JURISDICTION WITHIN THE UNITED STATES ARE
24 COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR AND ADEQUATE
25 SAFEGUARDS AS THOSE REQUIRED BY THIS CHAPTER AND REGULATIONS OF
26 THE BOARD. IF THE BOARD MAKES THAT DETERMINATION, IT MAY PERMIT
27 THE PERSON AUTHORIZED TO MANUFACTURE, SUPPLY, DISTRIBUTE OR
28 OTHERWISE PROVIDE INTERACTIVE GAMES AND INTERACTIVE GAMING
29 DEVICES OR ASSOCIATED EQUIPMENT THAT HAVE MET THE TESTING AND
30 CERTIFICATION STANDARD IN SUCH OTHER JURISDICTION 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 UNDER THIS SECTION.

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 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 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 AUTHORIZATION.

(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.

(2) EACH INTERACTIVE GAMING OPERATOR SHALL PAY A RENEWAL
FEE OF \$100,000 UPON THE RENEWAL OF ITS INTERACTIVE GAMING
LICENSE.

(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 16% OF ITS DAILY GROSS INTERACTIVE GAMING
REVENUE.

(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) 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

1 TO WAGERS PLACED BY REGISTERED PLAYERS LOCATED IN THIS
2 COMMONWEALTH WITH AN INTERACTIVE GAMING OPERATOR LOCATED OUTSIDE
3 OF THIS COMMONWEALTH, BUT AUTHORIZED UNDER AN INTERACTIVE GAMING
4 RECIPROCAL AGREEMENT, SHALL BE GOVERNED BY THE AGREEMENT BUT MAY
5 NOT EXCEED 19% OF GROSS INTERACTIVE GAMING REVENUE DERIVED FROM
6 REGISTERED PLAYERS LOCATED IN THIS COMMONWEALTH.

7 (D) DEPOSIT OF FUNDS.--THE TAX IMPOSED UNDER SUBSECTION (A)
8 SHALL BE COLLECTED BY THE DEPARTMENT AND DEPOSITED IN THE
9 GENERAL FUND.

10 § 13B53. LOCAL SHARE ASSESSMENT.

11 (A) REQUIRED PAYMENT.--

12 (1) IN ADDITION TO THE TAX IMPOSED UNDER SECTION 13B52
13 (RELATING TO INTERACTIVE GAMING TAX), EACH INTERACTIVE GAMING
14 CERTIFICATE HOLDER THAT CONDUCTS INTERACTIVE GAMING SHALL PAY
15 ON A WEEKLY BASIS, ON A FORM AND IN A MANNER PRESCRIBED BY
16 THE DEPARTMENT, A LOCAL SHARE ASSESSMENT EQUAL TO 3% OF THE
17 INTERACTIVE GAMING CERTIFICATE HOLDER'S DAILY GROSS
18 INTERACTIVE GAMING REVENUE.

19 (2) ONE-THIRD OF THE LOCAL SHARE ASSESSMENT UNDER
20 PARAGRAPH (1) OF EACH INTERACTIVE GAMING CERTIFICATE HOLDER'S
21 DAILY GROSS INTERACTIVE GAMING REVENUE SHALL BE PROVIDED TO
22 THE COUNTY HOSTING THE INTERACTIVE GAMING CERTIFICATE
23 HOLDER'S LICENSED FACILITY AND THE REMAINING FUNDS SHALL BE
24 PAID INTO A RESTRICTED RECEIPT ACCOUNT ESTABLISHED IN THE
25 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED
26 EXCLUSIVELY FOR GRANTS TO ALL COUNTIES IN THIS COMMONWEALTH,
27 TO ECONOMIC DEVELOPMENT AUTHORITIES OR REDEVELOPMENT
28 AUTHORITIES WITHIN EACH COUNTY, FOR GRANTS FOR ECONOMIC
29 DEVELOPMENT PROJECTS, COMMUNITY IMPROVEMENT PROJECTS AND
30 OTHER PROJECTS IN THE PUBLIC INTEREST. FUNDS IN THE ACCOUNT

1 ARE HEREBY APPROPRIATED TO THE DEPARTMENT OF COMMUNITY AND
2 ECONOMIC DEVELOPMENT ON A CONTINUING BASIS FOR THE PURPOSES
3 SPECIFIED IN THIS PARAGRAPH.

4 (B) DISTRIBUTION OF GRANTS.--THE DEPARTMENT OF COMMUNITY AND
5 ECONOMIC DEVELOPMENT SHALL DEVELOP POLICIES AND PROCEDURES TO
6 GOVERN THE DISTRIBUTION OF GRANTS FROM THE LOCAL SHARE
7 ASSESSMENT ESTABLISHED UNDER SUBSECTION (A). THE POLICIES AND
8 PROCEDURES SHALL BE OF SUFFICIENT SCOPE TO ENSURE EQUAL ACCESS
9 TO GRANT FUNDS BY ALL COUNTIES IN THIS COMMONWEALTH.

10 § 13B54. COMPULSIVE AND PROBLEM GAMBLING.

11 THE FOLLOWING SHALL APPLY:

12 (1) EACH YEAR, FROM THE TAX IMPOSED IN SECTION 13B52
13 (RELATING TO INTERACTIVE GAMING TAX), \$2,000,000 OR AN AMOUNT
14 EQUAL TO .002 MULTIPLIED BY THE TOTAL GROSS INTERACTIVE
15 GAMING REVENUE OF ALL ACTIVE AND OPERATING INTERACTIVE GAMING
16 CERTIFICATE HOLDERS, WHICHEVER IS GREATER, SHALL BE
17 TRANSFERRED INTO THE COMPULSIVE AND PROBLEM GAMBLING
18 TREATMENT FUND ESTABLISHED IN SECTION 1509 (RELATING TO
19 COMPULSIVE AND PROBLEM GAMBLING PROGRAM).

20 (2) EACH YEAR, FROM THE TAX IMPOSED IN SECTION 13B52,
21 \$2,000,000 OR AN AMOUNT EQUAL TO .002 MULTIPLIED BY THE TOTAL
22 GROSS INTERACTIVE GAMING REVENUE OF ALL ACTIVE AND OPERATING
23 INTERACTIVE GAMING CERTIFICATE HOLDERS, WHICHEVER IS GREATER,
24 SHALL BE TRANSFERRED TO THE DEPARTMENT OF DRUG AND ALCOHOL
25 PROGRAMS TO BE USED FOR DRUG AND ALCOHOL ADDICTION TREATMENT
26 SERVICES, INCLUDING TREATMENT FOR DRUG AND ALCOHOL ADDICTION
27 RELATED TO COMPULSIVE AND PROBLEM GAMBLING, AS SET FORTH IN
28 SECTION 1509.1 (RELATING TO DRUG AND ALCOHOL TREATMENT).

29 § 13B55. CERTIFICATE HOLDER DEPOSITS.

30 (A) ACCOUNTS ESTABLISHED.--EXCEPT FOR AN INTERACTIVE GAMING

1 CERTIFICATE HOLDER THAT ALREADY HAS AN ACCOUNT ESTABLISHED UNDER
2 SECTION 1401 (RELATING TO SLOT MACHINE LICENSEE DEPOSITS), THE
3 STATE TREASURER SHALL ESTABLISH WITHIN THE STATE TREASURY AN
4 ACCOUNT FOR EACH INTERACTIVE GAMING CERTIFICATE HOLDER FOR THE
5 DEPOSIT OF SUMS REQUIRED UNDER SUBSECTION (B) TO RECOVER COSTS
6 OR EXPENSES INCURRED BY THE BOARD AND THE DEPARTMENT IN CARRYING
7 OUT THEIR POWERS AND DUTIES UNDER THIS CHAPTER BASED UPON A
8 BUDGET SUBMITTED BY THE BOARD AND THE DEPARTMENT UNDER
9 SUBSECTION (C).

10 (B) DEPOSITS.--

11 (1) THE DEPARTMENT SHALL DETERMINE THE APPROPRIATE
12 ASSESSMENT AMOUNT FOR EACH INTERACTIVE GAMING CERTIFICATE
13 HOLDER, WHICH AMOUNT SHALL BE A PERCENTAGE ASSESSED ON THE
14 INTERACTIVE GAMING CERTIFICATE HOLDER'S GROSS INTERACTIVE
15 GAMING REVENUES. EACH INTERACTIVE GAMING CERTIFICATE HOLDER
16 SHALL DEPOSIT FUNDS INTO ITS ACCOUNT ESTABLISHED UNDER THIS
17 SECTION OR UNDER SECTION 1401 ON A QUARTERLY BASIS.

18 (2) THE PERCENTAGE ASSESSED SHALL NOT EXCEED AN AMOUNT
19 NECESSARY TO RECOVER COSTS OR EXPENSES INCURRED BY THE BOARD
20 AND THE DEPARTMENT IN CARRYING OUT POWERS AND DUTIES UNDER
21 THIS CHAPTER BASED ON A BUDGET SUBMITTED BY THE BOARD AND THE
22 DEPARTMENT UNDER SUBSECTION (C).

23 (C) ITEMIZED BUDGET REPORTING.--

24 (1) THE BOARD AND THE DEPARTMENT SHALL PREPARE AND
25 ANNUALLY SUBMIT TO THE CHAIRPERSON AND MINORITY CHAIRPERSON
26 OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
27 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
28 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AN ITEMIZED BUDGET
29 CONSISTING OF AMOUNTS TO BE APPROPRIATED OUT OF THE ACCOUNTS
30 ESTABLISHED UNDER THIS SECTION AS NECESSARY TO ADMINISTER

1 THIS CHAPTER.

2 (2) AS SOON AS PRACTICABLE AFTER SUBMITTING COPIES OF
3 THE ITEMIZED BUDGET, THE DEPARTMENT SHALL SUBMIT TO THE
4 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
5 COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND MINORITY
6 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
7 REPRESENTATIVES ANALYSES OF AND RECOMMENDATIONS REGARDING THE
8 ITEMIZED BUDGET.

9 (3) THE ITEMIZED BUDGET REQUIRED UNDER PARAGRAPH (1)
10 SHALL BE SUBMITTED IN CONJUNCTION WITH THE BUDGET REQUIRED TO
11 BE SUBMITTED UNDER SECTION 1202(B)(28) (RELATING TO GENERAL
12 AND SPECIFIC POWERS).

13 (D) APPROPRIATION.--COSTS AND EXPENSES FROM ACCOUNTS
14 ESTABLISHED UNDER SUBSECTION (A) OR UNDER SECTION 1401 SHALL
15 ONLY BE DISBURSED UPON APPROPRIATION BY THE GENERAL ASSEMBLY.

16 (E) PENALTY.--

17 (1) AN INTERACTIVE GAMING CERTIFICATE HOLDER THAT FAILS
18 TO TIMELY REMIT TO THE DEPARTMENT AMOUNTS REQUIRED UNDER THIS
19 SECTION SHALL BE SUBJECT TO, IN ADDITION TO LIABILITY IMPOSED
20 IN THIS CHAPTER, A PENALTY OF 5% PER MONTH UP TO A MAXIMUM OF
21 25% OF THE AMOUNTS ULTIMATELY FOUND TO BE DUE. THE PENALTY
22 SHALL BE RECOVERED BY THE DEPARTMENT.

23 (2) PENALTIES IMPOSED UNDER THIS SUBSECTION SHALL BE
24 DEPOSITED INTO THE GENERAL FUND.

25 SUBCHAPTER G

26 MISCELLANEOUS PROVISIONS

27 SEC.

28 13B61. PARTICIPATION IN INTERACTIVE GAMING OUTSIDE

29 COMMONWEALTH.

30 13B62. INSTITUTIONAL INVESTORS.

1 13B63. INTERNET CAFES AND PROHIBITION.

2 § 13B61. PARTICIPATION IN INTERACTIVE GAMING OUTSIDE
3 COMMONWEALTH.

4 NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER TO THE
5 CONTRARY, AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY ACCEPT
6 INTERACTIVE GAMING WAGERS FROM A PERSON WHO IS NOT PHYSICALLY
7 LOCATED IN THIS COMMONWEALTH OR MAY ACCEPT INTERACTIVE GAMING
8 WAGERS FROM A PERSON PHYSICALLY PRESENT IN THIS COMMONWEALTH AND
9 TRANSMIT SUCH WAGERS TO AN INTERACTIVE GAMING PLATFORM OPERATED
10 BY ONE OR MORE OPERATORS LICENSED IN A FOREIGN JURISDICTION
11 WHERE INTERACTIVE GAMING IS PERMITTED, IF THE BOARD DETERMINES
12 THE FOLLOWING:

13 (1) PARTICIPATION IN INTERACTIVE GAMING AND ACCEPTANCE
14 OF WAGERS ASSOCIATED WITH INTERACTIVE GAMING FROM A PERSON
15 NOT PHYSICALLY LOCATED IN THIS COMMONWEALTH OR ACCEPTING
16 INTERACTIVE GAMING WAGERS FROM A PERSON PHYSICALLY PRESENT IN
17 THIS COMMONWEALTH AND TRANSMITTING SUCH WAGERS TO AN
18 INTERACTIVE GAMING PLATFORM OPERATED BY ONE OR MORE OPERATORS
19 LICENSED IN A FOREIGN JURISDICTION WHERE INTERACTIVE GAMING
20 IS PERMITTED IS NOT INCONSISTENT WITH FEDERAL LAW OR
21 REGULATION OR THE LAW OR REGULATION OF THE STATE OR
22 JURISDICTION IN WHICH THE PERSON OR OPERATOR IS LOCATED; AND

23 (2) PARTICIPATION IN INTERACTIVE GAMING IS CONDUCTED
24 PURSUANT TO AN INTERACTIVE GAMING RECIPROCAL AGREEMENT WITH
25 THE STATE OR JURISDICTION WHERE THE PERSON IS LOCATED AND THE
26 INTERACTIVE GAMING RECIPROCAL AGREEMENT IS NOT INCONSISTENT
27 WITH FEDERAL LAW OR REGULATION.

28 § 13B62. INSTITUTIONAL INVESTORS.

29 (A) DECLARATION OF INVESTMENT INTENT.--NOTWITHSTANDING ANY
30 OTHER PROVISION OF THIS PART, THE FOLLOWING SHALL APPLY:

1 (1) AN INSTITUTIONAL INVESTOR HOLDING 20% OR LESS OF THE
2 EQUITY SECURITIES OF AN INTERACTIVE GAMING CERTIFICATE
3 HOLDER'S, INTERACTIVE GAMING OPERATOR'S OR APPLICANT'S
4 HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANIES SHALL BE
5 GRANTED A WAIVER OF ANY INVESTIGATION OF SUITABILITY OR OTHER
6 REQUIREMENT IF THE SECURITIES ARE THOSE OF A CORPORATION,
7 WHETHER PUBLICLY TRADED OR PRIVATELY HELD, AND THE HOLDINGS
8 OF THE SECURITIES WERE PURCHASED FOR INVESTMENT PURPOSES
9 ONLY. THE INSTITUTIONAL INVESTOR SHALL FILE A CERTIFIED
10 STATEMENT THAT IT HAS NO INTENTION OF INFLUENCING OR
11 AFFECTING THE AFFAIRS OF THE INTERACTIVE GAMING CERTIFICATE
12 HOLDER, INTERACTIVE GAMING OPERATOR, APPLICANT OR ANY
13 HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANY OF AN INTERACTIVE
14 GAMING CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR
15 APPLICANT. HOWEVER, AN INSTITUTIONAL INVESTOR SHALL BE
16 PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE
17 OUTSTANDING SECURITY HOLDERS.

18 (2) THE BOARD MAY GRANT A WAIVER TO AN INSTITUTIONAL
19 INVESTOR HOLDING A HIGHER PERCENTAGE OF SECURITIES UPON A
20 SHOWING OF GOOD CAUSE AND IF THE OTHER CONDITIONS SPECIFIED
21 IN PARAGRAPH (1) ARE MET.

22 (3) AN INSTITUTIONAL INVESTOR GRANTED A WAIVER UNDER
23 THIS SUBSECTION WHO SUBSEQUENTLY DECIDES TO INFLUENCE OR
24 AFFECT THE AFFAIRS OF AN INTERACTIVE GAMING CERTIFICATE
25 HOLDER, INTERACTIVE GAMING OPERATOR OR APPLICANT'S HOLDING,
26 SUBSIDIARY OR INTERMEDIARY COMPANY OF AN INTERACTIVE GAMING
27 CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR APPLICANT
28 SHALL PROVIDE NOT LESS THAN 30 DAYS' NOTICE OF INTENT AND
29 SHALL FILE WITH THE BOARD A REQUEST FOR DETERMINATION OF
30 SUITABILITY BEFORE TAKING ANY ACTION THAT MAY INFLUENCE OR

1 AFFECT SUCH AFFAIRS. AN INSTITUTIONAL INVESTOR SHALL BE
2 PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE
3 OUTSTANDING SECURITY HOLDERS.

4 (4) IF AN INSTITUTIONAL INVESTOR CHANGES ITS INVESTMENT
5 INTENT OR IF THE BOARD FINDS REASONABLE CAUSE TO BELIEVE THAT
6 THE INSTITUTIONAL INVESTOR MAY BE FOUND UNSUITABLE, NO ACTION
7 OTHER THAN DIVESTITURE SHALL BE TAKEN BY THE INSTITUTIONAL
8 INVESTOR WITH RESPECT TO ITS SECURITY HOLDINGS UNTIL THERE
9 HAS BEEN COMPLIANCE WITH ANY REQUIREMENTS ESTABLISHED BY THE
10 BOARD, WHICH MAY INCLUDE THE EXECUTION OF A TRUST AGREEMENT
11 IN ACCORDANCE WITH SECTION 1332 (RELATING TO APPOINTMENT OF
12 TRUSTEE).

13 (5) THE INTERACTIVE GAMING CERTIFICATE HOLDER OR
14 INTERACTIVE GAMING OPERATOR OR APPLICANT OR ANY HOLDING,
15 INTERMEDIARY OR SUBSIDIARY COMPANY OF AN INTERACTIVE GAMING
16 CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR APPLICANT
17 SHALL NOTIFY THE BOARD IMMEDIATELY OF ANY INFORMATION ABOUT,
18 OR ACTIONS OF, AN INSTITUTIONAL INVESTOR HOLDING ITS EQUITY
19 SECURITIES WHERE THE INFORMATION OR ACTION MAY IMPACT THE
20 ELIGIBILITY OF THE INSTITUTIONAL INVESTOR FOR A WAIVER UNDER
21 THIS SUBSECTION.

22 (B) FAILURE TO DECLARE.--IF THE BOARD FINDS:

23 (1) THAT AN INSTITUTIONAL INVESTOR HOLDING ANY SECURITY
24 OF A HOLDING OR INTERMEDIARY COMPANY OF AN INTERACTIVE GAMING
25 CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR OR
26 APPLICANT OR, WHERE RELEVANT, OF ANOTHER SUBSIDIARY COMPANY
27 OF A HOLDING OR INTERMEDIARY COMPANY OF AN INTERACTIVE GAMING
28 CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR OR
29 APPLICANT WHICH IS RELATED IN ANY WAY TO THE FINANCING OF THE
30 INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING

1 OPERATOR OR APPLICANT, FAILS TO COMPLY WITH THE PROVISIONS OF
2 SUBSECTION (A); OR

3 (2) BY REASON OF THE EXTENT OR NATURE OF ITS HOLDINGS,
4 AN INSTITUTIONAL INVESTOR IS IN A POSITION TO EXERCISE SUCH A
5 SUBSTANTIAL IMPACT UPON THE CONTROLLING INTERESTS OF AN
6 INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING
7 OPERATOR OR APPLICANT THAT INVESTIGATION AND DETERMINATION OF
8 SUITABILITY OF THE INSTITUTIONAL INVESTOR IS NECESSARY TO
9 PROTECT THE PUBLIC INTEREST;

10 THEN THE BOARD MAY TAKE ANY NECESSARY ACTION OTHERWISE
11 AUTHORIZED UNDER THIS CHAPTER TO PROTECT THE PUBLIC INTEREST.

12 § 13B63. INTERNET CAFES AND PROHIBITION.

13 (A) GENERAL RULE.--NO PERSON SHALL OPERATE A PLACE OF PUBLIC
14 ACCOMMODATION, CLUB, INCLUDING A CLUB OR ASSOCIATION LIMITED TO
15 DUES-PAYING MEMBERS OR SIMILAR RESTRICTED GROUPS, OR SIMILAR
16 ESTABLISHMENT IN WHICH COMPUTER TERMINALS OR SIMILAR ACCESS
17 DEVICES ARE ADVERTISED OR MADE AVAILABLE TO BE USED PRINCIPALLY
18 FOR THE PURPOSE OF ACCESSING AUTHORIZED INTERACTIVE GAMES. NO
19 INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING
20 OPERATOR SHALL OFFER OR MAKE AVAILABLE COMPUTER TERMINALS OR
21 SIMILAR ACCESS DEVICES TO BE USED PRINCIPALLY FOR THE PURPOSE OF
22 ACCESSING INTERACTIVE GAMES WITHIN A LICENSED FACILITY.

23 (B) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
24 CONSTRUED TO:

25 (1) REQUIRE THE OWNER OR OPERATOR OF A HOTEL OR MOTEL OR
26 OTHER PUBLIC PLACE OF GENERAL USE IN THIS COMMONWEALTH TO
27 PROHIBIT OR BLOCK GUESTS FROM PLAYING AUTHORIZED INTERACTIVE
28 GAMES ON THEIR OWN COMPUTERS OR OTHER DEVICES; OR

29 (2) REQUIRE AN INTERACTIVE GAMING CERTIFICATE HOLDER OR
30 AN INTERACTIVE GAMING OPERATOR TO PROHIBIT REGISTERED PLAYERS

1 WITHIN A LICENSED FACILITY FROM PLAYING AUTHORIZED
2 INTERACTIVE GAMES ON THEIR OWN COMPUTERS OR OTHER DEVICES.

3 CHAPTER 13C

4 SPORTS WAGERING

5 SUBCHAPTER

6 A. GENERAL PROVISIONS

7 B. SPORTS WAGERING AUTHORIZED

8 C. CONDUCT OF SPORTS WAGERING

9 D. SPORTS WAGERING TAXES AND FEES

10 E. MISCELLANEOUS PROVISIONS

11 SUBCHAPTER A

12 GENERAL PROVISIONS

13 SEC.

14 13C01. DEFINITIONS.

15 13C02. REGULATORY AUTHORITY.

16 13C03. TEMPORARY SPORTS WAGERING REGULATIONS.

17 13C04. UNAUTHORIZED SPORTS WAGERING.

18 § 13C01. DEFINITIONS.

19 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
20 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
21 CONTEXT CLEARLY INDICATES OTHERWISE:

22 "CERTIFICATE HOLDER." A PERSON TO WHOM THE BOARD HAS AWARDED
23 A SPORTS WAGERING CERTIFICATE.

24 "GROSS SPORTS WAGERING REVENUE."

25 (1) THE TOTAL OF CASH OR CASH EQUIVALENTS RECEIVED FROM
26 SPORTS WAGERING MINUS THE TOTAL OF:

27 (I) CASH OR CASH EQUIVALENTS PAID TO PLAYERS AS A
28 RESULT OF SPORTS WAGERING.

29 (II) CASH OR CASH EQUIVALENTS PAID TO PURCHASE
30 ANNUITIES TO FUND PRIZES PAYABLE TO PLAYERS OVER A PERIOD

1 OF TIME AS A RESULT OF SPORTS WAGERING.

2 (III) THE ACTUAL COST PAID BY THE CERTIFICATE HOLDER
3 FOR ANY PERSONAL PROPERTY DISTRIBUTED TO A PLAYER AS A
4 RESULT OF SPORTS WAGERING. THIS SUBPARAGRAPH DOES NOT
5 INCLUDE TRAVEL EXPENSES, FOOD, REFRESHMENTS, LODGING OR
6 SERVICES.

7 (2) THE TERM DOES NOT INCLUDE ANY OF THE FOLLOWING:

8 (I) COUNTERFEIT CASH OR CHIPS.

9 (II) COINS OR CURRENCY OF OTHER COUNTRIES RECEIVED
10 AS A RESULT OF SPORTS WAGERING, EXCEPT TO THE EXTENT THAT
11 THE COINS OR CURRENCY ARE READILY CONVERTIBLE TO CASH.

12 (III) CASH TAKEN IN A FRAUDULENT ACT PERPETRATED
13 AGAINST A CERTIFICATE HOLDER FOR WHICH THE CERTIFICATE
14 HOLDER IS NOT REIMBURSED.

15 "SPORTING EVENT." A PROFESSIONAL OR COLLEGIATE SPORTS OR
16 ATHLETIC EVENT OR A MOTOR RACE EVENT.

17 "SPORTS WAGERING." THE BUSINESS OF ACCEPTING WAGERS ON
18 SPORTING EVENTS OR ON THE INDIVIDUAL PERFORMANCE STATISTICS OF
19 ATHLETES IN A SPORTING EVENT OR COMBINATION OF SPORTING EVENTS
20 BY ANY SYSTEM OR METHOD OF WAGERING, INCLUDING OVER THE INTERNET
21 THROUGH WEBSITES AND MOBILE APPLICATIONS. THE TERM INCLUDES, BUT
22 IS NOT LIMITED TO, EXCHANGE WAGERING, PARLAYS, OVER-UNDER,
23 MONEYLINE, POOLS AND STRAIGHT BETS. THE TERM DOES NOT INCLUDE:

24 (1) PARI-MUTUEL BETTING ON THE OUTCOME OF THOROUGHBRED
25 OR HARNESS HORSE RACING AS AUTHORIZED UNDER 3 PA.C.S. CH. 93
26 (RELATING TO RACE HORSE INDUSTRY REFORM).

27 (2) LOTTERY GAMES OF THE PENNSYLVANIA STATE LOTTERY AS
28 AUTHORIZED UNDER THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91),
29 KNOWN AS THE STATE LOTTERY LAW.

30 (3) BINGO AS AUTHORIZED UNDER THE ACT OF JULY 10, 1981

1 (P.L.214, NO.67), KNOWN AS THE BINGO LAW.

2 (4) SMALL GAMES OF CHANCE AS AUTHORIZED UNDER THE ACT OF
3 DECEMBER 19, 1988 (P.L.1262, NO.156), KNOWN AS THE LOCAL
4 OPTION SMALL GAMES OF CHANCE ACT.

5 (5) SLOT MACHINE GAMING AND PROGRESSIVE SLOT MACHINE
6 GAMING AS DEFINED AND AUTHORIZED UNDER THIS PART.

7 (6) KENO.

8 (7) FANTASY SPORTS CONTESTS.

9 (8) ILOTTERY UNDER CHAPTER 7 (RELATING TO ILOTTERY).

10 "SPORTS WAGERING CERTIFICATE." A CERTIFICATE AWARDED BY THE
11 BOARD UNDER THIS CHAPTER THAT AUTHORIZES A SLOT MACHINE LICENSEE
12 TO CONDUCT SPORTS WAGERING IN ACCORDANCE WITH THIS CHAPTER.

13 "SPORTS WAGERING DEVICE." THE TERM INCLUDES ANY MECHANICAL,
14 ELECTRICAL OR COMPUTERIZED CONTRIVANCE, TERMINAL, MACHINE OR
15 OTHER DEVICE, APPARATUS, EQUIPMENT OR SUPPLIES APPROVED BY THE
16 BOARD AND USED TO CONDUCT SPORTS WAGERING.

17 § 13C02. REGULATORY AUTHORITY.

18 THE BOARD SHALL PROMULGATE REGULATIONS:

19 (1) ESTABLISHING STANDARDS AND PROCEDURES FOR SPORTS
20 WAGERING. THE STANDARDS AND PROCEDURES SHALL PROVIDE FOR THE
21 CONDUCT AND IMPLEMENTATION OF SPORTS WAGERING WITHIN LICENSED
22 FACILITIES, INCLUDING ANY NEW SPORTS WAGERING OR VARIATIONS
23 OR COMPOSITES OF APPROVED SPORTS WAGERING, PROVIDED THAT THE
24 BOARD DETERMINES THAT THE NEW SPORTS WAGERING OR ANY
25 VARIATIONS OR COMPOSITES OR OTHER APPROVED SPORTS WAGERING
26 ARE SUITABLE FOR USE AFTER A TEST OR EXPERIMENTAL PERIOD
27 UNDER THE TERMS AND CONDITIONS AS THE BOARD MAY DEEM
28 APPROPRIATE.

29 (2) ESTABLISHING STANDARDS AND RULES TO GOVERN THE
30 CONDUCT OF SPORTS WAGERING AND THE SYSTEM OF WAGERING,

1 INCLUDING THE MANNER IN WHICH WAGERS ARE RECEIVED, PAYOUTS
2 ARE REMITTED AND POINT SPREADS, LINES AND ODDS ARE
3 DETERMINED. THE BOARD MAY ALSO ESTABLISH STANDARDS AND RULES
4 TO GOVERN THE CONDUCT OF SPORTS WAGERING AND THE SYSTEM OF
5 WAGERING AS A FORM OF INTERACTIVE GAMING AUTHORIZED BY THE
6 COMMONWEALTH.

7 (3) ESTABLISHING THE METHOD FOR CALCULATING GROSS SPORTS
8 WAGERING REVENUE AND STANDARDS FOR THE DAILY COUNTING AND
9 RECORDING OF CASH AND CASH EQUIVALENTS RECEIVED IN THE
10 CONDUCT OF SPORTS WAGERING, INCLUDING ENSURING THAT INTERNAL
11 CONTROLS ARE FOLLOWED AND HOW FINANCIAL BOOKS AND RECORDS ARE
12 MAINTAINED AND AUDITS ARE CONDUCTED. THE BOARD SHALL CONSULT
13 WITH THE DEPARTMENT IN ESTABLISHING THE REGULATIONS UNDER
14 THIS PARAGRAPH.

15 (4) ESTABLISHING NOTICE REQUIREMENTS PERTAINING TO
16 MINIMUM AND MAXIMUM WAGERS ON SPORTS WAGERING.

17 (5) ESTABLISHING COMPULSIVE AND PROBLEM GAMBLING
18 STANDARDS PERTAINING TO SPORTS WAGERING CONSISTENT WITH THIS
19 PART.

20 (6) ESTABLISHING STANDARDS PROHIBITING PERSONS UNDER 21
21 YEARS OF AGE FROM PARTICIPATING IN SPORTS WAGERING.

22 (7) PROVIDING INFORMATION PERTAINING TO SPORTS WAGERING
23 IN THE BOARD'S ANNUAL REPORT REQUIRED UNDER SECTION 1211(A.1)
24 (RELATING TO REPORTS OF BOARD).

25 (8) REQUIRING EACH CERTIFICATE HOLDER TO:

26 (I) PROVIDE WRITTEN INFORMATION ABOUT SPORTS
27 WAGERING RULES, PAYOUTS OR WINNING WAGERS AND OTHER
28 INFORMATION AS THE BOARD MAY REQUIRE.

29 (II) PROVIDE SPECIFICATIONS APPROVED BY THE BOARD
30 UNDER SECTION 1207(11) (RELATING TO REGULATORY AUTHORITY

1 OF BOARD) TO INTEGRATE AND UPDATE THE LICENSED FACILITY'S
2 SURVEILLANCE SYSTEM TO COVER ALL AREAS WHERE SPORTS
3 WAGERING IS CONDUCTED. THE SPECIFICATIONS SHALL INCLUDE
4 PROVISIONS PROVIDING THE BOARD AND OTHER PERSONS
5 AUTHORIZED BY THE BOARD WITH ONSITE ACCESS TO THE SYSTEM
6 OR ITS SIGNAL.

7 (III) DESIGNATE ONE OR MORE LOCATIONS WITHIN THE
8 LICENSED FACILITY OF THE CERTIFICATE HOLDER TO CONDUCT
9 SPORTS WAGERING.

10 (IV) ENSURE THAT VISIBILITY IN THE LICENSED FACILITY
11 OF THE CERTIFICATE HOLDER IS NOT OBSTRUCTED IN ANY WAY
12 THAT COULD INTERFERE WITH THE ABILITY OF THE CERTIFICATE
13 HOLDER, THE BOARD AND OTHER PERSONS AUTHORIZED UNDER THIS
14 PART OR BY THE BOARD TO OVERSEE THE SURVEILLANCE OF THE
15 CONDUCT OF SPORTS WAGERING.

16 (V) INTEGRATE THE LICENSED FACILITY'S COUNT ROOM TO
17 ENSURE MAXIMUM SECURITY OF THE COUNTING AND STORAGE OF
18 CASH AND CASH EQUIVALENTS.

19 (VI) EQUIP EACH DESIGNATED LOCATION WITHIN THE
20 LICENSED FACILITY PROVIDING SPORTS WAGERING WITH A SIGN
21 INDICATING THE PERMISSIBLE SPORTS WAGERING MINIMUM AND
22 MAXIMUM WAGERS.

23 (VII) ENSURE THAT NO PERSON UNDER 21 YEARS OF AGE
24 PARTICIPATES IN SPORTS WAGERING.

25 § 13C03. TEMPORARY SPORTS WAGERING REGULATIONS.

26 (A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT
27 IMPLEMENTATION OF THIS CHAPTER, REGULATIONS PROMULGATED BY THE
28 BOARD SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL EXPIRE
29 NOT LATER THAN TWO YEARS FOLLOWING THE PUBLICATION OF THE
30 TEMPORARY REGULATIONS. THE BOARD MAY PROMULGATE TEMPORARY

1 REGULATIONS NOT SUBJECT TO:

2 (1) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT OF
3 JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
4 COMMONWEALTH DOCUMENTS LAW.

5 (2) SECTIONS 204(B) AND 301(10) OF THE ACT OF OCTOBER
6 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH
7 ATTORNEYS ACT.

8 (3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
9 THE REGULATORY REVIEW ACT.

10 (B) EXPIRATION.--EXCEPT FOR TEMPORARY REGULATIONS GOVERNING
11 THE RULES OF NEW SPORTS WAGERING APPROVED BY THE BOARD, THE
12 BOARD'S AUTHORITY TO ADOPT TEMPORARY REGULATIONS UNDER
13 SUBSECTION (A) SHALL EXPIRE TWO YEARS AFTER THE EFFECTIVE DATE
14 OF THIS SECTION. REGULATIONS ADOPTED AFTER THIS PERIOD SHALL BE
15 PROMULGATED AS PROVIDED BY LAW.

16 § 13C04. UNAUTHORIZED SPORTS WAGERING.

17 (A) OFFENSE DEFINED.--

18 (1) IT SHALL BE UNLAWFUL FOR ANY PERSON TO WILLFULLY AND
19 KNOWINGLY OPERATE, CARRY ON, OFFER OR EXPOSE FOR PLAY ANY
20 SPORTS WAGERING OR TO ACCEPT A BET OR WAGER ASSOCIATED WITH
21 SPORTS WAGERING FROM ANY PERSON PHYSICALLY LOCATED IN THIS
22 COMMONWEALTH AT THE TIME OF PLAY THAT IS NOT WITHIN THE SCOPE
23 OF A VALID AND CURRENT SPORTS WAGERING CERTIFICATE ISSUED BY
24 THE BOARD UNDER THIS CHAPTER OR BY ANOTHER STATE, TERRITORY
25 OR POSSESSION OF THE UNITED STATES WITH WHICH THE
26 COMMONWEALTH HAS A SPORTS WAGERING AGREEMENT.

27 (2) IT SHALL BE UNLAWFUL FOR ANY PERSON TO WILLFULLY AND
28 KNOWINGLY PROVIDE SERVICES WITH RESPECT TO ANY SPORTS
29 WAGERING OR BET OR WAGER SPECIFIED IN PARAGRAPH (1).

30 (B) GRADING OF OFFENSE.--A PERSON WHO VIOLATES SUBSECTION

1 (A) COMMITS A MISDEMEANOR OF THE FIRST DEGREE. FOR A SECOND OR
2 SUBSEQUENT VIOLATION OF SUBSECTION (A), A PERSON COMMITS A
3 FELONY OF THE SECOND DEGREE.

4 (C) PENALTIES.--

5 (1) FOR A FIRST VIOLATION OF SUBSECTION (A), A PERSON
6 SHALL BE SENTENCED TO PAY A FINE OF:

7 (I) NOT LESS THAN \$75,000 NOR MORE THAN \$150,000, IF
8 THE PERSON IS AN INDIVIDUAL;

9 (II) NOT LESS THAN \$150,000 NOR MORE THAN \$300,000,
10 IF THE PERSON IS A LICENSED MANUFACTURER OR SUPPLIER; OR

11 (III) NOT LESS THAN \$300,000 NOR MORE THAN \$600,000,
12 IF THE PERSON IS A LICENSED GAMING ENTITY.

13 (2) FOR A SECOND OR SUBSEQUENT VIOLATION OF SUBSECTION
14 (A), A PERSON SHALL BE SENTENCED TO PAY A FINE OF:

15 (I) NOT LESS THAN \$150,000 NOR MORE THAN \$300,000,
16 IF THE PERSON IS AN INDIVIDUAL;

17 (II) NOT LESS THAN \$300,000 NOR MORE THAN \$600,000,
18 IF THE PERSON IS A LICENSED MANUFACTURER OR SUPPLIER; OR

19 (III) NOT LESS THAN \$600,000 NOR MORE THAN
20 \$1,200,000, IF THE PERSON IS A LICENSED GAMING ENTITY.

21 (D) FORFEITURE.--IF A PERSON ENGAGES IN SPORTS WAGERING FROM
22 A LOCATION IN WHICH THE ACTIVITY IS UNAUTHORIZED, THE PERSON
23 SHALL FORFEIT ALL ENTITLEMENT TO ANY WINNINGS AND THE MONEY
24 ASSOCIATED WITH ANY FORFEITED WINNINGS SHALL BE DEPOSITED INTO
25 THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND ESTABLISHED
26 UNDER SECTION 1509(B) (RELATING TO COMPULSIVE AND PROBLEM
27 GAMBLING PROGRAM) .

28 (E) TAX LIABILITY.--

29 (1) AN UNLICENSED PERSON WHO OFFERS SPORTS WAGERING TO
30 PERSONS IN THIS COMMONWEALTH SHALL BE LIABLE FOR ALL TAXES

1 REQUIRED BY THIS CHAPTER IN THE SAME MANNER AND AMOUNTS AS IF
2 THE PERSON WERE A LICENSEE.

3 (2) TIMELY PAYMENT OF THE TAXES MAY NOT CONSTITUTE A
4 DEFENSE TO ANY PROSECUTION OR OTHER PROCEEDING IN CONNECTION
5 WITH UNAUTHORIZED SPORTS WAGERING, EXCEPT FOR A PROSECUTION
6 OR PROCEEDING ALLEGING FAILURE TO MAKE SUCH PAYMENT.

7 SUBCHAPTER B

8 SPORTS WAGERING AUTHORIZED

9 SEC.

10 13C11. AUTHORIZATION TO CONDUCT SPORTS WAGERING.

11 13C12. PETITION REQUIREMENTS.

12 13C13. STANDARD FOR REVIEW OF PETITIONS.

13 13C14. AWARD OF CERTIFICATE.

14 13C15. SPORTS WAGERING CERTIFICATE.

15 13C16. SPORTS WAGERING BY SUPPLIERS AND MANUFACTURERS.

16 § 13C11. AUTHORIZATION TO CONDUCT SPORTS WAGERING.

17 (A) PERSONS WHO MAY BE AUTHORIZED.--

18 (1) (I) THE BOARD MAY AUTHORIZE A SLOT MACHINE LICENSEE
19 TO CONDUCT SPORTS WAGERING AND TO OPERATE A SYSTEM OF
20 WAGERING ASSOCIATED WITH THE CONDUCT OF SPORTS WAGERING
21 AT THE SLOT MACHINE LICENSEE'S LICENSED FACILITY, A
22 TEMPORARY FACILITY AUTHORIZED UNDER SECTION 13C21(B)
23 (RELATING TO AUTHORIZED LOCATIONS FOR OPERATION), AN AREA
24 AUTHORIZED UNDER SECTION 13C21(C) OR THROUGH AN INTERNET-
25 BASED SYSTEM.

26 (II) AUTHORIZATION SHALL BE CONTINGENT UPON THE SLOT
27 MACHINE LICENSEE'S AGREEMENT TO ENSURE THAT SPORTS
28 WAGERING WILL BE CONDUCTED IN ACCORDANCE WITH THIS PART
29 AND ANY OTHER CONDITIONS ESTABLISHED BY THE BOARD.

30 (III) NOTHING IN THIS PART SHALL BE CONSTRUED TO

1 CREATE A SEPARATE LICENSE GOVERNING THE CONDUCT OF SPORTS
2 WAGERING BY SLOT MACHINE LICENSEES WITHIN THIS
3 COMMONWEALTH.

4 (2) THE BOARD MAY AUTHORIZE A SPORTS WAGERING
5 CERTIFICATE HOLDER TO CONDUCT SPORTS WAGERING AND TO OPERATE
6 A SYSTEM OF WAGERING ASSOCIATED WITH THE CONDUCT OF SPORTS
7 WAGERING AS A FORM OF INTERACTIVE GAMING AUTHORIZED BY THE
8 COMMONWEALTH.

9 (3) (I) EXCEPT AS PROVIDED IN THIS PART, ALL
10 INDIVIDUALS WAGERING ON SPORTING EVENTS THROUGH
11 AUTHORIZED SPORTS WAGERING MUST BE PHYSICALLY LOCATED
12 WITHIN THIS COMMONWEALTH OR WITHIN A STATE OR
13 JURISDICTION WITH WHICH THE BOARD HAS ENTERED A SPORTS
14 WAGERING AGREEMENT.

15 (II) NO INDIVIDUAL UNDER 21 YEARS OF AGE MAY MAKE A
16 WAGER OR BET ON SPORTING EVENTS THROUGH AUTHORIZED SPORTS
17 WAGERING OR HAVE ACCESS TO THE DESIGNATED AREA OF THE
18 LICENSED FACILITY AUTHORIZED TO HOST SPORTS WAGERING.

19 (B) FEDERAL AUTHORIZATION.--

20 (1) THE SECRETARY OF THE COMMONWEALTH SHALL, WHEN
21 FEDERAL LAW IS ENACTED OR REPEALED OR A FEDERAL COURT
22 DECISION IS FILED THAT AFFIRMS THE AUTHORITY OF A STATE TO
23 REGULATE SPORTS WAGERING, PUBLISH A NOTICE IN THE
24 PENNSYLVANIA BULLETIN CERTIFYING THE ENACTMENT OR REPEAL OR
25 THE FILING OF THE DECISION.

26 (2) THE BOARD MAY NOT AUTHORIZE THE CONDUCT OF SPORTS
27 WAGERING IN THIS COMMONWEALTH UNTIL THE NOTICE IS PUBLISHED
28 AS PRESCRIBED IN PARAGRAPH (1).

29 § 13C12. PETITION REQUIREMENTS.

30 (A) GENERAL RULE.--UNLESS OTHERWISE PROHIBITED UNDER SECTION

1 13A13 (RELATING TO PROHIBITIONS), A SLOT MACHINE LICENSEE MAY
2 SEEK APPROVAL TO CONDUCT SPORTS WAGERING BY FILING A PETITION
3 WITH THE BOARD.

4 (B) PETITION CONTENTS.--A PETITION SEEKING AUTHORIZATION TO
5 CONDUCT SPORTS WAGERING SHALL INCLUDE THE FOLLOWING:

6 (1) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION
7 OF THE PETITIONER.

8 (2) THE NAME, BUSINESS ADDRESS, JOB TITLE AND A
9 PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE
10 PETITIONER WHO WILL BE INVOLVED IN THE CONDUCT OF SPORTS
11 WAGERING AND WHO IS NOT CURRENTLY LICENSED BY THE BOARD, IF
12 KNOWN.

13 (3) A BRIEF DESCRIPTION OF THE ECONOMIC BENEFITS
14 EXPECTED TO BE REALIZED BY THE COMMONWEALTH, ITS
15 MUNICIPALITIES AND ITS RESIDENTS IF SPORTS WAGERING IS
16 AUTHORIZED AT THE PETITIONER'S LICENSED FACILITY.

17 (4) THE DETAILS OF ANY FINANCING OBTAINED OR THAT WILL
18 BE OBTAINED TO FUND AN EXPANSION OR MODIFICATION OF THE
19 LICENSED FACILITY TO ACCOMMODATE SPORTS WAGERING AND TO
20 OTHERWISE FUND THE COST OF COMMENCING SPORTS WAGERING.

21 (5) INFORMATION AND DOCUMENTATION CONCERNING FINANCIAL
22 BACKGROUND AND RESOURCES, AS THE BOARD MAY REQUIRE, TO
23 ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL
24 STABILITY, INTEGRITY AND RESPONSIBILITY OF THE PETITIONER.

25 (6) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY
26 REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT
27 THE PETITIONER HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE
28 TO CREATE AND MAINTAIN A SUCCESSFUL SPORTS WAGERING
29 OPERATION. IN MAKING THIS DETERMINATION, THE BOARD MAY
30 CONSIDER THE PERFORMANCE OF THE PETITIONER'S SLOT MACHINE AND

1 TABLE GAME OPERATION, INCLUDING FINANCIAL INFORMATION,
2 EMPLOYMENT DATA AND CAPITAL INVESTMENT.

3 (7) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY
4 REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT
5 THE PETITIONER HAS OR WILL HAVE THE FINANCIAL ABILITY TO PAY
6 THE AUTHORIZATION FEE UNDER SECTION 13C61 (RELATING TO SPORTS
7 WAGERING AUTHORIZATION FEE).

8 (8) DETAILED SITE PLANS IDENTIFYING THE PETITIONER'S
9 PROPOSED SPORTS WAGERING AREA WITHIN THE LICENSED FACILITY.

10 (9) OTHER INFORMATION AS THE BOARD MAY REQUIRE.

11 (C) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD
12 UNDER SUBSECTION (B) (4), (5), (6), (7) AND (8) MAY BE CONSIDERED
13 CONFIDENTIAL BY THE BOARD IF THE INFORMATION WOULD BE
14 CONFIDENTIAL UNDER SECTION 1206(F) (RELATING TO BOARD MINUTES
15 AND RECORDS).

16 § 13C13. STANDARD FOR REVIEW OF PETITIONS.

17 (A) GENERAL RULE.--THE BOARD SHALL APPROVE A PETITION IF THE
18 PETITIONER ESTABLISHES, BY CLEAR AND CONVINCING EVIDENCE, ALL OF
19 THE FOLLOWING:

20 (1) THE PETITIONER'S SLOT MACHINE LICENSE IS IN GOOD
21 STANDING WITH THE BOARD.

22 (2) THE CONDUCT OF SPORTS WAGERING AT THE PETITIONER'S
23 LICENSED FACILITY WILL HAVE A POSITIVE ECONOMIC IMPACT ON THE
24 COMMONWEALTH, ITS MUNICIPALITIES AND RESIDENTS THROUGH
25 INCREASED REVENUES AND EMPLOYMENT OPPORTUNITIES.

26 (3) THE PETITIONER POSSESSES ADEQUATE FUNDS OR HAS
27 SECURED ADEQUATE FINANCING TO:

28 (I) FUND ANY NECESSARY EXPANSION OR MODIFICATION OF
29 THE PETITIONER'S LICENSED FACILITY TO ACCOMMODATE THE
30 CONDUCT OF SPORTS WAGERING.

1 (II) PAY THE AUTHORIZATION FEE IN ACCORDANCE WITH
2 SECTION 13C61 (RELATING TO SPORTS WAGERING AUTHORIZATION
3 FEE).

4 (III) COMMENCE SPORTS WAGERING OPERATIONS AT ITS
5 LICENSED FACILITY.

6 (4) THE PETITIONER HAS THE FINANCIAL STABILITY,
7 INTEGRITY AND RESPONSIBILITY TO CONDUCT SPORTS WAGERING.

8 (5) THE PETITIONER HAS SUFFICIENT BUSINESS ABILITY AND
9 EXPERIENCE TO CREATE AND MAINTAIN A SUCCESSFUL SPORTS
10 WAGERING OPERATION.

11 (6) THE PETITIONER'S PROPOSED INTERNAL AND EXTERNAL
12 SECURITY AND PROPOSED SURVEILLANCE MEASURES WITHIN THE AREA
13 OF THE LICENSED FACILITY WHERE THE PETITIONER SEEKS TO
14 CONDUCT SPORTS WAGERING ARE ADEQUATE.

15 (7) THE PETITIONER HAS SATISFIED THE PETITION
16 APPLICATION REQUIREMENTS AND PROVIDED ANY OTHER INFORMATION
17 REQUIRED BY SECTION 13C12(B) (RELATING TO PETITION
18 REQUIREMENTS).

19 (B) TIMING OF APPROVAL.--THE BOARD SHALL APPROVE OR DENY A
20 PETITION WITHIN 90 DAYS FOLLOWING RECEIPT OF THE PETITION.
21 § 13C14. AWARD OF CERTIFICATE.

22 (A) GENERAL RULE.--UPON APPROVAL OF A PETITION, THE BOARD
23 SHALL AWARD A SPORTS WAGERING CERTIFICATE TO THE PETITIONER. THE
24 AWARD OF A SPORTS WAGERING CERTIFICATE PRIOR TO THE PAYMENT IN
25 FULL OF THE AUTHORIZATION FEE REQUIRED BY SECTION 13C61
26 (RELATING TO SPORTS WAGERING AUTHORIZATION FEE) SHALL NOT
27 RELIEVE THE PETITIONER FROM COMPLYING WITH THE PROVISIONS OF
28 SECTION 13C61.

29 (B) STATEMENT OF CONDITIONS.--UPON AWARDED A SPORTS
30 WAGERING OPERATION CERTIFICATE, THE BOARD SHALL AMEND THE SLOT

1 MACHINE LICENSEE'S STATEMENT OF CONDITIONS PERTAINING TO THE
2 REQUIREMENTS OF THIS CHAPTER.

3 (C) TERM OF SPORTS WAGERING CERTIFICATE.--SUBJECT TO THE
4 POWER OF THE BOARD TO DENY, REVOKE OR SUSPEND A SPORTS WAGERING
5 CERTIFICATE ISSUED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
6 SECTION, A SPORTS WAGERING CERTIFICATE SHALL BE RENEWED EVERY
7 FIVE YEARS AND SHALL BE SUBJECT TO THE REQUIREMENTS OF SECTION
8 1326 (RELATING TO RENEWALS).

9 § 13C15. SPORTS WAGERING CERTIFICATE.

10 THE FOLLOWING SHALL APPLY:

11 (1) A SPORTS WAGERING CERTIFICATE SHALL BE IN EFFECT
12 UNLESS:

13 (I) SUSPENDED OR REVOKED BY THE BOARD CONSISTENT
14 WITH THE REQUIREMENTS OF THIS PART;

15 (II) THE SLOT MACHINE LICENSE HELD BY THE
16 CERTIFICATE HOLDER IS SUSPENDED, REVOKED OR NOT RENEWED
17 BY THE BOARD CONSISTENT WITH THE REQUIREMENTS OF THIS
18 PART; OR

19 (III) THE CERTIFICATE HOLDER RELINQUISHES OR DOES
20 NOT SEEK RENEWAL OF ITS SLOT MACHINE LICENSE.

21 (2) A CERTIFICATE HOLDER THAT FAILS TO ABIDE BY THIS
22 CHAPTER OR ANY CONDITION CONTAINED IN THE SLOT MACHINE
23 LICENSEE'S STATEMENT OF CONDITIONS GOVERNING THE CONDUCT OF
24 SPORTS WAGERING SHALL BE SUBJECT TO BOARD-IMPOSED
25 ADMINISTRATIVE SANCTIONS OR OTHER PENALTIES AUTHORIZED UNDER
26 THIS PART.

27 § 13C16. SPORTS WAGERING BY SUPPLIERS AND MANUFACTURERS.

28 (A) SUPPLIERS.--A PERSON THAT SELLS, LEASES, OFFERS OR
29 OTHERWISE PROVIDES, DISTRIBUTES OR SERVICES ANY SPORTS WAGERING
30 DEVICE OR ASSOCIATED EQUIPMENT FOR USE OR OPERATION IN THIS

1 COMMONWEALTH FOR SPORTS WAGERING PURPOSES SHALL BE LICENSED BY
2 THE BOARD UNDER SECTION 1317 (RELATING TO SUPPLIER LICENSES) AND
3 SHALL BE SUBJECT TO APPLICATION AND LICENSURE FEES AND FINES AS
4 PRESCRIBED UNDER SECTION 1208 (RELATING TO COLLECTION OF FEES
5 AND FINES), AS DETERMINED BY THE BOARD.

6 (B) MANUFACTURERS.--A PERSON WHO MANUFACTURES, BUILDS,
7 REBUILDS, FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR
8 OTHERWISE MAKES MODIFICATIONS TO ANY SPORTS WAGERING DEVICE OR
9 ASSOCIATED EQUIPMENT FOR USE OR OPERATION IN THIS COMMONWEALTH
10 FOR SPORTS WAGERING PURPOSES SHALL BE LICENSED BY THE BOARD
11 UNDER SECTION 1317.1 (RELATING TO MANUFACTURER LICENSES) AND
12 SHALL BE SUBJECT TO APPLICATION AND LICENSURE FEES AND FINES AS
13 PRESCRIBED UNDER SECTION 1208, AS DETERMINED BY THE BOARD.

14 SUBCHAPTER C

15 CONDUCT OF SPORTS WAGERING

16 SEC.

17 13C21. AUTHORIZED LOCATIONS FOR OPERATION.

18 13C22. COMMENCEMENT OF SPORTS WAGERING OPERATIONS.

19 13C23. CONDITION OF CONTINUED OPERATION.

20 13C24. KEY EMPLOYEES AND OCCUPATION PERMITS.

21 13C25. APPLICATION OF CLEAN INDOOR AIR ACT.

22 13C26. APPLICATION OF LIQUOR CODE.

23 § 13C21. AUTHORIZED LOCATIONS FOR OPERATION.

24 (A) RESTRICTION.--A CERTIFICATE HOLDER MAY ONLY BE PERMITTED
25 TO CONDUCT SPORTS WAGERING AT THE LICENSED FACILITY, A TEMPORARY
26 FACILITY AUTHORIZED UNDER SUBSECTION (B), AN AREA AUTHORIZED
27 UNDER SUBSECTION (C) OR THROUGH AN INTERNET-BASED SYSTEM.

28 (B) TEMPORARY FACILITIES.--THE BOARD MAY PERMIT A
29 CERTIFICATE HOLDER TO CONDUCT SPORTS WAGERING AT A TEMPORARY
30 FACILITY THAT IS PHYSICALLY CONNECTED TO, ATTACHED TO OR

1 ADJACENT TO A LICENSED FACILITY FOR A PERIOD NOT TO EXCEED 24
2 MONTHS.

3 (C) POWERS AND DUTIES OF BOARD.--

4 (1) UPON REQUEST MADE BY A CERTIFICATE HOLDER, THE BOARD
5 MAY DETERMINE THE SUITABILITY OF A CATEGORY 1 LICENSED GAMING
6 ENTITY THAT IS ALSO A LICENSED RACING ENTITY AUTHORIZED TO
7 CONDUCT PARI-MUTUEL WAGERING AT NONPRIMARY LOCATIONS UNDER 3
8 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) TO
9 CONDUCT SPORTS WAGERING AT NONPRIMARY LOCATIONS.

10 (2) NO CERTIFICATE HOLDER MAY BE APPROVED TO CONDUCT
11 SPORTS WAGERING IN A NONPRIMARY LOCATION UNLESS THE AREAS ARE
12 EQUIPPED WITH ADEQUATE SECURITY AND SURVEILLANCE EQUIPMENT TO
13 ENSURE THE INTEGRITY OF THE CONDUCT OF SPORTS WAGERING.

14 (3) AN AUTHORIZATION GRANTED UNDER THIS SUBSECTION MAY
15 NOT:

16 (I) IMPOSE ANY CRITERIA OR REQUIREMENTS REGARDING
17 THE CONTENTS OR STRUCTURE OF A NONPRIMARY LOCATION THAT
18 ARE UNRELATED TO THE CONDUCT OF SPORTS WAGERING.

19 (II) AUTHORIZE THE PLACEMENT OR OPERATION OF SLOT
20 MACHINES OR TABLE GAMES IN A NONPRIMARY LOCATION.

21 § 13C22. COMMENCEMENT OF SPORTS WAGERING OPERATIONS.

22 NO CERTIFICATE HOLDER MAY OPERATE OR OFFER SPORTS WAGERING
23 UNTIL THE BOARD DETERMINES THAT:

24 (1) THE CERTIFICATE HOLDER IS IN COMPLIANCE WITH THE
25 REQUIREMENTS OF THIS PART.

26 (2) THE CERTIFICATE HOLDER IS PREPARED IN ALL RESPECTS
27 TO OFFER SPORTS WAGERING PLAY TO THE PUBLIC AT THE LICENSED
28 FACILITY.

29 (3) THE CERTIFICATE HOLDER HAS IMPLEMENTED NECESSARY
30 INTERNAL AND MANAGEMENT CONTROLS AND SECURITY ARRANGEMENTS

1 AND SURVEILLANCE SYSTEMS FOR THE CONDUCT OF SPORTS WAGERING.

2 (4) THE CERTIFICATE HOLDER IS IN COMPLIANCE WITH OR HAS
3 COMPLIED WITH SECTION 13C61 (RELATING TO SPORTS WAGERING
4 AUTHORIZATION FEE).

5 (5) OTHER CONDITIONS AS THE BOARD MAY REQUIRE TO
6 IMPLEMENT THE CONDUCT OF SPORTS WAGERING.

7 § 13C23. CONDITION OF CONTINUED OPERATION.

8 AS A CONDITION OF CONTINUED OPERATION, A CERTIFICATE HOLDER
9 SHALL AGREE TO MAINTAIN ALL BOOKS, RECORDS AND DOCUMENTS
10 PERTAINING TO SPORTS WAGERING IN A MANNER AND LOCATION WITHIN
11 THIS COMMONWEALTH AS APPROVED BY THE BOARD. ALL BOOKS, RECORDS
12 AND DOCUMENTS RELATED TO SPORTS WAGERING SHALL BE:

13 (1) SEGREGATED BY SEPARATE ACCOUNTS WITHIN THE
14 CERTIFICATE HOLDER'S BOOKS, RECORDS AND DOCUMENTS, EXCEPT FOR
15 ANY BOOKS, RECORDS OR DOCUMENTS THAT ARE COMMON TO SLOT
16 MACHINE, TABLE GAME AND SPORTS WAGERING OPERATIONS;

17 (2) IMMEDIATELY AVAILABLE FOR INSPECTION UPON REQUEST OF
18 THE BOARD, THE BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE
19 POLICE OR THE ATTORNEY GENERAL, OR AGENTS THEREOF, DURING ALL
20 HOURS OF OPERATION OF THE CERTIFICATE HOLDER IN ACCORDANCE
21 WITH REGULATIONS PROMULGATED BY THE BOARD; AND

22 (3) MAINTAINED FOR A PERIOD AS THE BOARD, BY REGULATION,
23 MAY REQUIRE.

24 § 13C24. KEY EMPLOYEES AND OCCUPATION PERMITS.

25 NOTHING IN THIS PART SHALL BE CONSTRUED TO REQUIRE ANY
26 INDIVIDUAL WHO HOLDS A PRINCIPAL LICENSE, A KEY EMPLOYEE LICENSE
27 OR A GAMING EMPLOYEE OCCUPATION PERMIT UNDER CHAPTER 13
28 (RELATING TO LICENSEES) TO OBTAIN A SEPARATE LICENSE OR PERMIT
29 TO BE EMPLOYED IN A CERTIFICATE HOLDER'S SPORTS WAGERING
30 OPERATION AUTHORIZED UNDER THIS CHAPTER.

1 § 13C25. APPLICATION OF CLEAN INDOOR AIR ACT.

2 FOR THE PURPOSE OF SECTION 3(B)(11) OF THE ACT OF JUNE 13,
3 2008 (P.L.182, NO.27), KNOWN AS THE CLEAN INDOOR AIR ACT, THE
4 TERM "GAMING FLOOR" SHALL INCLUDE THE AREAS OF ANY FACILITY
5 WHERE THE CERTIFICATE HOLDER IS AUTHORIZED TO CONDUCT SPORTS
6 WAGERING, EXCEPT SUCH AREAS OFF THE GAMING FLOOR WHERE CONTESTS
7 OR TOURNAMENTS ARE CONDUCTED UNLESS SMOKING IS OTHERWISE
8 PERMITTED IN SUCH AREAS.

9 § 13C26. APPLICATION OF LIQUOR CODE.

10 THE PROVISIONS OF SECTION 493(24)(II) OF THE ACT OF APRIL 12,
11 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, SHALL ALSO APPLY
12 TO SPORTS WAGERING.

13 SUBCHAPTER D

14 SPORTS WAGERING TAXES AND FEES

15 SEC.

16 13C61. SPORTS WAGERING AUTHORIZATION FEE.

17 13C62. SPORTS WAGERING TAX.

18 13C63. LOCAL SHARE ASSESSMENT.

19 13C64. COMPULSIVE AND PROBLEM GAMBLING.

20 § 13C61. SPORTS WAGERING AUTHORIZATION FEE.

21 (A) AMOUNT.--EACH SLOT MACHINE LICENSEE THAT IS ISSUED A
22 SPORTS WAGERING CERTIFICATE TO CONDUCT SPORTS WAGERING IN
23 ACCORDANCE WITH SECTION 13C11 (RELATING TO AUTHORIZATION TO
24 CONDUCT SPORTS WAGERING) SHALL PAY A ONE-TIME NONREFUNDABLE
25 AUTHORIZATION FEE IN THE AMOUNT OF \$10,000,000.

26 (B) PAYMENT OF FEE.--A SLOT MACHINE LICENSEE SHALL REMIT THE
27 AUTHORIZATION FEE UNDER SUBSECTION (A) TO THE BOARD WITHIN 60
28 DAYS OF THE APPROVAL OF A PETITION TO CONDUCT SPORTS WAGERING.
29 THE BOARD MAY ALLOW THE FEE TO BE PAID IN INSTALLMENTS, PROVIDED
30 ALL INSTALLMENTS ARE PAID WITHIN THE 60-DAY PERIOD. IN THAT

1 EVENT, THE BOARD AND THE SLOT MACHINE LICENSEE SHALL ENTER INTO
2 A WRITTEN AGREEMENT SETTING FORTH THE TERMS OF PAYMENT. SPORTS
3 WAGERING MAY NOT BE CONDUCTED UNTIL THE FEE UNDER SUBSECTION (A)
4 IS PAID IN FULL.

5 (C) RENEWAL FEE.--NOTWITHSTANDING ANY OTHER PROVISION OF
6 THIS CHAPTER, A SLOT MACHINE LICENSEE THAT IS ISSUED A SPORTS
7 WAGERING CERTIFICATE SHALL PAY A RENEWAL FEE IN THE AMOUNT OF
8 \$250,000 UPON THE RENEWAL OF ITS SPORTS WAGERING CERTIFICATE IN
9 ACCORDANCE WITH SECTIONS 1326 (RELATING TO RENEWALS) AND
10 13C14(C) (RELATING TO AWARD OF CERTIFICATE).

11 (D) FAILURE TO PAY BY DEADLINE.--IF A PETITIONER OR
12 CERTIFICATE HOLDER FAILS TO PAY THE REQUIRED AUTHORIZATION FEE
13 IN FULL WITHIN THE 60-DAY TIME PERIOD, THE BOARD SHALL IMPOSE A
14 PENALTY AND MAY GRANT THE PETITIONER OR CERTIFICATE HOLDER UP TO
15 A SIX-MONTH EXTENSION TO PAY THE AUTHORIZATION FEE OR ANY
16 REMAINING PORTION OF THE AUTHORIZATION FEE AND THE PENALTY.

17 (E) SUSPENSION OF CERTIFICATE.--THE BOARD SHALL SUSPEND THE
18 SPORTS WAGERING CERTIFICATE IF THE CERTIFICATE HOLDER FAILS TO
19 PAY THE TOTAL AUTHORIZATION FEE AND THE PENALTY PRIOR TO THE
20 EXPIRATION OF AN EXTENSION PERIOD GRANTED UNDER SUBSECTION (D).
21 THE SUSPENSION SHALL REMAIN IN EFFECT UNTIL FINAL PAYMENT IS
22 MADE.

23 (F) DEPOSIT OF FEES.--NOTWITHSTANDING SECTION 1208 (RELATING
24 TO COLLECTION OF FEES AND FINES), ALL SPORTS WAGERING
25 AUTHORIZATION FEES OR PENALTIES RECEIVED BY THE BOARD UNDER THIS
26 SUBCHAPTER, ALL SPORTS WAGERING DEVICE AND ASSOCIATED EQUIPMENT
27 MANUFACTURER AND SUPPLIER LICENSE FEES, ALL SPORTS WAGERING
28 DEVICE OR ASSOCIATED EQUIPMENT MANUFACTURER AND SUPPLIER RENEWAL
29 FEES AND ALL FEES FOR LICENSES ISSUED UNDER CHAPTER 16 (RELATING
30 TO JUNKETS) SHALL BE DEPOSITED INTO THE GENERAL FUND.

1 § 13C62. SPORTS WAGERING TAX.

2 (A) IMPOSITION.--EACH CERTIFICATE HOLDER SHALL REPORT TO THE
3 DEPARTMENT AND PAY FROM ITS DAILY GROSS SPORTS WAGERING REVENUE,
4 ON A FORM AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT, A TAX
5 OF 16% OF ITS DAILY GROSS SPORTS WAGERING REVENUE.

6 (B) DEPOSITS AND DISTRIBUTIONS.--

7 (1) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
8 PAYABLE TO THE DEPARTMENT ON A WEEKLY BASIS AND SHALL BE
9 BASED UPON GROSS SPORTS WAGERING REVENUE DERIVED DURING THE
10 PREVIOUS WEEK.

11 (2) ALL FUNDS OWED TO THE COMMONWEALTH UNDER THIS
12 SECTION SHALL BE HELD IN TRUST FOR THE COMMONWEALTH BY THE
13 CERTIFICATE HOLDER UNTIL THE FUNDS ARE PAID TO THE
14 DEPARTMENT. UNLESS OTHERWISE AGREED TO BY THE BOARD, A
15 CERTIFICATE HOLDER SHALL ESTABLISH A SEPARATE BANK ACCOUNT
16 INTO WHICH GROSS SPORTS WAGERING REVENUE SHALL BE DEPOSITED
17 AND MAINTAINED UNTIL SUCH TIME AS THE FUNDS ARE PAID TO THE
18 DEPARTMENT UNDER THIS SECTION OR PAID INTO THE FUND UNDER
19 SECTION 13C63(A) (RELATING TO LOCAL SHARE ASSESSMENT).

20 (3) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
21 DEPOSITED INTO THE GENERAL FUND.

22 § 13C63. LOCAL SHARE ASSESSMENT.

23 (A) REQUIRED PAYMENT.--IN ADDITION TO THE TAX IMPOSED UNDER
24 SECTION 13C62 (RELATING TO SPORTS WAGERING TAX), EACH
25 CERTIFICATE HOLDER SHALL PAY ON A WEEKLY BASIS, ON A FORM AND IN
26 THE MANNER PRESCRIBED BY THE DEPARTMENT, A LOCAL SHARE
27 ASSESSMENT INTO A RESTRICTED RECEIPTS ACCOUNT ESTABLISHED WITHIN
28 THE FUND. ALL MONEY OWED UNDER THIS SECTION SHALL BE HELD IN
29 TRUST BY THE CERTIFICATE HOLDER UNTIL THE MONEY IS PAID INTO THE
30 RESTRICTED ACCOUNT. FUNDS IN THE RESTRICTED ACCOUNT ARE HEREBY

1 APPROPRIATED TO THE DEPARTMENT ON A CONTINUING BASIS FOR THE
2 PURPOSES SET FORTH UNDER THIS SECTION.

3 (B) DISTRIBUTIONS.--THE DEPARTMENT SHALL MAKE QUARTERLY
4 DISTRIBUTIONS FROM THE LOCAL SHARE ASSESSMENTS DEPOSITED INTO
5 THE RESTRICTED ACCOUNT UNDER SUBSECTION (A) TO COUNTIES,
6 INCLUDING HOME RULE COUNTIES, AND TO MUNICIPALITIES, INCLUDING
7 HOME RULE MUNICIPALITIES, IN ACCORDANCE WITH THE FOLLOWING:

8 (1) FOR SPORTS WAGERING CONDUCTED AT LICENSED
9 FACILITIES, THE LOCAL SHARE ASSESSMENT SHALL BE DISTRIBUTED
10 AS FOLLOWS:

11 (I) FIFTY PERCENT TO THE COUNTY IN WHICH THE
12 LICENSED FACILITY IS LOCATED.

13 (II) FIFTY PERCENT TO THE MUNICIPALITY IN WHICH THE
14 LICENSED FACILITY IS LOCATED.

15 (2) FOR SPORTS WAGERING CONDUCTED AT NONPRIMARY
16 LOCATIONS, THE LOCAL SHARE ASSESSMENT SHALL BE DISTRIBUTED AS
17 FOLLOWS:

18 (I) FIFTY PERCENT TO THE COUNTY IN WHICH THE
19 NONPRIMARY LOCATION IS LOCATED.

20 (II) FIFTY PERCENT TO THE MUNICIPALITY IN WHICH THE
21 NONPRIMARY LOCATION IS LOCATED.

22 (C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
23 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
24 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

25 "LOCAL SHARE ASSESSMENT." TWO PERCENT OF A CERTIFICATE
26 HOLDER'S DAILY GROSS SPORTS WAGERING REVENUE.

27 § 13C64. COMPULSIVE AND PROBLEM GAMBLING.

28 THE FOLLOWING SHALL APPLY:

29 (1) EACH YEAR, FROM THE TAX IMPOSED UNDER SECTION 13C62
30 (RELATING TO SPORTS WAGERING TAX), \$2,000,000 OR AN AMOUNT

1 EQUAL TO 0.002 MULTIPLIED BY THE TOTAL GROSS SPORTS WAGERING
2 REVENUE OF ALL ACTIVE AND OPERATING SPORTS WAGERING
3 CERTIFICATE HOLDERS, WHICHEVER IS GREATER, SHALL BE
4 TRANSFERRED INTO THE COMPULSIVE AND PROBLEM GAMBLING
5 TREATMENT FUND ESTABLISHED UNDER SECTION 1509 (RELATING TO
6 COMPULSIVE AND PROBLEM GAMBLING PROGRAM).

7 (2) EACH YEAR, FROM THE TAX IMPOSED UNDER SECTION 13C62,
8 \$2,000,000 OR AN AMOUNT EQUAL TO 0.002 MULTIPLIED BY THE
9 TOTAL GROSS SPORTS WAGERING REVENUE OF ALL ACTIVE AND
10 OPERATING SPORTS WAGERING CERTIFICATE HOLDERS, WHICHEVER IS
11 GREATER, SHALL BE TRANSFERRED TO THE DEPARTMENT OF HEALTH TO
12 BE USED FOR DRUG AND ALCOHOL ADDICTION TREATMENT SERVICES,
13 INCLUDING TREATMENT FOR DRUG AND ALCOHOL ADDICTION RELATED TO
14 COMPULSIVE AND PROBLEM GAMBLING, AS SET FORTH UNDER SECTION
15 1509.1 (RELATING TO DRUG AND ALCOHOL TREATMENT).

16 SUBCHAPTER E

17 MISCELLANEOUS PROVISIONS

18 SEC.

19 13C71. CRIMINAL ACTIVITY.

20 § 13C71. CRIMINAL ACTIVITY.

21 SPORTS WAGERING CONDUCTED BY A CERTIFICATE HOLDER IN
22 ACCORDANCE WITH THIS CHAPTER SHALL NOT CONSTITUTE A CRIMINAL
23 ACTIVITY UNDER 18 PA.C.S. § 5514 (RELATING TO POOL SELLING AND
24 BOOKMAKING).

25 CHAPTER 13D

26 SLOT MACHINES AT NONPRIMARY LOCATIONS

27 SUBCHAPTER

28 A. GENERAL PROVISIONS

29 B. CATEGORY 1 LICENSED GAMING ENTITIES AND NONPRIMARY
30 LOCATIONS

1 C. APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

2 D. FEES AND TAXES

3 SUBCHAPTER A

4 GENERAL PROVISIONS

5 SEC.

6 13D01. DEFINITIONS.

7 13D02. AUTHORITY TO PLACE SLOT MACHINES AT NONPRIMARY
8 LOCATIONS.

9 13D03. TEMPORARY REGULATIONS.

10 § 13D01. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "CONSUMER PRICE INDEX." THE CONSUMER PRICE INDEX FOR ALL
15 URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND
16 MARYLAND AREA FOR THE MOST RECENT 12-MONTH PERIOD FOR WHICH
17 FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE UNITED STATES
18 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

19 "NONPRIMARY LOCATION." AS DEFINED IN 3 PA.C.S. § 9301
20 (RELATING TO DEFINITIONS).

21 "NONPRIMARY LOCATION PERMIT." THE PERMIT ISSUED TO A
22 CATEGORY 1 SLOT MACHINE LICENSEE AUTHORIZING THE PLACEMENT AND
23 OPERATION OF SLOT MACHINES AT A NONPRIMARY LOCATION.

24 "NONPRIMARY LOCATION PERMIT HOLDER." A CATEGORY 1 SLOT
25 MACHINE LICENSEE THAT HAS BEEN APPROVED FOR AND ISSUED A PERMIT
26 TO PLACE AND MAKE SLOT MACHINES AVAILABLE FOR PLAY AT A
27 NONPRIMARY LOCATION.

28 "PRIMARY MARKET AREA." AN AREA WITHIN 35 LINEAR MILES OF A
29 LICENSED FACILITY OR ANOTHER NONPRIMARY LOCATION.

30 § 13D02. AUTHORITY TO PLACE SLOT MACHINES AT NONPRIMARY

1 LOCATIONS.

2 (A) PLACEMENT OF SLOT MACHINES AT NONPRIMARY LOCATIONS.--
3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART, 3 PA.C.S. CH.
4 93 (RELATING TO RACE HORSE INDUSTRY REFORM), OR ANY OTHER LAW OR
5 REGULATION TO THE CONTRARY, A CATEGORY 1 LICENSED GAMING ENTITY
6 THAT IS A LICENSED RACING ENTITY UNDER 3 PA.C.S. CH. 93 MAY
7 APPLY TO THE BOARD FOR A NONPRIMARY LOCATION PERMIT.

8 (B) DUTY OF THE BOARD AND COMMISSION.--

9 (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2), THE
10 BOARD SHALL HAVE GENERAL AND SOLE REGULATORY AUTHORITY OVER
11 THE PLACEMENT AND OPERATION OF SLOT MACHINES AT NONPRIMARY
12 LOCATIONS AND SHALL, IN CONSULTATION WITH THE COMMISSION,
13 PROMULGATE REGULATIONS TO GOVERN THE PLACEMENT AND OPERATION
14 OF SLOT MACHINES AT NONPRIMARY LOCATIONS.

15 (2) ANY REGULATIONS SPECIFIC TO THE OPERATION OF
16 NONPRIMARY LOCATIONS BY LICENSED RACING ENTITIES PROMULGATED
17 UNDER 58 PA. CODE CH. 171 (RELATING TO NONPRIMARY LOCATIONS)
18 OR ANY REGULATIONS RELATED TO THE OPERATION OF NONPRIMARY
19 LOCATIONS THAT MAY BE ADOPTED BY THE COMMISSION SUBSEQUENT TO
20 THE EFFECTIVE DATE OF THIS SECTION SHALL BE ADOPTED AS
21 REGULATIONS UNDER THIS CHAPTER, UNLESS THE BOARD, IN
22 CONSULTATION WITH THE COMMISSION, DETERMINE THAT THE
23 REGULATIONS ARE NOT SUFFICIENT FOR THE ADMINISTRATION AND
24 ENFORCEMENT OF THIS CHAPTER.

25 (3) IN THAT EVENT, THE BOARD, IN CONSULTATION WITH THE
26 COMMISSION, SHALL PROMULGATE SUCH REGULATIONS SPECIFIC TO THE
27 OPERATION OF SLOT MACHINES AT NONPRIMARY LOCATIONS AS THE
28 BOARD AND COMMISSION DEEM NECESSARY TO FACILITATE THE
29 ADMINISTRATION AND ENFORCEMENT OF THIS CHAPTER.

30 § 13D03. TEMPORARY REGULATIONS.

1 (A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT
2 IMPLEMENTATION OF THIS CHAPTER, REGULATIONS PROMULGATED BY THE
3 BOARD OR COMMISSION UNDER THIS CHAPTER SHALL BE DEEMED TEMPORARY
4 REGULATIONS WHICH SHALL EXPIRE NOT LATER THAN TWO YEARS AFTER
5 THE PUBLICATION OF THE TEMPORARY REGULATION IN THE PENNSYLVANIA
6 BULLETIN. THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS NOT
7 SUBJECT TO:

8 (1) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT OF
9 JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
10 COMMONWEALTH DOCUMENTS LAW.

11 (2) SECTIONS 204(B) AND 301(10) OF THE ACT OF OCTOBER
12 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH
13 ATTORNEYS ACT.

14 (3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
15 THE REGULATORY REVIEW ACT.

16 (B) EXPIRATION.--THE AUTHORITY OF THE BOARD AND THE
17 COMMISSION TO ADOPT TEMPORARY REGULATIONS UNDER SUBSECTION (A)
18 SHALL EXPIRE TWO YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION.
19 REGULATIONS ADOPTED AFTER THIS PERIOD SHALL BE PROMULGATED AS
20 PROVIDED BY LAW.

21 (C) TEMPORARY REGULATIONS.--THE BOARD, IN CONSULTATION WITH
22 THE COMMISSION, SHALL BEGIN PUBLISHING TEMPORARY REGULATIONS
23 GOVERNING PLACEMENT AND OPERATION OF SLOT MACHINES AT NONPRIMARY
24 LOCATIONS IN THE PENNSYLVANIA BULLETIN WITHIN 60 DAYS OF THE
25 EFFECTIVE DATE OF THIS SECTION.

26 SUBCHAPTER B

27 CATEGORY 1 LICENSED GAMING ENTITIES

28 AND NONPRIMARY LOCATIONS

29 SEC.

30 13D07. CATEGORY 1 LICENSED GAMING ENTITY AND OPERATION OF SLOT

1 MACHINES AT NONPRIMARY LOCATIONS.

2 § 13D07. CATEGORY 1 LICENSED GAMING ENTITY AND OPERATION OF
3 SLOT MACHINES AT NONPRIMARY LOCATIONS.

4 (A) REQUIREMENTS.--

5 (1) EACH CATEGORY 1 LICENSED GAMING ENTITY REFERRED TO
6 UNDER SECTION 13D02 (RELATING TO AUTHORITY TO PLACE SLOT
7 MACHINES AT NONPRIMARY LOCATIONS) AND IS AUTHORIZED TO HOLD
8 HORSE RACE MEETINGS AT A RACETRACK AT WHICH MORE THAN ONE
9 LICENSE IS AUTHORIZED MAY BE GRANTED APPROVAL TO PLACE AND
10 MAKE SLOT MACHINES AVAILABLE FOR PLAY AT FOUR NONPRIMARY
11 LOCATIONS, IF THE BOARD, IN CONSULTATION WITH THE COMMISSION,
12 DETERMINES THAT A NONPRIMARY LOCATION NEWLY PROPOSED OR
13 APPROVED BY THE COMMISSION IN ACCORDANCE WITH 3 PA.C.S. CH.
14 93 (RELATING TO RACE HORSE INDUSTRY REFORM) AND REGULATIONS
15 OF THE COMMISSION WILL BENEFIT ECONOMIC DEVELOPMENT,
16 EMPLOYMENT, TOURISM, THE RACE HORSE INDUSTRY AND RESULT IN
17 ENHANCED REVENUES TO THE COMMONWEALTH AND THE MUNICIPALITY
18 WHERE THE NEWLY PROPOSED OR APPROVED NONPRIMARY LOCATION WILL
19 BE OR IS SITUATED.

20 (2) EACH CATEGORY 1 LICENSED GAMING ENTITY UNDER SECTION
21 13D02 THAT IS AUTHORIZED TO HOLD HORSE RACE MEETINGS AT A
22 RACETRACK AT WHICH ONLY ONE LICENSE IS AUTHORIZED MAY BE
23 GRANTED APPROVAL TO PLACE AND MAKE SLOT MACHINES AVAILABLE
24 FOR PLAY AT FOUR NONPRIMARY LOCATIONS, IF THE BOARD, IN
25 CONSULTATION WITH THE COMMISSION, DETERMINES THAT A
26 NONPRIMARY LOCATION NEWLY PROPOSED OR APPROVED BY THE
27 COMMISSION IN ACCORDANCE WITH 3 PA.C.S. CH. 93 AND
28 REGULATIONS OF THE COMMISSION WILL BENEFIT ECONOMIC
29 DEVELOPMENT, EMPLOYMENT, TOURISM, THE RACE HORSE INDUSTRY AND
30 RESULT IN ENHANCED REVENUES TO THE COMMONWEALTH AND THE

1 MUNICIPALITY WHERE THE NEWLY PROPOSED OR APPROVED NONPRIMARY
2 LOCATION WILL BE OR IS SITUATED.

3 (3) NO CATEGORY 1 LICENSED GAMING ENTITY REFERRED TO
4 UNDER SECTION 13D02(A), MAY PLACE AND MAKE SLOT MACHINES
5 AVAILABLE FOR PLAY AT ANY NONPRIMARY LOCATION THAT IS WITHIN
6 THE PRIMARY MARKET AREA OF ANOTHER LICENSED RACING ENTITY,
7 REGARDLESS OF WHETHER THE LICENSED RACING ENTITY IS
8 AUTHORIZED TO CONDUCT HORSE RACE MEETINGS OR HARNESS HORSE
9 RACE MEETINGS, OR BOTH, AT THE RACETRACK.

10 (4) NO CATEGORY 1 LICENSED GAMING ENTITY REFERRED TO
11 UNDER SECTION 13D02(A), MAY PLACE AND MAKE SLOT MACHINES
12 AVAILABLE FOR PLAY AT A NONPRIMARY LOCATION THAT IS LOCATED
13 WITHIN THE PRIMARY MARKET AREA OF ANOTHER LICENSED FACILITY
14 OR ANOTHER NONPRIMARY LOCATION.

15 (5) A NONPRIMARY LOCATION MAY BE LOCATED WITHIN THE
16 PRIMARY MARKET AREA OF A LICENSED FACILITY IF THE CATEGORY 1
17 LICENSED GAMING ENTITY OWNS THE NONPRIMARY LOCATION, THE
18 LICENSED GAMING ENTITY ENTERS INTO AN AGREEMENT WITH THE
19 AFFECTED LICENSED GAMING ENTITY OR ENTITIES AND THE AGREEMENT
20 IS FILED WITH THE COMMISSION AND THE BOARD.

21 (6) A CATEGORY 1 LICENSED GAMING ENTITY THAT PLACES AND
22 MAKES SLOT MACHINES AVAILABLE FOR PLAY AT A NONPRIMARY
23 LOCATION SHALL BE SUBJECT TO THE REQUIREMENTS OF SECTION
24 1303(A), (B) AND (D) (RELATING TO ADDITIONAL CATEGORY 1 SLOT
25 MACHINE LICENSE REQUIREMENTS).

26 (B) EXISTING AND NEWLY ESTABLISHED NONPRIMARY LOCATIONS.--
27 NOTWITHSTANDING ANY PROVISION OF 3 PA.C.S. CH. 93 OR ANY OTHER
28 LAW OR REGULATION TO THE CONTRARY:

29 (1) A LICENSED RACING ENTITY THAT OPERATED NONPRIMARY
30 LOCATIONS PRIOR TO THE EFFECTIVE DATE OF THIS SECTION SHALL

1 NOT BE PROHIBITED FROM REOPENING A PREVIOUSLY CLOSED
2 NONPRIMARY LOCATION OR RELOCATING AN EXISTING NONPRIMARY
3 LOCATION IN ORDER TO PLACE AND MAKE SLOT MACHINES AVAILABLE
4 FOR PLAY IN A REOPENED OR RELOCATED NONPRIMARY LOCATION,
5 PROVIDED, THAT, THE PREVIOUSLY CLOSED OR RELOCATED NONPRIMARY
6 LOCATION IS APPROVED BY THE COMMISSION IN ACCORDANCE WITH 3
7 PA.C.S. CH. 93 AND REGULATIONS ADOPTED BY THE COMMISSION
8 PURSUANT TO 3 PA.C.S. CH. 93 AND COMPLIES WITH THE LOCATION
9 REQUIREMENTS SPECIFIED IN SUBSECTION (A) (3), (4) AND (5).

10 (2) A LICENSED RACING ENTITY MAY ESTABLISH A NEW
11 NONPRIMARY LOCATION IN ACCORDANCE WITH 3 PA.C.S. CH. 93 AND
12 REGULATIONS OF THE COMMISSION IN ORDER TO PLACE AND MAKE SLOT
13 MACHINES AVAILABLE FOR PLAY AND OPERATE RACE HORSE
14 SIMULCASTING, PROVIDED, THAT, THE NEW NONPRIMARY LOCATION IS
15 APPROVED BY THE COMMISSION IN ACCORDANCE WITH 3 PA.C.S. CH.
16 93 AND REGULATIONS ADOPTED BY THE COMMISSION PURSUANT TO 3
17 PA.C.S. CH. 93 AND COMPLIES WITH THE LOCATION REQUIREMENTS
18 SET FORTH IN SUBSECTION (A) (3), (4) AND (5).

19 (C) PERMISSIBLE NUMBER OF SLOT MACHINES.--

20 (1) NOTWITHSTANDING SECTION 1210 (RELATING TO NUMBER OF
21 SLOT MACHINES), A CATEGORY 1 LICENSED GAMING ENTITY, UPON
22 APPROVAL OF THE BOARD AND REMITTANCE OF THE FEE UNDER SECTION
23 13D17 (RELATING TO NONPRIMARY LOCATION PERMIT FEE), MAY PLACE
24 AND MAKE AVAILABLE FOR PLAY NO MORE THAN 250 SLOT MACHINES AT
25 A NONPRIMARY LOCATION.

26 (2) THE PERMISSIBLE NUMBER OF SLOT MACHINES THAT MAY BE
27 PLACED AND MADE AVAILABLE FOR PLAY AT A NONPRIMARY LOCATION
28 UNDER THIS SUBSECTION SHALL NOT BE INCLUDED IN THE COMPLEMENT
29 OF SLOT MACHINES AUTHORIZED FOR A CATEGORY 1 LICENSED
30 FACILITY UNDER SECTION 1210.

1 (3) IN DETERMINING THE PERMISSIBLE NUMBER OF SLOT
2 MACHINES THAT MAY BE PLACED AT A NONPRIMARY LOCATION IN
3 ACCORDANCE WITH THIS SUBSECTION, THE BOARD SHALL CONSIDER THE
4 APPROPRIATENESS OF THE PHYSICAL SPACE OF THE NONPRIMARY
5 LOCATION WHERE THE SLOT MACHINES WILL BE PLACED AND THE
6 CONVENIENCE OF THE PUBLIC PATRONIZING THE NONPRIMARY
7 LOCATION. THE BOARD MAY ALSO CONSIDER THE POTENTIAL BENEFIT
8 TO ECONOMIC DEVELOPMENT, EMPLOYMENT, TOURISM, THE RACE HORSE
9 INDUSTRY AND ENHANCED REVENUES TO THE COMMONWEALTH AND THE
10 MUNICIPALITY WHERE THE NONPRIMARY LOCATION IS SITUATED.

11 SUBCHAPTER C

12 APPLICATION AND ISSUANCE OF
13 NONPRIMARY LOCATION PERMIT

14 SEC.

15 13D11. APPLICATION FOR NONPRIMARY LOCATION PERMIT.

16 13D12. ISSUANCE AND TERMS OF NONPRIMARY LOCATION PERMIT.

17 13D13. CONFIDENTIALITY.

18 13D14. KEY EMPLOYEES AND OCCUPATION PERMITS.

19 § 13D11. APPLICATION FOR NONPRIMARY LOCATION PERMIT.

20 (A) APPLICATION.--AN APPLICATION FOR A NONPRIMARY LOCATION
21 PERMIT TO PLACE AND MAKE SLOT MACHINES AVAILABLE FOR PLAY AT A
22 NONPRIMARY LOCATION MUST BE SUBMITTED ON A FORM AND IN A MANNER
23 AS REQUIRED BY THE BOARD. IN REVIEWING AND APPROVING EACH
24 APPLICATION, THE BOARD SHALL:

25 (1) ENSURE THAT THE PROPOSED LOCATION OF THE NONPRIMARY
26 LOCATION IS APPROVED BY THE COMMISSION IN ACCORDANCE WITH
27 SECTION 13D07 (RELATING TO CATEGORY 1 LICENSED GAMING ENTITY
28 AND OPERATION OF SLOT MACHINES AT NONPRIMARY LOCATIONS) AND
29 COMPLIES WITH THE LOCATION REQUIREMENTS SPECIFIED IN SECTION
30 13D07 (A) (3), (4) AND (5).

1 (2) CONFIRM THAT THE NONPRIMARY LOCATION PERMIT FEE
2 UNDER SECTION 13D17 (RELATING TO NONPRIMARY LOCATION PERMIT
3 FEE) HAS BEEN PAID OR WILL BE PAID IN ACCORDANCE WITH SECTION
4 13D17.

5 (B) REQUIRED INFORMATION.--AN APPLICATION FOR A NONPRIMARY
6 LOCATION PERMIT SHALL INCLUDE, AT A MINIMUM:

7 (1) THE NAME OF THE CATEGORY 1 SLOT MACHINE LICENSEE AND
8 THE LICENSED RACING ENTITY AND LOCATION OF THE EXISTING
9 NONPRIMARY LOCATION, IF ANY, OR THE LOCATION OF ANY PROPOSED
10 RELOCATED OR NEW NONPRIMARY LOCATION APPROVED BY THE
11 COMMISSION.

12 (2) THE NAME, ADDRESS AND CURRENT PHOTOGRAPH OF THE
13 APPLICANT AND OF ALL DIRECTORS AND OWNERS AND KEY EMPLOYEES
14 AND THEIR POSITIONS WITHIN THE LICENSED RACING ENTITY, IF
15 REQUIRED BY THE BOARD.

16 (3) THE PROPOSED LOCATION OF THE SLOT MACHINE AREA OR
17 AREAS IN THE NONPRIMARY LOCATION, IF KNOWN.

18 (4) DETAILED SITE AND ARCHITECTURAL PLANS OF THE
19 PROPOSED AREA OR AREAS WITHIN THE NONPRIMARY LOCATION WHERE
20 SLOT MACHINES WILL BE PLACED AND MADE AVAILABLE FOR PLAY.

21 (5) THE NUMBER OF SLOT MACHINES REQUESTED.

22 (6) THE CURRENT STATUS OF THE LICENSED RACING ENTITY'S
23 HORSE RACING LICENSE, IF REQUIRED BY THE BOARD.

24 (7) THE CURRENT STATUS OF THE SLOT MACHINE LICENSE
25 ISSUED UNDER THIS PART, IF REQUIRED BY THE BOARD.

26 (8) THE DETAILS OF ANY LOAN OR OTHER FINANCING OBTAINED
27 OR THAT WILL BE OBTAINED TO FUND AN EXPANSION, MODIFICATION
28 OR CONSTRUCTION PROJECT AT AN EXISTING NONPRIMARY LOCATION, A
29 RELOCATED NONPRIMARY LOCATION OR A PROPOSED OR NEWLY APPROVED
30 NONPRIMARY LOCATION TO ACCOMMODATE SLOT MACHINES AT THE

1 NONPRIMARY LOCATION.

2 (9) THE CONSENT TO CONDUCT A BACKGROUND INVESTIGATION BY
3 THE BUREAU, THE SCOPE OF WHICH INVESTIGATION SHALL BE
4 DETERMINED BY THE BUREAU AT ITS DISCRETION CONSISTENT WITH
5 THE PROVISIONS OF THIS PART, AND A RELEASE SIGNED BY ALL
6 PERSONS SUBJECT TO THE INVESTIGATION OF ALL INFORMATION
7 REQUIRED TO COMPLETE THE INVESTIGATION, IF THE BUREAU, AT ITS
8 DISCRETION, DETERMINES THAT A BACKGROUND INVESTIGATION IS
9 NECESSARY UNDER THIS CHAPTER.

10 (10) OTHER INFORMATION DETERMINED TO BE NECESSARY AND
11 APPROPRIATE BY THE BOARD.

12 § 13D12. ISSUANCE AND TERMS OF NONPRIMARY LOCATION PERMIT.

13 (A) ISSUANCE OF PERMIT.--UPON APPROVAL OF AN APPLICATION FOR
14 A NONPRIMARY LOCATION PERMIT AND PAYMENT OF THE NONPRIMARY
15 LOCATION PERMIT FEE UNDER SECTION 13D17 (RELATING TO NONPRIMARY
16 LOCATION PERMIT FEE), THE BOARD SHALL ISSUE A NONPRIMARY
17 LOCATION PERMIT TO A CATEGORY 1 LICENSED GAMING ENTITY
18 AUTHORIZING THE CATEGORY 1 LICENSED GAMING ENTITY TO PLACE AND
19 MAKE SLOT MACHINES AVAILABLE FOR PLAY AT A NONPRIMARY LOCATION.

20 (B) TERMS OF PERMIT.--A NONPRIMARY LOCATION PERMIT APPROVED
21 AND ISSUED BY THE BOARD IN ACCORDANCE WITH SUBSECTION (A) SHALL
22 BE IN EFFECT UNLESS SUSPENDED OR REVOKED BY THE BOARD UPON GOOD
23 CAUSE CONSISTENT WITH THE REQUIREMENTS OF THIS PART, REGULATIONS
24 PROMULGATED UNDER THIS PART OR REGULATIONS OF THE COMMISSION.

25 (C) NOTIFICATION OF CHANGE IN STATUS.--NOTHING IN THIS
26 SECTION SHALL BE CONSTRUED TO RELIEVE A NONPRIMARY LOCATION
27 PERMIT HOLDER OF THE AFFIRMATIVE DUTY TO NOTIFY THE BOARD OF ANY
28 CHANGE RELATING TO THE STATUS OF ITS NONPRIMARY LOCATION PERMIT,
29 ITS HORSE RACING LICENSE OR TO OTHER INFORMATION CONTAINED IN
30 THE APPLICATION MATERIALS ON FILE WITH THE BOARD.

1 § 13D13. CONFIDENTIALITY.

2 INFORMATION SUBMITTED TO THE BOARD UNDER SECTION 13D11
3 (RELATING TO APPLICATION FOR NONPRIMARY LOCATION PERMIT) MAY BE
4 CONSIDERED CONFIDENTIAL BY THE BOARD IF THE INFORMATION WOULD BE
5 CONFIDENTIAL UNDER SECTION 1206(F) (RELATING TO BOARD MINUTES
6 AND RECORDS).

7 § 13D14. KEY EMPLOYEES AND OCCUPATION PERMITS.

8 NOTHING IN THIS SUBCHAPTER SHALL BE CONSTRUED TO REQUIRE AN
9 INDIVIDUAL WHO HOLDS A PRINCIPAL LICENSE, A KEY EMPLOYEE LICENSE
10 OR GAMING EMPLOYEE LICENSE UNDER CHAPTERS 13 (RELATING TO
11 LICENSEES) AND 13A (RELATING TO TABLE GAMES) OR WHO HOLDS A
12 LICENSE, PERMIT OR REGISTRATION UNDER 3 PA.C.S. CH. 93 (RELATING
13 TO RACE HORSE INDUSTRY REFORM) TO OBTAIN A SEPARATE LICENSE,
14 PERMIT OR REGISTRATION TO BE EMPLOYED IN A SLOT MACHINE
15 LICENSEE'S SLOT MACHINE OPERATION AT A NONPRIMARY LOCATION UNDER
16 THIS CHAPTER, IF THE BOARD DETERMINES, IN CONSULTATION WITH THE
17 COMMISSION, THAT LICENSURE UNDER THE PROVISIONS OF THIS PART OR
18 3 PA.C.S. CH. 93 IS SUFFICIENT AND WILL NOT COMPROMISE THE
19 INTEGRITY OF THE OPERATION OF SLOT MACHINES AT NONPRIMARY
20 LOCATIONS.

21 SUBCHAPTER D

22 FEEES AND TAXES

23 SEC.

24 13D17. NONPRIMARY LOCATION PERMIT FEE.

25 13D18. NONPRIMARY LOCATION TAXES, IMPOSITION, DEPOSITS AND
26 DISTRIBUTIONS.

27 13D19. LOCAL SHARE.

28 § 13D17. NONPRIMARY LOCATION PERMIT FEE.

29 (A) AMOUNT OF FEE.--AT THE TIME A NONPRIMARY LOCATION PERMIT
30 IS ISSUED UNDER SECTION 13D12(A) (RELATING TO ISSUANCE AND TERMS

1 OF NONPRIMARY LOCATION PERMIT), THE BOARD SHALL IMPOSE A ONE-
2 TIME FEE OF \$5,000,000 TO BE PAID BY THE CATEGORY 1 LICENSED
3 GAMING ENTITY FOR EACH NONPRIMARY LOCATION WHERE IT WILL PLACE
4 AND MAKE SLOT MACHINES AVAILABLE FOR PLAY.

5 (B) RENEWAL FEE NOT REQUIRED.--A NONPRIMARY LOCATION PERMIT
6 SHALL NOT BE SUBJECT TO RENEWAL OR PAYMENT OF A NONPRIMARY
7 LOCATION PERMIT RENEWAL FEE.

8 (C) DEPOSIT OF FEE INTO GENERAL FUND.--NOTWITHSTANDING
9 SECTION 1208 (RELATING TO COLLECTION OF FEES AND FINES), ALL
10 NONPRIMARY LOCATION PERMIT FEES AND PENALTIES COLLECTED BY THE
11 BOARD UNDER THIS SECTION SHALL BE DEPOSITED IN THE GENERAL FUND.
12 § 13D18. NONPRIMARY LOCATION TAXES, IMPOSITION, DEPOSITS AND
13 DISTRIBUTIONS.

14 (A) TAX AND ASSESSMENT.--THE DEPARTMENT SHALL DETERMINE AND
15 EACH NONPRIMARY LOCATION PERMIT HOLDER SHALL PAY ON A WEEKLY
16 BASIS:

17 (1) A TAX OF 50% FROM ITS GROSS TERMINAL REVENUE FROM
18 THE SLOT MACHINES IN OPERATION AT THE NONPRIMARY LOCATION
19 PERMIT HOLDER'S NONPRIMARY LOCATION.

20 (2) A 4% LOCAL SHARE ASSESSMENT FROM THE NONPRIMARY
21 LOCATION PERMIT HOLDER'S GROSS TERMINAL REVENUE FROM THE SLOT
22 MACHINES IN OPERATION AT ITS NONPRIMARY LOCATION.

23 (B) DEPOSIT.--THE DEPARTMENT SHALL DEPOSIT THE TAX IMPOSED
24 AND ASSESSMENT UNDER SUBSECTION (A) INTO THE GENERAL FUND. FROM
25 THE LOCAL SHARE ASSESSMENT ESTABLISHED UNDER SUBSECTION (A), THE
26 DEPARTMENT SHALL MAKE DISTRIBUTIONS AMONG THE COUNTIES AND
27 MUNICIPALITIES THAT HOST NONPRIMARY LOCATIONS IN ACCORDANCE WITH
28 SECTION 13D19 (RELATING TO LOCAL SHARE).

29 (C) TRUST REQUIRED.--ALL MONEY OWED TO THE COMMONWEALTH, A
30 COUNTY OR A MUNICIPALITY UNDER THIS SECTION SHALL BE HELD IN

1 TRUST BY THE LICENSED RACING ENTITY OR LICENSED GAMING ENTITY
2 FOR THE COMMONWEALTH, COUNTY OR MUNICIPALITY UNTIL ALL FUNDS ARE
3 DEPOSITED WITH AND DISTRIBUTED BY THE DEPARTMENT IN ACCORDANCE
4 WITH THIS CHAPTER.

5 (D) APPLICABILITY.--CHAPTER 14 (RELATING TO REVENUES) SHALL
6 NOT APPLY TO SLOT MACHINES OPERATED AT NONPRIMARY LOCATIONS IN
7 ACCORDANCE WITH THIS CHAPTER.

8 § 13D19. LOCAL SHARE.

9 (A) DISTRIBUTION.--

10 (1) SUBJECT TO THE LIMITATION UNDER SUBSECTION (B), THE
11 DEPARTMENT SHALL DISTRIBUTE, IN A MANNER AND ACCORDING TO A
12 SCHEDULE ADOPTED BY THE DEPARTMENT, TO EACH MUNICIPALITY 2%
13 OF THE GROSS TERMINAL REVENUE OF SLOT MACHINES OPERATING AT A
14 NONPRIMARY LOCATION WITHIN THE MUNICIPALITY.

15 (2) THE DEPARTMENT SHALL ON A QUARTERLY BASIS DEPOSIT 2%
16 OF THE GROSS TERMINAL REVENUE OF SLOT MACHINES OPERATING AT A
17 NONPRIMARY LOCATION WITHIN THE COUNTY INTO A RESTRICTED
18 RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH
19 FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS FOR
20 PROJECTS IN THE PUBLIC INTEREST WITHIN THE HOST COUNTY.

21 (B) LIMITATION.--THE DEPARTMENT MAY NOT DISTRIBUTE A LOCAL
22 SHARE AMOUNT TO A MUNICIPALITY IN EXCESS OF 50% OF THE
23 MUNICIPALITY'S TOTAL BUDGET FOR FISCAL YEAR 2017, ADJUSTED FOR
24 INFLATION IN SUBSEQUENT FISCAL YEARS BY AN AMOUNT NOT TO EXCEED
25 AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING AN
26 UPWARD PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY
27 PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT.

28 (C) ALTERNATE DISTRIBUTION.--LOCAL SHARE AMOUNTS NOT
29 DISTRIBUTED BY THE DEPARTMENT TO A MUNICIPALITY DUE TO THE
30 LIMITATION ESTABLISHED UNDER SUBSECTION (B) SHALL BE DISTRIBUTED

1 TO THE HOST COUNTY IN ACCORDANCE WITH SUBSECTION (A) (2) .

2 (D) USE OF ASSESSMENTS.--

3 (1) A MUNICIPALITY THAT RECEIVES ASSESSMENTS FROM THE
4 DEPARTMENT UNDER SUBSECTION (A) MAY USE THE FUNDS FOR ANY
5 PURPOSE.

6 (2) A COUNTY THAT RECEIVES ASSESSMENTS FROM THE
7 DEPARTMENT UNDER SUBSECTION (A) MAY USE THE FUNDS AS LOCAL
8 MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE
9 COMMONWEALTH.

10 (E) REPORTING.--

11 (1) IN COOPERATION WITH THE DEPARTMENT AND THE
12 COMMONWEALTH FINANCING AUTHORITY, THE DEPARTMENT OF COMMUNITY
13 AND ECONOMIC DEVELOPMENT SHALL SUBMIT AN ANNUAL REPORT ON ALL
14 DISTRIBUTIONS OF LOCAL SHARE ASSESSMENTS TO MUNICIPALITIES
15 AND COUNTIES UNDER THIS SECTION TO THE CHAIRPERSON AND
16 MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE
17 SENATE, THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
18 COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT COMMITTEE OF
19 THE SENATE, THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
20 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND
21 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE GAMING
22 OVERSIGHT COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE
23 REPORT SHALL BE SUBMITTED BY AUGUST 31, 2018, AND BY AUGUST
24 31 OF EACH YEAR THEREAFTER.

25 (2) A MUNICIPALITY OR COUNTY THAT RECEIVES DISTRIBUTIONS
26 OF LOCAL SHARE ASSESSMENTS UNDER THIS SECTION SHALL SUBMIT
27 INFORMATION TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC
28 DEVELOPMENT ON A FORM PREPARED BY THE DEPARTMENT OF COMMUNITY
29 AND ECONOMIC DEVELOPMENT THAT STATES THE AMOUNT AND USE OF
30 THE FUNDS RECEIVED IN THE PRIOR FISCAL YEAR. THE FORM SHALL

SPECIFY WHETHER THE FUNDS RECEIVED WERE DEPOSITED IN THE
MUNICIPALITY'S OR COUNTY'S GENERAL FUND OR COMMITTED TO A
SPECIFIC PROJECT OR USE.

CHAPTER 13E

(RESERVED)

CHAPTER 13F

CASINO SIMULCASTING

SUBCHAPTER

A. GENERAL PROVISIONS

B. CASINO SIMULCASTING AUTHORIZED

C. APPLICATION AND ISSUANCE OF PERMIT AND ESTABLISHMENT OF
SIMULCASTING FACILITY

D. CONDUCT OF CASINO SIMULCASTING

E. FEES AND TAXES

SUBCHAPTER A

GENERAL PROVISIONS

SEC.

13F01. LEGISLATIVE INTENT AND PURPOSE.

13F02. DEFINITIONS.

§ 13F01. LEGISLATIVE INTENT AND PURPOSE.

THE GENERAL ASSEMBLY FINDS AS FOLLOWS:

(1) THE PEOPLE OF THIS COMMONWEALTH HAVE A VITAL
ECONOMIC INTEREST IN THE CONTINUED SUCCESS OF THIS
COMMONWEALTH'S GAMING INDUSTRY, INCLUDING THE RACE HORSE
INDUSTRY. DUE TO THIS ECONOMIC INTEREST, ENHANCEMENTS TO
CURRENT GAMING ACTIVITIES MUST BE AUTHORIZED TO ENSURE THE
ONGOING COMPETITIVENESS, VIABILITY AND STABILITY OF THE
GAMING INDUSTRY IN THIS COMMONWEALTH.

(2) A PRIMARY INTENT OF THE RACE HORSE DEVELOPMENT AND
GAMING ACT, AS CODIFIED IN THIS PART, IS TO ENHANCE LIVE

1 HORSE RACING. HOWEVER, THE LEGALIZATION OF COMMERCIAL GAMING
2 IN STATES ON THE GEOGRAPHIC BORDERS OF THIS COMMONWEALTH
3 MAKES IT IMPERATIVE TO AUTHORIZE NEW AND INNOVATIVE GAMING
4 ACTIVITIES RELATED TO HORSE RACING AND COMMERCIAL CASINO-
5 STYLE GAMING, WHICH COULD BE IMPLEMENTED BY LICENSED GAMING
6 ENTITIES, AND WHICH COULD HELP ENSURE THE VIABILITY OF BOTH
7 HORSE RACING AND COMMERCIAL GAMING.

8 (3) THE INTENT OF THIS CHAPTER IS TO GIVE LICENSED
9 GAMING ENTITIES THE AUTHORITY TO CONDUCT CASINO SIMULCASTING
10 AT CATEGORY 2 AND CATEGORY 3 LICENSED FACILITIES IN ORDER TO
11 EXPAND HORSE RACING OPPORTUNITIES THROUGH SIMULCASTING AND,
12 THEREBY, ENHANCING THE VIABILITY OF THIS COMMONWEALTH'S RACE
13 HORSE AND COMMERCIAL GAMING INDUSTRY.

14 § 13F02. DEFINITIONS.

15 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
16 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
17 CONTEXT CLEARLY INDICATES OTHERWISE:

18 "CASINO SIMULCASTING." THE SIMULTANEOUS TRANSMISSION OF LIVE
19 THOROUGHBRED OR HARNESS HORSE RACE MEETINGS FROM AN IN-STATE
20 SENDING TRACK, OUT-OF-STATE SENDING TRACK OR A SATELLITE
21 FACILITY, REGARDLESS OF LICENSURE STATUS OR WHETHER THE HORSE
22 RACE MEETINGS ORIGINATE WITHIN THIS COMMONWEALTH OR ANY OTHER
23 STATE OR JURISDICTION, TO A SIMULCASTING FACILITY IN THIS
24 COMMONWEALTH BY SATELLITE DEVICES, TELEVISION CABLES, TELEPHONE
25 LINES OR ANY OTHER TELECOMMUNICATIONS TECHNOLOGY FOR THE
26 PURPOSES OF CONDUCTING PARI-MUTUEL WAGERING.

27 "CASINO SIMULCASTING PERMIT" OR "SIMULCASTING PERMIT." A
28 PERMIT AWARDED BY THE BOARD UNDER SECTION 13F12 (RELATING TO
29 CASINO SIMULCASTING PERMIT) WHICH AUTHORIZES A LICENSED GAMING
30 ENTITY TO CONDUCT CASINO SIMULCASTING.

1 "CASINO SIMULCASTING PERMIT HOLDER." A LICENSED GAMING
2 ENTITY THAT HOLDS A CASINO SIMULCASTING PERMIT ISSUED BY THE
3 BOARD IN ACCORDANCE WITH SECTION 13F12.

4 "IN-STATE SENDING TRACK." A RACETRACK WITHIN THIS
5 COMMONWEALTH WHICH IS OPERATED BY A LICENSED RACING ENTITY AND
6 IS PERMITTED TO CONDUCT CASINO SIMULCASTING.

7 "LICENSED GAMING ENTITY." A PERSON WHO HAS BEEN APPROVED FOR
8 AND ISSUED A CATEGORY 2 SLOT MACHINE LICENSE OR A CATEGORY 3
9 SLOT MACHINE LICENSE IN ACCORDANCE WITH SECTIONS 1304 (RELATING
10 TO CATEGORY 2 SLOT MACHINE LICENSE), 1305 (RELATING TO CATEGORY
11 3 SLOT MACHINE LICENSE) AND 1325 (RELATING TO LICENSE OR PERMIT
12 ISSUANCE) AND WHO HOLDS A CASINO SIMULCASTING PERMIT.

13 "OUT-OF-STATE SENDING TRACK." AN INTERSTATE OR INTERNATIONAL
14 RACETRACK IN A STATE OR JURISDICTION OF THAN THIS COMMONWEALTH
15 WHICH IS EQUIPPED TO CONDUCT CASINO SIMULCASTING AND THE
16 OPERATOR OF WHICH IS LAWFULLY PERMITTED TO CONDUCT HORSE RACE
17 MEETINGS AND TO PROVIDE SIMULCAST HORSE RACES TO SLOT MACHINE
18 LICENSEES IN THIS COMMONWEALTH.

19 "SIMULCAST HORSE RACE." A THOROUGHBRED OR HARNESS HORSE RACE
20 MEETING CONDUCTED AT A RACETRACK, WHETHER WITHIN OR OUTSIDE THIS
21 COMMONWEALTH, WHICH IS SIMULTANEOUSLY TRANSMITTED BY AN APPROVED
22 TELECOMMUNICATIONS TECHNOLOGY TO RACETRACKS OR SIMULCASTING
23 FACILITIES IN THIS COMMONWEALTH IN ACCORDANCE WITH REGULATIONS
24 OF THE COMMISSION.

25 "SIMULCASTING FACILITY." AN AREA OF A LICENSED FACILITY
26 ESTABLISHED AND MAINTAINED BY A SLOT MACHINE LICENSEE FOR THE
27 CONDUCT OF CASINO SIMULCASTING IN ACCORDANCE WITH THIS CHAPTER,
28 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) AND
29 REGULATIONS OF THE BOARD AND THE COMMISSION.

30 SUBCHAPTER B

CASINO SIMULCASTING AUTHORIZED

SEC.

13F05. AUTHORIZATION TO CONDUCT SIMULCASTING.

13F06. REGULATIONS.

13F07. TEMPORARY REGULATIONS.

13F08. SIMULCAST AGREEMENTS.

§ 13F05. AUTHORIZATION TO CONDUCT SIMULCASTING.

(A) AUTHORITY TO CONDUCT.--NOTWITHSTANDING ANY OTHER
PROVISION OF LAW OR REGULATION, IT SHALL BE LAWFUL FOR A
LICENSED GAMING ENTITY TO CONDUCT CASINO SIMULCASTING OR ENTER
INTO AN AGREEMENT OR AGREEMENTS WITH A LICENSED RACING ENTITY OR
OTHER PERSON FOR THE CONDUCT OF CASINO SIMULCASTING IN
ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER, 3 PA.C.S. CH. 93
(RELATING TO RACE HORSE INDUSTRY REFORM) AND THE APPLICABLE
REGULATIONS OF THE BOARD AND THE COMMISSION PROMULGATED UNDER
THIS CHAPTER.

(B) ADMINISTRATION AND ENFORCEMENT.--THE BOARD SHALL
ADMINISTER AND ENFORCE THE PROVISIONS OF THIS CHAPTER AS THEY
RELATE TO THE CONDUCT OF CASINO SIMULCASTING BY A SLOT MACHINE
LICENSEE AND, EXCEPT AS PROVIDED IN THIS CHAPTER, SHALL ADOPT
AND PROMULGATE REGULATIONS TO CARRY OUT AND ENFORCE THE
PROVISIONS OF THIS CHAPTER.

§ 13F06. REGULATIONS.

(A) ADOPTION OF REGULATIONS.--THE BOARD, IN CONSULTATION
WITH THE COMMISSION, SHALL ADOPT AND PROMULGATE REGULATIONS TO
GOVERN THE CONDUCT OF CASINO SIMULCASTING BY LICENSED GAMING
ENTITIES IN THIS COMMONWEALTH. SUCH REGULATIONS SHALL ESTABLISH
THE FOLLOWING:

(1) THE METHOD AND FORM OF THE APPLICATION WHICH A
LICENSED GAMING ENTITY MUST FOLLOW AND COMPLETE BEFORE

1 CONSIDERATION OF THE LICENSED GAMING ENTITY'S APPLICATION TO
2 CONDUCT CASINO SIMULCASTING.

3 (2) THE PERMISSIBLE COMMUNICATIONS TECHNOLOGY WHICH MUST
4 BE USED TO FACILITATE THE CONDUCT OF CASINO SIMULCASTING IN
5 ACCORDANCE WITH REGULATIONS OF THE BOARD, THE COMMISSION AND
6 APPLICABLE FEDERAL LAW AND REGULATIONS.

7 (3) THE TIMES DURING WHICH A LICENSED GAMING ENTITY MAY
8 CONDUCT CASINO SIMULCASTING SHALL BE THE SAME AS THE TIMES
9 AUTHORIZED FOR THE CONDUCT OF CASINO SIMULCASTING BY CATEGORY
10 1 SLOT MACHINE LICENSEES.

11 (4) THE APPROVAL OF THE TERMS AND CONDITIONS OF ANY
12 AGREEMENT BETWEEN A LICENSED GAMING ENTITY AND A LICENSED
13 RACING ENTITY OR OTHER PERSON RELATED TO THE MANAGEMENT OR
14 OPERATION OF CASINO SIMULCASTING AND THE PARI-MUTUEL SYSTEM
15 OF WAGERING, INCLUDING THE PERCENTAGE OF THE MONEY RETAINED
16 BY A LICENSED RACING ENTITY FOR PARI-MUTUEL POOLS WHICH MAY
17 BE DISTRIBUTED TO THE LICENSED GAMING ENTITY.

18 (5) THE REQUIRED CONTENTS OF AGREEMENTS ENTERED INTO
19 BETWEEN A LICENSED GAMING ENTITY, A LICENSED RACING ENTITY OR
20 OTHER PERSON FOR THE MANAGEMENT OR OPERATION OF CASINO
21 SIMULCASTING AND THE PARI-MUTUEL SYSTEM OF WAGERING.

22 (6) A REQUIREMENT THAT WAGERING ON SIMULCAST HORSE RACE
23 MEETINGS SHALL ONLY BE CONDUCTED WITHIN AN ENCLOSED LOCATION
24 OF AN AUTHORIZED LICENSED GAMING ENTITY'S LICENSED FACILITY
25 WHICH HAS BEEN APPROVED BY THE BOARD, IN CONSULTATION WITH
26 THE COMMISSION.

27 (7) THE STANDARDS AND RULES TO GOVERN THE CONDUCT OF
28 CASINO SIMULCASTING AND THE SYSTEM OF PARI-MUTUEL WAGERING
29 ASSOCIATED WITH RACE HORSE SIMULCASTING.

30 (8) THE REPORTING PROCEDURES AND RECORDS WHICH WILL BE

1 REQUIRED FROM A LICENSED GAMING ENTITY TO ENSURE THAT ALL
2 MONEY GENERATED FROM CASINO SIMULCASTING IS ACCOUNTED FOR AND
3 WINNERS' NAMES, WHEN REQUIRED UNDER APPLICABLE FEDERAL OR
4 STATE LAW, ARE FILED WITH THE APPROPRIATE TAXING AUTHORITIES.

5 (9) NOTWITHSTANDING 3 PA.C.S. § 9340 (RELATING TO
6 PROHIBITION OF WAGERING) OR ANY OTHER PROVISION OF LAW OR
7 REGULATION, THE POLICIES AND PROCEDURES WHICH WILL BE
8 ADOPTED, IMPLEMENTED AND FOLLOWED TO ENSURE THAT INDIVIDUALS
9 UNDER 21 YEARS OF AGE WILL BE PROHIBITED FROM PARTICIPATING
10 IN CASINO SIMULCASTING OR ENTERING SIMULCASTING AREAS OF
11 LICENSED FACILITIES.

12 (10) ANY OTHER REQUIREMENTS, CONDITIONS OR CONTROLS
13 WHICH THE BOARD, IN CONSULTATION WITH THE COMMISSION, DEEMS
14 NECESSARY AND APPROPRIATE TO ADMINISTER AND ENFORCE THE
15 PROVISIONS OF THIS CHAPTER AND TO FACILITATE THE
16 IMPLEMENTATION OF THIS CHAPTER.

17 (B) UNIFORM REGULATION.--IN ADOPTING REGULATIONS UNDER THIS
18 CHAPTER, THE COMMISSION SHALL COOPERATE AND WORK WITH THE BOARD
19 TO DEVELOP UNIFORM REGULATIONS TO GOVERN THE OPERATION OF CASINO
20 SIMULCASTING IN THIS COMMONWEALTH. EXCEPT AS HEREIN PROVIDED,
21 THE PROVISIONS OF THIS CHAPTER AND ANY REGULATIONS PROMULGATED
22 UNDER THIS CHAPTER SHALL BE CONSIDERED AS ESTABLISHING UNIFORM
23 REQUIREMENTS AND REGULATIONS FOR CASINO SIMULCASTING AT LICENSED
24 FACILITIES IN THIS COMMONWEALTH.

25 (C) ADOPTION OF EXISTING REGULATIONS.--NOTWITHSTANDING
26 SUBSECTION (B) OR ANY OTHER LAW OR REGULATION TO THE CONTRARY,
27 THE PROVISIONS OF 3 PA.C.S. § 9335 (RELATING TO PARI-MUTUEL POOL
28 DISTRIBUTION) AND ALL REGULATIONS AND SUPPLEMENTS THERETO OR
29 REVISIONS THEREOF ADOPTED BY THE COMMISSION UNDER 3 PA.C.S. §
30 9335, WHICH RELATE TO THE RETENTION OF MONEY IN PARI-MUTUEL

POOLS AND THE PARI-MUTUEL SYSTEM OF WAGERING ON, BEFORE OR AFTER
THE EFFECTIVE DATE OF THIS CHAPTER ARE ADOPTED AS REGULATIONS
UNDER THIS CHAPTER AND SHALL REMAIN IN EFFECT UNLESS
SUBSEQUENTLY MODIFIED OR SUPERSEDED BY REGULATIONS PROMULGATED
BY THE COMMISSION.

§ 13F07. TEMPORARY REGULATIONS.

(A) PROMULGATION.--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. 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 TO ADOPT TEMPORARY
REGULATIONS UNDER SUBSECTION (A) SHALL EXPIRE TWO YEARS AFTER
THE EFFECTIVE DATE OF THIS SECTION. REGULATIONS ADOPTED BY THE
BOARD AND COMMISSION AFTER THE TWO-YEAR PERIOD SHALL BE
PROMULGATED AS PROVIDED BY LAW.

(C) PUBLICATION OF TEMPORARY REGULATIONS.--THE BOARD AND THE
COMMISSION SHALL BEGIN PUBLISHING TEMPORARY REGULATIONS
GOVERNING CASINO SIMULCASTING IN THE PENNSYLVANIA BULLETIN NO
LATER THAN FEBRUARY 1, 2018.

§ 13F08. SIMULCAST AGREEMENTS.

1 (A) MANNER OF AGREEMENT.--ANY AGREEMENT ENTERED INTO BETWEEN
2 A LICENSED GAMING ENTITY AND A LICENSED RACING ENTITY OR OTHER
3 PERSON TO FACILITATE CASINO SIMULCASTING SHALL BE IN WRITING AND
4 SHALL BE FILED WITH AND APPROVED BY THE BOARD AND THE COMMISSION
5 IN ACCORDANCE WITH REGULATIONS PROMULGATED BY THE BOARD IN
6 CONSULTATION WITH THE COMMISSION.

7 (B) WAGER PROVISIONS.--NOTWITHSTANDING 3 PA.C.S. § 9334
8 (RELATING TO STATE RACING FUND AND TAX RATE) OR 9335 (RELATING
9 TO PARI-MUTUEL POOL DISTRIBUTION), THE FOLLOWING SHALL APPLY:

10 (1) IF A LICENSED GAMING ENTITY OFFERS CASINO
11 SIMULCASTING AT ITS LICENSED FACILITY THROUGH AN AGREEMENT
12 WITH A LICENSED RACING ENTITY, THE AGREEMENT SHALL SPECIFY
13 THE PERCENTAGE OF THE MONEY WAGERED EACH RACING DAY AT THE
14 CASINO SIMULCASTING FACILITY AND REMAINING IN THE WAGERING
15 POOLS AFTER THE REQUIRED DISTRIBUTIONS UNDER 3 PA.C.S. §
16 9335, THAT WILL BE PAID TO THE LICENSED GAMING ENTITY. THE
17 AMOUNT RETAINED BY A LICENSED GAMING ENTITY SHALL NOT EXCEED
18 25% OF THE MONEY RETAINED BY THE LICENSED RACING ENTITY UNDER
19 3 PA.C.S. § 9335.

20 (2) IF A LICENSED GAMING ENTITY CHOOSES TO OFFER CASINO
21 SIMULCASTING THROUGH ITS OWN RESOURCES OR THROUGH AN
22 AGREEMENT WITH ANOTHER PERSON, AS APPROVED BY THE BOARD AND
23 THE COMMISSION, THE BOARD, IN CONSULTATION WITH THE
24 COMMISSION, SHALL, THROUGH REGULATION, ESTABLISH THE
25 PERCENTAGE OF MONEY WAGERED EACH RACING DAY AT THE CASINO
26 SIMULCASTING FACILITY AND REMAINING IN THE WAGERING POOLS
27 AFTER THE REQUIRED DISTRIBUTIONS UNDER 3 PA.C.S. § 9334 THAT
28 WILL BE PAID TO THE LICENSED GAMING ENTITY OR OTHER PERSON,
29 PROVIDED THAT THE PERCENTAGE OF MONEY TO BE PAID TO A
30 LICENSED GAMING ENTITY OR OTHER PERSON UNDER THIS PARAGRAPH

1 SHALL BE, IF DETERMINED APPROPRIATE BY THE BOARD AND THE
2 COMMISSION, THE SAME PERCENTAGE OF MONEY REMAINING IN THE
3 WAGERING POOLS THAT IS RETAINED BY A LICENSED RACING ENTITY
4 IN ACCORDANCE WITH 3 PA.C.S. § 9335.

5 (C) REGULATIONS.--THE BOARD, IN CONSULTATION WITH THE
6 COMMISSION, SHALL ESTABLISH REGULATIONS TO ADMINISTER THE
7 RETENTION REQUIREMENTS UNDER THIS SECTION.

8 SUBCHAPTER C

9 APPLICATION AND ISSUANCE OF PERMIT AND
10 ESTABLISHMENT OF SIMULCASTING FACILITY

11 SEC.

12 13F11. APPLICATION FOR PERMIT AND REQUIREMENTS.

13 13F12. CASINO SIMULCASTING PERMIT.

14 13F13. CASINO SIMULCASTING FACILITIES.

15 13F14. LICENSE OR REGISTRATION OF EMPLOYEES REQUIRED.

16 13F15. KEY EMPLOYEES AND OCCUPATION PERMITS.

17 § 13F11. APPLICATION FOR PERMIT AND REQUIREMENTS.

18 (A) APPLICATIONS.--A LICENSED GAMING ENTITY SHALL FILE AN
19 APPLICATION FOR A CASINO SIMULCASTING PERMIT WITH THE BOARD. THE
20 APPLICATION SHALL INCLUDE THE FOLLOWING:

21 (1) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION
22 OF THE APPLICANT.

23 (2) THE NAME AND LOCATION OF THE APPLICANT'S LICENSED
24 FACILITY.

25 (3) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A
26 PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE
27 APPLICANT WHO WILL BE INVOLVED IN THE CONDUCT OF CASINO
28 SIMULCASTING AND WHO IS NOT CURRENTLY LICENSED BY THE BOARD
29 OR THE COMMISSION, IF KNOWN.

30 (4) THE ESTIMATED NUMBER OF FULL-TIME AND PART-TIME

1 EMPLOYMENT POSITIONS THAT WILL BE CREATED AT THE LICENSED
2 FACILITY IF CASINO SIMULCASTING IS AUTHORIZED AND AN UPDATED
3 HIRING PLAN UNDER SECTION 1510(A) (RELATING TO LABOR HIRING
4 PREFERENCES) WHICH OUTLINES THE APPLICANT'S PLAN TO PROMOTE
5 THE REPRESENTATION OF DIVERSE GROUPS AND COMMONWEALTH
6 RESIDENTS IN THE EMPLOYMENT POSITIONS.

7 (5) A BRIEF DESCRIPTION OF THE ECONOMIC BENEFITS
8 EXPECTED TO BE REALIZED BY THE COMMONWEALTH, THE DEPARTMENT
9 OF AGRICULTURE AND THE RACE HORSE INDUSTRY IN THIS
10 COMMONWEALTH IF CASINO SIMULCASTING IS AUTHORIZED AT THE
11 APPLICANT'S LICENSED FACILITY.

12 (6) THE DETAILS OF ANY FINANCING, IF APPLICABLE,
13 OBTAINED OR THAT WILL BE OBTAINED TO FUND AN EXPANSION OR
14 MODIFICATION OF THE LICENSED FACILITY TO ACCOMMODATE CASINO
15 SIMULCASTING OR CONSTRUCT A SIMULCASTING FACILITY OR TO
16 OTHERWISE FUND THE COST OF COMMENCING CASINO SIMULCASTING
17 OPERATIONS.

18 (7) INFORMATION AND DOCUMENTATION CONCERNING FINANCIAL
19 BACKGROUND AND RESOURCES, AS THE BOARD MAY REQUIRE, TO
20 ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL
21 STABILITY, INTEGRITY AND RESPONSIBILITY OF THE APPLICANT.

22 (8) A COPY OF OR A DETAILED DESCRIPTION OF THE TERMS AND
23 CONDITIONS OF ANY AGREEMENT OR AGREEMENTS THE LICENSED GAMING
24 ENTITY HAS ENTERED INTO OR WILL ENTER INTO WITH A LICENSED
25 CORPORATION OR OTHER PERSON TO FACILITATE THE CONDUCT OF
26 CASINO SIMULCASTING.

27 (9) A DETAILED DESCRIPTION OF ANY FINANCIAL ARRANGEMENTS
28 BETWEEN A LICENSED GAMING ENTITY AND A LICENSED RACING ENTITY
29 OR OTHER PERSON RELATED TO THE CONDUCT OF CASINO
30 SIMULCASTING.

1 (10) DETAILED SITE AND ARCHITECTURAL PLANS OF THE
2 PROPOSED SIMULCASTING FACILITY WITHIN THE APPLICANT'S
3 LICENSED FACILITY.

4 (11) ANY OTHER INFORMATION AS THE BOARD MAY REQUIRE.

5 (B) REVIEW AND APPROVAL OF APPLICATION.--THE BOARD SHALL
6 REVIEW AND APPROVE AN APPLICATION FOR A SIMULCASTING PERMIT IF
7 THE APPLICANT ESTABLISHES, BY CLEAR AND CONVINCING EVIDENCE, ALL
8 OF THE FOLLOWING:

9 (1) THE APPLICANT'S SLOT MACHINE LICENSE IS IN GOOD
10 STANDING WITH THE BOARD.

11 (2) THE CONDUCT OF CASINO SIMULCASTING AT THE
12 APPLICANT'S LICENSED FACILITY WILL HAVE A POSITIVE ECONOMIC
13 IMPACT ON THE COMMONWEALTH AND THE RACE HORSE INDUSTRY IN
14 THIS COMMONWEALTH THROUGH INCREASED REVENUES, INCREASED
15 PURSES AND EMPLOYMENT OPPORTUNITIES.

16 (3) THE APPLICANT POSSESSES ADEQUATE FUNDS OR HAS
17 SECURED ADEQUATE FINANCING TO:

18 (I) FUND ANY NECESSARY EXPANSION OR MODIFICATION OF
19 THE APPLICANT'S LICENSED FACILITY OR TO CONSTRUCT A
20 SIMULCASTING FACILITY TO ACCOMMODATE THE CONDUCT OF
21 CASINO SIMULCASTING.

22 (II) PAY THE COSTS OF ESTABLISHING, MAINTAINING AND
23 OPERATING THE SIMULCASTING FACILITY.

24 (III) COMMENCE CASINO SIMULCASTING OPERATIONS.

25 (4) THE APPLICANT HAS ENTERED INTO OR WILL ENTER INTO AN
26 AGREEMENT WITH A LICENSED RACING ENTITY OR OTHER PERSON TO
27 MANAGE OR OPERATE CASINO SIMULCASTING OPERATIONS, AND THE
28 AGREEMENT HAS BEEN APPROVED BY THE COMMISSION.

29 (5) THE APPLICANT HAS THE EXPERTISE TO MANAGE CASINO
30 SIMULCASTING.

1 (6) THE APPLICANT HAS THE FINANCIAL STABILITY, INTEGRITY
2 AND RESPONSIBILITY TO CONDUCT CASINO SIMULCASTING.

3 (7) THE APPLICANT HAS SUFFICIENT BUSINESS ABILITY AND
4 EXPERIENCE TO CREATE AND MAINTAIN A SUCCESSFUL CASINO
5 SIMULCASTING OPERATION.

6 (8) THE APPLICANT'S PROPOSED INTERNAL AND EXTERNAL
7 SECURITY CONTROLS AND PROPOSED SURVEILLANCE MEASURES WITHIN
8 THE AREA OF THE LICENSED FACILITY WHERE THE APPLICANT SEEKS
9 TO CONDUCT CASINO SIMULCASTING ARE ADEQUATE.

10 (C) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD
11 UNDER SUBSECTION (A) (6), (7) AND (8) MAY BE CONSIDERED
12 CONFIDENTIAL BY THE BOARD IF THE INFORMATION WOULD BE
13 CONFIDENTIAL UNDER SECTION 1206(F) (RELATING TO BOARD MINUTES
14 AND RECORDS).

15 § 13F12. CASINO SIMULCASTING PERMIT.

16 (A) ISSUANCE OF PERMIT.--UPON REVIEW AND APPROVAL OF AN
17 APPLICATION SUBMITTED TO THE BOARD IN ACCORDANCE WITH SECTION
18 13F11 (RELATING TO APPLICATION FOR PERMIT AND REQUIREMENTS), THE
19 BOARD SHALL ISSUE A CASINO SIMULCASTING PERMIT TO THE APPLICANT.

20 (B) CONTENT OF PERMIT.--

21 (1) A CASINO SIMULCASTING PERMIT SHALL INCLUDE A LIST OF
22 THE HORSE RACE MEETINGS WHICH ARE PROPOSED TO BE SIMULCAST BY
23 THE CASINO SIMULCASTING PERMIT HOLDER AT ITS SIMULCASTING
24 FACILITY, INCLUDING THE NAMES AND LOCATIONS OF THE IN-STATE
25 SENDING TRACKS AND OUT-OF-STATE SENDING TRACKS, AND THE START
26 DATE AND EXPIRATION DATE OF ANY AGREEMENT OR AGREEMENTS THE
27 PERMIT HOLDER HAS ENTERED INTO OR WILL ENTER INTO WITH A
28 LICENSED RACING ENTITY OR OTHER PERSON FOR THE OPERATION OF
29 CASINO SIMULCASTING.

30 (2) A CASINO SIMULCASTING PERMIT HOLDER SHALL BE

1 REQUIRED TO UPDATE THE INITIAL CASINO SIMULCASTING
2 APPLICATION AT TIMES PRESCRIBED BY THE BOARD, IN CONSULTATION
3 WITH THE COMMISSION.

4 § 13F13. CASINO SIMULCASTING FACILITIES.

5 (A) ESTABLISHMENT OF SIMULCASTING FACILITY.--A LICENSED
6 GAMING ENTITY APPROVED FOR AND ISSUED A PERMIT TO OPERATE CASINO
7 SIMULCASTING UNDER THIS CHAPTER SHALL ESTABLISH A SIMULCASTING
8 FACILITY AS PART OF ITS LICENSED FACILITY. THE SIMULCASTING
9 FACILITY MAY BE ADJACENT TO, BUT SHALL NOT BE PART OF, ANY ROOM
10 OR LOCATION IN WHICH SLOT MACHINES OR TABLE GAMES ARE OPERATED
11 OR CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF THIS PART. THE
12 FOLLOWING SHALL APPLY:

13 (1) THE SIMULCASTING FACILITY SHALL CONFORM TO ALL
14 REQUIREMENTS CONCERNING SQUARE FOOTAGE, EQUIPMENT, SECURITY
15 MEASURES AND RELATED MATTERS WHICH THE BOARD, IN CONSULTATION
16 WITH THE COMMISSION, SHALL BY REGULATION PRESCRIBE.

17 (2) THE SPACE OR AREA REQUIRED FOR THE ESTABLISHMENT OF
18 A SIMULCASTING FACILITY SHALL NOT BE USED TO DECREASE THE
19 NUMBER OF SLOT MACHINES OR TABLE GAMES IN OPERATION AT THE
20 LICENSED FACILITY OR TO REDUCE THE SPACE APPROVED BY THE
21 BOARD FOR THE OPERATION OF SLOT MACHINES AND THE CONDUCT OF
22 TABLE GAMES.

23 (3) THE COST OF ESTABLISHING, MAINTAINING AND OPERATING
24 A SIMULCASTING FACILITY SHALL BE THE SOLE RESPONSIBILITY OF
25 THE LICENSED GAMING ENTITY.

26 (B) VIDEO DISPLAY MONITORS.--NOTWITHSTANDING 3 PA.C.S. CH.
27 93 (RELATING TO RACE HORSE INDUSTRY REFORM) OR REGULATIONS
28 PROMULGATED PURSUANT TO 3 PA.C.S. CH. 93, THE REGULATIONS
29 PROMULGATED BY THE BOARD SHALL PROVIDE FOR THE INSTALLATION OF
30 VIDEO DISPLAY TECHNOLOGY IN APPROVED AREAS OF LICENSED

FACILITIES TO DELIVER SIMULCAST HORSE RACE MEETINGS TO PATRONS
VIA VIDEO WALLS AND OTHER SUCH INNOVATIVE VIDEO DISPLAY
TECHNOLOGY. THE BOARD MAY COLLABORATE WITH THE COMMISSION IN
DEVELOPING REGULATIONS TO GOVERN THE INSTALLATION AND OPERATION
OF VIDEO DISPLAY MONITORS IN ACCORDANCE WITH THIS SUBSECTION.

§ 13F14. LICENSE OR REGISTRATION OF EMPLOYEES REQUIRED.

EXCEPT AS PROVIDED IN THIS PART, ALL PERSONS ENGAGED DIRECTLY
IN WAGERING-RELATED ACTIVITIES AT A SIMULCASTING FACILITY,
WHETHER EMPLOYED BY THE LICENSED GAMING ENTITY, LICENSED RACING
ENTITY OR BY A PERSON OR ENTITY CONDUCTING CASINO SIMULCASTING
IN THE SIMULCASTING FACILITY UNDER AN AGREEMENT WITH THE
LICENSED GAMING ENTITY AND ALL OTHER EMPLOYEES OF THE LICENSED
GAMING ENTITY, LICENSED RACING ENTITY OR OF THE PERSON OR ENTITY
CONDUCTING CASINO SIMULCASTING WHO WORK OR WILL WORK IN THE
SIMULCASTING FACILITY, SHALL BE LICENSED OR REGISTERED IN
ACCORDANCE WITH REGULATIONS PROMULGATED BY THE BOARD IN
COLLABORATION WITH THE COMMISSION.

§ 13F15. 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 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY
REFORM) TO OBTAIN A SEPARATE LICENSE, PERMIT OR REGISTRATION TO
BE EMPLOYED IN A CASINO SIMULCASTING PERMIT HOLDER'S CASINO
SIMULCASTING OPERATION AUTHORIZED UNDER THIS CHAPTER, IF THE
BOARD, IN CONSULTATION WITH THE COMMISSION, DETERMINES THAT
LICENSURE UNDER THE PROVISIONS OF THIS PART OR 3 PA.C.S. CH. 93
IS SUFFICIENT AND WILL NOT COMPROMISE THE INTEGRITY OF CASINO
SIMULCASTING.

1 SUBCHAPTER D

2 CONDUCT OF CASINO SIMULCASTING

3 SEC.

4 13F31. CONDUCT OF CASINO SIMULCASTING.

5 13F32. TRANSMISSION OF LIVE RACES.

6 13F33. ACCOUNTING CONTROLS AND AUDIT PROTOCOLS.

7 13F34. CONDITION OF CONTINUED OPERATION.

8 13F35. APPLICATION OF LIQUOR CODE.

9 § 13F31. CONDUCT OF CASINO SIMULCASTING.

10 (A) WAGERING.--WAGERING ON SIMULCAST HORSE RACES SHALL BE
11 CONDUCTED ONLY IN THE SIMULCASTING FACILITY.

12 (B) REQUIRED SECURITY.--

13 (1) THE SECURITY MEASURES FOR A SIMULCASTING FACILITY
14 SHALL INCLUDE, BUT MAY NOT BE LIMITED TO, THE INSTALLATION BY
15 THE LICENSED GAMING ENTITY OF A CLOSED-CIRCUIT TELEVISION
16 SYSTEM ACCORDING TO SPECIFICATIONS PROMULGATED BY THE BOARD,
17 IN CONSULTATION WITH THE COMMISSION.

18 (2) THE BOARD AND THE COMMISSION SHALL HAVE ACCESS TO
19 THE SIMULCAST SYSTEM OR ITS SIGNAL IN ACCORDANCE WITH
20 REGULATIONS PROMULGATED BY THE BOARD, IN CONSULTATION WITH
21 THE COMMISSION.

22 § 13F32. TRANSMISSION OF LIVE RACES.

23 THE FOLLOWING SHALL APPLY:

24 (1) A LICENSED RACING ENTITY WHICH OPERATES INTERSTATE
25 OR INTERNATIONAL SIMULCASTING OF HORSE RACE MEETINGS IN THIS
26 COMMONWEALTH SHALL HAVE DISCRETION TO TRANSMIT ALL OR SOME OF
27 THE LIVE RACES CONDUCTED AT THE RACETRACK TO THE LICENSED
28 FACILITY OF A LICENSED GAMING ENTITY WHICH HAS ESTABLISHED A
29 SIMULCASTING FACILITY UNDER THIS CHAPTER. ANY RACE WHICH IS
30 TRANSMITTED FROM AN IN-STATE SENDING TRACK SHALL BE

1 TRANSMITTED TO ALL LICENSED GAMING ENTITIES WHICH HAVE
2 ESTABLISHED SIMULCASTING FACILITIES.

3 (2) A LICENSED GAMING ENTITY WHICH ESTABLISHES A
4 SIMULCASTING FACILITY AND CONDUCTS CASINO SIMULCASTING IN
5 ACCORDANCE WITH THIS CHAPTER SHALL, AS A CONDITION OF
6 CONTINUED OPERATION OF CASINO SIMULCASTING, RECEIVE ALL LIVE
7 RACES WHICH ARE TRANSMITTED BY IN-STATE SENDING TRACKS.

8 § 13F33. ACCOUNTING CONTROLS AND AUDIT PROTOCOLS.

9 (A) APPROVAL.--PRIOR TO THE COMMENCEMENT OF CASINO
10 SIMULCASTING, A CASINO SIMULCASTING PERMIT HOLDER SHALL SUBMIT
11 TO THE BOARD FOR APPROVAL ALL PROPOSED SITE AND ARCHITECTURAL
12 PLANS, INTERNAL CONTROL SYSTEMS AND AUDIT PROTOCOLS FOR THE
13 PERMIT HOLDER'S CASINO SIMULCASTING OPERATIONS.

14 (B) MINIMUM REQUIREMENTS.--A CASINO SIMULCASTING PERMIT
15 HOLDER'S INTERNAL CONTROLS AND AUDIT PROTOCOLS SHALL:

16 (1) PROVIDE FOR RELIABLE RECORDS, ACCOUNTS AND REPORTS
17 OF ANY FINANCIAL EVENT THAT OCCURS IN THE CONDUCT OF CASINO
18 SIMULCASTING, INCLUDING REPORTS TO THE BOARD AND COMMISSION
19 RELATED TO CASINO SIMULCASTING, AS MAY BE REQUIRED BY
20 REGULATION OF THE BOARD, IN CONSULTATION WITH THE COMMISSION.

21 (2) PROVIDE FOR ACCURATE AND RELIABLE FINANCIAL RECORDS
22 RELATED TO THE CONDUCT OF CASINO SIMULCASTING AND THE PARI-
23 MUTUEL SYSTEM OF WAGERING.

24 (3) ESTABLISH PROCEDURES AND SECURITY FOR THE COUNTING,
25 RECORDING AND STORAGE OF MONEY GENERATED FROM THE CONDUCT OF
26 CASINO SIMULCASTING.

27 (4) ESTABLISH PROCEDURES AND SECURITY STANDARDS FOR THE
28 MAINTENANCE OF TELECOMMUNICATIONS EQUIPMENT AND VIDEO DISPLAY
29 TECHNOLOGY USED IN CONNECTION WITH THE CONDUCT OF CASINO
30 SIMULCASTING.

1 (5) ESTABLISH PROCEDURES AND RULES TO GOVERN THE CONDUCT
2 OF CASINO SIMULCASTING AND THE RESPONSIBILITY OF EMPLOYEES
3 RELATED TO CASINO SIMULCASTING.

4 (6) ESTABLISH PROCEDURES FOR THE COLLECTION, RECORDING
5 AND DEPOSIT OF REVENUE FROM THE CONDUCT OF CASINO
6 SIMULCASTING, INCLUDING THE ROLES OF THE COMMISSION, THE
7 DEPARTMENT, LICENSED RACING ENTITIES AND LICENSED GAMING
8 ENTITIES IN THE COLLECTION AND RECORDING OF THE REVENUE.

9 (7) ENSURE THAT THE SYSTEM OF PARI-MUTUEL WAGERING USED
10 IN THE CONDUCT OF CASINO SIMULCASTING IS IN ACCORDANCE WITH 3
11 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) AND
12 REGULATIONS OF THE COMMISSION PROMULGATED UNDER 3 PA.C.S.
13 (RELATING TO AGRICULTURE) .

14 (8) ENSURE, IN CONSULTATION WITH THE COMMISSION, THE
15 PROPER AND TIMELY ACCOUNTING FOR AND RETENTION OF PERCENTAGES
16 FOR PARI-MUTUEL POOLS AND THE PROPER AND TIMELY DISTRIBUTION
17 OF MONEY IN ANY PARI-MUTUEL POOL GENERATED FROM CASINO
18 SIMULCASTING.

19 (9) ENSURE THAT ALL FUNCTIONS, DUTIES AND
20 RESPONSIBILITIES RELATED TO CASINO SIMULCASTING ARE
21 APPROPRIATELY SEGREGATED AND PERFORMED IN ACCORDANCE WITH
22 SOUND FINANCIAL PRACTICES BY QUALIFIED EMPLOYEES.

23 (10) PERMIT USE OF ITS CASINO SIMULCASTING FACILITY BY
24 THE BOARD, THE BUREAU, THE COMMISSION AND OTHER PERSONS
25 AUTHORIZED UNDER THIS PART OR BY THE BOARD AND THE COMMISSION
26 TO FACILITATE THEIR ABILITY TO PERFORM REGULATORY AND
27 OVERSIGHT FUNCTIONS UNDER THIS CHAPTER.

28 (C) SUBMISSION TO BOARD.--THE SUBMISSION REQUIRED UNDER
29 SUBSECTION (A) SHALL INCLUDE A DETAILED DESCRIPTION OF THE
30 CASINO SIMULCASTING PERMIT HOLDER'S ADMINISTRATIVE AND

1 ACCOUNTING PROCEDURES RELATED TO CASINO SIMULCASTING, INCLUDING
2 ITS WRITTEN SYSTEM OF INTERNAL CONTROLS. EACH WRITTEN SYSTEM OF
3 INTERNAL CONTROLS SHALL INCLUDE:

4 (1) AN ORGANIZATIONAL CHART DEPICTING APPROPRIATE
5 FUNCTIONS AND RESPONSIBILITIES OF EMPLOYEES INVOLVED IN
6 CASINO SIMULCASTING.

7 (2) A DESCRIPTION OF THE DUTIES AND RESPONSIBILITIES OF
8 EACH POSITION SHOWN ON THE ORGANIZATIONAL CHART.

9 (3) THE RECORD RETENTION POLICY OF THE PERMIT HOLDER.

10 (4) THE PROCEDURE TO BE UTILIZED TO ENSURE THAT MONEY
11 GENERATED FROM THE CONDUCT OF CASINO SIMULCASTING IS
12 SAFEGUARDED, INCLUDING MANDATORY COUNTING AND RECORDING
13 PROCEDURES.

14 (5) A STATEMENT SIGNED BY THE CASINO SIMULCASTING PERMIT
15 HOLDER'S CHIEF FINANCIAL OFFICER OR OTHER COMPETENT PERSON
16 ATTESTING THAT THE SIGNATORY BELIEVES, IN GOOD FAITH, THAT
17 THE SYSTEM SATISFIES THE REQUIREMENTS OF THIS SECTION.

18 (D) REVIEW.--PRIOR TO AUTHORIZING A PERMIT HOLDER TO CONDUCT
19 CASINO SIMULCASTING, THE BOARD, IN CONSULTATION WITH THE
20 COMMISSION, SHALL REVIEW THE SYSTEM OF INTERNAL CONTROLS
21 SUBMITTED UNDER SUBSECTION (C) TO DETERMINE WHETHER IT CONFORMS
22 TO THE REQUIREMENTS OF THIS SUBCHAPTER AND WHETHER IT PROVIDES
23 ADEQUATE AND EFFECTIVE CONTROLS FOR THE CONDUCT OF CASINO
24 SIMULCASTING.

25 (E) LICENSE OR REGISTRATION OF EMPLOYEES REQUIRED.--EXCEPT
26 AS PROVIDED IN SECTION 13F15 (RELATING TO KEY EMPLOYEES AND
27 OCCUPATION PERMITS), PERSONS ENGAGED DIRECTLY IN WAGERING--
28 RELATED ACTIVITIES AT A SIMULCASTING FACILITY, WHETHER EMPLOYED
29 BY THE LICENSED GAMING ENTITY, A LICENSED RACING ENTITY OR BY A
30 PERSON OR ENTITY CONDUCTING CASINO SIMULCASTING UNDER AN

1 AGREEMENT WITH THE LICENSED GAMING ENTITY, LICENSED RACING
2 ENTITY AND ALL OTHER EMPLOYEES OF THE LICENSED GAMING ENTITY OR
3 OF THE PERSON OR ENTITY CONDUCTING CASINO SIMULCASTING WHO WORK
4 OR WILL WORK IN THE SIMULCASTING FACILITY SHALL BE LICENSED OR
5 REGISTERED IN ACCORDANCE WITH REGULATIONS PROMULGATED BY THE
6 BOARD IN COLLABORATION WITH THE COMMISSION.
7 § 13F34. CONDITION OF CONTINUED OPERATION.

8 AS A CONDITION OF CONTINUED OPERATION, A CASINO SIMULCASTING
9 PERMIT HOLDER SHALL AGREE TO MAINTAIN ALL BOOKS, RECORDS AND
10 DOCUMENTS PERTAINING TO CASINO SIMULCASTING IN A MANNER AND
11 LOCATION WITHIN THIS COMMONWEALTH AS APPROVED BY THE BOARD, IN
12 CONSULTATION WITH THE COMMISSION. ALL BOOKS, RECORDS AND
13 DOCUMENTS RELATED TO CASINO SIMULCASTING SHALL:

14 (1) BE ORGANIZED IN A MANNER TO CLEARLY DEPICT BY
15 SEPARATE RECORD THE TOTAL AMOUNT OF MONEY CONTRIBUTED TO
16 EVERY PARI-MUTUEL POOL IN ACCORDANCE WITH THE APPLICABLE
17 PROVISIONS OF 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE
18 INDUSTRY REFORM) AND ANY REGULATION PROMULGATED UNDER 3
19 PA.C.S. CH. 93.

20 (2) BE SEGREGATED BY SEPARATE ACCOUNTS WITHIN THE
21 LICENSED GAMING ENTITY'S BOOKS, RECORDS AND DOCUMENTS, EXCEPT
22 FOR ANY BOOKS, RECORDS OR DOCUMENTS THAT ARE COMMON TO SLOT
23 MACHINE OPERATIONS, TABLE GAME OPERATIONS AND CASINO
24 SIMULCASTING, AS DETERMINED BY THE BOARD IN CONSULTATION WITH
25 THE COMMISSION.

26 (3) BE IMMEDIATELY AVAILABLE FOR INSPECTION UPON REQUEST
27 OF THE BOARD, THE COMMISSION, THE BUREAU, THE DEPARTMENT, THE
28 PENNSYLVANIA STATE POLICE OR THE ATTORNEY GENERAL, OR AGENTS
29 THEREOF, DURING ALL HOURS OF OPERATION OF THE PERMIT HOLDER'S
30 SIMULCASTING FACILITY IN ACCORDANCE WITH REGULATIONS

1 PROMULGATED BY THE BOARD IN CONSULTATION WITH THE COMMISSION.

2 (4) BE MAINTAINED FOR A SPECIFIC PERIOD OF TIME AS THE
3 BOARD, IN CONSULTATION WITH THE COMMISSION, BY REGULATION,
4 MAY REQUIRE.

5 § 13F35. APPLICATION OF LIQUOR CODE.

6 THE PROVISIONS OF SECTION 493(24)(II) OF THE ACT OF APRIL 12,
7 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, SHALL ALSO APPLY
8 TO CASINO SIMULCASTING.

9 SUBCHAPTER E

10 FEEES AND TAXES

11 SEC.

12 13F41. CASINO SIMULCASTING AUTHORIZATION FEE.

13 13F42. RETENTION AND DISTRIBUTION OF MONEY AND PARI-MUTUEL
14 POOLS.

15 13F43. CASINO SIMULCASTING TAXES.

16 13F44. CONSTRUCTION.

17 § 13F41. CASINO SIMULCASTING AUTHORIZATION FEE.

18 A CASINO SIMULCASTING PERMIT SHALL NOT BE SUBJECT TO THE
19 PAYMENT OF AN AUTHORIZATION FEE, RENEWAL OR A RENEWAL FEE OR THE
20 PAYMENT OF AN ADDITIONAL PERMIT FEE.

21 § 13F42. RETENTION AND DISTRIBUTION OF MONEY AND PARI-MUTUEL
22 POOLS.

23 (A) WAGERS INCLUDED IN PARI-MUTUEL POOLS.--

24 (1) SUMS WAGERED AT A SIMULCASTING FACILITY ON THE
25 RESULTS OF A SIMULCAST HORSE RACE SHALL BE INCLUDED IN THE
26 APPROPRIATE PARI-MUTUEL POOL GENERATED FOR THE RACE BEING
27 TRANSMITTED IN ACCORDANCE WITH 3 PA.C.S. § 9335 (RELATING TO
28 PARI-MUTUEL POOL DISTRIBUTION) AND SHALL BE DISTRIBUTED IN
29 ACCORDANCE WITH 3 PA.C.S. § 9335 OR ANY REGULATIONS
30 PROMULGATED UNDER 3 PA.C.S. § 9335. ALL REMAINING MONEY SHALL

1 BE PAID TO THE GENERAL FUND.

2 (2) PAYMENTS TO PERSONS HOLDING WINNING TICKETS AT A
3 LICENSED FACILITY SHALL BE MADE ACCORDING TO THE SAME ODDS AS
4 THOSE GENERATED AT THE IN-STATE SENDING TRACK.

5 (3) A PERSON PLACING A WAGER ON A SIMULCAST HORSE RACE
6 AT A SIMULCASTING FACILITY SHALL NOT BE CHARGED A FEE FOR
7 PLACING THE WAGER IN ADDITION TO THE AMOUNT WAGERED.

8 (B) COMPUTATION OF MONEY WAGERED.--ALL MONEY WAGERED BY
9 PLAYERS ON HORSE RACE MEETINGS AT A SIMULCASTING FACILITY SHALL
10 BE COMPUTED IN THE AMOUNT OF MONEY WAGERED EACH RACING DAY FOR
11 PURPOSES OF TAXATION UNDER 3 PA.C.S. § 9334 (RELATING TO STATE
12 RACING FUND AND TAX RATE), ALL THOROUGHBRED RACES SHALL BE
13 CONSIDERED A PART OF A THOROUGHBRED HORSE RACE MEETING AND ALL
14 HARNESS RACES SHALL BE CONSIDERED A PART OF A HARNESS HORSE RACE
15 MEETING FOR PURPOSES OF 3 PA.C.S. § 9334.
16 § 13F43. CASINO SIMULCASTING TAXES.

17 (A) IMPOSITION.--

18 (1) ALL LICENSED GAMING ENTITIES THAT CONDUCT CASINO
19 SIMULCASTING SHALL PAY A TAX THROUGH THE DEPARTMENT FOR
20 CREDIT TO THE GENERAL FUND.

21 (2) THE TAX IMPOSED ON ALL LICENSED GAMING ENTITIES
22 SHALL BE A PERCENTAGE TAX IN THE AMOUNT OF 2% OF THE AMOUNT
23 WAGERED EACH RACING DAY ON CASINO SIMULCASTING AND SHALL BE
24 PAID FROM THE MONEY RETAINED BY THE LICENSED GAMING ENTITY.
25 THE TAX IMPOSED UNDER THIS PARAGRAPH SHALL BE PAID TO THE
26 DEPARTMENT ON A FORM AND IN THE MANNER PRESCRIBED BY THE
27 DEPARTMENT FOR DEPOSIT INTO THE GENERAL FUND.

28 (3) THE CASINO SIMULCASTING TAX IMPOSED UNDER THIS
29 SECTION SHALL BE PAID TO THE DEPARTMENT BY THE CASINO
30 SIMULCASTING PERMIT HOLDER FOR DEPOSIT INTO THE GENERAL FUND.

1 (B) DEPOSITS AND DISTRIBUTIONS.--

2 (1) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
3 PAYABLE TO THE DEPARTMENT ON A WEEKLY BASIS AND SHALL BE
4 BASED UPON THE AMOUNTS RETAINED BY THE CASINO SIMULCASTING
5 PERMIT HOLDER FROM THE AMOUNT WAGERED ON CASINO SIMULCASTING
6 EACH RACING DAY DURING THE PREVIOUS WEEK.

7 (2) ALL MONEY OWED TO THE COMMONWEALTH UNDER THIS
8 SECTION SHALL BE HELD IN TRUST FOR THE COMMONWEALTH BY THE
9 PERMIT HOLDER UNTIL THE FUNDS ARE PAID TO THE DEPARTMENT.
10 UNLESS OTHERWISE AGREED TO BY THE BOARD, A CASINO
11 SIMULCASTING PERMIT HOLDER SHALL ESTABLISH A SEPARATE BANK
12 ACCOUNT INTO WHICH CASINO SIMULCASTING REVENUE SHALL BE
13 DEPOSITED AND MAINTAINED UNTIL SUCH TIME AS THE FUNDS ARE
14 PAID TO THE DEPARTMENT UNDER THIS SECTION.

15 § 13F44. CONSTRUCTION.

16 NOTHING IN THIS CHAPTER AND SECTION 1207 (RELATING TO
17 REGULATORY AUTHORITY OF BOARD), AS IT RELATES TO CASINO
18 SIMULCASTING, SHALL BE CONSTRUED TO ALTER, PREEMPT OR OTHERWISE
19 IMPINGE THE AUTHORITY OF THE COMMISSION UNDER 3 PA.C.S. CH. 93
20 (RELATING TO RACE HORSE INDUSTRY REFORM).

21 SECTION 26. SECTION 1402(B) OF TITLE 4 IS AMENDED TO READ:

22 § 1402. GROSS TERMINAL REVENUE DEDUCTIONS.

23 * * *

24 (B) [(RESERVED).] ASSESSMENT LIMITATION.--

25 (1) BEGINNING JULY 1, 2017, THE ASSESSMENT RATE
26 DETERMINED BY THE DEPARTMENT UNDER SUBSECTION (A) SHALL NOT
27 EXCEED AN AMOUNT EQUAL TO 1.7% OF THE SLOT MACHINE LICENSEE'S
28 GROSS TERMINAL REVENUE.

29 (2) BEGINNING JULY 1, 2018, AND EACH YEAR THEREAFTER,
30 THE ASSESSMENT RATE DETERMINED BY THE DEPARTMENT UNDER

SUBSECTION (A) SHALL NOT EXCEED AN AMOUNT EQUAL TO 1.5% OF
THE SLOT MACHINE LICENSEE'S GROSS TERMINAL REVENUE.

SECTION 27. SECTION 1403 OF TITLE 4 IS REENACTED AND AMENDED
TO READ:

§ 1403. ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE
REVENUE DISTRIBUTION.

(A) FUND ESTABLISHED.--THERE IS HEREBY ESTABLISHED THE STATE
GAMING FUND WITHIN THE STATE TREASURY.

(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 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).

(C) TRANSFERS AND DISTRIBUTIONS.--THE DEPARTMENT SHALL:

(1) TRANSFER THE SLOT MACHINE TAX AND ASSESSMENT IMPOSED
IN SUBSECTION (B) TO THE FUND.

(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:

(I) IF THE LICENSED FACILITY IS A CATEGORY 1

LICENSED FACILITY THAT IS LOCATED AT A HARNESS RACETRACK
AND THE COUNTY, INCLUDING A HOME RULE 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.

(B) A COUNTY OF THE SECOND CLASS: 2% OF THE
GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

(C) A COUNTY OF THE SECOND CLASS A: 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.

(D) (I) A COUNTY OF THE THIRD CLASS: EXCEPT AS
PROVIDED IN SUBCLAUSE (II), 2% OF THE GROSS
TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY
SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS
ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH
FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR
GRANTS FOR PROJECTS IN THE PUBLIC INTEREST TO
MUNICIPALITIES WITHIN THE COUNTY WHERE THE
LICENSED FACILITY IS LOCATED.

(I.1) PRIORITY SHALL BE GIVEN TO MULTIYEAR

1 PROJECTS APPROVED OR AWARDED BY THE DEPARTMENT OF
2 COMMUNITY AND ECONOMIC DEVELOPMENT UNDER
3 SUBCLAUSE (I) ON OR BEFORE THE EFFECTIVE DATE OF
4 THIS SUBCLAUSE.

5 (I.2) IN ADDITION TO MUNICIPALITIES THAT ARE
6 ELIGIBLE TO RECEIVE GRANT FUNDING UNDER SUBCLAUSE
7 (I), A COUNTY REDEVELOPMENT AUTHORITY WITHIN THE
8 COUNTY SHALL ALSO BE ELIGIBLE TO RECEIVE GRANT
9 FUNDING TO BE USED EXCLUSIVELY FOR ECONOMIC
10 DEVELOPMENT PROJECTS OR INFRASTRUCTURE. A COUNTY
11 REDEVELOPMENT AUTHORITY SHALL NOT BE ELIGIBLE TO
12 RECEIVE MORE THAN 10% OF THE TOTAL GRANT FUNDS
13 AWARDED.

14 (I.3) NOTWITHSTANDING THE ACT OF FEBRUARY 9,
15 1999 (P.L.1, NO.1), KNOWN AS THE CAPITAL
16 FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER
17 SUBCLAUSE (I) MAY BE UTILIZED AS LOCAL MATCHING
18 FUNDS FOR OTHER GRANTS OR LOANS FROM THE
19 COMMONWEALTH.

20 (II) IF A LICENSED FACILITY IS LOCATED IN
21 ONE OF TWO COUNTIES OF THE THIRD CLASS WHERE A
22 CITY OF THE THIRD CLASS IS LOCATED IN BOTH
23 COUNTIES OF THE THIRD CLASS, THE COUNTY IN WHICH
24 THE LICENSED FACILITY IS LOCATED SHALL RECEIVE
25 1.2% OF THE GROSS TERMINAL REVENUE TO BE
26 DISTRIBUTED AS FOLLOWS: 20% TO THE HOST CITY,
27 30% TO THE HOST COUNTY AND 50% TO THE HOST COUNTY
28 FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN
29 THE COUNTY, WITH PRIORITY GIVEN TO MUNICIPALITIES
30 CONTIGUOUS TO THE HOST CITY. THE COUNTY OF THE

1 THIRD CLASS, WHICH INCLUDES A CITY OF THE THIRD
2 CLASS THAT IS LOCATED IN TWO COUNTIES OF THE
3 THIRD CLASS AND IS NOT THE HOST COUNTY FOR THE
4 LICENSED FACILITY, SHALL RECEIVE .8% OF THE GROSS
5 TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS:
6 60% TO A NONHOST CITY OF THE THIRD CLASS LOCATED
7 SOLELY IN THE NONHOST COUNTY IN WHICH THE HOST
8 CITY OF THE THIRD CLASS IS ALSO LOCATED OR 60% TO
9 THE NONHOST CITY OF THE THIRD CLASS LOCATED BOTH
10 IN THE HOST AND NONHOST COUNTIES OF THE THIRD
11 CLASS, 35% TO THE NONHOST COUNTY AND 5% TO THE
12 NONHOST COUNTY FOR THE PURPOSE OF MAKING
13 MUNICIPAL GRANTS WITHIN THE COUNTY.

14 (E) A COUNTY OF THE FOURTH CLASS: 2% OF THE
15 GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED
16 FACILITY SHALL BE DISTRIBUTED AS FOLLOWS:

17 (I) THE DEPARTMENT SHALL MAKE DISTRIBUTIONS
18 DIRECTLY TO EACH MUNICIPALITY WITHIN THE COUNTY,
19 EXCEPT THE HOST MUNICIPALITY, BY USING A FORMULA
20 EQUAL TO THE SUM OF \$25,000 PLUS \$10 PER RESIDENT
21 OF THE MUNICIPALITY USING THE MOST RECENT
22 POPULATION FIGURES PROVIDED BY THE DEPARTMENT OF
23 COMMUNITY AND ECONOMIC DEVELOPMENT, PROVIDED,
24 HOWEVER, THAT THE AMOUNT SO DISTRIBUTED TO ANY
25 MUNICIPALITY SHALL NOT EXCEED 50% OF ITS TOTAL
26 BUDGET FOR FISCAL YEAR 2009 OR 2013, WHICHEVER IS
27 GREATER, ADJUSTED FOR INFLATION IN SUBSEQUENT
28 FISCAL YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL
29 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING
30 ANY UPWARD PERCENTAGE CHANGE IN THE CONSUMER

1 PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE
2 ADJUSTMENT IS DUE TO TAKE EFFECT. DISTRIBUTIONS
3 TO A MUNICIPALITY IN ACCORDANCE WITH THIS
4 SUBCLAUSE SHALL BE DEPOSITED INTO A SPECIAL FUND
5 WHICH SHALL BE ESTABLISHED BY THE MUNICIPALITY.
6 THE GOVERNING BODY OF THE MUNICIPALITY SHALL HAVE
7 THE RIGHT TO DRAW UPON THE SPECIAL FUND FOR ANY
8 LAWFUL PURPOSE PROVIDED THAT THE MUNICIPALITY
9 IDENTIFIES THE FUND AS THE SOURCE OF THE
10 EXPENDITURE. EACH MUNICIPALITY SHALL ANNUALLY
11 SUBMIT A REPORT TO THE DEPARTMENT OF COMMUNITY
12 AND ECONOMIC DEVELOPMENT DETAILING THE AMOUNT AND
13 PURPOSE OF EACH EXPENDITURE MADE FROM THE SPECIAL
14 FUND DURING THE PRIOR FISCAL YEAR.

15 (II) ANY FUNDS NOT DISTRIBUTED UNDER
16 SUBCLAUSE (I) SHALL BE DEPOSITED INTO A
17 RESTRICTED RECEIPTS ACCOUNT ESTABLISHED IN THE
18 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
19 TO BE USED EXCLUSIVELY FOR GRANTS TO THE COUNTY,
20 TO ECONOMIC DEVELOPMENT AUTHORITIES OR
21 REDEVELOPMENT AUTHORITIES WITHIN THE COUNTY FOR
22 GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS,
23 INFRASTRUCTURE PROJECTS, JOB TRAINING, COMMUNITY
24 IMPROVEMENT PROJECTS, OTHER PROJECTS IN THE
25 PUBLIC INTEREST, AND NECESSARY AND REASONABLE
26 ADMINISTRATIVE COSTS. NOTWITHSTANDING THE
27 PROVISIONS OF THE ACT OF FEBRUARY 9, 1999 (P.L.1,
28 NO.1), KNOWN AS THE CAPITAL FACILITIES DEBT
29 ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY
30 BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER

GRANTS OR LOANS FROM THE COMMONWEALTH.

(F) COUNTIES OF THE FIFTH THROUGH EIGHTH
CLASSES:

(I) EXCEPT AS SET FORTH IN SUBCLAUSE (II),
2% OF THE GROSS TERMINAL REVENUE FROM EACH SUCH
LICENSED FACILITY SHALL BE DEPOSITED INTO A
RESTRICTED ACCOUNT ESTABLISHED IN THE DEPARTMENT
OF COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED
EXCLUSIVELY FOR GRANTS TO THE COUNTY.

(II) IF THE LICENSED FACILITY IS LOCATED IN
A SECOND CLASS TOWNSHIP IN A COUNTY OF THE FIFTH
CLASS, 2% OF THE GROSS TERMINAL REVENUE FROM THE
LICENSED FACILITY SHALL BE DISTRIBUTED AS
FOLLOWS:

(A) 1% SHALL BE DEPOSITED INTO A
RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED
IN THE COMMONWEALTH FINANCING AUTHORITY TO BE
USED EXCLUSIVELY FOR GRANTS FOR PROJECTS IN
THE PUBLIC INTEREST TO MUNICIPALITIES WITHIN
THE COUNTY WHERE THE LICENSED FACILITY IS
LOCATED.

(B) 1% SHALL BE DISTRIBUTED TO THE COUNTY
FOR PROJECTS IN THE PUBLIC INTEREST IN THE
COUNTY.

(G) ANY COUNTY NOT SPECIFICALLY ENUMERATED IN
CLAUSES (A) THROUGH (F), 2% OF THE GROSS TERMINAL
REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY
FROM EACH SUCH LICENSED FACILITY.

(II) IF THE LICENSED FACILITY IS A CATEGORY 1
LICENSED FACILITY AND IS LOCATED AT A THOROUGHbred

1 RACETRACK AND THE COUNTY IN WHICH THE LICENSED FACILITY
2 IS LOCATED IS:

3 (A) A COUNTY OF THE FIRST CLASS: 4% OF THE
4 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
5 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.
6 NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY,
7 FUNDS FROM LICENSED GAMING ENTITIES LOCATED WITHIN
8 THE COUNTY OF THE FIRST CLASS SHALL NOT BE
9 DISTRIBUTED OUTSIDE OF A COUNTY OF THE FIRST CLASS.

10 (B) A COUNTY OF THE SECOND CLASS: 2% OF THE
11 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
12 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

13 (C) A COUNTY OF THE SECOND CLASS A: 1% OF THE
14 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
15 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.
16 AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO THE
17 COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH
18 LICENSED FACILITY FOR THE PURPOSE OF MUNICIPAL GRANTS
19 WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

20 (D) A COUNTY OF THE THIRD CLASS WHICH IS ALSO A
21 HOME RULE COUNTY: 1% OF THE GROSS TERMINAL REVENUE
22 TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH
23 SUCH LICENSED FACILITY. AN ADDITIONAL 1% OF THE GROSS
24 TERMINAL REVENUE MINUS THE AMOUNT CONTAINED IN
25 CLAUSES (D.1) AND (D.2) TO THE COUNTY HOSTING THE
26 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY
27 FOR THE PURPOSE OF MUNICIPAL GRANTS WITHIN THE COUNTY
28 IN WHICH THE LICENSEE IS LOCATED. BEGINNING JANUARY
29 1, 2018, MUNICIPAL GRANTS AUTHORIZED UNDER THIS
30 CLAUSE SHALL NOT BE AWARDED THROUGH A COUNTY ECONOMIC

1 DEVELOPMENT OR REDEVELOPMENT AUTHORITY AND SHALL ONLY
2 BE AWARDED BY THE COUNTY THROUGH AN OFFICIAL ACTION
3 OF THE COUNTY COUNCIL AND THE COUNTY EXECUTIVE
4 GOVERNING THE COUNTY OF THE THIRD CLASS WHICH IS ALSO
5 A HOME RULE COUNTY. NOTWITHSTANDING THE PROVISIONS OF
6 THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS MADE
7 UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL MATCHING
8 FUNDS FOR OTHER GRANTS OR LOANS FROM THE
9 COMMONWEALTH.

10 (D.1) \$500,000 OF THE GROSS TERMINAL REVENUE TO
11 A CITY OF THE THIRD CLASS WITH A POPULATION OF NOT
12 LESS THAN 80,000 LOCATED WITHIN A COUNTY OF THE THIRD
13 CLASS THAT IS ALSO A HOME RULE COUNTY TO BE USED
14 EXCLUSIVELY FOR POLICE, FIRE AND OTHER EMERGENCY
15 SERVICES OR INFRASTRUCTURE PROJECTS. NOTWITHSTANDING
16 THE PROVISIONS OF THE CAPITAL FACILITIES DEBT
17 ENABLING ACT, FUNDS DISTRIBUTED UNDER THIS CLAUSE MAY
18 BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS
19 OR LOANS FROM THE COMMONWEALTH.

20 (D.2) \$1,500,000 OF THE GROSS TERMINAL REVENUE
21 ANNUALLY TO A LAND BANK JURISDICTION ESTABLISHED BY A
22 COUNTY OF THE THIRD CLASS WHICH IS ALSO A HOME RULE
23 COUNTY. UNTIL A LAND BANK JURISDICTION IS ESTABLISHED
24 BY A COUNTY OF THE THIRD CLASS WHICH IS ALSO A HOME
25 RULE COUNTY AFTER THE EFFECTIVE DATE OF THIS
26 SUBCLAUSE, \$1,500,000 TO THE COUNTY REDEVELOPMENT
27 AUTHORITY.

28 (D.3) A COUNTY OF THE THIRD CLASS WHICH IS NOT A
29 HOME RULE COUNTY: 1% OF THE GROSS TERMINAL REVENUE
30 TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH

1 SUCH LICENSED FACILITY MINUS AMOUNTS IN CLAUSES
2 (D.4), (D.5) AND (D.6). AN ADDITIONAL 1% OF THE GROSS
3 TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED
4 FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE
5 PURPOSE OF MUNICIPAL GRANTS WITHIN THE COUNTY IN
6 WHICH THE LICENSEE IS LOCATED. NOTWITHSTANDING THE
7 PROVISIONS OF THE CAPITAL FACILITIES DEBT ENABLING
8 ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE UTILIZED AS
9 LOCAL MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM
10 THE COMMONWEALTH.

11 (D.4) \$220,000 OF THE GROSS TERMINAL REVENUE
12 ANNUALLY TO A CONTIGUOUS COUNTY CONTAINING A TOWNSHIP
13 THAT RECEIVES A PORTION OF THE LICENSED FACILITY'S
14 SLOT MACHINE OPERATION FEE UNDER PARAGRAPH (3) (V) (C)
15 FOR THE PURPOSE OF MUNICIPAL GRANTS WITHIN THE
16 COUNTY. NOTWITHSTANDING THE PROVISIONS OF THE CAPITAL
17 FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS
18 CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR
19 OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

20 (D.5) \$50,000 OF THE GROSS TERMINAL REVENUE
21 ANNUALLY TO A CONTIGUOUS COUNTY OF THE FOURTH CLASS
22 FOR FIRE AND EMERGENCY SERVICES AND ECONOMIC
23 DEVELOPMENT. NOTWITHSTANDING THE PROVISIONS OF THE
24 CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS MADE
25 UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL MATCHING
26 FUNDS FOR OTHER GRANTS OR LOANS FROM THE
27 COMMONWEALTH.

28 (D.6) \$30,000 OF THE GROSS TERMINAL REVENUE
29 ANNUALLY TO A TOWNSHIP OF THE SECOND CLASS WITH A
30 POPULATION BETWEEN 2,000 AND 2,500 AS OF THE 2010

1 DECENNIAL CENSUS THAT IS CONTIGUOUS TO A TOWNSHIP IN
2 A COUNTY OF THE FIFTH CLASS THAT RECEIVES A PORTION
3 OF THE LICENSED FACILITY'S SLOT MACHINE OPERATION FEE
4 UNDER PARAGRAPH (3) (V) (C).

5 (E) A COUNTY OF THE FOURTH CLASS: 2% OF THE
6 GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED
7 FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT
8 ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND
9 ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR
10 GRANTS TO THE COUNTY, TO ECONOMIC DEVELOPMENT
11 AUTHORITIES OR REDEVELOPMENT AUTHORITIES WITHIN THE
12 COUNTY FOR GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS,
13 COMMUNITY IMPROVEMENT PROJECTS, JOB TRAINING, OTHER
14 PROJECTS IN THE PUBLIC INTEREST AND REASONABLE
15 ADMINISTRATIVE COSTS. NOTWITHSTANDING THE CAPITAL
16 FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS
17 CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR
18 OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

19 (F) COUNTIES OF THE FIFTH THROUGH EIGHTH
20 CLASSES: 2% OF THE GROSS TERMINAL REVENUE FROM EACH
21 SUCH LICENSED FACILITY SHALL BE DEPOSITED INTO A
22 RESTRICTED ACCOUNT ESTABLISHED IN THE DEPARTMENT OF
23 COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED
24 EXCLUSIVELY FOR GRANTS TO THE COUNTY.

25 (G) ANY COUNTY NOT SPECIFICALLY ENUMERATED IN
26 CLAUSES (A) THROUGH (F), 2% OF THE GROSS TERMINAL
27 REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY
28 FROM EACH SUCH LICENSED FACILITY.

29 (III) IF THE FACILITY IS A CATEGORY 2 LICENSED
30 FACILITY AND IF THE COUNTY IN WHICH THE LICENSED FACILITY

1 IS LOCATED IS:

2 (A) A COUNTY OF THE FIRST CLASS: 4% OF THE
3 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
4 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.
5 NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY,
6 FUNDS FROM LICENSED GAMING ENTITIES LOCATED WITHIN A
7 COUNTY OF THE FIRST CLASS SHALL NOT BE DISTRIBUTED
8 OUTSIDE OF A COUNTY OF THE FIRST CLASS. THE FIRST
9 \$5,000,000 OF THE TOTAL AMOUNT DISTRIBUTED ANNUALLY
10 TO THE COUNTY OF THE FIRST CLASS SHALL BE DISTRIBUTED
11 TO THE PHILADELPHIA SCHOOL DISTRICT.

12 (B) A COUNTY OF THE SECOND CLASS: 2% OF THE
13 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
14 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

15 (C) A COUNTY OF THE SECOND CLASS A: 1% OF THE
16 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
17 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.
18 AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO THE
19 COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH
20 LICENSED FACILITY FOR THE PURPOSE OF MUNICIPAL GRANTS
21 WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

22 (D) A COUNTY OF THE THIRD CLASS: 1% OF THE
23 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE
24 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.
25 AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO THE
26 COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH
27 LICENSED FACILITY FOR THE PURPOSE OF MUNICIPAL GRANTS
28 WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

29 (D.1) IF A LICENSED FACILITY IS LOCATED IN ONE
30 OF TWO COUNTIES OF THE THIRD CLASS WHERE A CITY OF

1 THE THIRD CLASS IS LOCATED IN BOTH COUNTIES OF THE
2 THIRD CLASS, THE FOLLOWING SHALL APPLY:

3 (I) THE COUNTY IN WHICH THE LICENSED
4 FACILITY IS LOCATED SHALL RECEIVE 1.2% OF THE
5 GROSS TERMINAL REVENUE TO BE DISTRIBUTED AS
6 FOLLOWS: [20% TO THE HOST CITY, 30% TO THE HOST
7 COUNTY AND 50% TO THE HOST COUNTY FOR THE PURPOSE
8 OF MAKING MUNICIPAL GRANTS WITHIN THE COUNTY,
9 WITH PRIORITY GIVEN TO MUNICIPALITIES CONTIGUOUS
10 TO THE HOST CITY.]

11 (A) 20% SHALL BE DISTRIBUTED TO THE HOST
12 CITY.

13 (B) 30% SHALL BE DISTRIBUTED TO THE HOST
14 COUNTY.

15 (C) 50% SHALL BE DISTRIBUTED AS FOLLOWS:

16 (1) BEGINNING JANUARY 1, 2018, THE
17 SUM OF \$250,000 SHALL BE DISTRIBUTED
18 ANNUALLY FOR A PERIOD OF 20 YEARS TO A
19 CITY OF THE THIRD CLASS LOCATED IN TWO
20 COUNTIES OF THE THIRD CLASS FOR
21 PURPOSES OF FUNDING THE REDEVELOPMENT
22 OF AN EXISTING ARTS AND EDUCATION
23 CENTER THAT HAS PROFESSIONAL ARTIST
24 SPACE AND STUDIOS AND IS LOCATED WITHIN
25 THE CITY OF THE THIRD CLASS THAT IS
26 LOCATED IN TWO COUNTIES OF THE THIRD
27 CLASS, AND THE SUM OF \$250,000 ANNUALLY
28 FOR A PERIOD OF 20 YEARS TO THE HOST
29 COUNTY FOR THE PURPOSE OF FUNDING THE
30 CONSTRUCTION OF A POOL AND INDOOR

1 RECREATION FACILITY AT AN EXISTING
2 NONPROFIT RECREATION CENTER IN A
3 BOROUGH WITH A POPULATION BETWEEN 3,400
4 AND 3,800 AT THE 2010 DECENNIAL CENSUS.

5 (2) AFTER THE DISTRIBUTION UNDER
6 SUBUNIT (1), THE REMAINING FUNDS SHALL
7 BE DEPOSITED INTO A RESTRICTED RECEIPTS
8 ACCOUNT TO BE ESTABLISHED IN THE
9 COMMONWEALTH FINANCING AUTHORITY FOR
10 DISTRIBUTION WITHIN THE HOST COUNTY TO
11 BE USED EXCLUSIVELY FOR ECONOMIC
12 DEVELOPMENT PROJECTS, COMMUNITY
13 IMPROVEMENT PROJECTS AND OTHER PROJECTS
14 IN THE PUBLIC INTEREST WITHIN THE HOST
15 COUNTY, WITH PRIORITY GIVEN TO
16 MUNICIPALITIES CONTIGUOUS TO THE HOST
17 CITY.

18 (II) THE COUNTY OF THE THIRD CLASS, WHICH
19 INCLUDES A CITY OF THE THIRD CLASS THAT IS
20 LOCATED IN TWO COUNTIES OF THE THIRD CLASS AND IS
21 NOT THE HOST COUNTY FOR THE LICENSED FACILITY,
22 SHALL RECEIVE .8% OF THE GROSS TERMINAL REVENUE
23 TO BE DISTRIBUTED AS FOLLOWS: [60% TO A NONHOST
24 CITY OF THE THIRD CLASS LOCATED SOLELY IN THE
25 NONHOST COUNTY IN WHICH THE HOST CITY OF THE
26 THIRD CLASS IS ALSO LOCATED OR 60% TO THE NONHOST
27 CITY OF THE THIRD CLASS LOCATED BOTH IN THE HOST
28 AND NONHOST COUNTIES OF THE THIRD CLASS, 35% TO
29 THE NONHOST COUNTY AND 5% TO THE NONHOST COUNTY
30 FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN

THE COUNTY.]

(A) 60% SHALL BE DISTRIBUTED TO A
NONHOST CITY OF THE THIRD CLASS LOCATED
SOLELY IN THE NONHOST COUNTY IN WHICH THE
HOST CITY OF THE THIRD CLASS IS ALSO LOCATED
OR 60% TO THE NONHOST CITY OF THE THIRD CLASS
LOCATED BOTH IN THE HOST AND NONHOST COUNTIES
OF THE THIRD CLASS.

(B) 35% SHALL BE DISTRIBUTED TO THE
NONHOST COUNTY.

(C) 5% SHALL BE DEPOSITED INTO A
RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED
IN THE COMMONWEALTH FINANCING AUTHORITY FOR
DISTRIBUTION WITHIN THE NONHOST COUNTY TO BE
USED EXCLUSIVELY FOR ECONOMIC DEVELOPMENT
PROJECTS, COMMUNITY IMPROVEMENT PROJECTS AND
OTHER PROJECTS IN THE PUBLIC INTEREST WITHIN
THE NONHOST COUNTY, WITH PRIORITY GIVEN TO
MUNICIPALITIES CONTIGUOUS TO THE HOST CITY.

(E) A COUNTY OF THE FOURTH CLASS: 2% OF THE
GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED
FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT
ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR
GRANTS TO THE COUNTY, TO ECONOMIC DEVELOPMENT
AUTHORITIES OR REDEVELOPMENT AUTHORITIES WITHIN THE
COUNTY FOR GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS,
COMMUNITY IMPROVEMENT PROJECTS, JOB TRAINING, OTHER
PROJECTS IN THE PUBLIC INTEREST AND REASONABLE
ADMINISTRATIVE COSTS. NOTWITHSTANDING THE CAPITAL

1 FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS
2 CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR
3 OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

4 (F) COUNTIES OF THE FIFTH CLASS: 2% OF THE
5 GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED
6 FACILITY SHALL BE DEPOSITED AND DISTRIBUTED AS
7 FOLLOWS:

8 (I) ONE PERCENT TO BE DISTRIBUTED AS
9 FOLLOWS:

10 (A) BEGINNING IN 2010, THE SUM OF
11 \$2,400,000 ANNUALLY FOR A PERIOD OF 20 YEARS
12 TO THE COUNTY FOR PURPOSES OF FUNDING DEBT
13 SERVICE RELATED TO THE CONSTRUCTION OF A
14 COMMUNITY COLLEGE CAMPUS LOCATED WITHIN THE
15 COUNTY.

16 (B) ANY FUNDS NOT DISTRIBUTED UNDER
17 SUBCLAUSE (A) SHALL BE DEPOSITED INTO A
18 RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED
19 IN THE COMMONWEALTH FINANCING AUTHORITY TO BE
20 USED EXCLUSIVELY FOR GRANTS WITHIN THE COUNTY
21 FOR ECONOMIC DEVELOPMENT PROJECTS, ROAD
22 PROJECTS LOCATED WITHIN A 20-MILE RADIUS OF
23 THE LICENSED FACILITY AND LOCATED WITHIN THE
24 COUNTY, COMMUNITY IMPROVEMENT PROJECTS AND
25 OTHER PROJECTS IN THE PUBLIC INTEREST WITHIN
26 THE COUNTY. THE AMOUNT UNDER THIS SUBCLAUSE
27 INCLUDES REASONABLE ADMINISTRATIVE COSTS.

28 (II) ONE PERCENT SHALL BE DEPOSITED INTO A
29 RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN
30 THE COMMONWEALTH FINANCING AUTHORITY TO BE USED

1 EXCLUSIVELY FOR GRANTS WITHIN CONTIGUOUS COUNTIES
2 FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY
3 IMPROVEMENT PROJECTS AND OTHER PROJECTS IN THE
4 PUBLIC INTEREST WITHIN CONTIGUOUS COUNTIES. THE
5 AMOUNT UNDER THIS SUBCLAUSE INCLUDES REASONABLE
6 ADMINISTRATIVE COSTS. A CONTIGUOUS COUNTY THAT
7 HOSTS A CATEGORY 1 LICENSED FACILITY SHALL BE
8 INELIGIBLE TO RECEIVE GRANTS UNDER THIS
9 SUBCLAUSE.

10 (II.1) PRIORITY SHALL BE GIVEN TO MULTIYEAR
11 PROJECTS APPROVED OR AWARDED BY THE DEPARTMENT OF
12 COMMUNITY AND ECONOMIC DEVELOPMENT UNDER
13 SUBCLAUSE (I) (B) OR (II) ON OR BEFORE THE
14 EFFECTIVE DATE OF THIS SUBCLAUSE.

15 (III) FIFTY PERCENT OF ANY REVENUE REQUIRED
16 TO BE TRANSFERRED UNDER PARAGRAPH (3) (V) SHALL BE
17 DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT
18 ESTABLISHED UNDER SUBCLAUSE (I) (B), AND 50% SHALL
19 BE DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT
20 ESTABLISHED UNDER SUBCLAUSE (II). NOTWITHSTANDING
21 THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS
22 MADE UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL
23 MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE
24 COMMONWEALTH.

25 (G) ANY COUNTY NOT SPECIFICALLY ENUMERATED IN
26 CLAUSES [(A)] (B) THROUGH (F), 2% OF THE GROSS
27 TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED
28 FACILITY FROM EACH SUCH LICENSED FACILITY.

29 (IV) (A) EXCEPT AS PROVIDED IN CLAUSE (B) OR (C),
30 IF THE FACILITY IS A CATEGORY 3 LICENSED FACILITY, 2%

1 OF THE GROSS TERMINAL REVENUE FROM THE LICENSED
2 FACILITY SHALL BE DEPOSITED INTO A RESTRICTED
3 RECEIPTS ACCOUNT ESTABLISHED IN THE DEPARTMENT OF
4 COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED
5 EXCLUSIVELY FOR GRANTS TO THE COUNTY, TO ECONOMIC
6 DEVELOPMENT AUTHORITIES OR REDEVELOPMENT AUTHORITIES
7 WITHIN THE COUNTY FOR GRANTS FOR ECONOMIC DEVELOPMENT
8 PROJECTS, COMMUNITY IMPROVEMENT PROJECTS AND OTHER
9 PROJECTS IN THE PUBLIC INTEREST.

10 (B) IF THE FACILITY IS A CATEGORY 3 LICENSED
11 FACILITY LOCATED IN A COUNTY OF THE SECOND CLASS A,
12 2% OF THE GROSS TERMINAL REVENUE [FROM THE LICENSED
13 FACILITY SHALL BE DEPOSITED INTO A RESTRICTED
14 RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE
15 COMMONWEALTH FINANCING AUTHORITY TO BE USED
16 EXCLUSIVELY FOR GRANTS OR GUARANTEES FOR PROJECTS IN
17 THE HOST COUNTY THAT QUALIFY UNDER 64 PA.C.S. §§ 1551
18 (RELATING TO BUSINESS IN OUR SITES PROGRAM), 1556
19 (RELATING TO TAX INCREMENT FINANCING GUARANTEE
20 PROGRAM) AND 1558 (RELATING TO WATER SUPPLY AND
21 WASTEWATER INFRASTRUCTURE PROGRAM).] TO THE COUNTY
22 HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED
23 FACILITY SHALL BE DEPOSITED AS FOLLOWS:

24 (I) SEVENTY-FIVE PERCENT SHALL BE DEPOSITED
25 FOR THE PURPOSE OF SUPPORTING THE MAINTENANCE AND
26 REFURBISHMENT OF THE PARKS AND HERITAGE SITES
27 THROUGHOUT THE COUNTY IN WHICH THE LICENSED
28 FACILITY IS LOCATED.

29 (II) TWELVE AND ONE-HALF PERCENT SHALL BE
30 DEPOSITED FOR THE PURPOSE OF SUPPORTING A CHILD

1 ADVOCACY CENTER LOCATED WITHIN THE COUNTY IN
2 WHICH THE LICENSED FACILITY IS LOCATED.

3 (III) TWELVE AND ONE-HALF PERCENT SHALL BE
4 DEPOSITED FOR THE PURPOSE OF SUPPORTING AN
5 ORGANIZATION PROVIDING COMPREHENSIVE SUPPORT
6 SERVICES TO VICTIMS OF DOMESTIC VIOLENCE,
7 INCLUDING LEGAL AND MEDICAL AID, SHELTERS,
8 TRANSITIONAL HOUSING AND COUNSELING LOCATED
9 WITHIN THE COUNTY IN WHICH THE LICENSED FACILITY
10 IS LOCATED.

11 (C) IF THE FACILITY IS A CATEGORY 3 LICENSED
12 FACILITY LOCATED IN A COUNTY OF THE FIFTH CLASS THAT
13 IS CONTIGUOUS TO A COUNTY OF THE SEVENTH CLASS, 2% OF
14 THE GROSS TERMINAL REVENUE FROM THE LICENSED FACILITY
15 SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT
16 TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING
17 AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS WITHIN
18 THE COUNTY FOR ECONOMIC DEVELOPMENT PROJECTS,
19 INFRASTRUCTURE PROJECTS, COMMUNITY IMPROVEMENT
20 PROJECTS AND OTHER PROJECTS IN THE PUBLIC INTEREST
21 WITHIN THE COUNTY AND FOR INFRASTRUCTURE PROJECTS
22 WITHIN A 20-MILE RADIUS OF THE LICENSED FACILITY IN A
23 CONTIGUOUS COUNTY OF THE SEVENTH CLASS.

24 (V) UNLESS OTHERWISE SPECIFIED, FOR THE PURPOSES OF
25 THIS PARAGRAPH MONEY DESIGNATED FOR MUNICIPAL GRANTS
26 WITHIN A COUNTY, OTHER THAN A COUNTY OF THE FIRST CLASS,
27 IN WHICH A LICENSED FACILITY IS LOCATED SHALL BE USED TO
28 FUND GRANTS TO THE MUNICIPALITY IN WHICH THE LICENSED
29 FACILITY IS LOCATED, TO THE COUNTY IN WHICH THE LICENSED
30 FACILITY IS LOCATED AND TO THE MUNICIPALITIES WHICH ARE

1 CONTIGUOUS TO THE MUNICIPALITY IN WHICH THE LICENSED
2 FACILITY IS LOCATED AND WHICH ARE LOCATED WITHIN THE
3 COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED. GRANTS
4 SHALL BE ADMINISTERED BY THE COUNTY THROUGH ITS ECONOMIC
5 DEVELOPMENT OR REDEVELOPMENT AUTHORITY IN WHICH THE
6 LICENSED FACILITY IS LOCATED. GRANTS SHALL BE USED TO
7 FUND THE COSTS OF HUMAN SERVICES, INFRASTRUCTURE
8 IMPROVEMENTS, FACILITIES, EMERGENCY SERVICES, HEALTH AND
9 PUBLIC SAFETY EXPENSES ASSOCIATED WITH LICENSED FACILITY
10 OPERATIONS. IF AT THE END OF A FISCAL YEAR UNCOMMITTED
11 FUNDS EXIST, THE COUNTY SHALL PAY TO THE ECONOMIC
12 DEVELOPMENT OR REDEVELOPMENT AUTHORITY OF THE COUNTY IN
13 WHICH THE LICENSED FACILITY IS LOCATED THE UNCOMMITTED
14 FUNDS.

15 (VI) IF THE LICENSED FACILITY IS LOCATED IN MORE
16 THAN ONE COUNTY, THE AMOUNT AVAILABLE SHALL BE
17 DISTRIBUTED ON A PRO RATA BASIS DETERMINED BY THE
18 PERCENTAGE OF ACREAGE LOCATED IN EACH COUNTY TO THE TOTAL
19 ACREAGE OF ALL COUNTIES OCCUPIED BY THE LICENSED
20 FACILITY.

21 (VII) THE DISTRIBUTIONS PROVIDED IN THIS PARAGRAPH
22 SHALL BE BASED UPON COUNTY CLASSIFICATIONS IN EFFECT ON
23 THE EFFECTIVE DATE OF THIS SECTION. ANY RECLASSIFICATION
24 OF COUNTIES AS A RESULT OF A FEDERAL DECENNIAL CENSUS OR
25 OF A STATE STATUTE SHALL NOT APPLY TO THIS SUBPARAGRAPH.

26 (VIII) IF ANY PROVISION OF THIS PARAGRAPH IS FOUND
27 TO BE UNENFORCEABLE FOR ANY REASON, THE DISTRIBUTION
28 PROVIDED FOR IN THE UNENFORCEABLE PROVISION SHALL BE MADE
29 TO THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED
30 FOR THE PURPOSES OF GRANTS TO MUNICIPALITIES IN THAT

COUNTY, INCLUDING MUNICIPAL GRANTS AS SPECIFIED IN
SUBPARAGRAPH (V) .

(IX) NOTHING IN THIS PARAGRAPH SHALL PREVENT ANY OF
THE ABOVE COUNTIES WHICH DIRECTLY RECEIVE A DISTRIBUTION
UNDER THIS SECTION FROM ENTERING INTO INTERGOVERNMENTAL
COOPERATIVE AGREEMENTS WITH OTHER JURISDICTIONS FOR
SHARING THIS MONEY.

(3) FROM [THE LOCAL SHARE ASSESSMENT ESTABLISHED IN
SUBSECTION (B)] THE SLOT MACHINE OPERATION FEES DEPOSITED
INTO THE FUND UNDER SECTION 1326.1(D) (RELATING TO SLOT
MACHINE LICENSE OPERATION FEE), MAKE QUARTERLY DISTRIBUTIONS
AMONG THE MUNICIPALITIES, INCLUDING HOME RULE MUNICIPALITIES,
HOSTING A LICENSED FACILITY IN ACCORDANCE WITH THE FOLLOWING
SCHEDULE:

(I) TO A CITY OF THE SECOND CLASS HOSTING A LICENSED
FACILITY, OTHER THAN A CATEGORY 3 LICENSED FACILITY, [2%
OF THE GROSS TERMINAL REVENUE OR] \$10,000,000 ANNUALLY[,
WHICHEVER IS GREATER, SHALL BE PAID BY EACH LICENSED
GAMING ENTITY OPERATING A FACILITY LOCATED IN THAT CITY.
IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT
MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS
SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE REMAINDER
OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED
GAMING ENTITY OPERATING A FACILITY IN THE CITY AND
DEPOSIT THAT AMOUNT IN THE CITY TREASURY.] SHALL BE
DISTRIBUTED TO THE CITY TREASURY.

(II) TO A CITY OF THE SECOND CLASS A HOSTING A
LICENSED FACILITY, OTHER THAN A CATEGORY 3 LICENSED
FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR
\$10,000,000 ANNUALLY, WHICHEVER IS GREATER, SHALL BE PAID

1 BY EACH LICENSED ENTITY OPERATING A LICENSED FACILITY
2 LOCATED IN THAT CITY] \$10,000,000 ANNUALLY SHALL BE
3 DISTRIBUTED TO THE CITY, SUBJECT, HOWEVER, TO THE
4 BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT
5 ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT
6 EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-
7 2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN
8 AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT
9 CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE
10 CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE
11 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEYS
12 SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED
13 GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE WITH
14 PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY
15 WHERE THE LICENSED FACILITY IS LOCATED. [IN THE EVENT
16 THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE
17 \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE
18 DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM
19 AMOUNT OF \$10,000,000 FROM EACH LICENSED GAMING ENTITY
20 OPERATING A FACILITY IN THE CITY, PAY ANY BALANCE DUE TO
21 THE CITY AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH
22 PARAGRAPH (2).]

23 (III) TO A CITY OF THE THIRD CLASS HOSTING A
24 LICENSED FACILITY, OTHER THAN A CATEGORY 3 LICENSED
25 FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR
26 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, SHALL BE PAID
27 BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED
28 FACILITY LOCATED IN THAT CITY] \$10,000,000 ANNUALLY, LESS
29 ANY AMOUNT UP TO \$5,000,000 RECEIVED PURSUANT TO A
30 WRITTEN AGREEMENT WITH A LICENSED GAMING ENTITY EXECUTED

1 PRIOR TO THE EFFECTIVE DATE OF THIS PART, SHALL BE
2 DISTRIBUTED TO THE CITY, SUBJECT, HOWEVER, TO THE
3 BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. IN THE EVENT
4 THAT THE CITY HAS A WRITTEN AGREEMENT WITH A LICENSED
5 GAMING ENTITY EXECUTED PRIOR TO THE EFFECTIVE DATE OF
6 THIS PART, THE AMOUNT PAID UNDER THE AGREEMENT TO THE
7 CITY SHALL BE APPLIED AND CREDITED [TO THE DIFFERENCE
8 BETWEEN 2% OF THE GROSS TERMINAL REVENUE AND THE
9 \$10,000,000 OWED UNDER THIS SUBPARAGRAPH IF THE 2% OF THE
10 GROSS TERMINAL REVENUE IS LESS THAN \$10,000,000. IF 2% OF
11 THE GROSS TERMINAL REVENUE IS GREATER THAN THE
12 \$10,000,000 REQUIRED TO BE PAID UNDER THIS SUBPARAGRAPH,
13 THE CREDIT SHALL NOT APPLY. THE AMOUNT OF GROSS TERMINAL
14 REVENUE REQUIRED TO BE PAID PURSUANT TO THE AGREEMENT
15 SHALL BE DEEMED TO BE GROSS TERMINAL REVENUE FOR PURPOSES
16 OF THIS SUBPARAGRAPH.], UP TO \$5,000,000, TO THE SLOT
17 MACHINE LICENSE OPERATION FEE OWED UNDER SECTION 1326.1.
18 THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES
19 SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL
20 YEAR 2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT
21 YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
22 ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE
23 IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE
24 THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING
25 MONEYS SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH
26 LICENSED GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE
27 WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF
28 COUNTY WHERE THE LICENSED FACILITY IS LOCATED. [IN THE
29 EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET
30 THE \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH,

1 THE DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM
2 AMOUNT OF \$10,000,000 FROM EACH LICENSED GAMING ENTITY
3 OPERATING A FACILITY, PAY ANY BALANCE DUE TO THE CITY OF
4 THE THIRD CLASS AND TRANSFER ANY REMAINDER IN ACCORDANCE
5 WITH PARAGRAPH (2).]

6 (III.1) IF A LICENSED FACILITY, OTHER THAN A
7 CATEGORY 3 LICENSED FACILITY, IS LOCATED IN A CITY OF THE
8 THIRD CLASS AND THE CITY IS LOCATED IN MORE THAN ONE
9 COUNTY OF THE THIRD CLASS, [2% OF THE GROSS TERMINAL
10 REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS GREATER,]
11 \$10,000,000 ANNUALLY SHALL BE DISTRIBUTED AS FOLLOWS:
12 80% TO THE HOST CITY AND 20% TO THE CITY OF THE THIRD
13 CLASS LOCATED SOLELY IN A NONHOST COUNTY IN WHICH THE
14 HOST CITY OF THE THIRD CLASS IS ALSO LOCATED. IF A
15 LICENSED FACILITY, OTHER THAN A CATEGORY 3 LICENSED
16 FACILITY, IS LOCATED IN A CITY OF THE THIRD CLASS AND
17 THAT CITY IS LOCATED SOLELY IN A HOST COUNTY OF THE THIRD
18 CLASS IN WHICH A NONHOST CITY OF THE THIRD CLASS IS ALSO
19 LOCATED[, 2% OF GROSS TERMINAL REVENUE OR \$10,000,000
20 ANNUALLY, WHICHEVER IS GREATER], \$10,000,000 ANNUALLY
21 SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE HOST CITY
22 AND 20% TO A CITY OF THE THIRD CLASS LOCATED BOTH IN A
23 NONHOST COUNTY OF THE THIRD CLASS AND IN A HOST COUNTY OF
24 THE THIRD CLASS IN WHICH THE HOST CITY OF THE THIRD CLASS
25 IS LOCATED.

26 (IV) TO A TOWNSHIP OF THE FIRST CLASS HOSTING A
27 LICENSED FACILITY, OTHER THAN A CATEGORY 3 LICENSED
28 FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR
29 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, SHALL BE PAID
30 BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED

1 FACILITY LOCATED IN THE TOWNSHIP] \$10,000,000 ANNUALLY
2 SHALL BE DISTRIBUTED TO THE TOWNSHIP, SUBJECT, HOWEVER,
3 TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE
4 AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL
5 NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR
6 2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY
7 AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
8 ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE
9 IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE
10 THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY
11 SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED
12 GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE WITH
13 PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY
14 WHERE THE LICENSED FACILITY IS LOCATED. [IN THE EVENT
15 THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE
16 \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE
17 DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM
18 AMOUNT OF \$10,000,000 FROM EACH LICENSED GAMING ENTITY
19 OPERATING A LICENSED FACILITY IN THE TOWNSHIP, PAY ANY
20 BALANCE DUE TO THE TOWNSHIP AND TRANSFER ANY REMAINDER IN
21 ACCORDANCE WITH PARAGRAPH (2).]

22 (V) TO A TOWNSHIP OF THE SECOND CLASS HOSTING A
23 LICENSED FACILITY:

24 (A) [2% OF THE GROSS TERMINAL REVENUE OR
25 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, SHALL BE
26 PAID BY EACH LICENSED GAMING ENTITY OPERATING A
27 LICENSED FACILITY, OTHER THAN A CATEGORY 3 LICENSED
28 FACILITY OR A LICENSED FACILITY OWNING LAND ADJACENT
29 TO THE LICENSED FACILITY LOCATED IN MORE THAN ONE
30 TOWNSHIP OF THE SECOND CLASS,] \$10,000,000 ANNUALLY

1 SHALL BE DISTRIBUTED TO THE TOWNSHIP OF THE SECOND
2 CLASS HOSTING [THE] A LICENSED FACILITY, OTHER THAN A
3 CATEGORY 3 LICENSED FACILITY OR A LICENSED FACILITY
4 LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND
5 CLASS, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION
6 IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE
7 DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF
8 THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004,
9 ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN
10 AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
11 ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE
12 CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR
13 TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY
14 REMAINING MONEY SHALL BE [COLLECTED BY THE DEPARTMENT
15 FROM EACH LICENSED GAMING ENTITY AND] DISTRIBUTED IN
16 ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE
17 CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY
18 IS LOCATED. [IF REVENUES GENERATED BY THE 2% DO NOT
19 MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS
20 SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE
21 REMAINDER OF THE MINIMUM AMOUNT OF \$10,000,000 FROM
22 EACH LICENSED GAMING ENTITY OPERATING A LICENSED
23 FACILITY IN THE TOWNSHIP, PAY ANY BALANCE DUE TO THE
24 TOWNSHIP AND TRANSFER ANY REMAINDER IN ACCORDANCE
25 WITH PARAGRAPH (2).]

26 (B) [2% OF THE GROSS TERMINAL REVENUE OR
27 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER,]
28 \$10,000,000 ANNUALLY, LESS THE AMOUNT PAID UNDER
29 CLAUSE (C), SHALL BE [PAID BY EACH LICENSED GAMING
30 ENTITY OPERATING A LICENSED FACILITY AND OWNING LAND

1 ADJACENT TO THE LICENSED FACILITY LOCATED IN MORE
2 THAN ONE TOWNSHIP OF THE SECOND CLASS, OTHER THAN A
3 CATEGORY 3 LICENSED FACILITY,] DISTRIBUTED TO THE
4 TOWNSHIP OF THE SECOND CLASS HOSTING [THE] A LICENSED
5 FACILITY WHICH OWNS LAND ADJACENT TO THE LICENSED
6 FACILITY LOCATED IN MORE THAN ONE TOWNSHIP OF THE
7 SECOND CLASS, OTHER THAN A CATEGORY 3 LICENSED
8 FACILITY, SUBJECT, HOWEVER, TO THE BUDGETARY
9 LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED
10 TO THE DESIGNATED MUNICIPALITIES MAY NOT EXCEED 50%
11 OF THEIR TOTAL BUDGET FOR THE FISCAL YEAR 2003-2004,
12 ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN
13 AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
14 ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE
15 CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR
16 TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY
17 REMAINING MONEY SHALL BE [COLLECTED BY THE DEPARTMENT
18 FROM EACH LICENSED GAMING ENTITY AND] DISTRIBUTED IN
19 ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE
20 CLASSIFICATION OF THE COUNTY WHERE THE LICENSED
21 FACILITY IS LOCATED. THE COUNTY COMMISSIONERS OF A
22 COUNTY OF THE THIRD CLASS IN WHICH THE LICENSED
23 FACILITY IS LOCATED SHALL APPOINT AN ADVISORY
24 COMMITTEE FOR THE PURPOSE OF ADVISING THE COUNTY AS
25 TO THE NEED FOR MUNICIPAL GRANTS FOR HEALTH, SAFETY,
26 TRANSPORTATION AND OTHER PROJECTS IN THE PUBLIC
27 INTEREST TO BE COMPRISED OF TWO INDIVIDUALS FROM THE
28 HOST MUNICIPALITY, TWO FROM CONTIGUOUS MUNICIPALITIES
29 WITHIN THE COUNTY OF THE THIRD CLASS AND ONE FROM THE
30 HOST COUNTY. [IN THE EVENT THAT THE REVENUES

1 GENERATED BY THE 2% DO NOT MEET THE \$10,000,000
2 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE
3 DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM
4 AMOUNT OF \$10,000,000 FROM EACH LICENSED GAMING
5 ENTITY OPERATING A LICENSED FACILITY IN THE TOWNSHIP,
6 PAY ANY BALANCE DUE TO THE TOWNSHIP AND TRANSFER ANY
7 REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).]

8 (C) [\$160,000 ANNUALLY SHALL BE PAID BY EACH
9 LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY
10 AND OWNING LAND ADJACENT TO THE LICENSED FACILITY
11 LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND
12 CLASS, OTHER THAN A CATEGORY 3 LICENSED FACILITY, TO
13 THE TOWNSHIP OF THE SECOND CLASS THAT IS LOCATED IN A
14 COUNTY OF THE FIFTH CLASS IN WHICH THE ADJACENT LAND
15 IS LOCATED, INCLUDING RACETRACKS, GRAZING FIELDS OR
16 ANY OTHER ADJOINING REAL PROPERTY.] FOR LAND OWNED BY
17 A LICENSED GAMING ENTITY, OTHER THAN A CATEGORY 3
18 LICENSED FACILITY, AND LOCATED IN MORE THAN ONE
19 TOWNSHIP OF THE SECOND CLASS: \$160,000 SHALL BE
20 DISTRIBUTED ANNUALLY TO THE TOWNSHIP OF THE SECOND
21 CLASS WHICH IS LOCATED IN A COUNTY OF THE FIFTH CLASS
22 IF THE LAND OWNED, INCLUDING RACETRACKS, GRAZING
23 FIELDS AND OTHER ADJOINING REAL PROPERTY, IS ADJACENT
24 TO THE LICENSED FACILITY.

25 (VI) TO A BOROUGH HOSTING A LICENSED FACILITY, OTHER
26 THAN A CATEGORY 3 LICENSED FACILITY, [2% OF THE GROSS
27 TERMINAL REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS
28 GREATER, SHALL BE PAID BY EACH LICENSED GAMING ENTITY
29 OPERATING A LICENSED FACILITY LOCATED IN THAT BOROUGH,]
30 \$10,000,000 ANNUALLY SHALL BE DISTRIBUTED TO THE BOROUGH,

1 SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS
2 SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED
3 MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET
4 FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN
5 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL
6 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE
7 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY
8 PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT.
9 ANY REMAINING MONEY SHALL BE [COLLECTED BY THE DEPARTMENT
10 FROM EACH LICENSED GAMING ENTITY AND] DISTRIBUTED IN
11 ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE
12 CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS
13 LOCATED. [IN THE EVENT THAT THE REVENUES GENERATED BY THE
14 2% DO NOT MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS
15 SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE REMAINDER
16 OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED
17 GAMING ENTITY OPERATING A LICENSED FACILITY IN THE
18 BOROUGH, PAY ANY BALANCE DUE TO THE BOROUGH AND TRANSFER
19 ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).]

20 (VII) TO AN INCORPORATED TOWN HOSTING A LICENSED
21 FACILITY, OTHER THAN A CATEGORY 3 LICENSED FACILITY, [2%
22 OF THE GROSS TERMINAL REVENUE OR \$10,000,000 ANNUALLY,
23 WHICHEVER IS GREATER, SHALL BE PAID BY EACH LICENSED
24 ENTITY OPERATING A LICENSED FACILITY LOCATED IN THE
25 TOWN,] \$10,000,000 ANNUALLY SHALL BE DISTRIBUTED TO THE
26 INCORPORATED TOWN, SUBJECT, HOWEVER, TO THE BUDGETARY
27 LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO
28 THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF
29 THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED
30 FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO

1 EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY
2 APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE
3 INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE
4 TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE [COLLECTED
5 BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND]
6 DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON
7 THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY
8 IS LOCATED. [IN THE EVENT THAT THE REVENUES GENERATED BY
9 THE 2% DO NOT MEET THE \$10,000,000 MINIMUM SPECIFIED IN
10 THIS SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE
11 REMAINDER OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH
12 LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY IN
13 THE INCORPORATED TOWN, PAY ANY BALANCE DUE TO THE TOWN
14 AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH
15 (2) .

16 (VIII) (A) EXCEPT AS PROVIDED IN CLAUSE (B) OR (C) ,
17 TO A MUNICIPALITY OF ANY CLASS HOSTING A CATEGORY 3
18 FACILITY, 2% OF THE GROSS TERMINAL REVENUE FROM THE
19 CATEGORY 3 LICENSED FACILITY LOCATED IN THE
20 MUNICIPALITY, SUBJECT, HOWEVER, TO THE BUDGETARY
21 LIMITATION IN THIS CLAUSE. THE AMOUNT ALLOCATED TO
22 THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF
23 THEIR TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR
24 INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO
25 EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED
26 BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER
27 PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE
28 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY
29 SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH
30 LICENSED GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE

1 WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF
2 COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

3 (B) IF THE MUNICIPALITY HOSTING A CATEGORY 3
4 LICENSED FACILITY IS A BOROUGH LOCATED IN A COUNTY OF
5 THE THIRD CLASS AND THE BOROUGH IS CONTIGUOUS TO A
6 CITY OF THE THIRD CLASS, 1% OF GROSS TERMINAL REVENUE
7 SHALL BE DISTRIBUTED TO THE HOST BOROUGH AND 1% OF
8 GROSS TERMINAL REVENUE SHALL BE DISTRIBUTED TO THE
9 CITY OF THE THIRD CLASS THAT IS CONTIGUOUS TO THE
10 HOST BOROUGH, SUBJECT, HOWEVER, TO THE BUDGETARY
11 LIMITATION IN THIS CLAUSE. THE AMOUNT ALLOCATED TO
12 EACH DESIGNATED MUNICIPALITY SHALL NOT EXCEED 50% OF
13 ITS TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR
14 INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO
15 EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED
16 BY APPLYING THE PERCENTAGE INCREASE, IF ANY, IN THE
17 CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE
18 THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING
19 MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH
20 LICENSED GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE
21 WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF
22 COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

23 (C) IF THE MUNICIPALITY HOSTING A CATEGORY 3
24 LICENSED FACILITY IS A TOWNSHIP OF THE SECOND CLASS
25 IN A COUNTY OF THE FIFTH CLASS WHICH IS CONTIGUOUS TO
26 A COUNTY OF THE SEVENTH CLASS, 2% OF THE GROSS
27 TERMINAL REVENUE FROM THE CATEGORY 3 LICENSED
28 FACILITY LOCATED IN THE MUNICIPALITY SHALL BE
29 DISTRIBUTED TO THE MUNICIPALITY, SUBJECT, HOWEVER, TO
30 THE BUDGETARY LIMITATION IN THIS CLAUSE. THE AMOUNT

1 ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT
2 EXCEED THE LESSER OF \$1,000,000 OR 50% OF THEIR TOTAL
3 BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION
4 IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN
5 ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY
6 APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE
7 INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS
8 DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE
9 COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING
10 ENTITY AND DISTRIBUTED IN EQUAL AMOUNTS TO EACH
11 MUNICIPALITY CONTIGUOUS TO THE HOST MUNICIPALITY.
12 HOWEVER, THE AMOUNT TO BE ALLOCATED TO ANY CONTIGUOUS
13 MUNICIPALITY SHALL NOT EXCEED THE LESSER OF
14 \$1,000,000 OR 50% OF THE MUNICIPALITY'S TOTAL BUDGET
15 FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN
16 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL
17 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE
18 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX
19 IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE
20 TO TAKE EFFECT. ANY MONEY REMAINING FOLLOWING
21 DISTRIBUTION TO CONTIGUOUS MUNICIPALITIES SHALL BE
22 COLLECTED BY THE DEPARTMENT AND DISTRIBUTED IN
23 ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE
24 CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY
25 IS LOCATED.

26 (IX) ANY MUNICIPALITY NOT SPECIFICALLY ENUMERATED IN
27 SUBPARAGRAPHS (I) THROUGH (VIII), 2% OF THE GROSS
28 TERMINAL REVENUE TO THE MUNICIPALITY HOSTING THE LICENSED
29 FACILITY FROM EACH SUCH LICENSED FACILITY.

30 (X) IF THE LICENSED FACILITY IS LOCATED IN MORE THAN

ONE MUNICIPALITY, THE AMOUNT AVAILABLE SHALL BE
DISTRIBUTED ON A PRO RATA BASIS DETERMINED BY THE
PERCENTAGE OF ACREAGE LOCATED IN EACH MUNICIPALITY TO THE
TOTAL ACREAGE OF ALL MUNICIPALITIES OCCUPIED BY THE
LICENSED FACILITY.

(XI) IF THE LICENSED FACILITY IS LOCATED AT A RESORT
WHICH IS ALSO AN INCORPORATED MUNICIPALITY, SUCH
MUNICIPALITY SHALL NOT BE ELIGIBLE TO RECEIVE ANY
DISTRIBUTION UNDER THIS PARAGRAPH. THE DISTRIBUTION IT
WOULD HAVE OTHERWISE BEEN ENTITLED TO UNDER THIS
PARAGRAPH SHALL INSTEAD BE DISTRIBUTED IN ACCORDANCE WITH
PARAGRAPH (2) BASED UPON THE COUNTY WHERE THE LICENSED
FACILITY IS LOCATED.

(XII) THE DISTRIBUTIONS PROVIDED IN THIS PARAGRAPH
SHALL BE BASED UPON MUNICIPAL CLASSIFICATIONS IN EFFECT
ON THE EFFECTIVE DATE OF THIS SECTION. FOR THE PURPOSES
OF THIS PARAGRAPH, ANY RECLASSIFICATION OF MUNICIPALITIES
AS A RESULT OF A FEDERAL DECENNIAL CENSUS OR OF A STATE
STATUTE SHALL NOT APPLY TO THIS PARAGRAPH.

(XIII) IF ANY PROVISION OF THIS PARAGRAPH IS FOUND
TO BE UNENFORCEABLE FOR ANY REASON, THE DISTRIBUTION
PROVIDED FOR IN SUCH UNENFORCEABLE PROVISION SHALL BE
MADE TO THE MUNICIPALITY IN WHICH THE LICENSED FACILITY
IS LOCATED.

(XIV) NOTHING IN THIS PARAGRAPH SHALL PREVENT ANY OF
THE ABOVE MUNICIPALITIES FROM ENTERING INTO
INTERGOVERNMENTAL COOPERATIVE AGREEMENTS WITH OTHER
JURISDICTIONS FOR SHARING THIS MONEY.

(XV) NOTWITHSTANDING ANY OTHER LAW, AGREEMENT OR
PROVISION IN THIS PART TO THE CONTRARY, ALL REVENUES

1 PROVIDED, DIRECTED OR EARMARKED UNDER THIS SECTION TO OR
2 FOR THE BENEFIT OF A CITY OF THE SECOND CLASS IN WHICH AN
3 INTERGOVERNMENTAL COOPERATION AUTHORITY HAS BEEN
4 ESTABLISHED AND IS IN EXISTENCE PURSUANT TO THE ACT OF
5 FEBRUARY 12, 2004 (P.L.73, NO.11), KNOWN AS THE
6 INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR CITIES OF
7 THE SECOND CLASS, SHALL BE DIRECTED TO AND UNDER THE
8 EXCLUSIVE CONTROL OF SUCH INTERGOVERNMENTAL COOPERATION
9 AUTHORITY TO BE USED:

10 (A) TO REDUCE THE DEBT OF THE SECOND CLASS CITY;

11 (B) TO INCREASE THE LEVEL OF FUNDING OF THE
12 MUNICIPAL PENSION FUNDS OF THE SECOND CLASS CITY; OR

13 (C) FOR ANY OTHER PURPOSES AS DETERMINED TO BE
14 IN THE BEST INTEREST OF THE SECOND CLASS CITY BY SUCH
15 INTERGOVERNMENTAL COOPERATION AUTHORITY. SUCH
16 REVENUES SHALL NOT BE DIRECTED TO OR UNDER THE
17 CONTROL OF SUCH CITY OF THE SECOND CLASS OR ANY
18 COORDINATOR APPOINTED PURSUANT TO THE ACT OF JULY 10,
19 1987 (P.L.246, NO.47), KNOWN AS THE MUNICIPALITIES
20 FINANCIAL RECOVERY ACT, FOR SUCH CITY OF THE SECOND
21 CLASS.]

22 (4) FROM THE LOCAL SHARE ASSESSMENT ESTABLISHED IN
23 SUBSECTION (B), MAKE QUARTERLY DISTRIBUTIONS AMONG THE
24 MUNICIPALITIES, INCLUDING HOME RULE MUNICIPALITIES, HOSTING A
25 LICENSED FACILITY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

26 (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OR
27 (III), TO A MUNICIPALITY OF ANY CLASS HOSTING A CATEGORY
28 3 FACILITY, 2% OF THE GROSS TERMINAL REVENUE FROM THE
29 CATEGORY 3 LICENSED FACILITY LOCATED IN THE MUNICIPALITY,
30 SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS

1 SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED
2 MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET
3 FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN
4 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL
5 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE
6 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY
7 PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT.
8 ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT
9 FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN
10 ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE
11 CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS
12 LOCATED.

13 (II) IF THE MUNICIPALITY HOSTING A CATEGORY 3
14 LICENSED FACILITY IS A BOROUGH LOCATED IN A COUNTY OF THE
15 THIRD CLASS AND THE BOROUGH IS CONTIGUOUS TO A CITY OF
16 THE THIRD CLASS, 1% OF GROSS TERMINAL REVENUE SHALL BE
17 DISTRIBUTED TO THE HOST BOROUGH AND 1% OF GROSS TERMINAL
18 REVENUE SHALL BE DISTRIBUTED TO THE CITY OF THE THIRD
19 CLASS THAT IS CONTIGUOUS TO THE HOST BOROUGH, SUBJECT,
20 HOWEVER, TO THE BUDGETARY LIMITATION IN THIS
21 SUBPARAGRAPH. THE AMOUNT ALLOCATED TO EACH DESIGNATED
22 MUNICIPALITY SHALL NOT EXCEED 50% OF ITS TOTAL BUDGET FOR
23 FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT
24 YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
25 ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE
26 INCREASE, IF ANY, IN THE CONSUMER PRICE INDEX IMMEDIATELY
27 PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT.
28 ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT
29 FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN
30 ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE

1 CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS
2 LOCATED.

3 (III) IF THE MUNICIPALITY HOSTING A CATEGORY 3
4 LICENSED FACILITY IS A TOWNSHIP OF THE SECOND CLASS IN A
5 COUNTY OF THE FIFTH CLASS WHICH IS CONTIGUOUS TO A COUNTY
6 OF THE SEVENTH CLASS, 2% OF THE GROSS TERMINAL REVENUE
7 FROM THE CATEGORY 3 LICENSED FACILITY LOCATED IN THE
8 MUNICIPALITY SHALL BE DISTRIBUTED TO THE MUNICIPALITY,
9 SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS
10 SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED
11 MUNICIPALITIES SHALL NOT EXCEED THE LESSER OF \$1,000,000
12 OR 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2009,
13 ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT
14 NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT
15 CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE
16 CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE
17 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY
18 SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED
19 GAMING ENTITY AND DISTRIBUTED IN EQUAL AMOUNTS TO EACH
20 MUNICIPALITY CONTIGUOUS TO THE HOST MUNICIPALITY. THE
21 AMOUNT TO BE ALLOCATED TO ANY CONTIGUOUS MUNICIPALITY
22 SHALL NOT EXCEED THE LESSER OF \$1,000,000 OR 50% OF THE
23 MUNICIPALITY'S TOTAL BUDGET FOR FISCAL YEAR 2009,
24 ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT
25 NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT
26 CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE
27 CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE
28 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY MONEY REMAINING
29 FOLLOWING DISTRIBUTION TO CONTIGUOUS MUNICIPALITIES SHALL
30 BE COLLECTED BY THE DEPARTMENT AND DISTRIBUTED IN

1 ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE
2 CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS
3 LOCATED.

4 (5) FROM THE SLOT MACHINE OPERATION FEES DEPOSITED IN
5 THE FUND UNDER SECTION 1326.1(D), MAKE QUARTERLY
6 DISTRIBUTIONS TO ANY MUNICIPALITY NOT SPECIFICALLY ENUMERATED
7 IN PARAGRAPH (3) OR (4) HOSTING A CATEGORY 1 OR A CATEGORY 2
8 LICENSED FACILITY, OTHER THAN A CATEGORY 1 OR CATEGORY 2
9 LICENSED FACILITY LOCATED IN A CITY OF THE FIRST CLASS, EQUAL
10 TO \$10,000,000 ANNUALLY.

11 (6) FROM THE LOCAL SHARE ASSESSMENT ESTABLISHED IN
12 SUBSECTION (B), MAKE QUARTERLY DISTRIBUTIONS TO ANY
13 MUNICIPALITY NOT ENUMERATED IN PARAGRAPH (3) OR (4) HOSTING A
14 CATEGORY 3 LICENSED FACILITY: 2% OF THE GROSS TERMINAL
15 REVENUE PAID BY EACH LICENSED GAMING ENTITY OPERATING A
16 CATEGORY 3 LICENSED FACILITY.

17 (7) IF A LICENSED FACILITY IS LOCATED IN MORE THAN ONE
18 MUNICIPALITY, THE AMOUNT AVAILABLE SHALL BE DISTRIBUTED ON A
19 PRO RATA BASIS DETERMINED BY THE PERCENTAGE OF ACREAGE
20 LOCATED IN EACH MUNICIPALITY TO THE TOTAL ACREAGE OF ALL
21 MUNICIPALITIES OCCUPIED BY THE LICENSED FACILITY.

22 (8) IF A LICENSED FACILITY IS LOCATED AT A RESORT WHICH
23 IS ALSO AN INCORPORATED MUNICIPALITY, THE MUNICIPALITY SHALL
24 NOT BE ELIGIBLE TO RECEIVE ANY DISTRIBUTION UNDER PARAGRAPH
25 (3), (4), (5) OR (6). THE DISTRIBUTION IT WOULD HAVE
26 OTHERWISE BEEN ENTITLED TO UNDER PARAGRAPH (3), (4), (5) OR
27 (6) SHALL INSTEAD BE DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH
28 (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE
29 LICENSED FACILITY IS LOCATED.

30 (9) THE DISTRIBUTIONS PROVIDED IN PARAGRAPH (3), (4),

1 (5) OR (6) SHALL BE BASED UPON MUNICIPAL CLASSIFICATIONS IN
2 EFFECT ON JULY 5, 2004. FOR THE PURPOSES OF PARAGRAPHS (3),
3 (4), (5) AND (6), ANY RECLASSIFICATION OF MUNICIPALITIES AS A
4 RESULT OF A FEDERAL DECENNIAL CENSUS OR OF A STATE STATUTE
5 SHALL NOT APPLY TO PARAGRAPHS (3), (4), (5) AND (6).

6 (10) IF ANY PROVISION OF PARAGRAPH (3), (4), (5) OR (6)
7 IS FOUND TO BE UNENFORCEABLE FOR ANY REASON, THE DISTRIBUTION
8 PROVIDED FOR IN THE UNENFORCEABLE PROVISION SHALL BE MADE TO
9 THE MUNICIPALITY IN WHICH THE LICENSED FACILITY IS LOCATED.

10 (11) NOTHING IN PARAGRAPH (3), (4), (5) OR (6) SHALL BE
11 CONSTRUED TO PREVENT ANY OF THE ABOVE MUNICIPALITIES FROM
12 ENTERING INTO INTERGOVERNMENTAL COOPERATIVE AGREEMENTS WITH
13 OTHER JURISDICTIONS FOR SHARING THE FUNDS DISTRIBUTED TO
14 THEM.

15 (12) NOTWITHSTANDING ANY OTHER LAW, AGREEMENT OR
16 PROVISION IN THIS PART TO THE CONTRARY, ALL REVENUES
17 PROVIDED, DIRECTED OR EARMARKED UNDER THIS SECTION TO OR FOR
18 THE BENEFIT OF A CITY OF THE SECOND CLASS IN WHICH AN
19 INTERGOVERNMENTAL COOPERATION AUTHORITY HAS BEEN ESTABLISHED
20 AND IS IN EXISTENCE UNDER THE ACT OF FEBRUARY 12, 2004
21 (P.L.73, NO.11), KNOWN AS THE INTERGOVERNMENTAL COOPERATION
22 AUTHORITY ACT FOR CITIES OF THE SECOND CLASS, SHALL BE
23 DIRECTED TO AND UNDER THE EXCLUSIVE CONTROL OF THE
24 INTERGOVERNMENTAL COOPERATION AUTHORITY TO BE USED:

25 (I) TO REDUCE THE DEBT OF THE CITY OF THE SECOND
26 CLASS;

27 (II) TO INCREASE THE LEVEL OF FUNDING OF THE
28 MUNICIPAL PENSION FUNDS OF THE CITY OF THE SECOND CLASS;
29 OR

30 (III) FOR ANY OTHER PURPOSES AS DETERMINED TO BE IN

1 THE BEST INTEREST OF THE CITY OF THE SECOND CLASS BY THE
2 INTERGOVERNMENTAL COOPERATION AUTHORITY. THE REVENUES
3 SHALL NOT BE DIRECTED TO OR UNDER THE CONTROL OF THE CITY
4 OF THE SECOND CLASS OR ANY COORDINATOR APPOINTED UNDER
5 THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE
6 MUNICIPALITIES FINANCIAL RECOVERY ACT, FOR THE CITY OF
7 THE SECOND CLASS.

8 (D) CONSUMER PRICE INDEX.--FOR PURPOSES OF SUBSECTION (C),
9 REFERENCES TO THE CONSUMER PRICE INDEX SHALL MEAN THE CONSUMER
10 PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW
11 JERSEY, DELAWARE AND MARYLAND AREA FOR THE MOST RECENT 12-MONTH
12 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE
13 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

14 (E) REPORTING.--

15 (1) IN COOPERATION WITH THE DEPARTMENT AND THE
16 COMMONWEALTH FINANCING AUTHORITY, THE DEPARTMENT OF COMMUNITY
17 AND ECONOMIC DEVELOPMENT SHALL SUBMIT AN ANNUAL REPORT ON ALL
18 DISTRIBUTIONS OF LOCAL SHARE ASSESSMENTS AND SLOT MACHINE
19 LICENSE OPERATION FEES TO COUNTIES AND MUNICIPALITIES UNDER
20 THIS SECTION TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
21 APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRMAN AND
22 MINORITY CHAIRMAN OF THE COMMUNITY, ECONOMIC AND RECREATIONAL
23 DEVELOPMENT COMMITTEE OF THE SENATE, THE CHAIRMAN AND
24 MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE
25 HOUSE OF REPRESENTATIVES AND THE CHAIRMAN AND MINORITY
26 CHAIRMAN OF THE GAMING OVERSIGHT COMMITTEE OF THE HOUSE OF
27 REPRESENTATIVES. THE REPORT SHALL BE SUBMITTED BY [AUGUST 31,
28 2010] MARCH 31, 2018, AND BY [AUGUST] MARCH 31 OF EACH YEAR
29 THEREAFTER.

30 (2) ALL COUNTIES AND MUNICIPALITIES RECEIVING

1 DISTRIBUTIONS OF LOCAL SHARE ASSESSMENTS OR SLOT MACHINE
2 LICENSE OPERATION FEES UNDER THIS SECTION SHALL SUBMIT
3 INFORMATION TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC
4 DEVELOPMENT ON A FORM PREPARED BY THE DEPARTMENT OF COMMUNITY
5 AND ECONOMIC DEVELOPMENT THAT SETS FORTH THE AMOUNT AND USE
6 OF THE FUNDS RECEIVED IN THE PRIOR CALENDAR YEAR. THE FORM
7 SHALL SET FORTH WHETHER THE FUNDS RECEIVED WERE DEPOSITED IN
8 THE COUNTY'S OR MUNICIPALITY'S GENERAL FUND OR COMMITTED TO A
9 SPECIFIC PROJECT OR USE.

10 (F) PROHIBITED ACTIVITIES.--

11 (1) A PERSON OR ITS AFFILIATED ENTITY OR A POLITICAL
12 SUBDIVISION SHALL NOT COMPENSATE OR INCUR AN OBLIGATION TO
13 COMPENSATE A PERSON TO ENGAGE IN LOBBYING FOR COMPENSATION
14 CONTINGENT IN WHOLE OR IN PART UPON THE APPROVAL, AWARD,
15 RECEIPT OR DENIAL OF FUNDS UNDER THIS SECTION. A PERSON OR
16 ITS AFFILIATED ENTITY SHALL NOT ENGAGE IN OR AGREE TO ENGAGE
17 IN LOBBYING FOR COMPENSATION CONTINGENT IN WHOLE OR IN PART
18 UPON THE APPROVAL, AWARD, RECEIPT OR DENIAL OF FUNDS UNDER
19 THIS SECTION. THIS SUBSECTION SHALL NOT APPLY TO A COUNTY OR
20 MUNICIPALITY THAT COMPENSATES A PERSON TO PREPARE A GRANT
21 APPLICATION FOR FUNDS UNDER THIS SECTION IF THE FOLLOWING
22 REQUIREMENTS ARE MET:

23 (I) THE PERSON IS NOT IDENTIFIED IN THE APPLICATION.

24 (II) THE PERSON HAS NO DIRECT CONTACT WITH THE
25 AGENCY, COUNTY OR MUNICIPALITY PROVIDING THE FUNDING.

26 (III) THE PERSON IS PAID A FIXED FEE OR PERCENTAGE
27 OF THE AMOUNT OF ANY FUNDS APPROVED, AWARDED OR RECEIVED
28 UP TO .5%.

29 (2) A VIOLATION OF THIS SECTION SHALL BE CONSIDERED AN
30 INTENTIONAL VIOLATION OF 65 PA.C.S. § 13A09(E) (RELATING TO

PENALTIES).

SECTION 28. SECTIONS 1407(D) INTRODUCTORY PARAGRAPH AND
(D.1) HEADING AND (1), 1501(B), 1504 AND 1509 OF TITLE 4 ARE
AMENDED TO READ:

§ 1407. 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]:

* * *

(D.1) COMMUNITY INFRASTRUCTURE 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 AND MONEY AUTHORIZED BUT
NOT EXPENDED UNDER SUBSECTION (D) (5) 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.

* * *

§ 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], TABLE GAMES AND INTERACTIVE GAMING UNDER THIS PART.

* * *

§ 1504. WAGERING ON CREDIT.

(A) GENERAL RULE.--EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, SLOT MACHINE LICENSEES SHALL NOT EXTEND CREDIT. SLOT MACHINE LICENSEES SHALL NOT ACCEPT CREDIT CARDS, CHARGE CARDS OR DEBIT CARDS FROM A PATRON OR A PLAYER FOR THE EXCHANGE OR PURCHASE OF SLOT MACHINE CREDITS OR FOR AN ADVANCE OF COINS OR CURRENCY TO BE UTILIZED BY A PLAYER TO PLAY SLOT MACHINE GAMES

OR EXTEND CREDIT IN ANY MANNER TO A PLAYER SO AS TO ENABLE THE
PLAYER TO PLAY SLOT MACHINES. SLOT MACHINE LICENSEES WHO HOLD A
TABLE GAME OPERATION CERTIFICATE MAY EXTEND CREDIT FOR SLOT
MACHINE GAMING IN ACCORDANCE WITH SECTION 13A26 (RELATING TO
CASH EQUIVALENTS).

(B) PREPAID ACCESS INSTRUMENTS.--PREPAID ACCESS INSTRUMENTS
ARE NOT DEEMED TO BE A CREDIT CARD, CHARGE CARD, DEBIT CARD OR
ANY OTHER INSTRUMENT OF CREDIT AND ARE NOT PROHIBITED UNDER THIS
SECTION.

§ 1509. COMPULSIVE AND PROBLEM GAMBLING PROGRAM.

(A) ESTABLISHMENT OF PROGRAM.--THE DEPARTMENT OF [HEALTH]
DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY, IN CONSULTATION
WITH ORGANIZATIONS SIMILAR TO THE MID-ATLANTIC ADDICTION
TRAINING INSTITUTE, 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. THE GUIDELINES SHALL INCLUDE STRATEGIES
FOR THE PREVENTION OF COMPULSIVE AND PROBLEM GAMBLING. THE
DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR
AGENCY MAY CONSULT WITH THE BOARD AND LICENSED GAMING ENTITIES
TO DEVELOP SUCH STRATEGIES.

(A.1) DUTIES OF DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL
PROGRAMS OR SUCCESSOR AGENCY .--FROM FUNDS AVAILABLE IN THE
COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND, THE DEPARTMENT
OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL:

(1) MAINTAIN [A] ONE COMPULSIVE GAMBLERS ASSISTANCE
ORGANIZATION'S TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER,
WHICH SHALL BE THE NUMBER 1-800-GAMBLER, TO PROVIDE CRISIS
COUNSELING AND REFERRAL SERVICES TO INDIVIDUALS AND FAMILIES
EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE

1 GAMBLING. IF THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
2 SUCCESSOR AGENCY DETERMINES THAT IT IS UNABLE TO ADOPT THE
3 NUMBER 1-800-GAMBLER, THE DEPARTMENT OF DRUG AND ALCOHOL
4 PROGRAMS OR SUCCESSOR AGENCY SHALL MAINTAIN ANOTHER NUMBER.

5 (2) FACILITATE, THROUGH IN-SERVICE TRAINING AND OTHER
6 MEANS, THE AVAILABILITY OF EFFECTIVE ASSISTANCE PROGRAMS FOR
7 PROBLEM AND COMPULSIVE GAMBLERS AND FAMILY MEMBERS AFFECTED
8 BY PROBLEM AND COMPULSIVE GAMBLING.

9 (3) AT ITS DISCRETION, CONDUCT STUDIES TO IDENTIFY
10 INDIVIDUALS IN THIS COMMONWEALTH WHO ARE OR ARE AT RISK OF
11 BECOMING PROBLEM OR COMPULSIVE GAMBLERS.

12 (4) PROVIDE GRANTS TO AND CONTRACT WITH SINGLE COUNTY
13 AUTHORITIES AND OTHER ORGANIZATIONS WHICH PROVIDE SERVICES AS
14 SET FORTH IN THIS SECTION.

15 (5) REIMBURSE ORGANIZATIONS FOR REASONABLE EXPENSES
16 INCURRED ASSISTING THE DEPARTMENT OF [HEALTH] DRUG AND
17 ALCOHOL PROGRAMS OR SUCCESSOR AGENCY WITH IMPLEMENTING THIS
18 SECTION.

19 (A.2) DUTIES OF DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL
20 PROGRAMS OR SUCCESSOR AGENCY AND BOARD.--[WITHIN 60 DAYS
21 FOLLOWING THE EFFECTIVE DATE OF THIS SUBSECTION, THE] THE
22 DEPARTMENT OF [HEALTH'S BUREAU OF] DRUG AND ALCOHOL PROGRAMS OR
23 SUCCESSOR AGENCY AND THE BOARD'S OFFICE OF COMPULSIVE AND
24 PROBLEM GAMBLING SHALL JOINTLY COLLABORATE WITH OTHER
25 APPROPRIATE OFFICES AND AGENCIES OF STATE OR LOCAL GOVERNMENT,
26 INCLUDING SINGLE COUNTY AUTHORITIES, AND PROVIDERS AND OTHER
27 PERSONS, PUBLIC OR PRIVATE, WITH EXPERTISE IN COMPULSIVE AND
28 PROBLEM GAMBLING TREATMENT TO DO THE FOLLOWING:

29 (1) IMPLEMENT A STRATEGIC PLAN FOR THE PREVENTION AND
30 TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING.

1 (2) ADOPT COMPULSIVE AND PROBLEM GAMBLING TREATMENT
2 STANDARDS TO BE INTEGRATED WITH THE [BUREAU] DEPARTMENT OF
3 DRUG AND ALCOHOL PROGRAM'S OR SUCCESSOR AGENCY'S UNIFORM
4 STATEWIDE GUIDELINES THAT GOVERN THE PROVISION OF ADDICTION
5 TREATMENT SERVICES.

6 (3) DEVELOP A METHOD TO COORDINATE COMPULSIVE AND
7 PROBLEM GAMBLING DATA COLLECTION AND REFERRAL INFORMATION TO
8 CRISIS RESPONSE HOTLINES, CHILD WELFARE AND DOMESTIC VIOLENCE
9 PROGRAMS AND PROVIDERS AND OTHER APPROPRIATE PROGRAMS AND
10 PROVIDERS.

11 (4) DEVELOP AND DISSEMINATE EDUCATIONAL MATERIALS TO
12 PROVIDE PUBLIC AWARENESS RELATED TO THE PREVENTION,
13 RECOGNITION AND TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING.

14 (5) DEVELOP DEMOGRAPHIC-SPECIFIC COMPULSIVE AND PROBLEM
15 GAMBLING PREVENTION, INTERVENTION AND TREATMENT PROGRAMS.

16 (6) PREPARE AN ITEMIZED BUDGET OUTLINING HOW FUNDS WILL
17 BE ALLOCATED TO FULFILL THE RESPONSIBILITIES UNDER THIS
18 SECTION.

19 (B) COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND.--THERE
20 IS HEREBY ESTABLISHED IN THE STATE TREASURY A SPECIAL FUND TO BE
21 KNOWN AS THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND. ALL
22 MONEYS IN THE FUND SHALL BE ADMINISTERED BY THE DEPARTMENT OF
23 [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY AND
24 EXPENDED SOLELY FOR PROGRAMS FOR THE PREVENTION AND TREATMENT OF
25 GAMBLING ADDICTION AND OTHER EMOTIONAL AND BEHAVIORAL PROBLEMS
26 ASSOCIATED WITH OR RELATED TO GAMBLING ADDICTION AND FOR THE
27 ADMINISTRATION OF THE COMPULSIVE AND PROBLEM GAMBLING PROGRAM,
28 PROVIDED THAT THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL
29 PROGRAMS OR SUCCESSOR AGENCY SHALL ANNUALLY DISTRIBUTE AT LEAST
30 50% OF THE MONEY IN THE FUND TO SINGLE COUNTY AUTHORITIES UNDER

1 SUBSECTION (D). THE FUND SHALL CONSIST OF MONEY ANNUALLY
2 ALLOCATED TO IT FROM THE ANNUAL PAYMENT ESTABLISHED UNDER
3 SECTION 1408(A) (RELATING TO TRANSFERS FROM STATE GAMING FUND),
4 MONEY WHICH MAY BE ALLOCATED BY THE BOARD, INTEREST EARNINGS ON
5 MONEYS IN THE FUND AND ANY OTHER CONTRIBUTIONS, PAYMENTS OR
6 DEPOSITS WHICH MAY BE MADE TO THE FUND.

7 (C) NOTICE OF AVAILABILITY OF ASSISTANCE.--

8 (1) [EACH] EXCEPT AS OTHERWISE PROVIDED FOR IN PARAGRAPH
9 (4), EACH SLOT MACHINE LICENSEE SHALL [OBTAIN A] USE THE
10 TOLL-FREE TELEPHONE NUMBER [TO BE USED] ESTABLISHED BY THE
11 DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY
12 IN SUBSECTION (A.1)(1) TO PROVIDE PERSONS WITH INFORMATION ON
13 ASSISTANCE FOR COMPULSIVE OR PROBLEM GAMBLING. EACH LICENSEE
14 SHALL CONSPICUOUSLY POST AT LEAST 20 SIGNS SIMILAR TO THE
15 FOLLOWING STATEMENT:

16 IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP
17 IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).
18 THE SIGNS MUST BE POSTED WITHIN 50 FEET OF EACH ENTRANCE AND
19 EXIT, WITHIN 50 FEET OF EACH AUTOMATED TELLER MACHINE
20 LOCATION WITHIN THE LICENSED FACILITY AND IN OTHER
21 APPROPRIATE PUBLIC AREAS OF THE LICENSED FACILITY AS
22 DETERMINED BY THE SLOT MACHINE LICENSEE.

23 (2) EACH RACETRACK WHERE SLOT MACHINES OR TABLE GAMES
24 ARE OPERATED SHALL PRINT A STATEMENT ON DAILY RACING PROGRAMS
25 PROVIDED TO THE GENERAL PUBLIC THAT IS SIMILAR TO THE
26 FOLLOWING:

27 IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP
28 IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).

29 EXCEPT AS OTHERWISE PROVIDED FOR IN PARAGRAPH (4), THE TOLL-
30 FREE TELEPHONE NUMBER SHALL BE THE SAME TELEPHONE NUMBER

1 ESTABLISHED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
2 SUCCESSOR AGENCY UNDER SUBSECTION (A.1) (1).

3 (2.1) EACH INTERACTIVE GAMING CERTIFICATE HOLDER AND
4 INTERACTIVE GAMING OPERATOR:

5 (I) SHALL CAUSE THE WORDS:
6 IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM,
7 HELP IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).
8 OR SOME COMPARABLE LANGUAGE APPROVED BY THE BOARD, WHICH
9 LANGUAGE SHALL INCLUDE THE WORDS "GAMBLING PROBLEM" AND
10 "CALL 1-800-XXXX," TO BE PROMINENTLY DISPLAYED TO ANY
11 PERSON VISITING OR LOGGING ONTO THE INTERACTIVE GAMING
12 CERTIFICATE HOLDER'S INTERACTIVE GAMING SKIN OR INTERNET
13 WEBSITE.

14 (II) SHALL PROVIDE A MECHANISM BY WHICH AN
15 INTERACTIVE GAMING ACCOUNT HOLDER MAY ESTABLISH THE
16 FOLLOWING CONTROLS ON WAGERING ACTIVITY THROUGH THE
17 INTERACTIVE GAMING ACCOUNT:

18 (A) A LIMIT ON THE AMOUNT OF MONEY LOST WITHIN A
19 SPECIFIED PERIOD OF TIME AND THE LENGTH OF TIME THE
20 ACCOUNT HOLDER WILL BE UNABLE TO PARTICIPATE IN
21 GAMING IF THE HOLDER REACHES THE ESTABLISHED LOSS
22 LIMIT.

23 (B) A LIMIT ON THE MAXIMUM AMOUNT OF ANY SINGLE
24 WAGER ON ANY INTERACTIVE GAME.

25 (C) A TEMPORARY SUSPENSION OF INTERACTIVE GAMING
26 THROUGH THE ACCOUNT FOR ANY NUMBER OF HOURS OR DAYS.

27 (III) SHALL NOT KNOWINGLY MAIL OR OTHERWISE FORWARD
28 ANY GAMING-RELATED PROMOTIONAL MATERIAL OR E-MAIL TO A
29 REGISTERED PLAYER DURING ANY PERIOD IN WHICH INTERACTIVE
30 GAMING THROUGH THE REGISTERED PLAYERS' INTERACTIVE GAMING

1 ACCOUNT HAS BEEN SUSPENDED OR TERMINATED. THE INTERACTIVE
2 GAMING CERTIFICATE HOLDER SHALL PROVIDE A MECHANISM BY
3 WHICH A REGISTERED PLAYER MAY CHANGE THE CONTROLS.
4 NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBPARAGRAPH,
5 WHILE INTERACTIVE GAMING THROUGH THE INTERACTIVE GAMING
6 ACCOUNT IS SUSPENDED, THE REGISTERED PLAYER MAY NOT
7 CHANGE GAMING CONTROLS UNTIL THE SUSPENSION EXPIRES, BUT
8 THE REGISTERED PLAYER SHALL CONTINUE TO HAVE ACCESS TO
9 THE ACCOUNT AND SHALL BE PERMITTED TO WITHDRAW FUNDS FROM
10 THE ACCOUNT UPON PROPER APPLICATION FOR THE FUNDS TO THE
11 INTERACTIVE GAMING CERTIFICATE HOLDER.

12 (3) A [LICENSED FACILITY] LICENSED GAMING ENTITY,
13 INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING
14 OPERATOR, AS THE CASE MAY BE, WHICH FAILS TO POST OR PRINT
15 THE WARNING SIGN IN ACCORDANCE WITH PARAGRAPH (1) [OR] (2)
16 OR (2.1) (I) SHALL BE ASSESSED A FINE OF \$1,000 A DAY FOR EACH
17 DAY THE MINIMUM NUMBER OF SIGNS ARE NOT POSTED OR THE
18 REQUIRED STATEMENT IS NOT PRINTED AS PROVIDED IN THIS
19 SUBSECTION.

20 (3.1) AN INTERACTIVE GAMING CERTIFICATE HOLDER OR
21 INTERACTIVE GAMING OPERATOR, AS THE CASE MAY BE, THAT FAILS
22 TO ESTABLISH THE MECHANISMS, CONTROLS AND SYSTEMS IN
23 ACCORDANCE WITH PARAGRAPH (2.1) (II) AND (III) SHALL BE
24 ASSESSED A FINE OF NOT LESS THAN \$5,000 PER DAY FOR EACH DAY
25 THE MECHANISMS, CONTROLS AND SYSTEMS ARE NOT AVAILABLE TO
26 INTERACTIVE GAMING ACCOUNT HOLDERS.

27 (4) SLOT MACHINE LICENSEES OR RACETRACKS UTILIZING A
28 TOLL-FREE TELEPHONE NUMBER OTHER THAN THE NUMBER ESTABLISHED
29 BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR
30 AGENCY UNDER SUBSECTION (A.1) (1) PRIOR TO THE EFFECTIVE DATE

1 OF THIS PARAGRAPH MAY CONTINUE TO USE THAT NUMBER FOR A
2 PERIOD NOT TO EXCEED THREE YEARS FROM THE EFFECTIVE DATE OF
3 THIS PARAGRAPH UPON SHOWING GOOD CAUSE TO THE DEPARTMENT OF
4 DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY.

5 (D) SINGLE COUNTY AUTHORITIES.--THE DEPARTMENT OF [HEALTH]
6 DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL MAKE GRANTS
7 FROM THE FUND ESTABLISHED UNDER SUBSECTION (B) TO SINGLE COUNTY
8 AUTHORITIES CREATED PURSUANT TO THE ACT OF APRIL 14, 1972

9 (P.L.221, NO.63), KNOWN AS THE PENNSYLVANIA DRUG AND ALCOHOL
10 ABUSE CONTROL ACT, FOR THE PURPOSE OF PROVIDING COMPULSIVE
11 GAMBLING AND GAMBLING ADDICTION PREVENTION, TREATMENT AND
12 EDUCATION PROGRAMS. TREATMENT MAY INCLUDE FINANCIAL COUNSELING,
13 IRRESPECTIVE OF WHETHER THE FINANCIAL COUNSELING IS PROVIDED BY
14 THE SINGLE COUNTY AUTHORITY, THE TREATMENT SERVICE PROVIDER OR
15 SUBCONTRACTED TO A THIRD PARTY. IT IS THE INTENTION OF THE
16 GENERAL ASSEMBLY THAT ANY GRANTS MADE BY THE DEPARTMENT OF
17 [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY TO ANY
18 SINGLE COUNTY AUTHORITY IN ACCORDANCE WITH THE PROVISIONS OF
19 THIS SUBSECTION BE USED EXCLUSIVELY FOR THE DEVELOPMENT AND
20 IMPLEMENTATION OF COMPULSIVE AND PROBLEM GAMBLING PROGRAMS
21 AUTHORIZED UNDER THIS SECTION.

22 (D.1) ELIGIBILITY.--ELIGIBILITY TO RECEIVE TREATMENT
23 SERVICES FOR TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING UNDER
24 THIS SECTION SHALL BE DETERMINED USING FINANCIAL ELIGIBILITY AND
25 OTHER REQUIREMENTS OF THE SINGLE COUNTY AUTHORITIES AS APPROVED
26 BY THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR
27 SUCCESSOR AGENCY.

28 (D.2) REPORT.--[NO LATER THAN OCTOBER 1, 2010, AND EACH]
29 ANNUALLY ON OCTOBER 1 [THEREAFTER], THE DEPARTMENT OF [HEALTH]
30 DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY, IN CONSULTATION

1 WITH THE BOARD, SHALL PREPARE AND SUBMIT A REPORT ON THE IMPACT
2 OF THE PROGRAMS FUNDED BY THE COMPULSIVE AND PROBLEM GAMBLING
3 TREATMENT FUND TO THE GOVERNOR AND TO THE MEMBERS OF THE GENERAL
4 ASSEMBLY. THE REPORT SHALL INCLUDE AGGREGATE DEMOGRAPHIC-
5 SPECIFIC DATA, INCLUDING RACE, GENDER, GEOGRAPHY AND INCOME OF
6 THOSE INDIVIDUALS TREATED.

7 (E) DEFINITION.--AS USED IN SUBSECTION (D), THE TERM "SINGLE
8 COUNTY AUTHORITY" MEANS THE AGENCY DESIGNATED BY THE DEPARTMENT
9 OF HEALTH PURSUANT TO THE ACT OF APRIL 14, 1972 (P.L.221,
10 NO.63), KNOWN AS THE PENNSYLVANIA DRUG AND ALCOHOL ABUSE CONTROL
11 ACT, TO PLAN AND COORDINATE DRUG AND ALCOHOL PREVENTION,
12 INTERVENTION AND TREATMENT SERVICES FOR A GEOGRAPHIC AREA, WHICH
13 MAY CONSIST OF ONE OR MORE COUNTIES.

14 SECTION 29. SECTION 1512 OF TITLE 4 IS AMENDED BY ADDING A
15 SUBSECTION TO READ:

16 § 1512. FINANCIAL AND EMPLOYMENT INTERESTS.

17 * * *

18 (A.6) PROHIBITION RELATED TO INTERACTIVE GAMING.--

19 (1) EXCEPT AS MAY BE PROVIDED BY RULE OR ORDER OF THE
20 PENNSYLVANIA SUPREME COURT AND EXCEPT AS PROVIDED IN SECTION
21 1202.1 (RELATING TO CODE OF CONDUCT) OR 1512.1 (RELATING TO
22 ADDITIONAL RESTRICTIONS), NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
23 PUBLIC OFFICIAL OR PARTY OFFICER OR IMMEDIATE FAMILY MEMBER
24 THEREOF SHALL HOLD, DIRECTLY OR INDIRECTLY, A FINANCIAL
25 INTEREST IN, BE EMPLOYED BY OR REPRESENT, APPEAR FOR, OR
26 NEGOTIATE ON BEHALF OF, OR DERIVE ANY REMUNERATION, PAYMENT,
27 BENEFIT OR ANY OTHER THING OF VALUE FOR ANY SERVICES,
28 INCLUDING, BUT NOT LIMITED TO, CONSULTING OR SIMILAR SERVICES
29 FROM ANY HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING
30 CERTIFICATE, HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING

1 LICENSE OR OTHER AUTHORIZATION TO CONDUCT INTERACTIVE GAMING
2 OR ANY HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANY WITH
3 RESPECT THERETO, OR ANY BUSINESS, ASSOCIATION, ENTERPRISE OR
4 OTHER ENTITY THAT IS ORGANIZED IN WHOLE OR IN PART FOR THE
5 PURPOSE OF PROMOTING, ADVOCATING FOR OR ADVANCING THE
6 INTERESTS OF THE INTERACTIVE GAMING INDUSTRY GENERALLY OR ANY
7 INTERACTIVE GAMING-RELATED BUSINESS OR BUSINESSES IN
8 CONNECTION WITH ANY CAUSE, APPLICATION OR MATTER. THE
9 FINANCIAL INTEREST AND EMPLOYMENT PROHIBITIONS UNDER THIS
10 PARAGRAPH SHALL REMAIN IN EFFECT FOR ONE YEAR FOLLOWING
11 TERMINATION OF THE INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL
12 PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER.

13 (2) NOTWITHSTANDING PARAGRAPH (1), A MEMBER OF THE
14 IMMEDIATE FAMILY OF AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
15 PUBLIC OFFICIAL OR PARTY OFFICER MAY HOLD EMPLOYMENT WITH THE
16 HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING CERTIFICATE,
17 HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING LICENSE OR
18 OTHER AUTHORIZATION TO CONDUCT INTERACTIVE GAMING OR ANY
19 HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANY WITH RESPECT
20 THERETO, IF IN THE JUDGMENT OF THE STATE ETHICS COMMISSION OR
21 THE SUPREME COURT, AS APPROPRIATE, EMPLOYMENT WILL NOT
22 INTERFERE WITH THE RESPONSIBILITIES OF THE EXECUTIVE-LEVEL
23 PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER AND WILL
24 NOT CREATE A CONFLICT OF INTEREST OR REASONABLE RISK OF THE
25 PUBLIC PERCEPTION OF A CONFLICT OF INTEREST ON THE PART OF
26 THE EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
27 OFFICER.

28 * * *

29 SECTION 30. SECTIONS 1513(A), 1514 HEADING, (A), (D), (E)
30 AND (F), 1515, 1516 AND 1517(B)(1), (C)(6) AND (12) AND (E)(1)

1 OF TITLE 4 ARE AMENDED TO READ:

2 § 1513. POLITICAL INFLUENCE.

3 (A) CONTRIBUTION RESTRICTION.--THE FOLLOWING PERSONS SHALL
4 BE PROHIBITED FROM CONTRIBUTING ANY MONEY OR IN-KIND
5 CONTRIBUTION TO A CANDIDATE FOR NOMINATION OR ELECTION TO ANY
6 PUBLIC OFFICE IN THIS COMMONWEALTH, OR TO ANY POLITICAL PARTY
7 COMMITTEE OR OTHER POLITICAL COMMITTEE IN THIS COMMONWEALTH OR
8 TO ANY GROUP, COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF A
9 CANDIDATE, POLITICAL PARTY COMMITTEE OR OTHER POLITICAL
10 COMMITTEE IN THIS COMMONWEALTH:

11 (1) AN APPLICANT FOR A SLOT MACHINE LICENSE,
12 MANUFACTURER LICENSE, SUPPLIER LICENSE, PRINCIPAL LICENSE,
13 KEY EMPLOYEE LICENSE, INTERACTIVE GAMING LICENSE OR HORSE OR
14 HARNESS RACING LICENSE.

15 (2) A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,
16 LICENSED SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED
17 RACING ENTITY.

18 (3) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF A
19 SLOT MACHINE LICENSEE, LICENSED MANUFACTURER, LICENSED
20 SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED RACING
21 ENTITY.

22 (4) AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
23 COMPANY OF A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,
24 LICENSED SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED
25 RACING ENTITY.

26 (5) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF AN
27 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF A
28 SLOT MACHINE LICENSEE, LICENSED MANUFACTURER, LICENSED
29 SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED RACING
30 ENTITY.

1 (6) A PERSON WHO HOLDS A SIMILAR GAMING LICENSE IN
2 ANOTHER JURISDICTION AND THE AFFILIATES, INTERMEDIARIES,
3 SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS OR KEY EMPLOYEES
4 THEREOF.

5 * * *

6 § 1514. REGULATION REQUIRING EXCLUSION [OR], EJECTION OR DENIAL
7 OF ACCESS OF CERTAIN PERSONS.

8 (A) GENERAL RULE.--THE BOARD SHALL BY REGULATION PROVIDE FOR
9 THE ESTABLISHMENT OF A LIST OF PERSONS WHO ARE TO BE EXCLUDED OR
10 EJECTED FROM ANY LICENSED FACILITY OR WHO MAY BE DENIED ACCESS
11 TO INTERACTIVE GAMING. THE PROVISIONS SHALL DEFINE THE STANDARDS
12 FOR EXCLUSION AND SHALL INCLUDE STANDARDS RELATING TO PERSONS
13 WHO ARE CAREER OR PROFESSIONAL OFFENDERS AS DEFINED BY
14 REGULATIONS OF THE BOARD OR WHOSE PRESENCE IN A LICENSED
15 FACILITY OR WHOSE ACCESS TO INTERACTIVE GAMING WOULD, IN THE
16 OPINION OF THE BOARD, BE INIMICAL TO THE INTEREST OF THE
17 COMMONWEALTH OR OF LICENSED GAMING THEREIN, OR BOTH.

18 * * *

19 (D) SANCTIONS.--THE BOARD MAY IMPOSE SANCTIONS UPON A
20 LICENSED GAMING ENTITY OR INTERACTIVE GAMING OPERATOR IN
21 ACCORDANCE WITH THIS PART IF THE LICENSED GAMING ENTITY
22 KNOWINGLY FAILS TO EXCLUDE OR EJECT FROM THE PREMISES OF ANY
23 LICENSED FACILITY OR DENY ACCESS TO INTERACTIVE GAMING ANY
24 PERSON PLACED BY THE BOARD ON THE LIST OF PERSONS TO BE EXCLUDED
25 [OR], EJECTED OR DENIED ACCESS.

26 (E) LIST NOT ALL-INCLUSIVE.--ANY LIST COMPILED BY THE BOARD
27 OF PERSONS TO BE EXCLUDED [OR], EJECTED OR DENIED ACCESS SHALL
28 NOT BE DEEMED AN ALL-INCLUSIVE LIST, AND A LICENSED GAMING
29 ENTITY SHALL HAVE A DUTY TO KEEP FROM THE LICENSED FACILITY AND
30 FROM INTERACTIVE GAMING PERSONS KNOWN TO IT TO BE WITHIN THE

1 CLASSIFICATIONS DECLARED IN THIS SECTION AND THE REGULATIONS
2 PROMULGATED UNDER THIS SECTION WHOSE PRESENCE IN A LICENSED
3 FACILITY OR WHOSE PARTICIPATION IN INTERACTIVE GAMING WOULD BE
4 INIMICAL TO THE INTEREST OF THE COMMONWEALTH OR OF LICENSED
5 GAMING THEREIN, OR BOTH, AS DEFINED IN STANDARDS ESTABLISHED BY
6 THE BOARD.

7 (F) NOTICE.--WHENEVER THE BUREAU SEEKS TO PLACE THE NAME OF
8 ANY PERSON ON A LIST PURSUANT TO THIS SECTION, THE BUREAU SHALL
9 SERVE NOTICE OF THIS FACT TO SUCH PERSON BY PERSONAL SERVICE OR
10 CERTIFIED MAIL AT THE LAST KNOWN ADDRESS OF THE PERSON. THE
11 NOTICE SHALL INFORM THE PERSON OF THE RIGHT TO REQUEST A HEARING
12 UNDER SUBSECTION (G). THE BUREAU MAY ALSO PROVIDE NOTICE BY
13 ELECTRONIC MAIL, IF THE ELECTRONIC MAIL ADDRESS OF THE PERSON IS
14 KNOWN TO THE BUREAU.

15 * * *

16 § 1515. REPEAT OFFENDERS EXCLUDABLE FROM LICENSED GAMING
17 FACILITY.

18 A LICENSED GAMING ENTITY MAY EXCLUDE OR EJECT FROM ITS
19 LICENSED FACILITY OR DENY ACCESS TO INTERACTIVE GAMING ANY
20 PERSON WHO IS KNOWN TO IT TO HAVE BEEN CONVICTED OF A
21 MISDEMEANOR OR FELONY COMMITTED IN OR ON THE PREMISES OF ANY
22 LICENSED FACILITY. NOTHING IN THIS SECTION OR IN ANY OTHER LAW
23 OF THIS COMMONWEALTH SHALL LIMIT THE RIGHT OF A LICENSED GAMING
24 ENTITY TO EXERCISE ITS COMMON LAW RIGHT TO EXCLUDE OR EJECT
25 PERMANENTLY FROM ITS LICENSED FACILITY OR PERMANENTLY DENY
26 ACCESS TO ITS INTERACTIVE GAMING ANY PERSON WHO DISRUPTS THE
27 OPERATIONS OF ITS PREMISES OR ITS INTERACTIVE GAMING, THREATENS
28 THE SECURITY OF ITS PREMISES OR ITS OCCUPANTS OR IS DISORDERLY
29 OR INTOXICATED[.] OR WHO THREATENS THE SECURITY OF ITS LICENSED
30 FACILITY OR THE AREA OF A LICENSED FACILITY WHERE INTERACTIVE

1 GAMING OPERATIONS ARE MANAGED, ADMINISTERED OR CONTROLLED.

2 § 1516. LIST OF PERSONS SELF EXCLUDED FROM GAMING ACTIVITIES.

3 (A) GENERAL RULE.--THE BOARD SHALL PROVIDE BY REGULATION FOR
4 THE ESTABLISHMENT OF A LIST OF PERSONS SELF EXCLUDED FROM GAMING
5 ACTIVITIES, INCLUDING INTERACTIVE GAMING, AT ALL LICENSED
6 FACILITIES. ANY PERSON MAY REQUEST PLACEMENT ON THE LIST OF
7 SELF-EXCLUDED PERSONS BY ACKNOWLEDGING IN A MANNER TO BE
8 ESTABLISHED BY THE BOARD THAT THE PERSON IS A PROBLEM GAMBLER
9 AND BY AGREEING THAT, DURING ANY PERIOD OF VOLUNTARY EXCLUSION,
10 THE PERSON MAY NOT COLLECT ANY WINNINGS OR RECOVER ANY LOSSES
11 RESULTING FROM ANY GAMING ACTIVITY AT LICENSED FACILITIES, AND
12 INCLUDING INTERACTIVE GAMING.

13 (B) REGULATIONS.--THE REGULATIONS OF THE BOARD SHALL
14 ESTABLISH PROCEDURES FOR PLACEMENTS ON AND REMOVALS FROM THE
15 LIST OF SELF-EXCLUDED PERSONS. THE REGULATIONS SHALL ESTABLISH
16 PROCEDURES FOR THE TRANSMITTAL TO LICENSED GAMING ENTITIES OF
17 IDENTIFYING INFORMATION CONCERNING SELF-EXCLUDED PERSONS AND
18 SHALL REQUIRE LICENSED GAMING ENTITIES TO ESTABLISH PROCEDURES
19 DESIGNED AT A MINIMUM TO DENY SELF-EXCLUDED PERSONS ACCESS TO
20 INTERACTIVE GAMING AND TO REMOVE SELF-EXCLUDED PERSONS FROM
21 TARGETED MAILINGS OR OTHER FORMS OF ADVERTISING OR PROMOTIONS
22 AND DENY SELF-EXCLUDED PERSONS ACCESS TO COMPLIMENTARIES, CHECK
23 CASHING PRIVILEGES, CLUB PROGRAMS AND OTHER SIMILAR BENEFITS.

24 (C) LIABILITY.--A LICENSED GAMING ENTITY OR EMPLOYEE THEREOF
25 SHALL NOT BE LIABLE TO ANY SELF-EXCLUDED PERSON OR TO ANY OTHER
26 PARTY IN ANY JUDICIAL PROCEEDING FOR ANY HARM, MONETARY OR
27 OTHERWISE, WHICH MAY ARISE AS A RESULT OF:

28 (1) THE FAILURE OF A LICENSED GAMING ENTITY TO WITHHOLD
29 GAMING PRIVILEGES FROM OR RESTORE GAMING PRIVILEGES TO A
30 SELF-EXCLUDED PERSON; [OR]

1 (1.1) THE FAILURE OF AN INTERACTIVE GAMING CERTIFICATE
2 HOLDER OR INTERACTIVE GAMING OPERATOR TO WITHHOLD INTERACTIVE
3 GAMING PRIVILEGES FROM OR RESTORE INTERACTIVE GAMING
4 PRIVILEGES TO A SELF-EXCLUDED PERSON; OR

5 (2) OTHERWISE PERMITTING OR NOT PERMITTING A SELF-
6 EXCLUDED PERSON TO ENGAGE IN GAMING ACTIVITY IN THE FACILITY
7 OR PARTICIPATE IN INTERACTIVE GAMING WHILE ON THE LIST OF
8 SELF-EXCLUDED PERSONS.

9 (D) DISCLOSURE.--NOTWITHSTANDING ANY OTHER LAW TO THE
10 CONTRARY, THE BOARD'S LIST OF SELF-EXCLUDED PERSONS SHALL NOT BE
11 OPEN TO PUBLIC INSPECTION. NOTHING IN THIS SECTION, HOWEVER,
12 SHALL BE CONSTRUED TO PROHIBIT A LICENSED GAMING ENTITY FROM
13 DISCLOSING THE IDENTITY OF PERSONS SELF EXCLUDED PURSUANT TO
14 THIS SECTION TO AFFILIATED GAMING ENTITIES IN THIS COMMONWEALTH
15 OR OTHER JURISDICTIONS FOR THE LIMITED PURPOSE OF ASSISTING IN
16 THE PROPER ADMINISTRATION OF RESPONSIBLE GAMING PROGRAMS
17 OPERATED BY AFFILIATED LICENSED GAMING ENTITIES.

18 § 1517. INVESTIGATIONS AND ENFORCEMENT.

19 * * *

20 (B) POWERS AND DUTIES OF DEPARTMENT.--

21 (1) THE DEPARTMENT SHALL AT ALL TIMES HAVE THE POWER OF
22 ACCESS TO EXAMINE AND AUDIT EQUIPMENT AND RECORDS RELATING TO
23 ALL ASPECTS OF THE OPERATION OF SLOT MACHINES [OR] TABLE
24 GAMES OR INTERACTIVE GAMES UNDER THIS PART.

25 * * *

26 (C) POWERS AND DUTIES OF THE PENNSYLVANIA STATE POLICE.--THE
27 PENNSYLVANIA STATE POLICE SHALL HAVE THE FOLLOWING POWERS AND
28 DUTIES:

29 * * *

30 (6) ENFORCE THE CRIMINAL PROVISIONS OF THIS PART AND ALL

1 OTHER CRIMINAL LAWS OF THE COMMONWEALTH[.], INCLUDING, BUT
2 NOT LIMITED TO, WITHIN A LICENSED FACILITY AND PARKING LOTS
3 UNDER CONTROL OF A SLOT MACHINE LICENSEE ADJACENT TO A
4 LICENSED FACILITY.

5 * * *

6 (12) CONDUCT AUDITS OR VERIFICATION OF INFORMATION OF
7 SLOT MACHINE [OR], TABLE GAME OPERATIONS, INCLUDING THE
8 OPERATION OF SLOT MACHINES USED IN A MULTISTATE WIDE-AREA
9 PROGRESSIVE SLOT MACHINE SYSTEM AND IN THE OPERATION OF SKILL
10 OR HYBRID SLOT MACHINES AND INTERACTIVE GAMING OPERATIONS AT
11 SUCH TIMES, UNDER SUCH CIRCUMSTANCES AND TO SUCH EXTENT AS
12 THE BUREAU DETERMINES. THIS PARAGRAPH INCLUDES REVIEWS OF
13 ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS AND
14 MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND RECORDS UTILIZED
15 BY A SLOT MACHINE LICENSEE.

16 * * *

17 (E) INSPECTION, SEIZURE AND WARRANTS.--

18 (1) THE BUREAU, THE DEPARTMENT AND THE PENNSYLVANIA
19 STATE POLICE SHALL HAVE THE AUTHORITY WITHOUT NOTICE AND
20 WITHOUT WARRANT TO DO ALL OF THE FOLLOWING IN THE PERFORMANCE
21 OF THEIR DUTIES:

22 (I) INSPECT AND EXAMINE ALL PREMISES WHERE SLOT
23 MACHINE [OR], TABLE GAME AND INTERACTIVE GAMING
24 OPERATIONS ARE CONDUCTED, SLOT MACHINES, TABLE GAME
25 DEVICES AND ASSOCIATED EQUIPMENT, INTERACTIVE GAMING
26 DEVICES AND ASSOCIATED EQUIPMENT ARE MANUFACTURED, SOLD,
27 DISTRIBUTED OR SERVICED OR WHERE RECORDS OF THESE
28 ACTIVITIES ARE PREPARED OR MAINTAINED.

29 (II) INSPECT ALL EQUIPMENT AND SUPPLIES IN, ABOUT,
30 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 31. 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 AND SUBSECTIONS (A) AND (B) ARE AMENDED BY
ADDING PARAGRAPHS 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 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.

(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,
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

1 GAMING DEVICES OR ASSOCIATED EQUIPMENT INTO OPERATION AT A
2 LICENSED FACILITY WITHOUT THE APPROVAL OF THE BOARD.

3 (5) EXCEPT AS PROVIDED FOR IN SECTION 1326 (RELATING TO
4 [LICENSE] RENEWALS), IT SHALL BE UNLAWFUL FOR A LICENSED
5 ENTITY OR OTHER PERSON TO MANUFACTURE, SUPPLY, OPERATE, CARRY
6 ON OR EXPOSE FOR PLAY ANY SLOT MACHINE, TABLE GAME, TABLE
7 GAME DEVICE OR ASSOCIATED EQUIPMENT, INTERACTIVE GAME OR
8 INTERACTIVE GAMING DEVICE OR ASSOCIATED EQUIPMENT AFTER THE
9 PERSON'S LICENSE HAS EXPIRED AND PRIOR TO THE ACTUAL RENEWAL
10 OF THE LICENSE.

11 * * *

12 (7.1) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO DO ANY
13 OF THE FOLLOWING:

14 (I) USE OR POSSESS COUNTERFEIT, MARKED, LOADED OR
15 TAMPERED WITH TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT,
16 CHIPS OR OTHER CHEATING DEVICES IN THE CONDUCT OF GAMING
17 UNDER THIS PART, EXCEPT THAT AN AUTHORIZED EMPLOYEE OF A
18 LICENSEE OR AN AUTHORIZED EMPLOYEE OF THE BOARD MAY
19 POSSESS AND USE COUNTERFEIT CHIPS OR TABLE GAME DEVICES
20 OR ASSOCIATED EQUIPMENT THAT HAVE BEEN MARKED, LOADED OR
21 TAMPERED WITH, OR OTHER CHEATING DEVICES OR ANY
22 UNAUTHORIZED INTERACTIVE GAMING DEVICE OR ASSOCIATED
23 EQUIPMENT IN PERFORMANCE OF THE DUTIES OF EMPLOYMENT FOR
24 TRAINING, INVESTIGATIVE OR TESTING PURPOSES ONLY.

25 (II) KNOWINGLY, BY A TRICK OR SLEIGHT OF HAND
26 PERFORMANCE OR BY FRAUD OR FRAUDULENT SCHEME, OR
27 MANIPULATION, TABLE GAME DEVICE OR OTHER DEVICE, OR
28 INTERACTIVE GAMING DEVICE FOR HIMSELF OR FOR ANOTHER, WIN
29 OR ATTEMPT TO WIN ANY CASH, PROPERTY OR PRIZE AT A
30 LICENSED FACILITY OR TO REDUCE OR ATTEMPT TO REDUCE A

1 LOSING WAGER.

2 (7.2) IT SHALL BE UNLAWFUL FOR A PERSON TO KNOWINGLY
3 ALTER, TAMPER OR MANIPULATE INTERACTIVE GAMING DEVICES OR
4 ASSOCIATED EQUIPMENT, INCLUDING SOFTWARE, SYSTEM PROGRAMS,
5 HARDWARE AND ANY OTHER DEVICE OR ASSOCIATED EQUIPMENT USED IN
6 INTERACTIVE GAMING OPERATIONS, IN ORDER TO ALTER THE ODDS OR
7 THE PAYOUT OF AN INTERACTIVE GAME OR TO DISABLE THE
8 INTERACTIVE GAME FROM OPERATING ACCORDING TO THE RULES OF THE
9 GAME AS AUTHORIZED BY THE BOARD.

10 (7.3) IT SHALL BE UNLAWFUL FOR A PERSON TO KNOWINGLY
11 OFFER OR ALLOW TO BE OFFERED ANY AUTHORIZED INTERACTIVE GAME
12 THAT HAS BEEN ALTERED, TAMPERED WITH OR MANIPULATED IN A WAY
13 THAT AFFECTS THE ODDS OR THE PAYOUT OF AN AUTHORIZED
14 INTERACTIVE GAME OR DISABLES THE INTERACTIVE GAME FROM
15 OPERATING ACCORDING TO THE AUTHORIZED RULES OF THE GAME AS
16 AUTHORIZED BY THE BOARD.

17 * * *

18 (11) IT SHALL BE UNLAWFUL FOR A LICENSED GAMING ENTITY
19 THAT IS A LICENSED RACING ENTITY AND THAT HAS LOST THE
20 LICENSE ISSUED TO IT BY [EITHER] THE STATE HORSE RACING
21 COMMISSION OR THE STATE HARNESS RACING COMMISSION UNDER THE
22 RACE HORSE INDUSTRY REFORM ACT OR THAT HAS HAD THAT LICENSE
23 SUSPENDED TO OPERATE SLOT MACHINES [OR] TABLE GAMES OR
24 AUTHORIZED INTERACTIVE GAMES AT THE RACETRACK FOR WHICH ITS
25 SLOT MACHINE LICENSE WAS ISSUED UNLESS THE LICENSE ISSUED TO
26 IT BY EITHER THE STATE HORSE RACING COMMISSION OR THE STATE
27 HARNESS RACING COMMISSION WILL BE SUBSEQUENTLY REISSUED OR
28 REINSTATED WITHIN 30 DAYS AFTER THE LOSS OR SUSPENSION.

29 * * *

30 (13) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL UNDER 21

1 YEARS OF AGE TO ENTER AND REMAIN IN ANY AREA OF A LICENSED
2 FACILITY WHERE SLOT MACHINES ARE OPERATED OR THE PLAY OF
3 TABLE GAMES IS CONDUCTED, EXCEPT THAT AN INDIVIDUAL 18 YEARS
4 OF AGE OR OLDER EMPLOYED BY A SLOT MACHINE LICENSEE, A GAMING
5 SERVICE PROVIDER, THE BOARD OR ANY OTHER REGULATORY OR
6 EMERGENCY RESPONSE AGENCY MAY ENTER AND REMAIN IN ANY SUCH
7 AREA WHILE ENGAGED IN THE PERFORMANCE OF THE INDIVIDUAL'S
8 EMPLOYMENT DUTIES.

9 (13.1) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL UNDER 21
10 YEARS OF AGE TO WAGER, PLAY OR ATTEMPT TO PLAY A SLOT MACHINE
11 OR TABLE GAME AT A LICENSED FACILITY OR TO WAGER, PLAY OR
12 ATTEMPT TO PLAY AN INTERACTIVE GAME.

13 (13.2) IT SHALL BE UNLAWFUL TO ALLOW A PERSON UNDER 21
14 YEARS OF AGE TO OPEN, MAINTAIN OR USE IN ANY WAY AN
15 INTERACTIVE GAMING ACCOUNT. ANY INTERACTIVE GAMING
16 CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR EMPLOYEE
17 OF AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE
18 GAMING OPERATOR OR OTHER SUCH PERSON WHO KNOWINGLY ALLOWS A
19 PERSON UNDER 21 YEARS OF AGE TO OPEN, MAINTAIN OR USE AN
20 INTERACTIVE GAMING ACCOUNT SHALL BE SUBJECT TO THE PENALTY
21 SET FORTH IN THIS SECTION, EXCEPT THAT THE ESTABLISHMENT OF
22 ALL OF THE FOLLOWING FACTS BY AN INTERACTIVE GAMING
23 CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR EMPLOYEE
24 OF AN INTERACTIVE GAMING CERTIFICATE HOLDER, INTERACTIVE
25 GAMING OPERATOR OR OTHER SUCH PERSON SHALL CONSTITUTE A
26 DEFENSE TO ANY REGULATORY ACTION BY THE BOARD OR THE PENALTY
27 AUTHORIZED UNDER THIS SECTION:

28 (I) THE UNDERAGE PERSON FALSELY REPRESENTED THAT THE
29 PERSON WAS AT LEAST 21 YEARS OF AGE IN THE APPLICATION
30 FOR AN INTERACTIVE GAMING ACCOUNT; AND

1 (II) THE ESTABLISHMENT OF THE INTERACTIVE GAMING
2 ACCOUNT WAS MADE IN GOOD FAITH RELIANCE UPON SUCH
3 REPRESENTATION AND IN THE REASONABLE BELIEF THAT THE
4 UNDERAGE PERSON WAS AT LEAST 21 YEARS OF AGE.

5 * * *

6 (15) IT SHALL BE UNLAWFUL FOR A LICENSED GAMING ENTITY
7 TO REQUIRE A WAGER TO BE GREATER THAN THE STATED MINIMUM
8 WAGER OR LESS THAN THE STATED MAXIMUM WAGER. HOWEVER, A WAGER
9 MADE BY A PLAYER AND NOT REJECTED BY A LICENSED GAMING ENTITY
10 PRIOR TO COMMENCEMENT OF PLAY SHALL BE TREATED AS A VALID
11 WAGER. A WAGER ACCEPTED BY A DEALER OR THROUGH AN AUTHORIZED
12 INTERACTIVE GAME SHALL BE PAID OR LOST IN ITS ENTIRETY IN
13 ACCORDANCE WITH THE RULES OF THE GAME, NOTWITHSTANDING THAT
14 THE WAGER EXCEEDED THE CURRENT TABLE MAXIMUM WAGER OR
15 AUTHORIZED INTERACTIVE GAME WAGER OR WAS LOWER THAN THE
16 CURRENT TABLE MINIMUM WAGER OR MINIMUM INTERACTIVE GAME
17 WAGER.

18 * * *

19 (17) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO CLAIM,
20 COLLECT OR TAKE, OR ATTEMPT TO CLAIM, COLLECT OR TAKE, MONEY
21 OR ANYTHING OF VALUE IN OR FROM A SLOT MACHINE, GAMING TABLE
22 OR OTHER TABLE GAME DEVICE, INTERACTIVE GAME OR INTERACTIVE
23 GAMING DEVICE WITH THE INTENT TO DEFRAUD, OR TO CLAIM,
24 COLLECT OR TAKE AN AMOUNT GREATER THAN THE AMOUNT WON, OR TO
25 MANIPULATE WITH THE INTENT TO CHEAT, ANY COMPONENT OF ANY
26 SLOT MACHINE, TABLE GAME OR TABLE GAME DEVICE, INTERACTIVE
27 GAME OR INTERACTIVE GAMING DEVICE IN A MANNER CONTRARY TO THE
28 DESIGNED AND NORMAL OPERATIONAL PURPOSE.

29 (B) CRIMINAL PENALTIES AND FINES.--

30 (1) (I) A PERSON THAT COMMITS A FIRST OFFENSE IN

1 VIOLATION OF 18 PA.C.S. § 4902, 4903 OR 4904 IN
2 CONNECTION WITH PROVIDING INFORMATION OR MAKING ANY
3 STATEMENT, WHETHER WRITTEN OR ORAL, TO THE BOARD, THE
4 BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE,
5 THE OFFICE OF ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS
6 REQUIRED BY THIS PART COMMITS AN OFFENSE TO BE GRADED IN
7 ACCORDANCE WITH THE APPLICABLE SECTION VIOLATED. A PERSON
8 THAT IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF
9 18 PA.C.S. § 4902, 4903 OR 4904 IN CONNECTION WITH
10 PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER
11 WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE
12 DEPARTMENT, THE PENNSYLVANIA STATE POLICE, THE OFFICE OF
13 ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS REQUIRED BY
14 THIS PART COMMITS A FELONY OF THE SECOND DEGREE.

15 (II) A PERSON THAT VIOLATES SUBSECTION (A) (2), (3)
16 AND (4) THROUGH (12) OR (17) COMMITS A MISDEMEANOR OF THE
17 FIRST DEGREE. A PERSON THAT IS CONVICTED OF A SECOND OR
18 SUBSEQUENT VIOLATION OF SUBSECTION (A) (2), (3) AND (4)
19 THROUGH (12) OR (17) COMMITS A FELONY OF THE SECOND
20 DEGREE.

21 (2) (I) FOR A FIRST VIOLATION OF SUBSECTION (A) (1)
22 THROUGH (12) OR (17), A PERSON SHALL BE SENTENCED TO PAY
23 A FINE OF:

24 (A) NOT LESS THAN \$75,000 NOR MORE THAN \$150,000
25 IF THE PERSON IS AN INDIVIDUAL;

26 (B) NOT LESS THAN \$300,000 NOR MORE THAN
27 \$600,000 IF THE PERSON IS A LICENSED GAMING ENTITY OR
28 AN INTERACTIVE GAMING OPERATOR; OR

29 (C) NOT LESS THAN \$150,000 NOR MORE THAN
30 \$300,000 IF THE PERSON IS A LICENSED MANUFACTURER OR

1 SUPPLIER.

2 (II) FOR A SECOND OR SUBSEQUENT VIOLATION OF
3 SUBSECTION (A) (1), (2), (3) AND (4) THROUGH (12) OR (17),
4 A PERSON SHALL BE SENTENCED TO PAY A FINE OF:

5 (A) NOT LESS THAN \$150,000 NOR MORE THAN
6 \$300,000 IF THE PERSON IS AN INDIVIDUAL;

7 (B) NOT LESS THAN \$600,000 NOR MORE THAN
8 \$1,200,000 IF THE PERSON IS A LICENSED GAMING ENTITY;
9 OR

10 (C) NOT LESS THAN \$300,000 NOR MORE THAN
11 \$600,000 IF THE PERSON IS A LICENSED MANUFACTURER OR
12 SUPPLIER.

13 (2.1) A PERSON THAT COMMITS AN OFFENSE IN VIOLATION OF
14 SUBSECTION (A) (3.1) COMMITS A FELONY AND, UPON CONVICTION,
15 SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN \$500,000
16 NOR MORE THAN \$1,000,000. A PERSON THAT IS CONVICTED OF A
17 SECOND OR SUBSEQUENT VIOLATION OF SUBSECTION (A) (3.1) COMMITS
18 A FELONY OF THE FIRST DEGREE AND SHALL BE SENTENCED TO PAY A
19 FINE OF NOT LESS THAN \$1,000,000 NOR MORE THAN \$2,500,000.

20 (3) AN INDIVIDUAL WHO COMMITS AN OFFENSE IN VIOLATION OF
21 SUBSECTION (A) (13) [OR], (13.1) OR (13.2) COMMITS A
22 NONGAMBLING SUMMARY OFFENSE AND UPON CONVICTION OF A FIRST
23 OFFENSE SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN
24 \$200 NOR MORE THAN \$1,000. AN INDIVIDUAL THAT IS CONVICTED OF
25 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
26 THAN \$500 NOR MORE THAN \$1,500. IN ADDITION TO THE FINE
27 IMPOSED, AN INDIVIDUAL CONVICTED OF AN OFFENSE UNDER
28 SUBSECTION (A) (13) [OR], (13.1) OR (13.2) MAY BE SENTENCED TO
29 PERFORM A PERIOD OF COMMUNITY SERVICE NOT TO EXCEED 40 HOURS.
30

1 * * *

2 SECTION 31.1. TITLE 4 IS AMENDED BY ADDING A SECTION TO
3 READ:

4 § 1521.1. CASINO LIQUOR LICENSE.

5 (A) APPLICATION.--NOTWITHSTANDING SECTION 1521 (RELATING TO
6 LIQUOR LICENSES AT LICENSED FACILITIES) OR ANY PROVISION OF LAW
7 OR REGULATION TO THE CONTRARY, A SLOT MACHINE LICENSEE HOLDING A
8 RESTAURANT LIQUOR OR EATING PLACE RETAIL DISPENSER LICENSE UNDER
9 THE ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR
10 CODE, MAY APPLY TO THE PENNSYLVANIA LIQUOR CONTROL BOARD FOR A
11 CASINO LIQUOR LICENSE. THE PENNSYLVANIA LIQUOR CONTROL BOARD MAY
12 ISSUE A CASINO LIQUOR LICENSE TO A SLOT MACHINE LICENSEE FOR USE
13 AT ITS LICENSED FACILITY IN ACCORDANCE WITH THIS SECTION.

14 (B) FEES.--EACH APPLICATION FOR A CASINO LICENSE UNDER THIS
15 SECTION SHALL BE ACCOMPANIED BY A FEE OF \$1,000,000.

16 (C) RENEWAL.--

17 (1) THE LICENSE MUST BE RENEWED ON AN ANNUAL BASIS.

18 (2) FOR THE FIRST FIVE YEARS AFTER THE INITIAL ISSUANCE
19 OF THE LICENSE, THE LICENSE SHALL NOT BE SUBJECT TO AN ANNUAL
20 RENEWAL FEE.

21 (3) THEREAFTER, THE LICENSEE SHALL BE SUBJECT TO AN
22 ANNUAL RENEWAL FEE OF \$50,000.

23 (4) ALL FEES COLLECTED OR RECEIVED BY THE PENNSYLVANIA
24 LIQUOR CONTROL BOARD UNDER THIS SUBSECTION SHALL BE PAID INTO
25 THE STATE TREASURY THROUGH THE DEPARTMENT OF REVENUE FOR
26 DEPOSIT INTO THE GENERAL FUND.

27 (D) DISPOSITION OF RESTAURANT LIQUOR OR EATING PLACE RETAIL
28 DISPENSER LICENSE.--

29 (1) AN APPLICANT UNDER THIS SECTION THAT CURRENTLY HOLDS
30 A RESTAURANT LIQUOR OR EATING PLACE RETAIL DISPENSER LICENSE

1 ISSUED UNDER THE AUTHORITY OF THE LIQUOR CODE MAY CONTINUE TO
2 UTILIZE THAT LICENSE UNTIL SUCH TIME AS THE CASINO LIQUOR
3 LICENSE IS ISSUED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.
4 UPON THE ISSUANCE OF A LICENSE UNDER THIS SECTION, THE
5 APPLICANT MUST SURRENDER THE RESTAURANT LIQUOR OR EATING
6 PLACE RETAIL DISPENSER LICENSE TO THE PENNSYLVANIA LIQUOR
7 CONTROL BOARD.

8 (2) AN APPLICANT UNDER THIS SECTION THAT CURRENTLY HOLDS
9 A RESTAURANT LIQUOR OR EATING PLACE RETAIL DISPENSER LICENSE
10 PURCHASED THROUGH PRIVATE SALE MAY CONTINUE TO UTILIZE THAT
11 LICENSE UNTIL SUCH TIME AS THE CASINO LIQUOR LICENSE IS
12 ISSUED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD. UPON
13 ISSUANCE OF A LICENSE UNDER THIS SECTION, THE APPLICANT MAY
14 SELL THE PREVIOUSLY PURCHASED RESTAURANT LIQUOR OR EATING
15 PLACE RETAIL DISPENSER LICENSE.

16 (E) HOURS OF OPERATION.--NOTWITHSTANDING ANY OTHER PROVISION
17 OF LAW TO THE CONTRARY, A HOLDER OF A CASINO LIQUOR LICENSE MAY
18 SELL OR SERVE LIQUOR AND MALT OR BREWED BEVERAGES 24 HOURS A
19 DAY, SEVEN DAYS A WEEK.

20 (F) TRANSFERS.--

21 (1) LICENSES ISSUED UNDER THIS SECTION ARE
22 NONTRANSFERABLE.

23 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
24 PRECLUDE A TRANSFER OF OWNERSHIP OF A CASINO LIQUOR LICENSE
25 TO ANOTHER ELIGIBLE PERSON TO BE USED AT THE SAME LICENSED
26 FACILITY.

27 (G) EXPIRATION.--LICENSES UNDER THIS SECTION SHALL EXPIRE
28 UNDER THE FOLLOWING CIRCUMSTANCES:

29 (1) REVOCATION BY AN ADMINISTRATIVE LAW JUDGE UNDER
30 SECTION 471 OF THE LIQUOR CODE;

1 (2) NONRENEWAL BY THE PENNSYLVANIA LIQUOR CONTROL BOARD
2 UNDER SECTION 470 OF THE LIQUOR CODE;

3 (3) NONRENEWAL OF THE LICENSE BY THE SLOT MACHINE
4 LICENSEE; OR

5 (4) UPON REQUEST BY THE SLOT MACHINE LICENSEE.

6 (H) NEW APPLICANT.--THE PENNSYLVANIA LIQUOR CONTROL BOARD
7 MAY ISSUE A LICENSE UNDER THIS SECTION AT ANY TIME TO A NEW
8 APPLICANT EVEN IF THE PREVIOUS LICENSE HAS:

9 (1) BEEN REVOKED BY AN ADMINISTRATIVE LAW JUDGE UNDER
10 SECTION 471 OF THE LIQUOR CODE;

11 (2) NOT BEEN RENEWED BY THE PENNSYLVANIA LIQUOR CONTROL
12 BOARD UNDER SECTION 470 OF THE LIQUOR CODE;

13 (3) NOT BEEN RENEWED BY THE SLOT MACHINE LICENSEE; OR

14 (4) EXPIRED UPON REQUEST BY THE SLOT MACHINE LICENSEE.

15 (I) RESTRICTIONS AND PRIVILEGES.--LICENSES ISSUED UNDER THIS
16 SECTION ARE SUBJECT TO THE FOLLOWING ADDITIONAL RESTRICTIONS AND
17 PRIVILEGES:

18 (1) SALES MAY BE MADE AT ANY TIME THE FACILITY IS OPEN
19 TO THE PUBLIC.

20 (2) LIQUOR OR MALT OR BREWED BEVERAGES MAY BE
21 TRANSPORTED AND CONSUMED OFF THE GAMING FLOOR SO LONG AS THE
22 LIQUOR OR MALT OR BREWED BEVERAGES REMAIN WITHIN THE PREMISES
23 OF THE LICENSED FACILITY.

24 (3) SALES OF MALT OR BREWED BEVERAGES FOR OFF-PREMISES
25 CONSUMPTION ARE PROHIBITED.

26 (4) IN ADDITION TO THE PROVISIONS OF SECTION 493(24)(II)
27 OF THE LIQUOR CODE, THE HOLDER OF A CASINO LICENSE MAY GIVE
28 LIQUOR AND MALT OR BREWED BEVERAGES FREE OF CHARGE TO ANY
29 PERSON ATTENDING AN INVITATION-ONLY EVENT HELD ANYWHERE ON
30 THE PREMISES OF THE LICENSED FACILITY.

1 (5) LICENSES ISSUED UNDER THIS SECTION SHALL NOT BE
2 SUBJECT TO:

3 (I) THE PROXIMITY PROVISIONS OF SECTIONS 402 AND 404
4 OF THE LIQUOR CODE.

5 (II) THE RESTRICTIONS ON DISCOUNT PRICING PRACTICES
6 SPECIFIED IN SECTION 406(G) OF THE LIQUOR CODE.

7 (III) THE QUOTA RESTRICTIONS OF SECTION 461 OF THE
8 LIQUOR CODE.

9 (IV) THE PROVISIONS OF SECTION 493(10) OF THE LIQUOR
10 CODE, EXCEPT AS THEY RELATE TO LEWD, IMMORAL OR IMPROPER
11 ENTERTAINMENT.

12 (V) THE PROHIBITION AGAINST MINORS FREQUENTING AS
13 DESCRIBED IN SECTION 493(14) OF THE LIQUOR CODE.

14 (VI) THE COST AND TOTAL DISPLAY AREA LIMITATIONS OF
15 SECTION 493(20) (I) OF THE LIQUOR CODE.

16 (VII) THE RESTRICTIONS ON EVENTS, TOURNAMENTS OR
17 CONTESTS SPECIFIED IN 40 PA. CODE § 5.32 (RELATING TO
18 RESTRICTIONS/EXCEPTIONS).

19 (VIII) THE RESTRICTIONS ON THE AWARDING OF TROPHIES,
20 PRIZES OR PREMIUMS SET FORTH IN 40 PA. CODE § 5.32.

21 (6) THE AUTHORIZATION TO SELL OR SERVE LIQUOR AND MALT
22 OR BREWED BEVERAGES BY A HOLDER OF A CASINO LIQUOR LICENSE
23 UNDER SUBSECTION (E) SHALL NOT APPLY TO THE OPERATION OF SLOT
24 MACHINES AT A NONPRIMARY LOCATION OR AT A QUALIFIED AIRPORT.

25 (J) MULTIPLE LICENSES.--

26 (1) SUBJECT TO PARAGRAPH (2), MORE THAN ONE LICENSE
27 ISSUED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD MAY BE IN
28 EFFECT AT A LICENSED FACILITY AT ANY ONE TIME.

29 (2) NO MORE THAN ONE LICENSE ISSUED UNDER THIS SECTION
30 SHALL BE IN EFFECT AT ANY SPECIFIC LOCATION WITHIN THE

1 PREMISES OF A LICENSED FACILITY AT THE SAME TIME.

2 SECTION 32. SECTIONS 1901 AND 1901.1 OF TITLE 4 ARE AMENDED
3 TO READ:

4 § 1901. APPROPRIATIONS.

5 (A) APPROPRIATION TO BOARD.--

6 (1) THE SUM OF \$7,500,000 IS HEREBY APPROPRIATED TO THE
7 PENNSYLVANIA GAMING CONTROL BOARD FOR THE FISCAL PERIOD JULY
8 1, 2004, TO JUNE 30, 2006, TO IMPLEMENT AND ADMINISTER THE
9 PROVISIONS OF THIS PART. THE MONEY APPROPRIATED IN THIS
10 SUBSECTION SHALL BE CONSIDERED A LOAN FROM THE GENERAL FUND
11 [AND SHALL BE REPAID TO THE GENERAL FUND QUARTERLY COMMENCING
12 WITH THE DATE SLOT MACHINE LICENSEES BEGIN OPERATING SLOT
13 MACHINES UNDER THIS PART]. THIS APPROPRIATION SHALL BE A TWO-
14 YEAR APPROPRIATION AND SHALL NOT LAPSE UNTIL JUNE 30, 2006.

15 (2) THE SUM OF \$2,100,000 IS HEREBY APPROPRIATED FROM
16 THE STATE GAMING FUND TO THE PENNSYLVANIA GAMING CONTROL
17 BOARD FOR SALARIES, WAGES AND ALL NECESSARY EXPENSES FOR THE
18 PROPER OPERATION AND ADMINISTRATION OF THE PENNSYLVANIA
19 GAMING CONTROL BOARD FOR THE EXPANSION OF GAMING ASSOCIATED
20 WITH TABLE GAMES. THIS APPROPRIATION SHALL BE A SUPPLEMENTAL
21 APPROPRIATION FOR FISCAL YEAR 2009-2010 AND SHALL BE IN
22 ADDITION TO THE APPROPRIATION CONTAINED IN THE ACT OF AUGUST
23 19, 2009 (P.L.777, NO.9A), KNOWN AS THE GAMING CONTROL
24 APPROPRIATION ACT OF 2009.

25 (B) APPROPRIATION TO DEPARTMENT.--THE SUM OF \$21,100,000 IS
26 HEREBY APPROPRIATED FROM THE GENERAL FUND TO THE DEPARTMENT OF
27 REVENUE FOR THE FISCAL PERIOD JULY 1, 2004, TO JUNE 30, 2006, TO
28 PREPARE FOR, IMPLEMENT AND ADMINISTER THE PROVISIONS OF THIS
29 PART. THE MONEY APPROPRIATED UNDER THIS SUBSECTION SHALL BE
30 CONSIDERED A LOAN FROM THE GENERAL FUND [AND SHALL BE REPAID TO

1 THE GENERAL FUND QUARTERLY COMMENCING WITH THE DATE SLOT MACHINE
2 LICENSEES BEGIN OPERATING SLOT MACHINES UNDER THIS PART]. THIS
3 APPROPRIATION SHALL BE A TWO-YEAR APPROPRIATION AND SHALL NOT
4 LAPSE UNTIL JUNE 30, 2006.

5 (C) APPROPRIATION TO PENNSYLVANIA STATE POLICE.--THE SUM OF
6 \$7,500,000 IS HEREBY APPROPRIATED FROM THE GENERAL FUND TO THE
7 PENNSYLVANIA STATE POLICE FOR THE FISCAL PERIOD JULY 1, 2004, TO
8 JUNE 30, 2006, TO PREPARE FOR, IMPLEMENT AND ADMINISTER THE
9 PROVISIONS OF THIS PART. THE MONEY APPROPRIATED UNDER THIS
10 SUBSECTION SHALL BE CONSIDERED A LOAN FROM THE GENERAL FUND [AND
11 SHALL BE REPAYED TO THE GENERAL FUND QUARTERLY COMMENCING WHEN
12 ALL SLOT MACHINE LICENSEES BEGIN OPERATING SLOT MACHINES UNDER
13 THIS PART]. THIS APPROPRIATION SHALL BE A TWO-YEAR APPROPRIATION
14 AND SHALL NOT LAPSE UNTIL JUNE 30, 2006.

15 § 1901.1. REPAYMENTS TO [STATE GAMING] GENERAL FUND.

16 [THE BOARD SHALL DEFER ASSESSING SLOT MACHINE LICENSEES FOR
17 PAYMENTS TO THE STATE GAMING FUND FOR ANY LOANS MADE TO THE
18 STATE GAMING FUND UNTIL SUCH TIME AS ALL SLOT MACHINE LICENSES
19 HAVE BEEN ISSUED AND ALL LICENSED GAMING ENTITIES HAVE COMMENCED
20 THE OPERATION OF SLOT MACHINES. THE BOARD SHALL ADOPT A
21 REPAYMENT SCHEDULE THAT ASSESSES TO EACH SLOT MACHINE LICENSEE
22 COSTS FOR THE REPAYMENT OF ANY SUCH LOANS IN AN AMOUNT THAT IS
23 PROPORTIONAL TO EACH SLOT MACHINE LICENSEE'S GROSS TERMINAL
24 REVENUE.]

25 (A) ESTABLISHMENT OF REPAYMENT SCHEDULE.--

26 (1) NO LATER THAN SEPTEMBER 30, 2017, THE PENNSYLVANIA
27 GAMING CONTROL BOARD, IN CONSULTATION WITH ALL LICENSED
28 GAMING ENTITIES, SHALL ESTABLISH A SCHEDULE GOVERNING THE
29 REPAYMENT BY LICENSED GAMING ENTITIES OF LOANS PROVIDED UNDER
30 SECTION 1901 (RELATING TO APPROPRIATIONS).

1 (2) THE REPAYMENT OF LOANS PROVIDED UNDER SECTION 1901
2 BY LICENSED GAMING ENTITIES SHALL BEGIN NO LATER THAN JANUARY
3 1, 2018.

4 (3) THE REPAYMENT SCHEDULE SHALL, AT A MINIMUM:

5 (I) SPECIFY THE DATES UPON WHICH THE REPAYMENTS
6 SHALL BE DUE. PAYMENTS MAY BE REQUIRED ON A QUARTERLY,
7 SEMIANNUAL OR ANNUAL BASIS.

8 (II) ASSESS EACH SLOT MACHINE LICENSEE'S COSTS FOR
9 REPAYMENT OF LOANS UNDER SECTION 1901 IN AN AMOUNT THAT
10 IS PROPORTIONAL TO EACH SLOT MACHINE LICENSEE'S GROSS
11 TERMINAL REVENUE.

12 (III) RESULT IN THE TOTAL AMOUNTS LOANED UNDER
13 SECTION 1901 BEING REPAID BY JUNE 30, 2019.

14 (B) DEPOSIT.--PAYMENTS RECEIVED UNDER SUBSECTION (A) SHALL
15 BE DEPOSITED INTO THE GENERAL FUND.

16 SECTION 33. TITLE 4 IS AMENDED BY ADDING A PART TO READ:

17 PART III

18 VIDEO GAMING

19 CHAPTER

20 31. GENERAL PROVISIONS

21 33. ADMINISTRATION

22 35. APPLICATION AND LICENSURE

23 37. OPERATION

24 39. ENFORCEMENT

25 41. REVENUES

26 43. ETHICS

27 45. MISCELLANEOUS PROVISIONS

28 CHAPTER 31

29 GENERAL PROVISIONS

30 SEC.

1 3101. SCOPE OF PART.

2 3102. DEFINITIONS.

3 § 3101. SCOPE OF PART.

4 THIS PART RELATES TO VIDEO GAMING TERMINALS.

5 § 3102. DEFINITIONS.

6 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL
7 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
8 CONTEXT CLEARLY INDICATES OTHERWISE:

9 "AFFILIATE," "AFFILIATE OF" OR "PERSON AFFILIATED WITH." A
10 PERSON WHO DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE
11 INTERMEDIARIES, CONTROLS, IS CONTROLLED BY OR IS UNDER COMMON
12 CONTROL WITH A SPECIFIED PERSON.

13 "APPLICANT." A PERSON WHO, ON HIS OWN BEHALF OR ON BEHALF OF
14 ANOTHER, APPLIES FOR PERMISSION TO ENGAGE IN AN ACT OR ACTIVITY
15 THAT IS REGULATED UNDER THE PROVISIONS OF THIS PART.

16 "ASSOCIATED EQUIPMENT." EQUIPMENT OR A MECHANICAL,
17 ELECTROMECHANICAL OR ELECTRONIC CONTRIVANCE, COMPONENT OR
18 MACHINE USED IN CONNECTION WITH VIDEO GAMING TERMINALS OR
19 REDEMPTION TERMINALS, INCLUDING REPLACEMENT PARTS, HARDWARE AND
20 SOFTWARE.

21 "BACKGROUND INVESTIGATION." A SECURITY, CRIMINAL, CREDIT AND
22 SUITABILITY INVESTIGATION OF A PERSON AS PROVIDED FOR IN THIS
23 PART THAT INCLUDES THE STATUS OF TAXES OWED TO THE UNITED
24 STATES, THE COMMONWEALTH AND ITS POLITICAL SUBDIVISIONS. ALL
25 COSTS ASSOCIATED WITH A BACKGROUND INVESTIGATION, EXCEPT FOR A
26 BACKGROUND INVESTIGATION CONDUCTED ON AN ESTABLISHMENT LICENSE
27 APPLICANT, SHALL BE PAID BY THE APPLICANT AND SHALL BE IN
28 ADDITION TO THE APPLICATION FEE IN SECTION 4101 (RELATING TO
29 FEES).

30 "BOARD." THE PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED

1 UNDER SECTION 1201 (RELATING TO PENNSYLVANIA GAMING CONTROL
2 BOARD ESTABLISHED).

3 "BOWLING CENTER ESTABLISHMENT." A PREMISES THAT IS OPEN TO
4 THE PUBLIC, HAS NO LESS THAN 16 LANES FOR THE GAME OF BOWLING
5 AND HAS BEEN IN EXISTENCE FOR AT LEAST FIVE YEARS PRIOR TO BEING
6 ELIGIBLE FOR RECEIVING AN ESTABLISHMENT LICENSED UNDER THIS
7 PART.

8 "BUREAU." THE BUREAU OF INVESTIGATIONS AND ENFORCEMENT OF
9 THE BOARD.

10 "CASH." UNITED STATES CURRENCY AND COIN.

11 "CASH EQUIVALENT." A TICKET, TOKEN, CHIP, CARD OR OTHER
12 SIMILAR INSTRUMENT OR REPRESENTATION OF VALUE THAT THE BOARD
13 DEEMS A CASH EQUIVALENT IN ACCORDANCE WITH THIS PART.

14 "CENTRAL CONTROL COMPUTER." A CENTRAL SITE COMPUTER
15 CONTROLLED BY THE DEPARTMENT AND ACCESSIBLE BY THE BOARD TO
16 WHICH ALL VIDEO GAMING TERMINALS COMMUNICATE FOR THE PURPOSE OF
17 AUDITING CAPACITY, REAL-TIME INFORMATION RETRIEVAL OF THE
18 DETAILS OF ANY FINANCIAL EVENT THAT OCCURS IN THE OPERATION OF A
19 VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL, INCLUDING, BUT NOT
20 LIMITED TO, COIN IN, COIN OUT, TICKET IN, TICKET OUT, JACKPOTS,
21 VIDEO GAMING TERMINAL AND REDEMPTION TERMINAL DOOR OPENINGS AND
22 POWER FAILURE AND REMOTE VIDEO GAMING TERMINAL OR REDEMPTION
23 TERMINAL ACTIVATION AND DISABLING OF VIDEO GAMING TERMINALS OR
24 REDEMPTION TERMINALS.

25 "CHEAT."

26 (1) ANY OF THE FOLLOWING:

27 (I) TO DEFRAUD OR STEAL FROM A PLAYER, TERMINAL
28 OPERATOR LICENSEE, ESTABLISHMENT LICENSEE OR THE
29 COMMONWEALTH WHILE OPERATING OR PLAYING A VIDEO GAMING
30 TERMINAL, INCLUDING CAUSING, AIDING, ABETTING OR

1 CONSPIRING WITH ANOTHER PERSON TO DO SO.

2 (II) TO ALTER OR CAUSING, AIDING, ABETTING OR
3 CONSPIRING WITH ANOTHER PERSON TO ALTER THE ELEMENTS OF
4 CHANCE, METHOD OF SELECTION OR CRITERIA THAT DETERMINE:

5 (A) THE RESULT OF A VIDEO GAMING TERMINAL GAME.

6 (B) THE AMOUNT OR FREQUENCY OF PAYMENT IN A
7 VIDEO GAMING TERMINAL GAME.

8 (C) THE VALUE OF A WAGERING INSTRUMENT.

9 (D) THE VALUE OF A WAGERING CREDIT.

10 (III) THE TERM DOES NOT INCLUDE ALTERING A VIDEO
11 GAMING TERMINAL OR ASSOCIATED EQUIPMENT FOR MAINTENANCE
12 OR REPAIR WITH THE APPROVAL OF A TERMINAL OPERATOR
13 LICENSEE.

14 "CHEATING OR THIEVING DEVICE." A DEVICE:

15 (1) USED OR POSSESSED WITH THE INTENT TO BE USED TO
16 CHEAT DURING THE OPERATION OR PLAY OF A VIDEO GAMING
17 TERMINAL; OR

18 (2) USED TO ALTER A VIDEO GAMING TERMINAL WITHOUT THE
19 TERMINAL OPERATOR LICENSEE'S APPROVAL.

20 "CITY OF THE FIRST CLASS ENFORCEMENT FUND." THE FUND
21 ESTABLISHED IN SECTION 4107 (RELATING TO CITY OF THE FIRST CLASS
22 ENFORCEMENT FUND).

23 "COIN-OPERATED AMUSEMENT GAME." A MACHINE THAT REQUIRES THE
24 INSERTION OF A COIN, CURRENCY OR TOKEN TO PLAY OR ACTIVATE A
25 GAME THE OUTCOME OF WHICH IS PREDOMINANTLY AND PRIMARILY
26 DETERMINED BY THE SKILL OF THE PLAYER.

27 "COMPENSATION." ANYTHING OF VALUE, MONEY OR A FINANCIAL
28 BENEFIT CONFERRED ON OR RECEIVED BY A PERSON IN RETURN FOR
29 SERVICES RENDERED OR TO BE RENDERED WHETHER BY THE PERSON OR
30 ANOTHER.

1 "COMPLIMENTARY SERVICE." A LODGING, SERVICE OR ITEM THAT IS
2 PROVIDED TO AN INDIVIDUAL AT NO COST OR AT A REDUCED COST THAT
3 IS NOT GENERALLY AVAILABLE TO THE PUBLIC UNDER SIMILAR
4 CIRCUMSTANCES. GROUP RATES, INCLUDING CONVENTION AND GOVERNMENT
5 RATES, SHALL BE DEEMED TO BE GENERALLY AVAILABLE TO THE PUBLIC.

6 "CONDUCT OF VIDEO GAMING." THE LICENSED PLACEMENT, OPERATION
7 AND PLAY OF VIDEO GAMING TERMINALS UNDER THIS PART, AS
8 AUTHORIZED AND APPROVED BY THE BOARD.

9 "CONTROLLING INTEREST." ANY OF THE FOLLOWING:

10 (1) FOR A PUBLICLY TRADED DOMESTIC OR FOREIGN
11 CORPORATION, THE TERM MEANS A PERSON HAS A CONTROLLING
12 INTEREST IN A LEGAL ENTITY, APPLICANT OR LICENSEE IF A
13 PERSON'S SOLE VOTING RIGHTS UNDER STATE LAW OR CORPORATE
14 ARTICLES OR BYLAWS ENTITLE THE PERSON TO ELECT OR APPOINT ONE
15 OR MORE OF THE MEMBERS OF THE BOARD OF DIRECTORS OR OTHER
16 GOVERNING BOARD OR THE PERSON HOLDS AN OWNERSHIP OR
17 BENEFICIAL HOLDING OF 5% OR MORE OF THE SECURITIES OF THE
18 PUBLICLY TRADED CORPORATION, PARTNERSHIP, LIMITED LIABILITY
19 COMPANY OR OTHER FORM OF PUBLICLY TRADED LEGAL ENTITY, UNLESS
20 THIS PRESUMPTION OF CONTROL OR ABILITY TO ELECT IS REBUTTED
21 BY CLEAR AND CONVINCING EVIDENCE.

22 (2) FOR A PRIVATELY HELD DOMESTIC OR FOREIGN
23 CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER
24 FORM OF PRIVATELY HELD LEGAL ENTITY, THE TERM MEANS THE
25 HOLDING OF ANY SECURITIES IN THE LEGAL ENTITY, UNLESS THIS
26 PRESUMPTION OF CONTROL IS REBUTTED BY CLEAR AND CONVINCING
27 EVIDENCE.

28 "CONVICTION." A FINDING OF GUILT OR A PLEA OF GUILTY OR NOLO
29 CONTENDERE, WHETHER OR NOT A JUDGMENT OF SENTENCE HAS BEEN
30 IMPOSED AS DETERMINED BY THE LAW OF THE JURISDICTION IN WHICH

1 THE PROSECUTION WAS HELD. THE TERM DOES NOT INCLUDE A CONVICTION
2 THAT HAS BEEN EXPUNGED OR OVERTURNED OR FOR WHICH AN INDIVIDUAL
3 HAS BEEN PARDONED OR HAD AN ORDER OF ACCELERATED REHABILITATIVE
4 DISPOSITION ENTERED.

5 "CORPORATION." THE TERM INCLUDES A PUBLICLY TRADED
6 CORPORATION.

7 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

8 "ESTABLISHMENT." A LIQUOR ESTABLISHMENT OR TRUCK STOP
9 ESTABLISHMENT.

10 "ESTABLISHMENT LICENSE." A LICENSE ISSUED BY THE BOARD
11 AUTHORIZING AN ESTABLISHMENT TO PERMIT A TERMINAL OPERATOR
12 LICENSEE TO PLACE AND OPERATE VIDEO GAMING TERMINALS ON THE
13 ESTABLISHMENT'S PREMISES PURSUANT TO THIS PART AND THE RULES AND
14 REGULATIONS PROMULGATED UNDER THIS PART.

15 "ESTABLISHMENT LICENSEE." AN ESTABLISHMENT THAT HOLDS AN
16 ESTABLISHMENT LICENSE.

17 "EXECUTIVE-LEVEL PUBLIC EMPLOYEE." THE TERM SHALL INCLUDE
18 THE FOLLOWING:

19 (1) A DEPUTY SECRETARY OF THE COMMONWEALTH AND THE
20 GOVERNOR'S OFFICE EXECUTIVE STAFF.

21 (2) AN EMPLOYEE OF THE EXECUTIVE BRANCH WHOSE DUTIES
22 SUBSTANTIALLY INVOLVE LICENSING OR ENFORCEMENT UNDER THIS
23 PART, WHO HAS DISCRETIONARY POWER THAT MAY AFFECT OR
24 INFLUENCE THE OUTCOME OF A COMMONWEALTH AGENCY'S ACTION OR
25 DECISION OR WHO IS INVOLVED IN THE DEVELOPMENT OF REGULATIONS
26 OR POLICIES RELATING TO A LICENSED ENTITY. THE TERM INCLUDES
27 AN EMPLOYEE WITH LAW ENFORCEMENT AUTHORITY.

28 (3) AN EMPLOYEE OF A COUNTY OR MUNICIPALITY WITH
29 DISCRETIONARY POWERS THAT MAY AFFECT OR INFLUENCE THE OUTCOME
30 OF THE COUNTY'S OR MUNICIPALITY'S ACTION OR DECISION RELATED

1 TO THIS PART OR WHO IS INVOLVED IN THE DEVELOPMENT OF LAW,
2 REGULATION OR POLICY RELATING TO MATTERS REGULATED UNDER THIS
3 PART. THE TERM INCLUDES AN EMPLOYEE WITH LAW ENFORCEMENT
4 AUTHORITY.

5 (4) AN EMPLOYEE OF A DEPARTMENT, AGENCY, BOARD,
6 COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL BODY NOT INCLUDED
7 IN PARAGRAPH (1), (2) OR (3) WITH DISCRETIONARY POWER THAT
8 MAY AFFECT OR INFLUENCE THE OUTCOME OF THE GOVERNMENTAL
9 BODY'S ACTION OR DECISION RELATED TO THIS PART OR WHO IS
10 INVOLVED IN THE DEVELOPMENT OF REGULATION OR POLICY RELATING
11 TO MATTERS REGULATED UNDER THIS PART. THE TERM INCLUDES AN
12 EMPLOYEE WITH LAW ENFORCEMENT AUTHORITY.

13 "FINANCIAL BACKER." AN INVESTOR, MORTGAGEE, BONDHOLDER,
14 NOTEHOLDER OR OTHER SOURCES OF EQUITY OR CAPITAL PROVIDED TO AN
15 APPLICANT OR LICENSED ENTITY.

16 "FIRE COMPANY AND EMERGENCY RESPONDER GRANT FUND." THE FUND
17 ESTABLISHED IN SECTION 4106 (RELATING TO FIRE COMPANY AND
18 EMERGENCY RESPONDER GRANT FUND).

19 "GAMBLING GAME." A GAME THAT PLAYS OR SIMULATES THE PLAY OF
20 VIDEO POKER, BINGO, KENO, REEL GAMES, BLACKJACK OR OTHER SIMILAR
21 GAME AUTHORIZED BY THE BOARD.

22 "GAMING EMPLOYEE."

23 (1) ANY OF THE FOLLOWING:

24 (I) AN EMPLOYEE OF A TERMINAL OPERATOR LICENSEE OR
25 SUPPLIER LICENSEE THAT IS NOT A KEY EMPLOYEE BUT HAS
26 DIRECT CONTACT WITH ESTABLISHMENT LICENSEES OR IS
27 OTHERWISE INVOLVED IN THE CONDUCT OF VIDEO GAMING.

28 (II) AN EMPLOYEE OF A SUPPLIER LICENSEE WHOSE DUTIES
29 ARE DIRECTLY INVOLVED WITH THE REPAIR OR DISTRIBUTION OF
30 VIDEO GAMING TERMINALS OR ASSOCIATED EQUIPMENT SOLD OR

1 PROVIDED TO A TERMINAL OPERATOR LICENSEE WITHIN THIS
2 COMMONWEALTH AS DETERMINED BY THE BOARD.

3 (2) THE TERM DOES NOT INCLUDE NONGAMING PERSONNEL AS
4 DETERMINED BY THE BOARD OR AN EMPLOYEE OF AN ESTABLISHMENT
5 LICENSEE.

6 "GAMING SCHOOL." AN EDUCATIONAL INSTITUTION APPROVED BY THE
7 DEPARTMENT OF EDUCATION AS AN ACCREDITED COLLEGE OR UNIVERSITY,
8 COMMUNITY COLLEGE, PENNSYLVANIA PRIVATE LICENSED SCHOOL OR ITS
9 EQUIVALENT AND WHOSE CURRICULUM GUIDELINES ARE APPROVED BY THE
10 DEPARTMENT OF LABOR AND INDUSTRY TO PROVIDE EDUCATION AND JOB
11 TRAINING RELATED TO EMPLOYMENT OPPORTUNITIES ASSOCIATED WITH
12 VIDEO GAMING TERMINALS AND ASSOCIATED EQUIPMENT MAINTENANCE AND
13 REPAIR.

14 "GAMING SERVICE PROVIDER." A PERSON THAT IS NOT REQUIRED TO
15 BE LICENSED AS A TERMINAL OPERATOR, MANUFACTURER, SUPPLIER OR
16 ESTABLISHMENT LICENSEE AND PROVIDES GOODS OR SERVICES TO A
17 TERMINAL OPERATOR LICENSEE THAT DIRECTLY RELATES TO THE
18 OPERATION AND SECURITY OF A VIDEO GAMING TERMINAL OR REDEMPTION
19 TERMINAL. THE TERM SHALL NOT INCLUDE A PERSON THAT SUPPLIES
20 GOODS OR SERVICES THAT, AT THE DISCRETION OF THE BOARD, DOES NOT
21 IMPACT THE INTEGRITY OF VIDEO GAMING, VIDEO GAMING TERMINALS OR
22 THE CONNECTION OF VIDEO GAMING TERMINALS TO THE CENTRAL CONTROL
23 COMPUTER SYSTEM, INCLUDING:

24 (1) SEATING TO ACCOMPANY VIDEO GAMING TERMINALS.

25 (2) STRUCTURAL OR COSMETIC RENOVATIONS, IMPROVEMENTS OR
26 OTHER ALTERATIONS TO A VIDEO GAMING AREA.

27 "GROSS TERMINAL REVENUE." THE TOTAL OF CASH OR CASH
28 EQUIVALENTS RECEIVED BY A VIDEO GAMING TERMINAL MINUS THE TOTAL
29 OF CASH OR CASH EQUIVALENTS PAID OUT TO PLAYERS AS A RESULT OF
30 PLAYING A VIDEO GAMING TERMINAL. THE TERM DOES NOT INCLUDE

1 COUNTERFEIT CASH OR CASH TAKEN IN A FRAUDULENT ACT PERPETRATED
2 AGAINST A TERMINAL OPERATOR LICENSEE FOR WHICH THE TERMINAL
3 OPERATOR LICENSEE IS NOT REIMBURSED.

4 "HOLDING COMPANY." A PERSON, OTHER THAN AN INDIVIDUAL,
5 WHICH, DIRECTLY OR INDIRECTLY, OWNS OR HAS THE POWER OR RIGHT TO
6 CONTROL OR TO VOTE A SIGNIFICANT PART OF THE OUTSTANDING VOTING
7 SECURITIES OF A CORPORATION OR OTHER FORM OF BUSINESS
8 ORGANIZATION. A HOLDING COMPANY INDIRECTLY HAS, HOLDS OR OWNS
9 ANY SUCH POWER, RIGHT OR SECURITY IF IT DOES SO THROUGH AN
10 INTEREST IN A SUBSIDIARY OR SUCCESSIVE SUBSIDIARIES.

11 "INCENTIVE." CONSIDERATION, INCLUDING A PROMOTION OR PRIZE,
12 PROVIDED TO A PLAYER OR POTENTIAL PLAYER AS AN ENTICEMENT TO
13 PLAY A VIDEO GAMING TERMINAL. THE TERM SHALL NOT INCLUDE
14 CONSIDERATION, PROMOTIONS, PRIZES OR COMPLIMENTARY PLAY PROVIDED
15 TO A PLAYER OR POTENTIAL PLAYER THROUGH A CUSTOMER LOYALTY OR
16 REWARDS CARD PROGRAM APPROVED BY THE BOARD.

17 "INDUCEMENT."

18 (1) ANY OF THE FOLLOWING:

19 (I) CONSIDERATION PAID DIRECTLY OR INDIRECTLY, FROM
20 A MANUFACTURER, SUPPLIER, TERMINAL OPERATOR, PROCUREMENT
21 AGENT, GAMING EMPLOYEE, EMPLOYEE OR ANOTHER PERSON ON
22 BEHALF OF AN APPLICANT OR LICENSEE, TO AN ESTABLISHMENT,
23 ESTABLISHMENT LICENSEE, ESTABLISHMENT LICENSEE OWNER OR
24 AN EMPLOYEE OF THE ESTABLISHMENT LICENSEE, DIRECTLY OR
25 INDIRECTLY AS AN ENTICEMENT TO SOLICIT OR MAINTAIN THE
26 ESTABLISHMENT LICENSEE OR ESTABLISHMENT LICENSEE OWNER'S
27 BUSINESS.

28 (II) CASH, INCENTIVE, MARKETING AND ADVERTISING
29 COST, GIFT, FOOD, BEVERAGE, LOAN, PREPAYMENT OF GROSS
30 TERMINAL REVENUE AND OTHER CONTRIBUTION OR PAYMENT THAT

1 OFFSETS AN ESTABLISHMENT LICENSEE'S OPERATIONAL COSTS, OR
2 AS OTHERWISE DETERMINED BY THE BOARD.

3 (2) THE TERM SHALL NOT INCLUDE COSTS PAID BY A TERMINAL
4 OPERATOR APPLICANT OR LICENSEE RELATED TO:

5 (I) STRUCTURAL CHANGES NECESSARY TO SEGREGATE THE
6 VIDEO GAMING AREA OR MAINTAIN THE SECURITY OF VIDEO
7 GAMING TERMINALS AND REDEMPTION TERMINALS AS REQUIRED BY
8 THE BOARD THAT DO NOT EXCEED \$2,500, PROVIDED, HOWEVER
9 THAT ANY CHANGES IN EXCESS OF \$2,500 MAY BE SHARED
10 EQUALLY BETWEEN THE TERMINAL APPLICANT OR LICENSEE AND
11 THE ESTABLISHMENT APPLICANT OR LICENSEE.

12 (II) SURVEILLANCE TECHNOLOGY TO MONITOR ONLY THE
13 VIDEO GAMING AREA.

14 (III) MAKING VIDEO GAMING TERMINALS OPERATE AT A
15 LICENSED ESTABLISHMENT, INCLUDING WIRING AND REWIRING,
16 SOFTWARE UPDATES, ONGOING VIDEO GAMING TERMINAL
17 MAINTENANCE, REDEMPTION TERMINALS, NETWORK CONNECTIONS,
18 SITE CONTROLLERS AND COSTS ASSOCIATED WITH COMMUNICATING
19 WITH THE CENTRAL CONTROL COMPUTER SYSTEM.

20 (IV) INSTALLATION OF SECURITY AND ALARM SYSTEM AT AN
21 ESTABLISHMENT LICENSEE'S PREMISES THAT ARE REASONABLY
22 NECESSARY TO PROTECT VIDEO GAMING TERMINALS AND
23 REDEMPTION TERMINALS OUTSIDE NORMAL BUSINESS HOURS,
24 PROVIDED THAT THE COST DOES NOT EXCEED \$1,000.

25 (V) ANY REQUIREMENT ESTABLISHED BY THE BOARD
26 REGARDING MINIMUM STANDARDS FOR A VIDEO GAMING AREA.

27 (VI) ANY COSMETIC RENOVATIONS OR IMPROVEMENTS WITHIN
28 A VIDEO GAMING AREA THAT ARE REASONABLY NECESSARY, AS
29 DETERMINED BY THE BOARD.

30 (VII) FEES ESTABLISHED BY THE BOARD TO COVER COSTS

1 ASSOCIATED WITH THE MANDATORY EMPLOYEE TRAINING PROGRAM
2 ESTABLISHED UNDER SECTION 3706 (RELATING TO COMPULSIVE
3 AND PROBLEM GAMBLING).

4 "INSTITUTIONAL INVESTOR." A RETIREMENT FUND ADMINISTERED BY
5 A PUBLIC AGENCY FOR THE EXCLUSIVE BENEFIT OF FEDERAL, STATE OR
6 LOCAL PUBLIC EMPLOYEES, INVESTMENT COMPANY REGISTERED UNDER THE
7 INVESTMENT COMPANY ACT OF 1940 (54 STAT. 789, 15 U.S.C. § 80A-1
8 ET SEQ.), COLLECTIVE INVESTMENT TRUST ORGANIZED BY BANKS UNDER
9 PART NINE OF THE RULES OF THE COMPTROLLER OF THE CURRENCY,
10 CLOSED-END INVESTMENT TRUST, CHARTERED OR LICENSED LIFE
11 INSURANCE COMPANY OR PROPERTY AND CASUALTY INSURANCE COMPANY,
12 BANKING AND OTHER CHARTERED OR LICENSED LENDING INSTITUTION,
13 INVESTMENT ADVISOR REGISTERED UNDER THE INVESTMENT ADVISERS ACT
14 OF 1940 (54 STAT. 847, 15 U.S.C. § 80B-1 ET SEQ.) AND SUCH OTHER
15 PERSON AS THE BOARD MAY DETERMINE CONSISTENT WITH THIS PART.

16 "INTERMEDIARY." A PERSON, OTHER THAN AN INDIVIDUAL, THAT:

17 (1) IS A HOLDING COMPANY WITH RESPECT TO A CORPORATION
18 OR OTHER FORM OF BUSINESS ORGANIZATION, THAT HOLDS OR APPLIES
19 FOR A LICENSE UNDER THIS PART; AND

20 (2) IS A SUBSIDIARY WITH RESPECT TO A HOLDING COMPANY.

21 "KEY EMPLOYEE." AN INDIVIDUAL EMPLOYED BY A MANUFACTURER
22 LICENSEE, SUPPLIER LICENSEE, TERMINAL OPERATOR LICENSEE OR
23 ESTABLISHMENT LICENSEE THAT IS DETERMINED BY THE BOARD TO BE A
24 DIRECTOR OR DEPARTMENT HEAD OR OTHERWISE EMPOWERED TO MAKE
25 DISCRETIONARY DECISIONS THAT REGULATE THE CONDUCT OF VIDEO
26 GAMING.

27 "LAW ENFORCEMENT AUTHORITY." THE POWER TO CONDUCT
28 INVESTIGATIONS OF OR TO MAKE ARRESTS FOR CRIMINAL OFFENSES.

29 "LICENSED ENTITY." A TERMINAL OPERATOR LICENSEE,
30 ESTABLISHMENT LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER

1 LICENSEE.

2 "LICENSED ENTITY REPRESENTATIVE." A PERSON, INCLUDING AN
3 ATTORNEY, AGENT OR LOBBYIST, ACTING ON BEHALF OF OR AUTHORIZED
4 TO REPRESENT THE INTEREST OF AN APPLICANT, LICENSEE OR OTHER
5 PERSON AUTHORIZED BY THE BOARD TO ENGAGE IN AN ACT OR ACTIVITY
6 THAT IS REGULATED UNDER THIS PART REGARDING A MATTER BEFORE OR
7 THAT MAY REASONABLY BE EXPECTED TO COME BEFORE THE BOARD.

8 "LICENSED FACILITY." AS DEFINED IN SECTION 1103 (RELATING TO
9 DEFINITIONS).

10 "LICENSED GAMING ENTITY." AS DEFINED IN SECTION 1103.

11 "LIQUOR ESTABLISHMENT." A PERSON THAT OPERATES UNDER A VALID
12 LIQUOR LICENSE. THE TERM EXCLUDES:

13 (1) A PERSON WHO OPERATES UNDER A LIQUOR LICENSE AND THE
14 PERSON'S LICENSED PREMISES IS LOCATED WITHIN A LICENSED
15 FACILITY.

16 (2) A PERSON WHO OPERATES UNDER A LIQUOR LICENSE AND THE
17 PERSON'S LICENSED PREMISES HAS AN INTERIOR CONNECTION TO AN
18 UNLICENSED BUSINESS THAT IS NOT A BOWLING CENTER
19 ESTABLISHMENT.

20 (3) A NONPRIMARY LOCATION.

21 "LIQUOR LICENSE." ANY OF THE FOLLOWING LICENSES ISSUED BY
22 THE PENNSYLVANIA LIQUOR CONTROL BOARD UNDER ARTICLE IV OF THE
23 ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE:

24 (1) CATERING CLUB.

25 (2) CLUB LIQUOR.

26 (3) CLUB RETAIL DISPENSER.

27 (4) EATING PLACE RETAIL DISPENSER.

28 (5) HOTEL LIQUOR.

29 (6) HOTEL RETAIL DISPENSER.

30 (7) MUNICIPAL GOLF COURSE LIQUOR.

1 (8) MUNICIPAL GOLF COURSE RETAIL DISPENSER.

2 (9) PRIVATELY-OWNED PRIVATE GOLF COURSE CLUB LIQUOR.

3 (10) PRIVATELY-OWNED PRIVATE GOLF COURSE CATERING CLUB
4 LIQUOR.

5 (11) PRIVATELY-OWNED PUBLIC GOLF COURSE RETAIL
6 DISPENSER.

7 (12) PRIVATELY-OWNED PUBLIC GOLF COURSE RESTAURANT
8 LIQUOR.

9 (13) RESTAURANT LIQUOR.

10 "MANUFACTURER." A PERSON THAT MANUFACTURES, BUILDS,
11 REBUILDS, FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR
12 OTHERWISE MAKES MODIFICATIONS TO A VIDEO GAMING TERMINAL,
13 REDEMPTION TERMINAL OR ASSOCIATED EQUIPMENT FOR USE OR PLAY IN
14 THIS COMMONWEALTH FOR GAMING PURPOSES AND PROVIDES SUCH PRODUCTS
15 TO A SUPPLIER.

16 "MANUFACTURER LICENSE." A LICENSE ISSUED BY THE BOARD
17 AUTHORIZING A MANUFACTURER TO MANUFACTURE OR PRODUCE VIDEO
18 GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT
19 FOR USE IN THIS COMMONWEALTH FOR GAMING PURPOSES.

20 "MANUFACTURER LICENSEE." A PERSON THAT OBTAINS A
21 MANUFACTURER LICENSE.

22 "MUNICIPALITY." A CITY, TOWNSHIP, BOROUGH OR INCORPORATED
23 TOWN.

24 "NON-KEY EMPLOYEE." AN INDIVIDUAL EMPLOYED BY A TERMINAL
25 OPERATOR LICENSEE WHO, UNLESS OTHERWISE DESIGNATED BY THE BOARD,
26 IS NOT A KEY EMPLOYEE.

27 "NONPRIMARY LOCATION." AS DEFINED IN 3 PA.C.S. § 9301.

28 "OCCUPATION PERMIT." A PERMIT AUTHORIZING AN INDIVIDUAL TO
29 BE EMPLOYED OR TO WORK AS A GAMING EMPLOYEE.

30 "PARTY." THE BUREAU OR AN APPLICANT, LICENSEE, REGISTRANT OR

1 OTHER PERSON APPEARING OF RECORD IN ANY PROCEEDING BEFORE THE
2 BOARD.

3 "PERMITTEE." A HOLDER OF A PERMIT ISSUED UNDER THIS PART.

4 "PERSON." A NATURAL PERSON, CORPORATION, FOUNDATION,
5 ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY,
6 LICENSED CORPORATION, TRUST, PARTNERSHIP, LIMITED LIABILITY
7 PARTNERSHIP, ASSOCIATION OR OTHER FORM OF LEGAL BUSINESS ENTITY.

8 "PLAYER." AN INDIVIDUAL WHO WAGERS CASH OR A CASH EQUIVALENT
9 IN THE PLAY OR OPERATION OF A VIDEO GAMING TERMINAL AND THE PLAY
10 OR OPERATION OF WHICH MAY DELIVER OR ENTITLE THE INDIVIDUAL
11 PLAYING OR OPERATING THE VIDEO GAMING TERMINAL TO RECEIVE CASH
12 OR A CASH EQUIVALENT FROM A TERMINAL OPERATOR LICENSEE.

13 "PRINCIPAL." AN OFFICER, DIRECTOR, PERSON WHO DIRECTLY HOLDS
14 A BENEFICIAL INTEREST IN OR OWNERSHIP OF THE SECURITIES OF AN
15 APPLICANT OR LICENSEE, PERSON WHO HAS A CONTROLLING INTEREST IN
16 AN APPLICANT OR LICENSEE OR HAS THE ABILITY TO ELECT A MAJORITY
17 OF THE BOARD OF DIRECTORS OF A LICENSEE OR TO OTHERWISE CONTROL
18 A LICENSEE, LENDER OR OTHER LICENSED FINANCIAL INSTITUTION OF AN
19 APPLICANT OR LICENSEE, OTHER THAN A BANK OR LENDING INSTITUTION
20 WHICH MAKES A LOAN OR HOLDS A MORTGAGE OR OTHER LIEN ACQUIRED IN
21 THE ORDINARY COURSE OF BUSINESS, UNDERWRITER OF AN APPLICANT OR
22 LICENSEE OR OTHER PERSON OR EMPLOYEE OF AN APPLICANT, TERMINAL
23 OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE
24 DEEMED TO BE A PRINCIPAL BY THE BOARD, INCLUDING A PROCUREMENT
25 AGENT.

26 "PROCUREMENT AGENT." A PERSON THAT SHARES IN THE GROSS
27 TERMINAL REVENUE OR IS OTHERWISE COMPENSATED FOR THE PURPOSE OF
28 SOLICITING OR PROCURING A TERMINAL PLACEMENT AGREEMENT.

29 "PROGRESSIVE PAYOUT." A VIDEO GAME TERMINAL WAGER PAYOUT
30 THAT INCREASES IN A MONETARY AMOUNT BASED ON THE AMOUNTS WAGERED

1 IN A PROGRESSIVE SYSTEM.

2 "PROGRESSIVE SYSTEM." A COMPUTERIZED SYSTEM LINKING VIDEO
3 GAME TERMINALS AT AN ESTABLISHMENT LICENSEE AND OFFERING ONE OR
4 MORE COMMON PROGRESSIVE PAYOUTS BASED ON THE AMOUNTS WAGERED.

5 "PUBLICLY TRADED CORPORATION." A PERSON, OTHER THAN AN
6 INDIVIDUAL, THAT:

7 (1) HAS A CLASS OR SERIES OF SECURITIES REGISTERED UNDER
8 THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C.
9 § 78A ET SEQ.);

10 (2) IS A REGISTERED MANAGEMENT COMPANY UNDER THE
11 INVESTMENT COMPANY ACT OF 1940; OR

12 (3) IS SUBJECT TO THE REPORTING OBLIGATIONS IMPOSED BY
13 SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 BY
14 REASON OF HAVING FILED A REGISTRATION STATEMENT THAT HAS
15 BECOME EFFECTIVE UNDER THE SECURITIES ACT OF 1933 (48 STAT.
16 74, 15 U.S.C. § 77A ET SEQ.).

17 "REDEMPTION TERMINAL." THE COLLECTIVE HARDWARE, SOFTWARE,
18 COMMUNICATIONS TECHNOLOGY AND OTHER ANCILLARY EQUIPMENT USED TO
19 FACILITATE THE PAYMENT OF CASH OR A CASH EQUIVALENT TO A PLAYER
20 AS A RESULT OF PLAYING A VIDEO GAMING TERMINAL.

21 "SECURITY." AS DEFINED IN THE ACT OF DECEMBER 5, 1972
22 (P.L.1280, NO.284), KNOWN AS THE PENNSYLVANIA SECURITIES ACT OF
23 1972.

24 "SLOT MACHINE." AS DEFINED IN SECTION 1103.

25 "STATE TREASURER." THE STATE TREASURER OF THE COMMONWEALTH.

26 "SUPPLIER." A PERSON THAT SELLS, LEASES, OFFERS OR OTHERWISE
27 PROVIDES, DISTRIBUTES OR SERVICES ANY VIDEO GAMING TERMINAL,
28 REDEMPTION TERMINAL OR ASSOCIATED EQUIPMENT TO A TERMINAL
29 OPERATOR LICENSEE FOR USE OR PLAY IN THIS COMMONWEALTH.

30 "SUPPLIER LICENSE." A LICENSE ISSUED BY THE BOARD

1 AUTHORIZING A SUPPLIER TO PROVIDE PRODUCTS OR SERVICES RELATED
2 TO VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED
3 EQUIPMENT TO TERMINAL OPERATOR LICENSEES FOR USE IN THIS
4 COMMONWEALTH FOR VIDEO GAMING.

5 "SUPPLIER LICENSEE." A PERSON THAT HOLDS A SUPPLIER LICENSE.

6 "TERMINAL OPERATOR." A PERSON THAT OWNS, SERVICES OR
7 MAINTAINS VIDEO GAMING TERMINALS FOR PLACEMENT AND OPERATION IN
8 AN ESTABLISHMENT LICENSEE.

9 "TERMINAL OPERATOR LICENSE." A LICENSE ISSUED BY THE BOARD
10 AUTHORIZING A TERMINAL OPERATOR TO PLACE AND OPERATE VIDEO
11 GAMING TERMINALS IN AN ESTABLISHMENT LICENSEE'S PREMISES
12 PURSUANT TO THIS PART AND THE RULES AND REGULATIONS PROMULGATED
13 UNDER THIS PART.

14 "TERMINAL OPERATOR LICENSEE." A PERSON THAT HOLDS A TERMINAL
15 OPERATOR LICENSE.

16 "TERMINAL PLACEMENT AGREEMENT." THE FORMAL WRITTEN AGREEMENT
17 OR CONTRACT BETWEEN A TERMINAL OPERATOR APPLICANT OR LICENSEE
18 AND AN ESTABLISHMENT APPLICANT OR LICENSEE THAT ESTABLISHES THE
19 TERMS AND CONDITIONS REGARDING THE CONDUCT OF VIDEO GAMING.

20 "TRUCK STOP ESTABLISHMENT." A PREMISES THAT:

21 (1) IS EQUIPPED WITH DIESEL ISLANDS USED FOR FUELING
22 COMMERCIAL MOTOR VEHICLES.

23 (2) HAS SOLD ON AVERAGE 50,000 GALLONS OF DIESEL OR
24 BIODIESEL FUEL EACH MONTH FOR THE PREVIOUS 12 MONTHS OR IS
25 PROJECTED TO SELL AN AVERAGE OF 50,000 GALLONS OF DIESEL OR
26 BIODIESEL FUEL EACH MONTH FOR THE NEXT 12 MONTHS.

27 (3) HAS PARKING SPACES DEDICATED FOR COMMERCIAL MOTOR
28 VEHICLES.

29 (4) HAS A CONVENIENCE STORE.

30 (5) IS SITUATED ON A PARCEL OF LAND OF NOT LESS THAN

1 THREE ACRES THAT THE TRUCK STOP ESTABLISHMENT OWNS OR LEASES.
2 "VIDEO GAMING AREA." THE AREA OF AN ESTABLISHMENT LICENSEE'S
3 PREMISES WHERE VIDEO GAMING TERMINALS ARE INSTALLED FOR
4 OPERATION AND PLAY.

5 "VIDEO GAMING EMPLOYEES." THE TERM INCLUDES KEY EMPLOYEES
6 AND NON-KEY EMPLOYEES.

7 "VIDEO GAMING FUND." THE FUND ESTABLISHED IN SECTION 4102
8 (RELATING TO TAXES AND ASSESSMENTS).

9 "VIDEO GAMING TERMINAL."

10 (1) A MECHANICAL OR ELECTRICAL CONTRIVANCE, TERMINAL,
11 MACHINE OR OTHER DEVICE APPROVED BY THE BOARD THAT, UPON
12 INSERTION OF CASH OR CASH EQUIVALENTS, IS AVAILABLE TO PLAY
13 OR OPERATE ONE OR MORE GAMBLING GAMES, THE PLAY OF WHICH
14 UTILIZES A RANDOM NUMBER GENERATOR AND:

15 (I) MAY AWARD A WINNING PLAYER EITHER A FREE GAME OR
16 CREDIT THAT SHALL ONLY BE REDEEMABLE FOR CASH OR CASH
17 EQUIVALENTS AT A REDEMPTION TERMINAL.

18 (II) MAY UTILIZE VIDEO DISPLAYS.

19 (III) MAY USE AN ELECTRONIC CREDIT SYSTEM FOR
20 RECEIVING WAGERS AND MAKING PAYOUTS THAT ARE ONLY
21 REDEEMABLE AT A REDEMPTION TERMINAL.

22 (2) ASSOCIATED EQUIPMENT NECESSARY TO CONDUCT THE
23 OPERATION OF THE CONTRIVANCE, TERMINAL, MACHINE OR OTHER
24 DEVICE.

25 (3) THE TERM DOES NOT INCLUDE A SLOT MACHINE OPERATED AT
26 A LICENSED FACILITY IN ACCORDANCE WITH PART II (RELATING TO
27 GAMING) OR A COIN-OPERATED AMUSEMENT GAME.

28 CHAPTER 33

29 ADMINISTRATION

30 SEC.

1 3301. POWERS OF BOARD.
2 3302. REGULATORY AUTHORITY OF BOARD.
3 3303. TEMPORARY REGULATIONS.
4 3304. APPEALS.
5 3305. RECORDS AND CONFIDENTIALITY OF INFORMATION.
6 3306. REPORTING.
7 3307. DIVERSITY.
8 3308. AUTHORITY OF DEPARTMENT.
9 3309. CENTRAL CONTROL COMPUTER SYSTEM.
10 3310. DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS.

11 § 3301. POWERS OF BOARD.

12 (A) GENERAL POWERS.--

13 (1) THE BOARD SHALL HAVE GENERAL AND SOLE REGULATORY
14 AUTHORITY OVER THE CONDUCT OF VIDEO GAMING TERMINAL OR
15 RELATED ACTIVITIES AS DESCRIBED IN THIS PART. THE BOARD SHALL
16 ENSURE THE INTEGRITY OF THE ACQUISITION AND OPERATION OF
17 VIDEO GAMING TERMINALS, REDEMPTION TERMINALS AND ASSOCIATED
18 EQUIPMENT AND SHALL HAVE SOLE REGULATORY AUTHORITY OVER EVERY
19 ASPECT OF THE CONDUCT OF VIDEO GAMING.

20 (2) THE BOARD MAY EMPLOY INDIVIDUALS AS NECESSARY TO
21 CARRY OUT THE REQUIREMENTS OF THIS PART WHO SHALL SERVE AT
22 THE BOARD'S PLEASURE.

23 (B) SPECIFIC POWERS.--THE BOARD SHALL HAVE THE POWER AND
24 DUTY:

25 (1) TO REQUIRE BACKGROUND INVESTIGATIONS ON APPLICANTS,
26 LICENSEES, PRINCIPALS, KEY EMPLOYEES, PROCUREMENT AGENTS OR
27 GAMING EMPLOYEES UNDER THE JURISDICTION OF THE BOARD.

28 (2) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
29 SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF TERMINAL
30 OPERATOR LICENSES.

1 (3) AT ITS DISCRETION, TO AWARD, REVOKE, SUSPEND,
2 CONDITION OR DENY ISSUANCE OR RENEWAL OF ESTABLISHMENT
3 LICENSES.

4 (4) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
5 SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF SUPPLIER
6 AND MANUFACTURER LICENSES.

7 (5) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
8 SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF A LICENSE
9 OR PERMIT FOR VARIOUS CLASSES OF EMPLOYEES AS REQUIRED UNDER
10 THIS PART.

11 (6) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
12 SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF ADDITIONAL
13 LICENSES OR PERMITS THAT MAY BE REQUIRED BY THE BOARD UNDER
14 THIS PART.

15 (7) AT ITS DISCRETION, TO SUSPEND, CONDITION OR DENY THE
16 ISSUANCE OR RENEWAL OF A LICENSE OR PERMIT OR LEVY A FINE OR
17 OTHER SANCTION FOR A VIOLATION OF THIS PART.

18 (8) TO REQUIRE PROSPECTIVE AND EXISTING VIDEO GAMING
19 EMPLOYEES, INDEPENDENT CONTRACTORS, APPLICANTS, PERMITTEES
20 AND LICENSEES TO SUBMIT TO FINGERPRINTING BY THE PENNSYLVANIA
21 STATE POLICE OR ITS AUTHORIZED DESIGNEE. THE PENNSYLVANIA
22 STATE POLICE OR ITS AUTHORIZED DESIGNEE SHALL SUBMIT THE
23 FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR
24 PURPOSES OF VERIFYING THE IDENTITY OF THE INDIVIDUAL AND
25 OBTAINING RECORDS OF CRIMINAL ARRESTS AND CONVICTIONS.

26 (9) TO REQUIRE PROSPECTIVE AND EXISTING VIDEO GAMING
27 EMPLOYEES, INDEPENDENT CONTRACTORS, APPLICANTS, PERMITTEES
28 AND LICENSEES TO SUBMIT PHOTOGRAPHS CONSISTENT WITH A
29 STATEMENT OF POLICY DEVELOPED BY THE BOARD.

30 (10) IN ADDITION TO THE POWER OF THE BOARD RELATING TO

1 LICENSE AND PERMIT APPLICANTS, TO DETERMINE AT ITS DISCRETION
2 THE SUITABILITY OF A PERSON WHO FURNISHES OR SEEKS TO FURNISH
3 TO A TERMINAL OPERATOR LICENSEE DIRECTLY OR INDIRECTLY GOODS,
4 SERVICES OR PROPERTY RELATED TO VIDEO GAMING TERMINALS,
5 REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT.

6 (11) TO APPROVE AN APPLICATION FOR OR ISSUE OR RENEW A
7 LICENSE, CERTIFICATE, REGISTRATION OR PERMIT IF THE BOARD IS
8 SATISFIED THAT THE PERSON HAS DEMONSTRATED BY CLEAR AND
9 CONVINCING EVIDENCE THAT THE PERSON IS OF GOOD CHARACTER,
10 HONESTY AND INTEGRITY WHOSE PRIOR ACTIVITIES, CRIMINAL
11 RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS DO NOT
12 POSE A THREAT TO THE PUBLIC INTEREST OR THE EFFECTIVE
13 REGULATION AND CONTROL OF VIDEO GAMING TERMINAL OPERATIONS OR
14 CREATE OR ENHANCE THE DANGER OF UNSUITABLE, UNFAIR OR ILLEGAL
15 PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF VIDEO
16 GAMING OR THE CARRYING ON OF THE BUSINESS AND FINANCIAL
17 ARRANGEMENTS INCIDENTAL THERETO.

18 (12) TO PUBLISH ON THE BOARD'S PUBLICLY ACCESSIBLE
19 INTERNET WEBSITE A COMPLETE LIST OF PERSONS OR ENTITIES WHO
20 APPLIED FOR OR HELD A TERMINAL OPERATOR LICENSE,
21 ESTABLISHMENT LICENSE, MANUFACTURER LICENSE OR SUPPLIER
22 LICENSE AT ANY TIME DURING THE PRECEDING CALENDAR YEAR AND
23 AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND HOLDING
24 COMPANIES THEREOF AND THE STATUS OF THE APPLICATION OR
25 LICENSE.

26 (13) TO PREPARE AND, THROUGH THE GOVERNOR, SUBMIT
27 ANNUALLY TO THE GENERAL ASSEMBLY AN ITEMIZED BUDGET
28 CONSISTENT WITH ARTICLE VI OF THE ACT OF APRIL 9, 1929
29 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929,
30 CONSISTING OF THE AMOUNTS NECESSARY TO BE APPROPRIATED BY THE

1 GENERAL ASSEMBLY OUT OF THE ACCOUNTS ESTABLISHED UNDER
2 SECTION 4104 (RELATING TO REGULATORY ASSESSMENTS) REQUIRED TO
3 MEET THE OBLIGATIONS UNDER THIS PART ACCRUING DURING THE
4 FISCAL PERIOD BEGINNING JULY 1 OF THE FOLLOWING YEAR.

5 (14) IN THE EVENT THAT APPROPRIATIONS FOR THE
6 ADMINISTRATION OF THIS PART ARE NOT ENACTED BY JUNE 30 OF ANY
7 YEAR, FUNDS APPROPRIATED FOR THE ADMINISTRATION OF THIS PART
8 WHICH ARE UNEXPENDED, UNCOMMITTED AND UNENCUMBERED AT THE END
9 OF A FISCAL YEAR SHALL REMAIN AVAILABLE FOR EXPENDITURE BY
10 THE BOARD OR OTHER AGENCY TO WHICH THEY WERE APPROPRIATED
11 UNTIL THE ENACTMENT OF AN APPROPRIATION FOR THE ENSUING
12 FISCAL YEAR.

13 (15) TO COLLECT AND POST INFORMATION ON THE BOARD'S
14 PUBLICLY ACCESSIBLE INTERNET WEBSITE WITH SUFFICIENT DETAIL
15 TO INFORM THE PUBLIC OF PERSONS WITH A CONTROLLING INTEREST
16 OR OWNERSHIP INTEREST IN AN APPLICANT FOR A TERMINAL OPERATOR
17 LICENSE OR TERMINAL OPERATOR LICENSEE OR AFFILIATE,
18 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT
19 FOR A TERMINAL OPERATOR LICENSE. THE POSTING SHALL INCLUDE:

20 (I) IF THE APPLICANT FOR A TERMINAL OPERATOR LICENSE
21 OR TERMINAL OPERATOR LICENSEE OR AN AFFILIATE,
22 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE
23 APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL
24 OPERATOR LICENSEE IS A PUBLICLY TRADED DOMESTIC OR
25 FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY
26 COMPANY OR OTHER LEGAL ENTITY, THE NAMES OF PERSONS WITH
27 A CONTROLLING INTEREST.

28 (II) IF THE APPLICANT FOR A TERMINAL OPERATOR
29 LICENSE OR TERMINAL OPERATOR LICENSEE OR AN AFFILIATE,
30 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE

1 APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL
2 OPERATOR LICENSEE IS A PRIVATELY HELD DOMESTIC OR FOREIGN
3 CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR
4 OTHER LEGAL ENTITY, THE NAMES OF ALL PERSONS WITH AN
5 OWNERSHIP INTEREST EQUAL TO OR GREATER THAN 1%.

6 (III) THE NAME OF A PERSON ENTITLED TO CAST THE VOTE
7 OF A PERSON NAMED UNDER SUBPARAGRAPH (I) OR (II).

8 (IV) THE NAMES OF OFFICERS, DIRECTORS AND PRINCIPALS
9 OF THE APPLICANT FOR A TERMINAL OPERATOR LICENSE OR
10 TERMINAL OPERATOR LICENSEE.

11 (16) DETERMINE, DESIGNATE AND CLASSIFY EMPLOYEES OF A
12 TERMINAL OPERATOR LICENSEE AS KEY EMPLOYEES AND NON-KEY
13 EMPLOYEES.

14 § 3302. REGULATORY AUTHORITY OF BOARD.

15 (A) GENERAL RULE.--THE BOARD SHALL HAVE THE POWER AND DUTY:

16 (1) TO DENY, DENY THE RENEWAL, REVOKE, CONDITION OR
17 SUSPEND A LICENSE PROVIDED FOR IN THIS PART IF THE BOARD
18 FINDS IN ITS SOLE DISCRETION THAT A LICENSEE UNDER THIS PART
19 OR ITS OFFICERS, EMPLOYEES OR AGENTS HAVE INTENTIONALLY
20 FURNISHED FALSE OR MISLEADING INFORMATION TO THE BOARD OR
21 FAILED TO COMPLY WITH THE PROVISIONS OF THIS PART OR THE
22 RULES AND REGULATIONS OF THE BOARD AND THAT IT WOULD BE IN
23 THE PUBLIC INTEREST TO DENY, DENY THE RENEWAL, REVOKE,
24 CONDITION OR SUSPEND THE LICENSE.

25 (2) TO RESTRICT ACCESS TO CONFIDENTIAL INFORMATION IN
26 THE POSSESSION OF THE BOARD THAT HAS BEEN OBTAINED UNDER THIS
27 PART AND ENSURE THAT THE CONFIDENTIALITY OF INFORMATION IS
28 MAINTAINED AND PROTECTED.

29 (3) TO PRESCRIBE AND REQUIRE PERIODIC FINANCIAL
30 REPORTING AND INTERNAL CONTROL REQUIREMENTS FOR TERMINAL

1 OPERATOR LICENSEES.

2 (4) TO REQUIRE THAT EACH TERMINAL OPERATOR LICENSEE
3 PROVIDE TO THE BOARD ITS ANNUAL FINANCIAL STATEMENTS, WITH
4 SUCH ADDITIONAL DETAIL AS THE BOARD SHALL REQUIRE, WHICH
5 SHALL BE SUBMITTED NOT LATER THAN 180 DAYS AFTER THE END OF
6 THE LICENSEE'S FISCAL YEAR.

7 (5) TO PRESCRIBE THE PROCEDURES TO BE FOLLOWED BY
8 TERMINAL OPERATOR LICENSEES FOR A FINANCIAL EVENT THAT OCCURS
9 IN THE OPERATION AND PLAY OF VIDEO GAMING TERMINALS.

10 (6) TO REQUIRE THAT EACH ESTABLISHMENT LICENSEE
11 PROHIBITS MINORS FROM OPERATING OR USING VIDEO GAMING
12 TERMINALS OR REDEMPTION TERMINALS.

13 (7) TO ESTABLISH PROCEDURES FOR THE INSPECTION AND
14 CERTIFICATION OF COMPLIANCE OF VIDEO GAMING TERMINALS,
15 REDEMPTION TERMINALS AND ASSOCIATED EQUIPMENT PRIOR TO BEING
16 PLACED INTO USE BY A TERMINAL OPERATOR LICENSEE.

17 (8) TO REQUIRE THAT NO VIDEO GAMING TERMINAL MAY BE SET
18 TO PAY OUT LESS THAN THE THEORETICAL PAYOUT PERCENTAGE, WHICH
19 PERCENTAGE SHALL BE NO LESS THAN 85%, AS SPECIFICALLY
20 APPROVED BY THE BOARD. THE BOARD SHALL ADOPT REGULATIONS THAT
21 DEFINE THE THEORETICAL PAYOUT PERCENTAGE OF A VIDEO GAMING
22 TERMINAL GAME BASED ON THE TOTAL VALUE OF THE JACKPOTS
23 EXPECTED TO BE PAID BY A PLAY ON A VIDEO GAMING TERMINAL GAME
24 DIVIDED BY THE TOTAL VALUE OF VIDEO GAMING TERMINALS WAGERS
25 EXPECTED TO BE MADE ON THAT PLAY OR VIDEO GAMING TERMINAL
26 GAME DURING THE SAME PORTION OF THE GAME CYCLE. IN SO DOING,
27 THE BOARD SHALL SPECIFY WHETHER THE CALCULATION INCLUDES A
28 PORTION OF OR THE ENTIRE CYCLE OF A VIDEO GAMING TERMINAL
29 GAME.

30 (9) TO REQUIRE THAT AN ESTABLISHMENT LICENSE APPLICANT

1 PROVIDE DETAILED SITE PLANS OF ITS PROPOSED VIDEO GAMING AREA
2 FOR REVIEW AND APPROVAL BY THE BOARD FOR THE PURPOSE OF
3 DETERMINING THE ADEQUACY OF THE PROPOSED SECURITY AND
4 SURVEILLANCE MEASURES. THE APPLICANT SHALL COOPERATE WITH THE
5 BOARD IN MAKING CHANGES TO THE PLANS SUGGESTED BY THE BOARD
6 AND SHALL ENSURE THAT THE PLANS AS MODIFIED AND APPROVED ARE
7 IMPLEMENTED. THE BOARD MAY NOT REQUIRE A FLOOR-TO-CEILING
8 WALL TO SEGREGATE THE VIDEO GAMING AREA, BUT MAY ADOPT RULES
9 TO ESTABLISH SEGREGATION REQUIREMENTS.

10 (10) TO PROMULGATE RULES AND REGULATIONS GOVERNING THE
11 ADVERTISEMENT OF VIDEO GAMING TERMINALS, PROVIDED THAT THE
12 BOARD SHALL REQUIRE ALL ADVERTISEMENTS TO DISPLAY OR
13 REFERENCE THE TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER
14 MAINTAINED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS
15 UNDER SECTION 3310(B) (RELATING TO DUTIES OF DEPARTMENT OF
16 DRUG AND ALCOHOL PROGRAMS).

17 (11) TO ENTER INTO CONTRACTS WITH PERSONS FOR THE
18 PURPOSES OF CARRYING OUT THE POWERS AND DUTIES OF THE BOARD
19 UNDER THIS PART.

20 (12) TO ADOPT REGULATIONS GOVERNING THE POSTEMPLOYMENT
21 LIMITATIONS AND RESTRICTIONS APPLICABLE TO MEMBERS AND
22 EMPLOYEES OF THE BOARD SUBJECT TO SECTION 4302 (RELATING TO
23 ADDITIONAL BOARD RESTRICTIONS). IN DEVELOPING THE
24 REGULATIONS, THE BOARD MAY CONSULT WITH THE STATE ETHICS
25 COMMISSION, GOVERNMENTAL AGENCIES AND THE DISCIPLINARY BOARD
26 OF THE SUPREME COURT REGARDING POSTEMPLOYMENT LIMITATIONS AND
27 RESTRICTIONS ON MEMBERS AND EMPLOYEES OF THE BOARD WHO ARE
28 MEMBERS OF THE PENNSYLVANIA BAR.

29 (13) TO REVIEW AND APPROVE ALL CASH HANDLING POLICIES
30 AND PROCEDURES EMPLOYED BY TERMINAL OPERATOR LICENSEES.

1 (14) TO PROMULGATE RULES AND REGULATIONS GOVERNING THE
2 PLACEMENT OF AUTOMATED TELLER MACHINES WITHIN VIDEO GAMING
3 AREAS.

4 (15) TO ESTABLISH REASONABLE AGE-VERIFICATION PROCEDURES
5 FOR ESTABLISHMENT LICENSEES AND THEIR EMPLOYEES TO ENSURE
6 MINORS DO NOT ACCESS A VIDEO GAMING AREA OR TERMINAL,
7 PROVIDED THAT THE BOARD MAY NOT REQUIRE VIDEO GAMING
8 TERMINALS TO BE EQUIPPED WITH IDENTIFICATION CARD-READING
9 DEVICES OR REQUIRE ESTABLISHMENT LICENSEES TO PURCHASE
10 IDENTIFICATION CARD-READING DEVICES.

11 (16) TO PROMULGATE RULES AND REGULATIONS GOVERNING
12 PLAYER LOYALTY OR REWARDS CARD PROGRAMS.

13 (17) TO PROMULGATE RULES AND REGULATIONS GOVERNING THE
14 INTERCONNECTION OF VIDEO GAMING TERMINALS WITH A SINGLE
15 ESTABLISHMENT FOR A PROGRESSIVE SYSTEM.

16 (18) TO PROMULGATE RULES AND REGULATIONS NECESSARY FOR
17 THE ADMINISTRATION AND ENFORCEMENT OF THIS PART.

18 (19) TO LIMIT THE TOTAL NUMBER OF VIDEO GAMING TERMINALS
19 IN OPERATION WITHIN THIS COMMONWEALTH AS FOLLOWS:

20 (I) NO MORE THAN 30,000 VIDEO GAMING TERMINALS BY
21 DECEMBER 31, 2018.

22 (II) NO MORE THAN 35,000 VIDEO GAMING TERMINALS BY
23 DECEMBER 31, 2019.

24 (III) NO MORE THAN 40,000 VIDEO GAMING TERMINALS BY
25 DECEMBER 31, 2020, AND THEREAFTER.

26 (B) APPLICABLE LAW.--EXCEPT AS PROVIDED IN SECTION 3303
27 (RELATING TO TEMPORARY REGULATIONS), REGULATIONS SHALL BE
28 ADOPTED THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO
29 AS THE COMMONWEALTH DOCUMENTS LAW, AND THE ACT OF JUNE 25, 1982
30 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW ACT.

1 § 3303. TEMPORARY REGULATIONS.

2 (A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT
3 IMPLEMENTATION OF THIS PART, REGULATIONS PROMULGATED BY THE
4 BOARD SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL EXPIRE
5 NO LATER THAN THREE YEARS FOLLOWING THE EFFECTIVE DATE OF THIS
6 SECTION. THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS NOT
7 SUBJECT TO:

8 (1) SECTIONS 201, 202, 203 AND 205 OF THE ACT OF JULY
9 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH
10 DOCUMENTS LAW.

11 (2) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980
12 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

13 (3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
14 THE REGULATORY REVIEW ACT.

15 (B) EXPIRATION.--EXCEPT FOR TEMPORARY REGULATIONS RELATED TO
16 SECURITY AND SURVEILLANCE, THE AUTHORITY PROVIDED TO THE BOARD
17 TO ADOPT TEMPORARY REGULATIONS IN SUBSECTION (A) SHALL EXPIRE
18 JULY 1, 2020. REGULATIONS ADOPTED AFTER THAT DATE SHALL BE
19 PROMULGATED AS PROVIDED BY LAW.

20 (C) SPECIAL CONSIDERATION.--WHEN PROMULGATING TEMPORARY
21 REGULATIONS REGARDING THE APPLICATION, BACKGROUND INVESTIGATION
22 AND RENEWAL PROCESS FOR AN ESTABLISHMENT LICENSE OR REGULATIONS
23 REGARDING AN ESTABLISHMENT LICENSEE'S DUTIES AND
24 RESPONSIBILITIES REGARDING THE CONDUCT OF VIDEO GAMING UNDER
25 THIS PART, THE BOARD SHALL CONSIDER PROMULGATING REGULATIONS
26 THAT MINIMIZE THE REGULATORY BURDEN ON ESTABLISHMENT LICENSEES
27 AND ESTABLISHMENT LICENSE APPLICANTS TO THE EXTENT THAT:

28 (1) ALL REQUIREMENTS, DUTIES AND RESPONSIBILITIES ARE
29 FULFILLED UNDER THIS PART.

30 (2) THE TEMPORARY REGULATIONS ADEQUATELY PROTECT THE

1 PUBLIC INTEREST AND INTEGRITY OF VIDEO GAMING.

2 § 3304. APPEALS.

3 AN APPLICANT OR LICENSEE MAY APPEAL A FINAL ORDER,
4 DETERMINATION OR DECISION OF THE BOARD INVOLVING THE APPROVAL,
5 ISSUANCE, DENIAL, REVOCATION, NONRENEWAL, SUSPENSION OR
6 CONDITIONING, INCLUDING ANY DISCIPLINARY ACTIONS, OF A LICENSE,
7 PERMIT OR AUTHORIZATION UNDER THIS PART IN ACCORDANCE WITH 2
8 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF
9 COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO JUDICIAL
10 REVIEW OF COMMONWEALTH AGENCY ACTION).

11 § 3305. RECORDS AND CONFIDENTIALITY OF INFORMATION.

12 (A) RECORDS.--THE BOARD SHALL MAINTAIN FILES AND RECORDS
13 DEEMED NECESSARY FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS
14 PART.

15 (B) CONFIDENTIALITY OF INFORMATION.--

16 (1) THE FOLLOWING INFORMATION SUBMITTED BY AN APPLICANT
17 OR LICENSEE UNDER CHAPTER 35 (RELATING TO APPLICATION AND
18 LICENSURE) OR OBTAINED BY THE BOARD OR THE BUREAU AS PART OF
19 A BACKGROUND OR OTHER INVESTIGATION FROM ANY SOURCE SHALL BE
20 CONFIDENTIAL AND WITHHELD FROM PUBLIC DISCLOSURE:

21 (I) INFORMATION RELATING TO CHARACTER, HONESTY AND
22 INTEGRITY, INCLUDING FAMILY, HABITS, REPUTATION, HISTORY
23 OF CRIMINAL ACTIVITY, BUSINESS ACTIVITIES, FINANCIAL
24 AFFAIRS AND BUSINESS, PROFESSIONAL AND PERSONAL
25 ASSOCIATIONS SUBMITTED TO OR OTHERWISE OBTAINED BY THE
26 BOARD OR THE BUREAU.

27 (II) NONPUBLIC PERSONAL INFORMATION, INCLUDING HOME
28 ADDRESSES, TELEPHONE NUMBERS AND OTHER PERSONAL CONTACT
29 INFORMATION, SOCIAL SECURITY NUMBERS, EDUCATIONAL
30 RECORDS, MEMBERSHIPS, MEDICAL RECORDS, TAX RETURNS AND

1 DECLARATIONS, ACTUAL OR PROPOSED COMPENSATION, FINANCIAL
2 ACCOUNT RECORDS, CREDITWORTHINESS OR FINANCIAL CONDITION
3 RELATING TO AN APPLICANT OR LICENSEE OR THE IMMEDIATE
4 FAMILY THEREOF.

5 (III) INFORMATION RELATING TO PROPRIETARY
6 INFORMATION, TRADE SECRETS, PATENTS OR EXCLUSIVE
7 LICENSES, ARCHITECTURAL AND ENGINEERING PLANS AND
8 INFORMATION RELATING TO COMPETITIVE MARKETING MATERIALS
9 AND STRATEGIES, INCLUDING CUSTOMER-IDENTIFYING
10 INFORMATION OR CUSTOMER PROSPECTS FOR SERVICES SUBJECT TO
11 COMPETITION.

12 (IV) SECURITY INFORMATION, INCLUDING RISK PREVENTION
13 PLANS, DETECTION AND COUNTERMEASURES, LOCATION OF COUNT
14 ROOMS, EMERGENCY MANAGEMENT PLANS, SECURITY AND
15 SURVEILLANCE PLANS, EQUIPMENT AND USAGE PROTOCOLS AND
16 THEFT AND FRAUD PREVENTION PLANS AND COUNTERMEASURES.

17 (V) INFORMATION WITH RESPECT TO WHICH THERE IS A
18 REASONABLE POSSIBILITY THAT PUBLIC RELEASE OR INSPECTION
19 OF THE INFORMATION WOULD CONSTITUTE AN UNWARRANTED
20 INVASION INTO PERSONAL PRIVACY OF AN INDIVIDUAL AS
21 DETERMINED BY THE BOARD.

22 (VI) RECORDS OF AN APPLICANT OR LICENSEE NOT
23 REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE
24 COMMISSION BY ISSUERS THAT EITHER HAVE SECURITIES
25 REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE
26 ACT OF 1934 (48 STAT. 881, 15 U.S.C. § 78L) OR ARE
27 REQUIRED TO FILE REPORTS UNDER SECTION 15(D) OF THE
28 SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C.
29 § 78O).

30 (VII) RECORDS CONSIDERED NONPUBLIC MATTERS OR

1 INFORMATION BY THE SECURITIES AND EXCHANGE COMMISSION AS
2 PROVIDED BY 17 CFR 200.80 (RELATING TO COMMISSION RECORDS
3 AND INFORMATION).

4 (VIII) FINANCIAL INFORMATION PROVIDED TO THE BOARD
5 BY AN APPLICANT OR LICENSEE.

6 (2) NO CLAIM OF CONFIDENTIALITY MAY BE MADE REGARDING
7 CRIMINAL HISTORY RECORD INFORMATION THAT IS AVAILABLE TO THE
8 PUBLIC UNDER 18 PA.C.S. § 9121(B) (RELATING TO GENERAL
9 REGULATIONS).

10 (3) NO CLAIM OF CONFIDENTIALITY MAY BE MADE REGARDING A
11 RECORD IN POSSESSION OF THE BOARD THAT IS OTHERWISE PUBLICLY
12 AVAILABLE FROM A COMMONWEALTH AGENCY, LOCAL AGENCY OR ANOTHER
13 JURISDICTION.

14 (4) EXCEPT AS PROVIDED IN SECTION 3904(H) (RELATING TO
15 INVESTIGATIONS AND ENFORCEMENT), THE INFORMATION MADE
16 CONFIDENTIAL UNDER THIS SECTION SHALL BE WITHHELD FROM PUBLIC
17 DISCLOSURE IN WHOLE OR IN PART, EXCEPT THAT CONFIDENTIAL
18 INFORMATION SHALL BE RELEASED UPON THE ORDER OF A COURT OF
19 COMPETENT JURISDICTION OR, WITH THE APPROVAL OF THE ATTORNEY
20 GENERAL, TO A DULY AUTHORIZED LAW ENFORCEMENT AGENCY OR SHALL
21 BE RELEASED TO THE PUBLIC, IN WHOLE OR IN PART, TO THE EXTENT
22 THAT THE RELEASE IS REQUESTED BY AN APPLICANT OR LICENSEE AND
23 DOES NOT OTHERWISE CONTAIN CONFIDENTIAL INFORMATION ABOUT
24 ANOTHER PERSON.

25 (5) THE BOARD MAY SEEK A VOLUNTARY WAIVER OF
26 CONFIDENTIALITY FROM AN APPLICANT OR LICENSEE BUT MAY NOT
27 REQUIRE AN APPLICANT OR LICENSEE TO WAIVE THE CONFIDENTIALITY
28 PROVIDED UNDER THIS SUBSECTION AS A CONDITION FOR THE
29 APPROVAL OF AN APPLICATION, RENEWAL OF A LICENSE OR OTHER
30 ACTION OF THE BOARD.

1 (6) (I) NO CURRENT OR FORMER MEMBER AND NO CURRENT OR
2 FORMER EMPLOYEE, AGENT OR INDEPENDENT CONTRACTOR OF THE
3 BOARD, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE, THE
4 OFFICE OF ATTORNEY GENERAL OR OTHER EXECUTIVE BRANCH
5 OFFICE WHO HAS OBTAINED CONFIDENTIAL INFORMATION IN THE
6 PERFORMANCE OF DUTIES UNDER THIS PART SHALL INTENTIONALLY
7 AND PUBLICLY DISCLOSE THE INFORMATION TO A PERSON,
8 KNOWING THAT THE INFORMATION BEING DISCLOSED IS
9 CONFIDENTIAL UNDER THIS SUBSECTION, UNLESS THE PERSON IS
10 AUTHORIZED BY LAW TO RECEIVE IT.

11 (II) A VIOLATION OF THIS SUBSECTION SHALL CONSTITUTE
12 A MISDEMEANOR OF THE THIRD DEGREE.

13 (III) IN ADDITION TO ANY PENALTY UNDER SUBPARAGRAPH
14 (II), AN EMPLOYEE, AGENT OR INDEPENDENT CONTRACTOR WHO
15 VIOLATES THIS SUBSECTION SHALL BE ADMINISTRATIVELY
16 DISCIPLINED BY DISCHARGE, SUSPENSION, TERMINATION OF
17 CONTRACT OR OTHER FORMAL DISCIPLINARY ACTION AS
18 APPROPRIATE. IF A CURRENT MEMBER VIOLATES THIS PARAGRAPH,
19 THE OTHER MEMBERS SHALL REFER THE MATTER TO THE CURRENT
20 MEMBER'S APPOINTING AUTHORITY.

21 (C) NOTICE.--NOTICE OF THE CONTENTS OF INFORMATION, EXCEPT
22 TO A DULY AUTHORIZED LAW ENFORCEMENT AGENCY PURSUANT TO THIS
23 SECTION, SHALL BE GIVEN TO AN APPLICANT OR LICENSEE IN A MANNER
24 PRESCRIBED BY THE RULES AND REGULATIONS ADOPTED BY THE BOARD.

25 (D) INFORMATION HELD BY OTHER AGENCIES.--FILES, RECORDS,
26 REPORTS AND OTHER INFORMATION IN THE POSSESSION OF THE
27 DEPARTMENT OR THE PENNSYLVANIA LIQUOR CONTROL BOARD PERTAINING
28 TO A LICENSEE SHALL BE MADE AVAILABLE TO THE BOARD AS MAY BE
29 NECESSARY TO THE EFFECTIVE ADMINISTRATION OF THIS PART.

30 § 3306. REPORTING.

1 (A) REPORT BY BOARD.--BEGINNING OCTOBER 1, 2018, AND EVERY
2 YEAR THEREAFTER, THE ANNUAL REPORT SUBMITTED TO THE GOVERNOR AND
3 THE GENERAL ASSEMBLY BY THE BOARD UNDER SECTION 1211 (RELATING
4 TO REPORTS OF BOARD) SHALL INCLUDE INFORMATION ON THE CONDUCT OF
5 VIDEO GAMING TERMINALS FOR THE PREVIOUS CALENDAR YEAR:

6 (1) TOTAL GROSS TERMINAL REVENUE.

7 (2) TOTAL NUMBER OF TERMINAL OPERATOR LICENSEES AND
8 ESTABLISHMENT LICENSEES.

9 (3) ALL TAXES, FEES, FINES AND OTHER REVENUE COLLECTED
10 AND, WHERE APPROPRIATE, REVENUE DISBURSED. THE DEPARTMENT
11 SHALL COLLABORATE WITH THE BOARD TO CARRY OUT THE
12 REQUIREMENTS OF THIS PARAGRAPH.

13 (4) OTHER INFORMATION RELATED TO THE CONDUCT OF VIDEO
14 GAMING TERMINALS THAT THE BOARD DEEMS APPROPRIATE.

15 (B) PARTICIPATION.--THE BOARD MAY REQUIRE TERMINAL OPERATOR
16 LICENSEES TO PROVIDE INFORMATION TO THE BOARD TO ASSIST IN THE
17 PREPARATION OF THE REPORT UNDER SUBSECTION (A).

18 (C) REPORT BY DEPARTMENT.--NO LATER THAN JUNE 1, 2018, AND
19 EACH YEAR THEREAFTER UNTIL JUNE 1, 2020, THE DEPARTMENT SHALL
20 PROVIDE AN ANNUAL REPORT TO THE GOVERNOR AND THE GENERAL
21 ASSEMBLY REGARDING THE IMPACT OF LEGALIZED VIDEO GAMING
22 TERMINALS ON THE STATE LOTTERY FUND.

23 § 3307. DIVERSITY.

24 (A) INTENT.--IT IS THE INTENT AND GOAL OF THE GENERAL
25 ASSEMBLY THAT THE BOARD PROMOTE AND ENSURE DIVERSITY IN ALL
26 ASPECTS OF THE GAMING ACTIVITIES AUTHORIZED UNDER THIS PART.

27 (B) REPORTS BY APPLICANTS.--AN APPLICANT FOR A TERMINAL
28 OPERATOR LICENSE SHALL SUBMIT A DIVERSITY PLAN TO THE BOARD. AT
29 A MINIMUM, THE DIVERSITY PLAN SHALL CONTAIN A SUMMARY OF:

30 (1) ALL EMPLOYEE RECRUITMENT AND RETENTION EFFORTS

1 UNDERTAKEN TO PROMOTE THE PARTICIPATION OF DIVERSE GROUPS IN
2 EMPLOYMENT WITH THE APPLICANT IF ISSUED A TERMINAL OPERATOR
3 LICENSE.

4 (2) OTHER INFORMATION DEEMED NECESSARY BY THE BOARD TO
5 ASSESS THE DIVERSITY PLAN.

6 (C) REVIEW.--THE BOARD SHALL CONDUCT A REVIEW OF A DIVERSITY
7 PLAN. WHEN REVIEWING THE ADEQUACY OF A DIVERSITY PLAN, THE BOARD
8 SHALL TAKE INTO CONSIDERATION THE TOTAL NUMBER OF VIDEO GAMING
9 TERMINALS THE APPLICANT PROPOSES TO OPERATE WITHIN THE
10 COMMONWEALTH.

11 (D) PERIODIC REVIEW.--UPON AN APPLICANT RECEIVING A TERMINAL
12 OPERATOR LICENSE, THE BOARD, IN ITS DISCRETION, MAY PERIODICALLY
13 REVIEW THE TERMINAL OPERATOR LICENSEE'S DIVERSITY PLAN AND
14 RECOMMEND CHANGES TO THE DIVERSITY PLAN.

15 (E) TERMINAL OPERATOR RESPONSIBILITY.--AN APPLICANT FOR A
16 TERMINAL OPERATOR LICENSE OR A TERMINAL OPERATOR LICENSEE SHALL
17 PROVIDE INFORMATION AS REQUIRED BY THE BOARD TO ENABLE THE BOARD
18 TO COMPLETE THE REVIEWS REQUIRED UNDER SUBSECTIONS (C) AND (D).
19 § 3308. AUTHORITY OF DEPARTMENT.

20 (A) GENERAL RULE.--THE DEPARTMENT SHALL ADMINISTER AND
21 COLLECT TAXES IMPOSED UNDER THIS PART AND INTEREST IMPOSED UNDER
22 SECTION 806 OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN
23 AS THE FISCAL CODE, AND PROMULGATE AND ENFORCE RULES AND
24 REGULATIONS TO CARRY OUT ITS PRESCRIBED DUTIES IN ACCORDANCE
25 WITH THIS PART, INCLUDING THE COLLECTION OF TAXES, PENALTIES AND
26 INTEREST IMPOSED BY THIS PART.

27 (B) APPLICATION OF RULES AND REGULATIONS.--THE DEPARTMENT
28 MAY PRESCRIBE THE EXTENT, IF ANY, TO WHICH ANY RULES AND
29 REGULATIONS SHALL BE APPLIED WITHOUT RETROACTIVE EFFECT. THE
30 DEPARTMENT SHALL PRESCRIBE THE FORMS AND THE SYSTEM OF

1 ACCOUNTING AND RECORDKEEPING TO BE EMPLOYED AND THROUGH ITS
2 REPRESENTATIVE SHALL AT ALL TIMES HAVE POWER OF ACCESS TO AND
3 EXAMINATION AND AUDIT OF ANY EQUIPMENT AND RECORDS RELATING TO
4 ALL ASPECTS OF THE OPERATION OF VIDEO GAMING TERMINALS AND
5 REDEMPTION TERMINALS UNDER THIS PART.

6 (C) PROCEDURE.--FOR PURPOSES OF IMPLEMENTING THIS PART, THE
7 DEPARTMENT MAY PROMULGATE REGULATIONS IN THE SAME MANNER IN
8 WHICH THE BOARD IS AUTHORIZED AS PROVIDED IN SECTION 3303
9 (RELATING TO TEMPORARY REGULATIONS).

10 (D) ADDITIONAL PENALTY.--A PERSON WHO FAILS TO TIMELY REMIT
11 TO THE DEPARTMENT OR THE STATE TREASURER AMOUNTS REQUIRED UNDER
12 THIS PART SHALL BE LIABLE, IN ADDITION TO LIABILITY IMPOSED
13 ELSEWHERE IN THIS PART, TO A PENALTY OF 5% PER MONTH UP TO A
14 MAXIMUM OF 25% OF THE AMOUNTS ULTIMATELY FOUND TO BE DUE, TO BE
15 RECOVERED BY THE DEPARTMENT.

16 (E) LIENS AND SUITS FOR TAXES.--THE PROVISIONS OF THIS PART
17 SHALL BE SUBJECT TO THE PROVISIONS OF SECTIONS 242 AND 243 OF
18 THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM
19 CODE OF 1971.

20 § 3309. CENTRAL CONTROL COMPUTER SYSTEM.

21 (A) GENERAL RULE.--TO FACILITATE THE AUDITING AND SECURITY
22 PROGRAMS CRITICAL TO THE INTEGRITY OF VIDEO GAMING TERMINALS IN
23 THIS COMMONWEALTH, THE DEPARTMENT SHALL HAVE OVERALL CONTROL OF
24 VIDEO GAMING TERMINALS THAT:

25 (1) SHALL BE LINKED, AT AN APPROPRIATE TIME TO BE
26 DETERMINED BY THE DEPARTMENT, TO A CENTRAL CONTROL COMPUTER
27 UNDER THE CONTROL OF THE DEPARTMENT AND ACCESSIBLE BY THE
28 BOARD TO PROVIDE AUDITING PROGRAM CAPACITY AND INDIVIDUAL
29 TERMINAL INFORMATION AS APPROVED BY THE DEPARTMENT.

30 (2) SHALL INCLUDE REAL-TIME INFORMATION RETRIEVAL AND

1 TERMINAL ACTIVATION AND DISABLING PROGRAMS.

2 (B) SYSTEM REQUIREMENTS.--THE CENTRAL CONTROL COMPUTER
3 EMPLOYED BY THE DEPARTMENT SHALL PROVIDE:

4 (1) A FULLY OPERATIONAL STATEWIDE VIDEO GAMING TERMINAL
5 CONTROL SYSTEM THAT HAS THE CAPABILITY OF SUPPORTING UP TO
6 THE MAXIMUM NUMBER OF VIDEO GAMING TERMINALS THAT IS
7 PERMITTED TO BE IN OPERATION UNDER THIS PART.

8 (2) THE EMPLOYMENT OF A WIDELY ACCEPTED GAMING INDUSTRY
9 PROTOCOL TO FACILITATE A VIDEO GAMING TERMINAL MANUFACTURERS'
10 ABILITY TO COMMUNICATE WITH THE STATEWIDE SYSTEM.

11 (3) THE DELIVERY OF A SYSTEM THAT HAS THE ABILITY TO
12 VERIFY SOFTWARE, DETECT ALTERATIONS IN PAYOUT AND DETECT
13 OTHER METHODS OF FRAUD IN ALL ASPECTS OF THE OPERATION OF
14 VIDEO GAMING TERMINALS.

15 (4) THE DELIVERY OF A SYSTEM THAT HAS THE CAPABILITY TO
16 SUPPORT PROGRESSIVE VIDEO GAMING TERMINALS AS APPROVED BY THE
17 BOARD.

18 (5) THE DELIVERY OF A SYSTEM THAT DOES NOT ALTER THE
19 STATISTICAL AWARDS OF VIDEO GAMING TERMINAL GAMES AS DESIGNED
20 BY THE MANUFACTURER AND APPROVED BY THE BOARD.

21 (6) THE DELIVERY OF A SYSTEM THAT PROVIDES REDUNDANCY SO
22 THAT EACH COMPONENT OF THE NETWORK IS CAPABLE OF OPERATING
23 INDEPENDENTLY BY THE DEPARTMENT IF ANY COMPONENT OF THE
24 NETWORK, INCLUDING THE CENTRAL CONTROL COMPUTER, FAILS OR
25 CANNOT BE OPERATED FOR ANY REASON AS DETERMINED BY THE
26 DEPARTMENT, AND TO ASSURE THAT ALL TRANSACTIONAL DATA IS
27 CAPTURED AND SECURED. COSTS ASSOCIATED WITH A COMPUTER SYSTEM
28 REQUIRED BY THE DEPARTMENT TO OPERATE WITHIN A VIDEO GAMING
29 AREA, WHETHER INDEPENDENT OR AS PART OF THE CENTRAL CONTROL
30 COMPUTER, SHALL BE PAID BY THE TERMINAL OPERATOR LICENSEE.

1 THE COMPUTER SYSTEM SHALL BE CONTROLLED BY THE DEPARTMENT AND
2 ACCESSIBLE TO THE BOARD.

3 (7) THE ABILITY TO MEET ALL REPORTING AND CONTROL
4 REQUIREMENTS AS PRESCRIBED BY THE BOARD AND DEPARTMENT.

5 (8) THE DELIVERY OF A SYSTEM THAT PROVIDES CENTRALIZED
6 ISSUANCE OF CASH REDEMPTION TICKETS AND FACILITATES THE
7 ACCEPTANCE OF THE TICKETS BY VIDEO GAMING TERMINALS AND
8 REDEMPTION TERMINALS.

9 (9) OTHER CAPABILITIES AS DETERMINED BY THE DEPARTMENT
10 IN CONSULTATION WITH THE BOARD.

11 (C) PERSONAL INFORMATION.--THE CENTRAL CONTROL COMPUTER MAY
12 NOT PROVIDE FOR THE MONITORING OR READING OF PERSONAL OR
13 FINANCIAL INFORMATION CONCERNING A PATRON OF A TERMINAL OPERATOR
14 LICENSEE.

15 (D) INITIAL ACQUISITION OF CENTRAL CONTROL COMPUTER.--

16 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
17 CONTRARY AND IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION
18 OF THIS PART, INITIAL CONTRACTS ENTERED INTO BY THE
19 DEPARTMENT FOR A CENTRAL CONTROL COMPUTER, INCLUDING
20 NECESSARY COMPUTER HARDWARE, SOFTWARE, LICENSES OR RELATED
21 SERVICES SHALL NOT BE SUBJECT TO THE PROVISIONS OF 62 PA.C.S.
22 (RELATING TO PROCUREMENT).

23 (2) CONTRACTS MADE PURSUANT TO THE PROVISIONS OF THIS
24 SECTION MAY NOT EXCEED FIVE YEARS.

25 (E) RESOLUTION OF CONTRACT DISPUTES.--THE PROCESS SPECIFIED
26 IN 62 PA.C.S. CH. 17 SUBCH. B (RELATING TO PRELITIGATION
27 RESOLUTION OF CONTROVERSIES) SHALL BE THE SOLE MEANS OF
28 RESOLUTION FOR CONTROVERSIES ARISING WITH RESPECT TO CONTRACTS
29 EXECUTED UNDER THIS SECTION.

30 (F) EXISTING CENTRAL CONTROL COMPUTER SYSTEM.--THE

1 DEPARTMENT, IN ITS DISCRETION, MAY ALTER OR UTILIZE THE CENTRAL
2 CONTROL COMPUTER SYSTEM CONTROLLED BY THE DEPARTMENT UNDER
3 SECTION 1323 (RELATING TO CENTRAL CONTROL COMPUTER SYSTEM) TO
4 FULFILL THE REQUIREMENTS OF THIS SECTION.

5 § 3310. DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR
6 AGENCY.

7 (A) PROGRAM UPDATE.--

8 (1) THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
9 SUCCESSOR AGENCY SHALL UPDATE THE COMPULSIVE AND PROBLEM
10 GAMBLING PROGRAM ESTABLISHED IN SECTION 1509 (RELATING TO
11 COMPULSIVE AND PROBLEM GAMBLING PROGRAM) TO ADDRESS PUBLIC
12 EDUCATION, AWARENESS AND TRAINING REGARDING COMPULSIVE AND
13 PROBLEM GAMBLING AND THE TREATMENT AND PREVENTION OF
14 COMPULSIVE AND PROBLEM GAMBLING RELATED TO VIDEO GAMING
15 TERMINALS.

16 (2) THE UPDATED GUIDELINES SHALL INCLUDE STRATEGIES FOR
17 THE PREVENTION OF COMPULSIVE AND PROBLEM GAMBLING RELATED TO
18 VIDEO GAMING TERMINALS.

19 (3) THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
20 SUCCESSOR AGENCY MAY CONSULT WITH THE BOARD AND TERMINAL
21 OPERATOR LICENSEE TO DEVELOP THE STRATEGIES.

22 (B) DUTIES OF DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
23 SUCCESSOR AGENCY.--FROM FUNDS AVAILABLE IN THE COMPULSIVE AND
24 PROBLEM GAMBLING TREATMENT FUND, THE DEPARTMENT OF DRUG AND
25 ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL WITH RESPECT TO VIDEO
26 GAMING TERMINALS:

27 (1) MAINTAIN ONE COMPULSIVE GAMBLERS ASSISTANCE
28 ORGANIZATION'S TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER,
29 WHICH NUMBER SHALL BE 1-800-GAMBLER, TO PROVIDE CRISIS
30 COUNSELING AND REFERRAL SERVICES TO INDIVIDUALS AND FAMILIES

1 EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE
2 GAMBLING. IF THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
3 SUCCESSOR AGENCY DETERMINES THAT IT IS UNABLE TO ADOPT THE
4 NUMBER 1-800-GAMBLER, THE DEPARTMENT OF DRUG AND ALCOHOL
5 PROGRAMS OR SUCCESSOR AGENCY SHALL MAINTAIN ANOTHER NUMBER.

6 (2) MAINTAIN ONE COMPULSIVE GAMBLER'S ASSISTANCE
7 ORGANIZATION'S TELEPHONE NUMBER, WHICH SHALL BE ACCESSIBLE
8 VIA A FREE TEXT MESSAGE SERVICE, TO PROVIDE CRISIS COUNSELING
9 AND REFERRAL SERVICES TO INDIVIDUALS AND FAMILIES
10 EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE
11 GAMBLING.

12 (3) FACILITATE, THROUGH IN-SERVICE TRAINING AND OTHER
13 MEANS, THE AVAILABILITY OF EFFECTIVE ASSISTANCE PROGRAMS FOR
14 PROBLEM AND COMPULSIVE GAMBLERS AND FAMILY MEMBERS AFFECTED
15 BY PROBLEM AND COMPULSIVE GAMBLING.

16 (4) AT ITS DISCRETION, CONDUCT STUDIES TO IDENTIFY
17 INDIVIDUALS IN THIS COMMONWEALTH WHO ARE OR ARE AT RISK OF
18 BECOMING PROBLEM OR COMPULSIVE GAMBLERS.

19 (5) PROVIDE GRANTS TO AND CONTRACT WITH SINGLE COUNTY
20 AUTHORITIES AND OTHER ORGANIZATIONS THAT PROVIDE SERVICES
21 SPECIFIED IN THIS SECTION.

22 (6) REIMBURSE ORGANIZATIONS FOR REASONABLE EXPENSES
23 INCURRED ASSISTING THE DEPARTMENT OF DRUG AND ALCOHOL
24 PROGRAMS WITH IMPLEMENTING THIS SECTION.

25 (C) ADDITIONAL DUTIES.--WITHIN 60 DAYS FOLLOWING THE
26 EFFECTIVE DATE OF THIS SECTION, THE DEPARTMENT OF DRUG AND
27 ALCOHOL PROGRAMS OR SUCCESSOR AGENCY AND THE BOARD'S OFFICE OF
28 COMPULSIVE AND PROBLEM GAMBLING SHALL JOINTLY COLLABORATE WITH
29 OTHER APPROPRIATE OFFICES AND AGENCIES OF STATE OR LOCAL
30 GOVERNMENT, INCLUDING SINGLE COUNTY AUTHORITIES AND PROVIDERS

1 AND OTHER PERSONS, PUBLIC OR PRIVATE, WITH EXPERTISE IN
2 COMPULSIVE AND PROBLEM GAMBLING TREATMENT WITH RESPECT TO VIDEO
3 GAMING TERMINALS:

4 (1) IMPLEMENT A STRATEGIC PLAN FOR THE PREVENTION AND
5 TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING.

6 (2) ADOPT COMPULSIVE AND PROBLEM GAMBLING TREATMENT
7 STANDARDS TO BE INTEGRATED WITH THE DEPARTMENT OF DRUG AND
8 ALCOHOL PROGRAMS' OR SUCCESSOR AGENCY'S UNIFORM STATEWIDE
9 GUIDELINES THAT GOVERN THE PROVISION OF ADDICTION TREATMENT
10 SERVICES.

11 (3) DEVELOP A METHOD TO COORDINATE COMPULSIVE AND
12 PROBLEM GAMBLING DATA COLLECTION AND REFERRAL INFORMATION TO
13 CRISIS RESPONSE HOTLINES, CHILD WELFARE AND DOMESTIC VIOLENCE
14 PROGRAMS AND PROVIDERS AND OTHER APPROPRIATE PROGRAMS AND
15 PROVIDERS.

16 (4) DEVELOP AND DISSEMINATE EDUCATIONAL MATERIALS TO
17 PROVIDE PUBLIC AWARENESS RELATED TO THE PREVENTION,
18 RECOGNITION AND TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING.

19 (5) DEVELOP DEMOGRAPHIC-SPECIFIC COMPULSIVE AND PROBLEM
20 GAMBLING PREVENTION, INTERVENTION AND TREATMENT PROGRAMS.

21 (6) PREPARE AN ITEMIZED BUDGET OUTLINING HOW FUNDS WILL
22 BE ALLOCATED TO FULFILL THE RESPONSIBILITIES UNDER THIS
23 SECTION.

24 (D) REPORT.--THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
25 SUCCESSOR AGENCY SHALL INCLUDE IN THE REPORT REQUIRED UNDER
26 SECTION 1509 INFORMATION INVOLVING VIDEO GAMING TERMINALS.

27 CHAPTER 35

28 APPLICATION AND LICENSURE

29 SEC.

30 3501. GENERAL PROHIBITION.

1 3502. TERMINAL OPERATOR LICENSES.
2 3503. (RESERVED).
3 3504. PRINCIPAL LICENSES.
4 3505. KEY EMPLOYEE LICENSES.
5 3506. DIVESTITURE OF DISQUALIFYING APPLICANT.
6 3507. SUPPLIER LICENSES.
7 3508. MANUFACTURER LICENSES.
8 3509. GAMING SERVICE PROVIDER.
9 3510. OCCUPATION PERMIT.
10 3511. ALTERNATIVE TERMINAL OPERATOR LICENSING STANDARDS.
11 3512. ALTERNATIVE MANUFACTURER LICENSING STANDARDS.
12 3513. ALTERNATIVE SUPPLIER LICENSING STANDARDS.
13 3514. ESTABLISHMENT LICENSES.
14 3515. LICENSE OR PERMIT PROHIBITION.
15 3516. ISSUANCE AND RENEWAL.
16 3517. CHANGE IN OWNERSHIP OR CONTROL OF TERMINAL OPERATOR
17 LICENSEE.
18 3518. VIDEO GAMING ACCOUNTING CONTROLS AND AUDITS.
19 3519. MULTIPLE LICENSES PROHIBITED.
20 3520. CONDITIONAL LICENSES.
21 § 3501. GENERAL PROHIBITION.
22 NO PERSON MAY OFFER OR OTHERWISE MAKE AVAILABLE FOR PLAY IN
23 THIS COMMONWEALTH A VIDEO GAMING TERMINAL UNLESS THE PERSON IS
24 LICENSED UNDER THIS PART AND ACCORDING TO REGULATIONS
25 PROMULGATED BY THE BOARD UNDER THIS PART.
26 § 3502. TERMINAL OPERATOR LICENSES.
27 (A) GENERAL REQUIREMENTS.--AN APPLICATION FOR A TERMINAL
28 OPERATOR LICENSE SHALL BE ON THE FORM REQUIRED BY THE BOARD AND
29 SHALL INCLUDE, AT A MINIMUM, ALL OF THE FOLLOWING:
30 (1) THE NAME, ADDRESS AND PHOTOGRAPH OF THE APPLICANT

1 AND OF ALL DIRECTORS AND OWNERS AND KEY EMPLOYEES AND THEIR
2 POSITIONS WITHIN THE CORPORATION OR ORGANIZATION, AS WELL AS
3 ADDITIONAL FINANCIAL INFORMATION REQUIRED BY THE BOARD.

4 (2) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE
5 DEPARTMENT.

6 (3) THE DETAILS OF ANY GAMING LICENSE APPLIED FOR,
7 GRANTED TO OR DENIED TO THE APPLICANT BY ANOTHER JURISDICTION
8 WHERE THE FORM OF GAMING IS LEGAL AND THE CONSENT FOR THE
9 BOARD TO ACQUIRE COPIES OF THE APPLICATION SUBMITTED OR
10 LICENSE ISSUED IN CONNECTION WITH THE APPLICATION.

11 (4) THE DETAILS OF ANY LOAN OBTAINED FROM A FINANCIAL
12 INSTITUTION OR NOT OBTAINED FROM A FINANCIAL INSTITUTION.

13 (5) THE CONSENT TO CONDUCT A BACKGROUND INVESTIGATION BY
14 THE BOARD, THE SCOPE OF WHICH INVESTIGATION SHALL BE
15 DETERMINED BY THE BOARD IN ITS DISCRETION CONSISTENT WITH THE
16 PROVISIONS OF THIS PART, AND A RELEASE SIGNED BY ALL PERSONS
17 SUBJECT TO THE INVESTIGATION OF ALL INFORMATION REQUIRED TO
18 COMPLETE THE INVESTIGATION.

19 (6) THE DETAILS OF THE APPLICANT'S DIVERSITY PLAN TO
20 ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY OF OPPORTUNITY
21 IN EMPLOYMENT AND CONTRACTING BY THE APPLICANT, ITS
22 CONTRACTORS, SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS,
23 VENDORS AND SUPPLIERS.

24 (7) ANY OTHER INFORMATION DETERMINED TO BE APPROPRIATE
25 BY THE BOARD.

26 (B) CHARACTER REQUIREMENTS.--AN APPLICATION FOR A TERMINAL
27 OPERATOR LICENSE SHALL INCLUDE SUCH INFORMATION, DOCUMENTATION
28 AND ASSURANCES AS MAY BE REQUIRED TO ESTABLISH BY CLEAR AND
29 CONVINCING EVIDENCE OF THE APPLICANT'S SUITABILITY, INCLUDING
30 GOOD CHARACTER, HONESTY AND INTEGRITY. THE APPLICATION SHALL

1 INCLUDE, WITHOUT LIMITATION, INFORMATION PERTAINING TO FAMILY,
2 HABITS, CHARACTER, REPUTATION, CRIMINAL HISTORY BACKGROUND,
3 BUSINESS ACTIVITIES, FINANCIAL AFFAIRS AND BUSINESS,
4 PROFESSIONAL AND PERSONAL ASSOCIATES, COVERING AT LEAST THE 10-
5 YEAR PERIOD IMMEDIATELY PRECEDING THE FILING DATE OF THE
6 APPLICATION.

7 (C) CIVIL JUDGMENTS.--AN APPLICANT SHALL NOTIFY THE BOARD OF
8 ANY CIVIL JUDGMENT OBTAINED AGAINST THE APPLICANT PERTAINING TO
9 LAWS OF THE FEDERAL GOVERNMENT, THIS COMMONWEALTH OR ANOTHER
10 STATE, JURISDICTION, PROVINCE OR COUNTRY.

11 (D) (RESERVED).

12 (E) (RESERVED).

13 (F) ADDITIONAL ELIGIBILITY REQUIREMENTS.--IN ORDER TO BE
14 ELIGIBLE FOR A TERMINAL OPERATOR LICENSE UNDER THIS PART, THE
15 PRINCIPALS AND KEY EMPLOYEES OF THE APPLICANT MUST OBTAIN A
16 LICENSE TO MEET THE CHARACTER REQUIREMENTS OF THIS SECTION OR
17 OTHER ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE BOARD.

18 (G) CLASSIFICATION SYSTEM.--THE BOARD SHALL DEVELOP A
19 CLASSIFICATION SYSTEM FOR OTHER AGENTS, EMPLOYEES OR PERSONS WHO
20 DIRECTLY OR INDIRECTLY HOLD OR ARE DEEMED TO BE HOLDING DEBT OR
21 EQUITY SECURITIES OR OTHER FINANCIAL INTEREST IN THE APPLICANT
22 AND FOR OTHER PERSONS THAT THE BOARD CONSIDERS APPROPRIATE FOR
23 REVIEW UNDER THIS SECTION.

24 (H) RELATED ENTITIES.--

25 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), NO PERSON SHALL
26 BE ELIGIBLE TO RECEIVE A TERMINAL OPERATOR LICENSE UNLESS THE
27 PRINCIPALS AND KEY EMPLOYEES OF EACH INTERMEDIARY OR HOLDING
28 COMPANY OF THE PERSON MEET THE REQUIREMENTS OF SUBSECTION
29 (F).

30 (2) THE BOARD MAY REQUIRE THAT LENDERS AND UNDERWRITERS

1 OF INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES OF A
2 TERMINAL OPERATOR LICENSE APPLICANT MEET THE REQUIREMENTS OF
3 SUBSECTION (F) IF THE BOARD DETERMINES THAT THE SUITABILITY
4 OF A LENDER OR UNDERWRITER IS AT ISSUE AND NECESSARY TO
5 CONSIDER A PENDING APPLICATION FOR A TERMINAL OPERATOR
6 LICENSE.

7 (I) REVOCABLE PRIVILEGE.--THE ISSUANCE OR RENEWAL OF A
8 LICENSE OR OTHER AUTHORIZATION BY THE BOARD UNDER THIS SECTION
9 SHALL BE A REVOCABLE PRIVILEGE.

10 (J) WAIVER FOR PUBLICLY TRADED CORPORATIONS.--THE BOARD MAY
11 WAIVE THE REQUIREMENTS OF SUBSECTION (F) FOR A PERSON DIRECTLY
12 OR INDIRECTLY HOLDING OWNERSHIP OF SECURITIES IN A PUBLICLY
13 TRADED CORPORATION IF THE BOARD DETERMINES THAT THE HOLDER OF
14 THE SECURITIES DOES NOT HAVE THE ABILITY TO CONTROL THE
15 CORPORATION OR ELECT ONE OR MORE DIRECTORS THEREOF.

16 (K) (RESERVED).

17 (L) ONGOING DUTY.--A PERSON APPLYING FOR A LICENSE OR OTHER
18 AUTHORIZATION UNDER THIS PART SHALL CONTINUE TO PROVIDE
19 INFORMATION REQUIRED BY THE BOARD OR THE BUREAU AND COOPERATE IN
20 ANY INQUIRY OR INVESTIGATION.

21 (M) CRIMINAL HISTORY RECORD CHECK.--THE BOARD MAY CONDUCT A
22 CRIMINAL HISTORY RECORD CHECK ON A PERSON FOR WHOM A WAIVER IS
23 GRANTED UNDER THIS SECTION.

24 (N) APPLICANT FINANCIAL INFORMATION.--

25 (1) THE BOARD SHALL REQUIRE AN APPLICANT FOR A TERMINAL
26 OPERATOR LICENSE TO PRODUCE THE INFORMATION, DOCUMENTATION
27 AND ASSURANCES CONCERNING FINANCIAL BACKGROUND AND RESOURCES
28 AS THE BOARD DEEMS NECESSARY TO ESTABLISH BY CLEAR AND
29 CONVINCING EVIDENCE THE FINANCIAL STABILITY, INTEGRITY AND
30 RESPONSIBILITY OF THE APPLICANT, ITS AFFILIATE, INTERMEDIARY,

1 SUBSIDIARY OR HOLDING COMPANY, INCLUDING, BUT NOT LIMITED TO,
2 BANK REFERENCES, BUSINESS AND PERSONAL INCOME AND
3 DISBURSEMENT SCHEDULES, TAX RETURNS AND OTHER REPORTS FILED
4 WITH GOVERNMENTAL AGENCIES AND BUSINESS AND PERSONAL
5 ACCOUNTING AND CHECK RECORDS AND LEDGERS.

6 (2) AN APPLICANT SHALL IN WRITING AUTHORIZE THE
7 EXAMINATION OF ALL BANK ACCOUNTS AND RECORDS AS MAY BE DEEMED
8 NECESSARY BY THE BOARD.

9 (O) FINANCIAL BACKER INFORMATION.--

10 (1) THE BOARD SHALL REQUIRE AN APPLICANT FOR A TERMINAL
11 OPERATOR LICENSE TO PRODUCE THE INFORMATION, DOCUMENTATION
12 AND ASSURANCES AS MAY BE NECESSARY TO ESTABLISH BY CLEAR AND
13 CONVINCING EVIDENCE THE INTEGRITY OF ALL FINANCIAL BACKERS,
14 INVESTORS, MORTGAGEES, BONDHOLDERS AND HOLDERS OF INDENTURES,
15 NOTES OR OTHER EVIDENCES OF INDEBTEDNESS, EITHER IN EFFECT OR
16 PROPOSED.

17 (2) THE BOARD MAY WAIVE THE QUALIFICATION REQUIREMENTS
18 FOR BANKING OR LENDING INSTITUTION AND INSTITUTIONAL
19 INVESTORS.

20 (3) A BANKING OR LENDING INSTITUTION OR INSTITUTIONAL
21 INVESTOR SHALL PRODUCE FOR THE BOARD UPON REQUEST ANY
22 DOCUMENT OR INFORMATION THAT BEARS RELATION TO THE PROPOSAL
23 SUBMITTED BY THE APPLICANT OR APPLICANTS.

24 (4) THE INTEGRITY OF THE FINANCIAL SOURCES SHALL BE
25 JUDGED UPON THE SAME STANDARDS AS THE APPLICANT. ANY SUCH
26 PERSON OR ENTITY SHALL PRODUCE FOR THE BOARD UPON REQUEST ANY
27 DOCUMENT OR INFORMATION WHICH BEARS ANY RELATION TO THE
28 APPLICATION.

29 (5) THE APPLICANT SHALL PRODUCE WHATEVER INFORMATION,
30 DOCUMENTATION OR ASSURANCES THE BOARD REQUIRES TO ESTABLISH

1 BY CLEAR AND CONVINCING EVIDENCE THE ADEQUACY OF FINANCIAL
2 RESOURCES.

3 (P) APPLICANT'S BUSINESS EXPERIENCE.--

4 (1) THE BOARD SHALL REQUIRE AN APPLICANT FOR A TERMINAL
5 OPERATOR LICENSE TO PRODUCE THE INFORMATION, DOCUMENTATION
6 AND ASSURANCES AS THE BOARD MAY REQUIRE TO ESTABLISH BY CLEAR
7 AND CONVINCING EVIDENCE THAT THE APPLICANT HAS SUFFICIENT
8 BUSINESS ABILITY AND EXPERIENCE TO CREATE AND MAINTAIN A
9 SUCCESSFUL, EFFICIENT OPERATION.

10 (2) AN APPLICANT SHALL PRODUCE THE NAMES OF ALL PROPOSED
11 KEY EMPLOYEES AND A DESCRIPTION OF THEIR RESPECTIVE OR
12 PROPOSED RESPONSIBILITIES AS THEY BECOME KNOWN.

13 (Q) ADDITIONAL INFORMATION.--IN ADDITION TO OTHER
14 INFORMATION REQUIRED BY THIS PART, A PERSON APPLYING FOR A
15 TERMINAL OPERATOR LICENSE SHALL PROVIDE THE FOLLOWING
16 INFORMATION:

17 (1) THE ORGANIZATION, FINANCIAL STRUCTURE AND NATURE OF
18 ALL BUSINESSES OPERATED BY THE PERSON, INCLUDING ANY
19 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANIES, THE
20 NAMES AND PERSONAL EMPLOYMENT AND CRIMINAL HISTORIES OF ALL
21 OFFICERS, DIRECTORS AND KEY EMPLOYEES OF THE CORPORATION; THE
22 NAMES OF ALL HOLDING, INTERMEDIARY, AFFILIATE AND SUBSIDIARY
23 COMPANIES OF THE CORPORATION; AND THE ORGANIZATION, FINANCIAL
24 STRUCTURE AND NATURE OF ALL BUSINESSES OPERATED BY SUCH
25 HOLDING, INTERMEDIARY AND SUBSIDIARY COMPANIES AS THE BOARD
26 MAY REQUIRE, INCLUDING NAMES AND PERSONAL EMPLOYMENT AND
27 CRIMINAL HISTORIES OF SUCH OFFICERS, DIRECTORS AND PRINCIPAL
28 EMPLOYEES OF SUCH CORPORATIONS AND COMPANIES AS THE BOARD MAY
29 REQUIRE.

30 (2) THE EXTENT OF SECURITIES HELD IN THE CORPORATION BY

ALL OFFICERS, DIRECTORS AND UNDERWRITERS AND THEIR
REMUNERATION IN THE FORM OF SALARY, WAGES, FEES OR OTHERWISE.

(3) COPIES OF ALL MANAGEMENT AND SERVICE CONTRACTS.

(R) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
REQUIREMENTS OF SUBSECTIONS (A), (B), (C), (D), (E), (F), (G),
(H), (I), (J), (K), (L), (M), (N), (O), (P) AND (Q) HAVE BEEN
MET, THE BOARD MAY APPROVE THE APPLICATION AND ISSUE THE
APPLICANT A TERMINAL OPERATOR LICENSE CONSISTENT WITH ALL OF THE
FOLLOWING:

(1) (I) THE LICENSE SHALL BE FOR A PERIOD OF FIVE
YEARS.

(II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO
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.

(S) RENEWAL.--

(1) AT LEAST SIX MONTHS PRIOR TO EXPIRATION OF A
TERMINAL OPERATOR LICENSE, THE TERMINAL OPERATOR LICENSEE
SEEKING RENEWAL OF ITS LICENSE SHALL SUBMIT A RENEWAL
APPLICATION TO THE BOARD.

(2) IF THE RENEWAL APPLICATION SATISFIES THE
REQUIREMENTS OF SUBSECTIONS (A), (B), (C), (D), (E), (F),
(G), (H), (I), (J), (K), (L), (M), (N), (O), (P) AND (Q), THE
BOARD MAY RENEW THE LICENSEE'S TERMINAL OPERATOR LICENSE.

(3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION
BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE
EXPIRATION OF THE TERMINAL OPERATOR LICENSE, THE TERMINAL

1 OPERATOR LICENSE SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY
2 THE BOARD.

3 § 3503. (RESERVED).

4 § 3504. PRINCIPAL LICENSES.

5 (A) LICENSE REQUIRED.--ALL PRINCIPALS SHALL OBTAIN A
6 PRINCIPAL LICENSE FROM THE BOARD.

7 (B) APPLICATION.--A PRINCIPAL LICENSE APPLICATION SHALL BE
8 IN A FORM PRESCRIBED BY THE BOARD AND SHALL INCLUDE THE
9 FOLLOWING:

10 (1) VERIFICATION OF STATUS AS A PRINCIPAL FROM A
11 TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER
12 LICENSEE.

13 (2) A DESCRIPTION OF RESPONSIBILITIES AS A PRINCIPAL.

14 (3) ALL RELEASES NECESSARY TO OBTAIN INFORMATION FROM
15 GOVERNMENTAL AGENCIES, EMPLOYERS AND OTHER ORGANIZATIONS.

16 (4) DETAILS RELATING TO A SIMILAR LICENSE, PERMIT OR
17 OTHER AUTHORIZATION OBTAINED IN ANOTHER JURISDICTION.

18 (5) ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

19 (C) ISSUANCE.--FOLLOWING REVIEW OF THE APPLICATION AND THE
20 BACKGROUND INVESTIGATION, THE BOARD MAY ISSUE A PRINCIPAL
21 LICENSE IF THE APPLICANT HAS PROVEN BY CLEAR AND CONVINCING
22 EVIDENCE THAT THE APPLICANT IS A PERSON OF GOOD CHARACTER,
23 HONESTY AND INTEGRITY AND IS ELIGIBLE AND SUITABLE TO BE
24 LICENSED AS A PRINCIPAL.

25 (D) NONTRANSFERABILITY.--A LICENSE ISSUED UNDER THIS SECTION
26 SHALL BE NONTRANSFERABLE.

27 (E) PRINCIPALS.--AN INDIVIDUAL WHO RECEIVES A PRINCIPAL
28 LICENSE NEED NOT OBTAIN A KEY EMPLOYEE LICENSE.

29 § 3505. KEY EMPLOYEE LICENSES.

30 (A) LICENSE REQUIRED.--ALL KEY EMPLOYEES SHALL OBTAIN A KEY

1 EMPLOYEE LICENSE FROM THE BOARD.

2 (B) APPLICATION.--A KEY EMPLOYEE LICENSE APPLICATION SHALL
3 BE IN A FORM PRESCRIBED BY THE BOARD AND SHALL INCLUDE THE
4 FOLLOWING:

5 (1) VERIFICATION OF STATUS AS A KEY EMPLOYEE FROM A
6 TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER
7 LICENSEE.

8 (2) A DESCRIPTION OF EMPLOYMENT RESPONSIBILITIES.

9 (3) ALL RELEASES NECESSARY TO OBTAIN INFORMATION FROM
10 GOVERNMENTAL AGENCIES, EMPLOYERS AND OTHER ORGANIZATIONS.

11 (4) DETAILS RELATING TO A SIMILAR LICENSE OR OTHER
12 AUTHORIZATION OBTAINED IN ANOTHER JURISDICTION.

13 (5) ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

14 (C) ISSUANCE.--FOLLOWING REVIEW OF THE APPLICATION AND THE
15 BACKGROUND INVESTIGATION, THE BOARD MAY ISSUE A KEY EMPLOYEE
16 LICENSE IF THE APPLICANT HAS PROVEN BY CLEAR AND CONVINCING
17 EVIDENCE THAT THE APPLICANT IS A PERSON OF GOOD CHARACTER,
18 HONESTY AND INTEGRITY AND IS ELIGIBLE AND SUITABLE TO BE
19 LICENSED AS A KEY EMPLOYEE.

20 (D) NONTRANSFERABILITY.--A LICENSE ISSUED UNDER THIS SECTION
21 SHALL BE NONTRANSFERABLE.

22 § 3506. DIVESTITURE OF DISQUALIFYING APPLICANT.

23 (A) BOARD POWER TO REQUIRE.--

24 (1) IN THE EVENT THAT ANY ESTABLISHMENT LICENSE
25 APPLICATION, TERMINAL OPERATOR LICENSE APPLICATION, SUPPLIER
26 LICENSE APPLICATION OR MANUFACTURER LICENSE APPLICATION IS
27 NOT APPROVED BY THE BOARD BASED ON A FINDING THAT AN
28 INDIVIDUAL WHO IS A PRINCIPAL OR HAS AN INTEREST IN THE
29 PERSON APPLYING FOR THE LICENSE DOES NOT MEET THE CHARACTER
30 REQUIREMENTS OF THIS PART OR ANY OF THE ELIGIBILITY

1 REQUIREMENTS UNDER THIS PART OR A PERSON WHO PURCHASES A
2 CONTROLLING INTEREST IN THE APPLICANT IN VIOLATION OF SECTION
3 3517 (RELATING TO CHANGE IN OWNERSHIP OR CONTROL OF TERMINAL
4 OPERATOR LICENSEE), THE BOARD MAY AFFORD THE INDIVIDUAL THE
5 OPPORTUNITY TO COMPLETELY DIVEST HIS INTEREST IN THE PERSON,
6 ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
7 SEEKING THE LICENSE AND, AFTER SUCH DIVESTITURE, RECONSIDER
8 THE PERSON'S OR APPLICANT'S SUITABILITY FOR LICENSURE IN AN
9 EXPEDITED PROCEEDING AND MAY, AFTER SUCH PROCEEDING, ISSUE
10 THE PERSON OR APPLICANT A TERMINAL OPERATOR LICENSE.

11 (2) THE BOARD SHALL APPROVE THE TERMS AND CONDITIONS OF
12 ANY DIVESTITURE UNDER THIS SECTION.

13 (B) LIMITATION.--UNDER NO CIRCUMSTANCES SHALL ANY
14 DIVESTITURE BE APPROVED BY THE BOARD IF THE COMPENSATION FOR THE
15 DIVESTED INTEREST EXCEEDS THE COST OF THE INTEREST.

16 § 3507. SUPPLIER LICENSES.

17 (A) APPLICATION.--

18 (1) A MANUFACTURER THAT ELECTS TO CONTRACT WITH A
19 SUPPLIER UNDER SECTION 3508 (RELATING TO MANUFACTURER
20 LICENSES) SHALL ENSURE THAT THE SUPPLIER IS APPROPRIATELY
21 LICENSED UNDER THIS SECTION.

22 (2) A PERSON SEEKING TO PROVIDE VIDEO GAMING TERMINALS,
23 REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT TO A TERMINAL
24 OPERATOR LICENSEE WITHIN THIS COMMONWEALTH THROUGH A CONTRACT
25 WITH A LICENSED MANUFACTURER MUST APPLY TO THE BOARD FOR THE
26 APPROPRIATE SUPPLIER LICENSE.

27 (B) REQUIREMENTS.--AN APPLICATION FOR A SUPPLIER LICENSE
28 SHALL BE ON THE FORM REQUIRED BY THE BOARD AND SHALL INCLUDE ALL
29 OF THE FOLLOWING:

30 (1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT AND

1 THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND
2 HOLDING COMPANIES; THE PRINCIPALS AND KEY EMPLOYEES OF EACH
3 BUSINESS; AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN
4 EACH BUSINESS, AS WELL AS FINANCIAL INFORMATION REQUIRED BY
5 THE BOARD.

6 (2) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE,
7 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT
8 ARE NOT TERMINAL OPERATOR LICENSEES.

9 (3) PROOF THAT THE APPLICANT HAS OR WILL ESTABLISH A
10 PLACE OF BUSINESS IN THIS COMMONWEALTH. A SUPPLIER LICENSEE
11 SHALL MAINTAIN ITS PLACE OF BUSINESS IN THIS COMMONWEALTH TO
12 REMAIN ELIGIBLE FOR LICENSURE.

13 (4) THE CONSENT TO A BACKGROUND INVESTIGATION BY THE
14 BUREAU OF THE APPLICANT, ITS PRINCIPALS AND KEY EMPLOYEES OR
15 OTHER PERSONS REQUIRED BY THE BOARD AND A RELEASE TO OBTAIN
16 THE INFORMATION NECESSARY FOR THE COMPLETION OF THE
17 BACKGROUND INVESTIGATION.

18 (5) THE DETAILS OF ANY SUPPLIER LICENSE ISSUED BY THE
19 BOARD TO THE APPLICANT UNDER SECTION 1317 (RELATING TO
20 SUPPLIER LICENSES), IF APPLICABLE.

21 (6) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR
22 DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS
23 AUTHORIZED BY THIS PART ARE PERMITTED.

24 (7) THE TYPE OF GOODS AND SERVICES TO BE SUPPLIED AND
25 WHETHER THOSE GOODS AND SERVICES WILL BE PROVIDED THROUGH
26 PURCHASE, LEASE, CONTRACT OR OTHERWISE.

27 (8) OTHER INFORMATION DETERMINED BY THE BOARD TO BE
28 APPROPRIATE.

29 (C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
30 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) (I) THE LICENSE SHALL BE FOR A PERIOD OF FIVE
YEARS.

(II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO
RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE
BOARD OF A CHANGE RELATING TO THE STATUS OF ITS LICENSE
OR TO INFORMATION CONTAINED IN THE APPLICATION MATERIALS
ON FILE WITH THE BOARD.

(2) THE LICENSE SHALL BE NONTRANSFERABLE.

(3) OTHER CONDITIONS ESTABLISHED BY THE BOARD.

(D) RENEWAL.--

(1) AT LEAST SIX MONTHS PRIOR TO EXPIRATION OF A
SUPPLIER LICENSE, THE SUPPLIER LICENSEE SEEKING RENEWAL OF
ITS LICENSE SHALL SUBMIT A RENEWAL APPLICATION TO THE BOARD.

(2) IF THE RENEWAL APPLICATION SATISFIES THE
REQUIREMENTS OF SUBSECTION (B), THE BOARD MAY RENEW THE
LICENSEE'S SUPPLIER LICENSE.

(3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION
BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE
EXPIRATION OF THE SUPPLIER LICENSE, THE SUPPLIER LICENSE
SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY THE BOARD.

§ 3508. MANUFACTURER LICENSES.

(A) APPLICATION.--A PERSON SEEKING TO MANUFACTURE VIDEO
GAMING TERMINALS, REDEMPTION TERMINALS AND ASSOCIATED EQUIPMENT
FOR USE IN THIS COMMONWEALTH MUST 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 AND SHALL INCLUDE ALL
OF THE FOLLOWING:

1 (1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT AND
2 THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND
3 HOLDING COMPANIES; THE PRINCIPALS AND KEY EMPLOYEES OF EACH
4 BUSINESS; AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN
5 EACH BUSINESS, AS WELL AS FINANCIAL INFORMATION REQUIRED BY
6 THE BOARD.

7 (2) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE,
8 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT
9 ARE NOT TERMINAL OPERATOR LICENSEES.

10 (3) THE CONSENT TO A BACKGROUND INVESTIGATION BY THE
11 BUREAU OF THE APPLICANT, ITS PRINCIPALS, ITS KEY EMPLOYEES,
12 ITS INTERMEDIARIES, ITS SUBSIDIARIES OR OTHER PERSONS
13 REQUIRED BY THE BOARD AND A RELEASE TO OBTAIN THE INFORMATION
14 NECESSARY FOR THE COMPLETION OF THE BACKGROUND INVESTIGATION.

15 (4) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR
16 DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS
17 AUTHORIZED BY THIS PART ARE PERMITTED.

18 (5) THE DETAILS OF ANY MANUFACTURER LICENSE ISSUED BY
19 THE BOARD TO THE APPLICANT UNDER SECTION 1317.1 (RELATING TO
20 MANUFACTURER LICENSES), IF APPLICABLE.

21 (6) THE TYPE OF VIDEO GAMING TERMINALS, REDEMPTION
22 TERMINALS OR ASSOCIATED EQUIPMENT TO BE MANUFACTURED OR
23 REPAIRED.

24 (7) OTHER INFORMATION DETERMINED BY THE BOARD TO BE
25 APPROPRIATE.

26 (C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
27 REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY
28 APPROVE THE APPLICATION AND GRANT THE APPLICANT A MANUFACTURER
29 LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

30 (1) (I) THE LICENSE SHALL BE FOR A PERIOD OF FIVE

1 YEARS.

2 (II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO
3 RELIEVE THE LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY
4 THE BOARD OF A CHANGE RELATING TO THE STATUS OF ITS
5 LICENSE OR TO OTHER INFORMATION CONTAINED IN APPLICATION
6 MATERIALS ON FILE WITH THE BOARD.

7 (2) THE LICENSE SHALL BE NONTRANSFERABLE.

8 (3) OTHER CONDITIONS ESTABLISHED BY THE BOARD.

9 (D) RENEWAL.--

10 (1) AT LEAST SIX MONTHS PRIOR TO EXPIRATION OF A
11 MANUFACTURER LICENSE, THE MANUFACTURER LICENSEE SEEKING
12 RENEWAL OF ITS LICENSE SHALL SUBMIT A RENEWAL APPLICATION
13 ACCOMPANIED BY THE RENEWAL FEE TO THE BOARD.

14 (2) IF THE RENEWAL APPLICATION SATISFIES THE
15 REQUIREMENTS OF SUBSECTION (B), THE BOARD MAY RENEW THE
16 LICENSEE'S MANUFACTURER LICENSE.

17 (3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION
18 BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE
19 EXPIRATION OF THE MANUFACTURER LICENSE, THE MANUFACTURER
20 LICENSE SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY THE
21 BOARD.

22 (E) AUTHORITY.--THE FOLLOWING SHALL APPLY TO A LICENSED
23 MANUFACTURER:

24 (1) A MANUFACTURER OR ITS DESIGNEE, AS LICENSED BY THE
25 BOARD, MAY SUPPLY OR REPAIR A VIDEO GAMING TERMINAL,
26 REDEMPTION TERMINAL OR ASSOCIATED EQUIPMENT MANUFACTURED BY
27 THE MANUFACTURER, PROVIDED THE MANUFACTURER HOLDS THE
28 APPROPRIATE MANUFACTURER LICENSE.

29 (2) A MANUFACTURER OF VIDEO GAMING TERMINALS OR
30 REDEMPTION TERMINALS MAY CONTRACT WITH A SUPPLIER UNDER

1 SECTION 3507 (RELATING TO SUPPLIER LICENSES) TO PROVIDE VIDEO
2 GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED
3 EQUIPMENT TO A TERMINAL OPERATOR LICENSEE WITHIN THIS
4 COMMONWEALTH, PROVIDED THE SUPPLIER IS LICENSED TO SUPPLY
5 VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED
6 EQUIPMENT.

7 (F) PROHIBITIONS.--

8 (1) NO PERSON MAY MANUFACTURE VIDEO GAMING TERMINALS,
9 REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT FOR USE WITHIN
10 THIS COMMONWEALTH BY A TERMINAL OPERATOR LICENSEE UNLESS THE
11 PERSON HAS BEEN ISSUED THE APPROPRIATE MANUFACTURER LICENSE
12 UNDER THIS SECTION.

13 (2) NO PERSON ISSUED A LICENSE UNDER THIS SECTION MAY
14 APPLY FOR OR BE ISSUED A TERMINAL OPERATOR LICENSE UNDER
15 SECTION 3502 (RELATING TO TERMINAL OPERATOR LICENSES) OR
16 ESTABLISHMENT LICENSE UNDER SECTION 3514 (RELATING TO
17 ESTABLISHMENT LICENSES).

18 § 3509. GAMING SERVICE PROVIDER.

19 (A) DEVELOPMENT OF CLASSIFICATION SYSTEM.--THE BOARD SHALL
20 DEVELOP A CLASSIFICATION SYSTEM GOVERNING THE CERTIFICATION,
21 REGISTRATION AND REGULATION OF GAMING SERVICE PROVIDERS AND
22 INDIVIDUALS AND ENTITIES ASSOCIATED WITH THEM. THE
23 CLASSIFICATION SYSTEM SHALL BE BASED UPON THE FOLLOWING:

24 (1) WHETHER THE EMPLOYEES OF THE GAMING SERVICE PROVIDER
25 WILL HAVE ACCESS TO THE VIDEO GAMING AREA OF AN ESTABLISHMENT
26 OR THE VIDEO GAMING TERMINALS OR REDEMPTION TERMINALS PRIOR
27 TO OR AFTER INSTALLATION.

28 (2) WHETHER THE GOODS OR SERVICES PROVIDED OR TO BE
29 PROVIDED BY THE GAMING SERVICE PROVIDER WOULD IMPACT THE
30 INTEGRITY OF VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR

1 THE CONDUCT OF VIDEO GAMING.

2 (B) AUTHORITY TO EXEMPT.--THE BOARD MAY EXEMPT A PERSON OR
3 TYPE OF BUSINESS FROM THE REQUIREMENTS OF THIS SECTION IF THE
4 BOARD DETERMINES:

5 (1) THE PERSON OR TYPE OF BUSINESS IS REGULATED BY AN
6 AGENCY OF THE FEDERAL GOVERNMENT, AN AGENCY OF THE
7 COMMONWEALTH OR THE PENNSYLVANIA SUPREME COURT; OR

8 (2) THE REGULATION OF THE PERSON OR TYPE OF BUSINESS IS
9 DETERMINED NOT TO BE NECESSARY IN ORDER TO PROTECT THE PUBLIC
10 INTEREST OR THE INTEGRITY OF GAMING.

11 (C) DUTIES OF GAMING SERVICE PROVIDERS.--A GAMING SERVICE
12 PROVIDER SHALL HAVE A CONTINUING DUTY TO:

13 (1) PROVIDE ALL INFORMATION, DOCUMENTATION AND
14 ASSURANCES AS THE BOARD MAY REQUIRE.

15 (2) COOPERATE WITH THE BOARD IN INVESTIGATIONS, HEARINGS
16 AND ENFORCEMENT AND DISCIPLINARY ACTIONS.

17 (3) COMPLY WITH ALL CONDITIONS, RESTRICTIONS,
18 REQUIREMENTS, ORDERS AND RULINGS OF THE BOARD IN ACCORDANCE
19 WITH THIS PART.

20 (4) REPORT A CHANGE IN CIRCUMSTANCES THAT MAY RENDER THE
21 GAMING SERVICE PROVIDER INELIGIBLE, UNQUALIFIED OR UNSUITABLE
22 FOR CONTINUED REGISTRATION OR CERTIFICATION.

23 (D) REQUIREMENT FOR PERMIT.--THE BOARD MAY REQUIRE EMPLOYEES
24 OF A GAMING SERVICE PROVIDER TO OBTAIN A PERMIT OR OTHER
25 AUTHORIZATION IF, AFTER AN ANALYSIS OF DUTIES, RESPONSIBILITIES
26 AND FUNCTIONS, THE BOARD DETERMINES THAT A PERMIT OR OTHER
27 AUTHORIZATION IS NECESSARY TO PROTECT THE INTEGRITY OF GAMING.

28 (E) INTERIM AUTHORIZATION.--THE BOARD OR A DESIGNATED
29 EMPLOYEE OF THE BOARD MAY PERMIT A GAMING SERVICE PROVIDER
30 APPLICANT TO ENGAGE IN BUSINESS WITH AN APPLICANT FOR A TERMINAL

OPERATOR LICENSE OR A TERMINAL OPERATOR LICENSEE PRIOR TO
APPROVAL OF THE GAMING SERVICE PROVIDER APPLICATION IF THE
FOLLOWING CRITERIA HAVE BEEN SATISFIED:

(1) A COMPLETED APPLICATION HAS BEEN FILED WITH THE
BOARD BY THE GAMING SERVICE PROVIDER.

(2) THE TERMINAL OPERATOR LICENSE APPLICANT OR TERMINAL
OPERATOR LICENSEE CONTRACTING OR DOING BUSINESS WITH THE
GAMING SERVICE PROVIDER CERTIFIES THAT IT HAS PERFORMED DUE
DILIGENCE ON THE GAMING SERVICE PROVIDER AND BELIEVES THAT
THE APPLICANT MEETS THE QUALIFICATION TO BE A GAMING SERVICE
PROVIDER PURSUANT TO THIS SECTION.

(3) THE GAMING SERVICE PROVIDER APPLICANT AGREES IN
WRITING THAT THE GRANT OF INTERIM AUTHORIZATION TO CONDUCT
BUSINESS PRIOR TO BOARD APPROVAL OF THE APPLICATION DOES NOT
CREATE A RIGHT TO CONTINUE TO ENGAGE IN BUSINESS IF THE BOARD
DETERMINES THAT THE APPLICANT IS NOT SUITABLE OR CONTINUED
AUTHORIZATION IS NOT IN THE PUBLIC INTEREST.

(F) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
CONSTRUED TO PROHIBIT THE BOARD FROM RESCINDING A GRANT OF
INTERIM AUTHORIZATION IF, AT ANY TIME, THE SUITABILITY OF THE
PERSON SUBJECT TO INTERIM AUTHORIZATION IS AT ISSUE OR IF THE
PERSON FAILS TO COOPERATE WITH THE BOARD, THE BUREAU OR AN AGENT
OF THE BOARD OR BUREAU.

(G) GAMING SERVICE PROVIDER LISTS.--

(1) THE BOARD SHALL:

(I) DEVELOP AND MAINTAIN A LIST OF APPROVED GAMING
SERVICE PROVIDERS WHO ARE AUTHORIZED TO PROVIDE GOODS OR
SERVICES WHETHER UNDER A GRANT OF INTERIM OR CONTINUED
AUTHORIZATION.

(II) DEVELOP AND MAINTAIN A LIST OF PROHIBITED

1 GAMING SERVICE PROVIDERS.

2 (2) AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR A
3 TERMINAL OPERATOR LICENSEE MAY NOT ENTER INTO AN AGREEMENT OR
4 ENGAGE IN BUSINESS WITH A GAMING SERVICE PROVIDER LISTED ON
5 THE PROHIBITED GAMING SERVICE PROVIDER LIST.

6 (H) EMERGENCY AUTHORIZATION.--

7 (1) A TERMINAL OPERATOR LICENSEE MAY UTILIZE A GAMING
8 SERVICE PROVIDER THAT HAS NOT BEEN APPROVED BY THE BOARD WHEN
9 A THREAT TO PUBLIC HEALTH, WELFARE OR SAFETY EXISTS OR
10 CIRCUMSTANCES OUTSIDE THE CONTROL OF THE TERMINAL OPERATOR
11 LICENSEE REQUIRE IMMEDIATE ACTION TO MITIGATE DAMAGE OR LOSS
12 TO THE LICENSEE'S VIDEO GAMING TERMINALS.

13 (2) THE BOARD SHALL PROMULGATE REGULATIONS TO GOVERN THE
14 USE OF GAMING SERVICE PROVIDERS UNDER EMERGENCY
15 CIRCUMSTANCES. THE REGULATIONS SHALL INCLUDE A REQUIREMENT
16 THAT THE TERMINAL OPERATOR LICENSEE CONTACT THE BOARD
17 IMMEDIATELY UPON UTILIZING A GAMING SERVICE PROVIDER THAT HAS
18 NOT BEEN APPROVED BY THE BOARD.

19 (I) CRIMINAL HISTORY RECORD INFORMATION.--IF THE
20 CLASSIFICATION SYSTEM DEVELOPED BY THE BOARD IN ACCORDANCE WITH
21 SUBSECTION (A) REQUIRES A GAMING SERVICE PROVIDER OR AN
22 INDIVIDUAL OR ENTITY ASSOCIATED WITH THE GAMING SERVICE PROVIDER
23 TO SUBMIT TO OR PROVIDE THE BUREAU WITH CRIMINAL HISTORY RECORD
24 INFORMATION UNDER 18 PA.C.S. CH. 91 (RELATING TO CRIMINAL
25 HISTORY RECORD INFORMATION), THE BUREAU SHALL NOTIFY A TERMINAL
26 OPERATOR LICENSEE THAT SUBMITTED A CERTIFICATION UNDER
27 SUBSECTION (E) (2) WHETHER THE APPLICANT HAS BEEN CONVICTED OF A
28 FELONY OR MISDEMEANOR GAMBLING OFFENSE.

29 § 3510. OCCUPATION PERMIT.

30 (A) APPLICATION.--

1 (1) A PERSON WHO DESIRES TO BE A GAMING EMPLOYEE AND HAS
2 A BONA FIDE OFFER OF EMPLOYMENT FROM A TERMINAL OPERATOR
3 LICENSEE SHALL APPLY TO THE BOARD FOR AN OCCUPATION PERMIT.

4 (2) A PERSON MAY NOT BE EMPLOYED AS A GAMING EMPLOYEE
5 UNLESS AND UNTIL THAT PERSON HOLDS AN APPROPRIATE OCCUPATION
6 PERMIT ISSUED UNDER THIS SECTION.

7 (3) THE BOARD MAY PROMULGATE REGULATIONS TO RECLASSIFY A
8 CATEGORY OF NONGAMING EMPLOYEES OR GAMING EMPLOYEES UPON A
9 FINDING THAT THE RECLASSIFICATION IS IN THE PUBLIC INTEREST
10 AND CONSISTENT WITH THE OBJECTIVES OF THIS PART.

11 (B) REQUIREMENTS.--THE APPLICATION FOR AN OCCUPATION PERMIT
12 SHALL INCLUDE, AT A MINIMUM:

13 (1) THE NAME AND HOME ADDRESS OF THE PERSON.

14 (2) THE PREVIOUS EMPLOYMENT HISTORY OF THE PERSON.

15 (3) THE CRIMINAL HISTORY RECORD OF THE PERSON, AS WELL
16 AS THE PERSON'S CONSENT FOR THE PENNSYLVANIA STATE POLICE TO
17 CONDUCT A BACKGROUND INVESTIGATION.

18 (4) A PHOTOGRAPH OF THE PERSON.

19 (5) EVIDENCE OF THE OFFER OF EMPLOYMENT AND THE NATURE
20 AND SCOPE OF THE PROPOSED DUTIES OF THE PERSON, IF KNOWN.

21 (6) THE DETAILS OF AN OCCUPATION PERMIT OR SIMILAR
22 LICENSE GRANTED OR DENIED TO THE APPLICANT IN OTHER
23 JURISDICTIONS.

24 (7) OTHER INFORMATION DETERMINED BY THE BOARD TO BE
25 APPROPRIATE.

26 (C) PROHIBITION.--NO TERMINAL OPERATOR LICENSEE MAY EMPLOY
27 OR PERMIT A PERSON UNDER 18 YEARS OF AGE TO RENDER SERVICE IN A
28 VIDEO GAMING AREA.

29 § 3511. ALTERNATIVE TERMINAL OPERATOR LICENSING STANDARDS.

30 (A) DETERMINATION.--

1 (1) THE BOARD MAY DETERMINE WHETHER THE LICENSING
2 STANDARDS OF ANOTHER JURISDICTION WITHIN THE UNITED STATES OR
3 CANADA IN WHICH AN APPLICANT, ITS AFFILIATE, INTERMEDIARY,
4 SUBSIDIARY OR HOLDING COMPANY FOR A TERMINAL OPERATOR LICENSE
5 IS SIMILARLY LICENSED ARE COMPREHENSIVE AND THOROUGH AND
6 PROVIDE SIMILAR ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS
7 PART.

8 (2) IF THE BOARD MAKES THAT DETERMINATION, IT MAY ISSUE
9 A TERMINAL OPERATOR LICENSE TO AN APPLICANT WHO HOLDS A
10 TERMINAL OPERATOR LICENSE IN THE OTHER JURISDICTION AFTER
11 CONDUCTING AN EVALUATION OF THE INFORMATION RELATING TO THE
12 APPLICANT FROM THE OTHER JURISDICTIONS, AS UPDATED BY THE
13 BOARD, AND EVALUATING OTHER INFORMATION RELATED TO THE
14 APPLICANT RECEIVED FROM THAT JURISDICTION AND OTHER
15 JURISDICTIONS WHERE THE APPLICANT MAY BE LICENSED, THE BOARD
16 MAY INCORPORATE SUCH INFORMATION IN WHOLE OR IN PART INTO THE
17 BOARD'S EVALUATION OF THE APPLICANT.

18 (B) ABBREVIATED PROCESS.--

19 (1) IN THE EVENT AN APPLICANT FOR A TERMINAL OPERATOR
20 LICENSE IS LICENSED IN ANOTHER JURISDICTION, THE BOARD MAY
21 DETERMINE TO USE AN ALTERNATE PROCESS REQUIRING ONLY THAT
22 INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO
23 CONSIDER THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL
24 VIABILITY OF THE LICENSEE, TO SUCH AN APPLICANT.

25 (2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE
26 FEES ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE NORMAL
27 APPLICATION PROCESS.

28 (C) CURRENT LICENSE HOLDERS.--IN THE EVENT AN APPLICANT FOR
29 A TERMINAL OPERATOR LICENSE UNDER THIS PART HOLDS A SLOT MACHINE
30 LICENSE UNDER PART II (RELATING TO GAMING), THE BOARD MAY

1 DETERMINE TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT
2 INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER
3 THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE
4 APPLICANT.

5 § 3512. ALTERNATIVE MANUFACTURER LICENSING STANDARDS.

6 (A) DETERMINATION.--

7 (1) THE BOARD MAY DETERMINE WHETHER THE LICENSING
8 STANDARDS OF ANOTHER JURISDICTION WITHIN THE UNITED STATES IN
9 WHICH AN APPLICANT FOR A MANUFACTURER LICENSE IS SIMILARLY
10 LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR
11 ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS PART.

12 (2) IF THE BOARD MAKES THAT DETERMINATION, IT MAY ISSUE
13 A MANUFACTURER LICENSE TO AN APPLICANT WHO HOLDS A SIMILAR
14 MANUFACTURER LICENSE IN THE OTHER JURISDICTION AFTER
15 CONDUCTING AN EVALUATION OF THE INFORMATION RELATING TO THE
16 APPLICANT FROM THE OTHER JURISDICTIONS, AS UPDATED BY THE
17 BOARD, AND EVALUATING OTHER INFORMATION RELATED TO THE
18 APPLICANT RECEIVED FROM THAT JURISDICTION AND OTHER
19 JURISDICTIONS WHERE THE APPLICANT MAY BE LICENSED, THE BOARD
20 MAY INCORPORATE SUCH INFORMATION IN WHOLE OR IN PART INTO THE
21 BOARD'S EVALUATION OF THE APPLICANT.

22 (B) ABBREVIATED PROCESS.--

23 (1) IN THE EVENT AN APPLICANT FOR A MANUFACTURER LICENSE
24 IS LICENSED IN ANOTHER JURISDICTION, THE BOARD MAY DETERMINE
25 TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION
26 DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER THE
27 ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE
28 APPLICANT.

29 (2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE
30 FEES ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE NORMAL

1 APPLICATION PROCESS.

2 (C) CURRENT LICENSE HOLDERS.--IN THE EVENT AN APPLICANT FOR
3 A MANUFACTURER LICENSE UNDER THIS PART HOLDS A MANUFACTURER
4 LICENSE UNDER SECTION 1317.1 (RELATING TO MANUFACTURER
5 LICENSES), THE BOARD MAY DETERMINE TO USE AN ABBREVIATED PROCESS
6 REQUIRING ONLY THAT INFORMATION DETERMINED BY THE BOARD TO BE
7 NECESSARY TO CONSIDER THE ISSUANCE OF A LICENSE, INCLUDING
8 FINANCIAL VIABILITY OF THE APPLICANT.

9 § 3513. ALTERNATIVE SUPPLIER LICENSING STANDARDS.

10 (A) DETERMINATION.--

11 (1) THE BOARD MAY DETERMINE WHETHER THE LICENSING
12 STANDARDS OF ANOTHER JURISDICTION WITHIN THE UNITED STATES IN
13 WHICH AN APPLICANT FOR A SUPPLIER'S LICENSE IS SIMILARLY
14 LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR
15 ADEQUATE SAFEGUARDS AS REQUIRED BY THIS PART.

16 (2) IF THE BOARD MAKES THAT DETERMINATION, IT MAY ISSUE
17 A SUPPLIER LICENSE TO AN APPLICANT WHO HOLDS A SIMILAR
18 SUPPLIER LICENSE IN ANOTHER JURISDICTION AFTER CONDUCTING AN
19 EVALUATION OF THE INFORMATION RELATING TO THE APPLICANT FROM
20 THE OTHER JURISDICTIONS, AS UPDATED BY THE BOARD, AND
21 EVALUATING OTHER INFORMATION RELATED TO THE APPLICANT
22 RECEIVED FROM THAT JURISDICTION AND OTHER JURISDICTIONS WHERE
23 THE APPLICANT MAY BE LICENSED. THE BOARD MAY INCORPORATE THE
24 INFORMATION IN WHOLE OR IN PART INTO ITS EVALUATION OF THE
25 APPLICANT.

26 (B) ABBREVIATED PROCESS.--

27 (1) IN THE EVENT AN APPLICANT FOR A SUPPLIER LICENSE IS
28 LICENSED IN ANOTHER JURISDICTION, THE BOARD MAY DETERMINE TO
29 USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION
30 DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER THE

1 ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE
2 APPLICANT.

3 (2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE
4 ANY FEES ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE
5 NORMAL APPLICATION PROCESS.

6 (C) CURRENT LICENSE HOLDERS.--IN THE EVENT AN APPLICANT FOR
7 A SUPPLIER LICENSE UNDER THIS PART HOLDS A SUPPLIER LICENSE
8 UNDER SECTION 1317 (RELATING TO SUPPLIER LICENSES), THE BOARD
9 MAY DETERMINE TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT
10 INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER
11 THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE
12 APPLICANT.

13 § 3514. ESTABLISHMENT LICENSES.

14 (A) GENERAL REQUIREMENTS.--AN ESTABLISHMENT THAT SUBMITS AN
15 APPLICATION FOR AN ESTABLISHMENT LICENSE SHALL INCLUDE AT A
16 MINIMUM:

17 (1) THE NAME, ADDRESS AND PHOTOGRAPH OF THE APPLICANT
18 AND ADDITIONAL FINANCIAL INFORMATION REQUIRED BY THE BOARD.

19 (2) A DESCRIPTION OF THE PROPOSED SURVEILLANCE AND
20 SECURITY MEASURES TO ENSURE THE SECURITY OF THE PROPOSED
21 VIDEO GAMING AREA.

22 (3) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE
23 DEPARTMENT.

24 (4) THE CRIMINAL HISTORY RECORD OF THE APPLICANT,
25 PRINCIPAL AND KEY EMPLOYEES AND A CONSENT FOR THE BUREAU TO
26 CONDUCT A BACKGROUND INVESTIGATION ON THE APPLICANT,
27 PRINCIPALS AND KEY EMPLOYEES.

28 (5) IF THE APPLICANT IS A LIQUOR ESTABLISHMENT,
29 DOCUMENTATION SHOWING THAT THE ESTABLISHMENT'S LIQUOR LICENSE
30 IS VALID AND IS IN GOOD STANDING WITH THE PENNSYLVANIA LIQUOR

1 CONTROL BOARD.

2 (6) IF THE APPLICANT IS A LIQUOR ESTABLISHMENT,
3 DISCLOSURE OF CONDITIONAL LICENSE AGREEMENTS ENTERED INTO
4 UNDER THE ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE
5 LIQUOR CODE.

6 (7) OTHER INFORMATION DETERMINED TO BE APPROPRIATE BY
7 THE BOARD.

8 (B) NONTRANSFERABILITY.--A LICENSE ISSUED UNDER THIS SECTION
9 SHALL BE NONTRANSFERABLE.

10 (C) ONGOING DUTY.--AN ESTABLISHMENT APPLYING FOR A LICENSE
11 UNDER THIS SECTION SHALL CONTINUE TO PROVIDE INFORMATION
12 REQUIRED BY THE BOARD OR THE BUREAU AND COOPERATE IN ANY INQUIRY
13 OR INVESTIGATION.

14 (D) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
15 REQUIREMENTS OF SUBSECTION (A) HAVE BEEN MET, THE BOARD MAY
16 APPROVE THE APPLICATION AND ISSUE THE APPLICANT AN ESTABLISHMENT
17 LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

18 (1) (I) THE LICENSE SHALL BE FOR A PERIOD OF FIVE
19 YEARS.

20 (II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO
21 RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE
22 BOARD OF A CHANGE RELATING TO THE STATUS OF ITS LICENSE
23 OR TO INFORMATION CONTAINED IN APPLICATION MATERIALS ON
24 FILE WITH THE BOARD.

25 (2) THE LICENSE SHALL BE NONTRANSFERABLE.

26 (3) OTHER CONDITIONS ESTABLISHED BY THE BOARD.

27 (E) INSPECTION REQUIRED.--

28 (1) IF THE BOARD RECEIVES AN APPLICATION UNDER
29 SUBSECTION (A) FROM AN APPLICANT THAT IS A LIQUOR
30 ESTABLISHMENT WHOSE LICENSED PREMISES IS LESS THAN 1,000

1 SQUARE FEET, THE BOARD SHALL REQUEST THE BUREAU OF LIQUOR
2 CONTROL ENFORCEMENT OF THE PENNSYLVANIA STATE POLICE TO
3 INSPECT THE LIQUOR ESTABLISHMENT'S LICENSED PREMISES TO
4 ENSURE COMPLIANCE WITH THE LIQUOR CODE. THE BUREAU OF LIQUOR
5 CONTROL ENFORCEMENT OF THE PENNSYLVANIA STATE POLICE SHALL
6 INSPECT THE LIQUOR ESTABLISHMENT'S LICENSED PREMISES UPON
7 RECEIVING THE REQUEST FOR THE BOARD.

8 (2) THE BUREAU OF LIQUOR CONTROL ENFORCEMENT OF THE
9 PENNSYLVANIA STATE POLICE SHALL TRANSMIT THE FINDINGS OF THE
10 INSPECTION REQUIRED IN PARAGRAPH (1) TO THE PENNSYLVANIA
11 LIQUOR CONTROL BOARD AND THE PENNSYLVANIA LIQUOR CONTROL
12 BOARD SHALL PROVIDE TO THE BOARD A REPORT CONTAINING THE
13 FOLLOWING INFORMATION:

14 (I) VIOLATIONS OF THE LIQUOR CODE FOUND AS A RESULT
15 OF THE INSPECTION.

16 (II) WHETHER THE VIOLATIONS ARE OF A CONTINUING
17 NATURE.

18 (III) SEVERITY OF THE VIOLATIONS AND POTENTIAL
19 SANCTIONS AGAINST THE LIQUOR ESTABLISHMENT.

20 (IV) WHETHER, ACCORDING TO THE DISCRETION OF THE
21 PENNSYLVANIA LIQUOR CONTROL BOARD, THE LIQUOR
22 ESTABLISHMENT IS SUITABLE TO RECEIVE AN ESTABLISHMENT
23 LICENSE FROM THE BOARD.

24 (V) OTHER INFORMATION DETERMINED BY THE PENNSYLVANIA
25 LIQUOR CONTROL BOARD TO BE APPROPRIATE REGARDING THE
26 SUITABILITY OF THE LIQUOR ESTABLISHMENT TO PARTICIPATE IN
27 VIDEO GAMING.

28 (3) THE BOARD SHALL REQUIRE A FEE FROM THE LIQUOR
29 ESTABLISHMENT TO REIMBURSE THE BUREAU OF LIQUOR CONTROL
30 ENFORCEMENT OF THE PENNSYLVANIA STATE POLICE AND THE

1 PENNSYLVANIA LIQUOR CONTROL BOARD FOR ANY COSTS INCURRED AS A
2 RESULT OF FULFILLING THE REQUIREMENTS OF PARAGRAPHS (1) AND
3 (2). THE FEE SHALL NOT BE SUBJECT TO FEE LIMITATIONS
4 CONTAINED IN SECTION 4101 (RELATING TO FEES).

5 (F) RENEWAL.--

6 (1) AT LEAST THREE MONTHS PRIOR TO EXPIRATION OF AN
7 ESTABLISHMENT LICENSE, THE ESTABLISHMENT LICENSEE SEEKING
8 RENEWAL OF ITS LICENSE SHALL SUBMIT A RENEWAL APPLICATION
9 ACCOMPANIED BY THE RENEWAL FEE TO THE BOARD.

10 (2) IF THE RENEWAL APPLICATION SATISFIES THE
11 REQUIREMENTS OF SUBSECTION (B), THE BOARD MAY RENEW THE
12 LICENSEE'S ESTABLISHMENT LICENSE.

13 (3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION
14 BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE
15 EXPIRATION OF THE MANUFACTURER LICENSE, THE ESTABLISHMENT
16 LICENSE SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY THE
17 BOARD.

18 § 3515. LICENSE OR PERMIT PROHIBITION.

19 THE FOLLOWING APPLY:

20 (1) THE BOARD SHALL BE PROHIBITED FROM GRANTING A
21 LICENSE UNDER THIS PART TO ANY APPLICANT WHO HAS BEEN
22 CONVICTED OF A FELONY OFFENSE IN ANY JURISDICTION.

23 (2) IN ADDITION TO THE PROHIBITION UNDER PARAGRAPH (1),
24 THE BOARD SHALL BE PROHIBITED FROM GRANTING THE FOLLOWING:

25 (I) A PRINCIPAL LICENSE OR KEY EMPLOYEE LICENSE TO
26 AN INDIVIDUAL WHO HAS BEEN CONVICTED IN A JURISDICTION OF
27 A MISDEMEANOR GAMBLING OFFENSE, UNLESS 15 YEARS HAVE
28 ELAPSED FROM THE DATE OF CONVICTION FOR THE OFFENSE.

29 (II) A GAMING EMPLOYEE PERMIT OR A LICENSE OTHER
30 THAN A PRINCIPAL LICENSE OR KEY EMPLOYEE LICENSE TO AN

1 INDIVIDUAL WHO HAS BEEN CONVICTED IN A JURISDICTION OF A
2 MISDEMEANOR GAMBLING OFFENSE, UNLESS 15 YEARS HAVE
3 ELAPSED FROM THE DATE OF CONVICTION FOR THE OFFENSE.

4 (III) AN ESTABLISHMENT LICENSE TO AN APPLICANT WHO
5 HAS BEEN CONVICTED IN A JURISDICTION OF A MISDEMEANOR
6 GAMBLING OFFENSE, UNLESS THREE YEARS HAVE ELAPSED FROM
7 THE DATE OF CONVICTION FOR THE OFFENSE.

8 (IV) AN ESTABLISHMENT LICENSE TO AN APPLICANT THAT
9 IS A LIQUOR ESTABLISHMENT WHOSE LIQUOR LICENSE IS NOT IN
10 GOOD STANDING WITH THE PENNSYLVANIA LIQUOR CONTROL BOARD.

11 (V) AN ESTABLISHMENT LICENSE TO AN APPLICANT THAT IS
12 A LIQUOR ESTABLISHMENT THAT IS DECLARED A NUISANCE UNDER
13 SECTION 611 OF THE ACT OF APRIL 12, 1951 (P.L.90, NO.21),
14 KNOWN AS THE LIQUOR CODE, OR HAS BEEN DECLARED A NUISANCE
15 WITHIN THE PAST THREE YEARS.

16 (VI) AN ESTABLISHMENT LICENSE TO AN APPLICANT THAT
17 IS A LIQUOR ESTABLISHMENT WITH A CONDITIONAL LICENSE
18 AGREEMENT ENTERED INTO UNDER THE LIQUOR CODE UNLESS THE
19 AGREEMENT HAS BEEN AMENDED TO ALLOW FOR VIDEO GAMING.

20 (VII) AN ESTABLISHMENT LICENSE TO AN APPLICANT THAT
21 IS A LIQUOR ESTABLISHMENT WHOSE LIQUOR LICENSE HAS BEEN
22 SUSPENDED, UNLESS THREE YEARS HAVE ELAPSED FROM THE DATE
23 OF SUSPENSION.

24 (3) FOLLOWING THE EXPIRATION OF ANY PROHIBITION PERIOD
25 APPLICABLE TO AN APPLICANT UNDER PARAGRAPH (2), IN
26 DETERMINING WHETHER TO ISSUE A LICENSE OR PERMIT, THE BOARD
27 SHALL CONSIDER THE FOLLOWING FACTORS:

28 (I) THE NATURE AND DUTIES OF THE APPLICANT'S
29 POSITION WITH THE LICENSED ENTITY.

30 (II) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR

1 CONDUCT.

2 (III) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR
3 CONDUCT OCCURRED.

4 (IV) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR
5 CONDUCT WAS COMMITTED.

6 (V) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED
7 OR A REPEATED INCIDENT.

8 (VI) EVIDENCE OF REHABILITATION, INCLUDING GOOD
9 CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC
10 TREATMENT RECEIVED AND THE RECOMMENDATION OF PERSONS WHO
11 HAVE SUBSTANTIAL CONTACT WITH THE APPLICANT.

12 (4) FOR PURPOSES OF THIS SECTION, A FELONY OFFENSE IS
13 ANY OF THE FOLLOWING:

14 (I) AN OFFENSE PUNISHABLE UNDER THE LAWS OF THIS
15 COMMONWEALTH BY IMPRISONMENT FOR MORE THAN FIVE YEARS.

16 (II) AN OFFENSE WHICH, UNDER THE LAWS OF ANOTHER
17 JURISDICTION, IS:

18 (A) CLASSIFIED AS A FELONY; OR

19 (B) PUNISHABLE BY IMPRISONMENT FOR MORE THAN
20 FIVE YEARS.

21 (III) AN OFFENSE UNDER THE LAWS OF ANOTHER
22 JURISDICTION WHICH, IF COMMITTED IN THIS COMMONWEALTH,
23 WOULD BE SUBJECT TO IMPRISONMENT FOR MORE THAN FIVE
24 YEARS.

25 § 3516. ISSUANCE AND RENEWAL.

26 (A) ISSUANCE.--

27 (1) IN ADDITION TO ANY OTHER CRITERIA PROVIDED UNDER
28 THIS PART, ANY TERMINAL OPERATOR, ESTABLISHMENT, SUPPLIER,
29 MANUFACTURER, GAMING EMPLOYEE OR OTHER PERSON THAT THE BOARD
30 APPROVES AS QUALIFIED TO RECEIVE A LICENSE OR A PERMIT UNDER

1 THIS PART SHALL BE ISSUED A LICENSE OR PERMIT UPON THE
2 PAYMENT OF A FEE REQUIRED IN SECTION 4101 (RELATING TO FEES)
3 AND UPON THE FULFILLMENT OF CONDITIONS REQUIRED BY THE BOARD
4 OR PROVIDED FOR IN THIS PART.

5 (2) NOTHING CONTAINED IN THIS PART IS INTENDED OR SHALL
6 BE CONSTRUED TO CREATE AN ENTITLEMENT TO A LICENSE OR PERMIT
7 BY A PERSON.

8 (B) RENEWAL.--

9 (1) ALL PERMITS AND LICENSES ISSUED UNDER THIS PART
10 UNLESS OTHERWISE PROVIDED SHALL BE SUBJECT TO RENEWAL EVERY
11 FIVE YEARS.

12 (2) THE APPLICATION FOR RENEWAL, UNLESS OTHERWISE
13 PROVIDED, SHALL BE SUBMITTED AT LEAST 180 DAYS PRIOR TO THE
14 EXPIRATION OF THE PERMIT OR LICENSE AND SHALL INCLUDE AN
15 UPDATE OF THE INFORMATION CONTAINED IN THE INITIAL AND ANY
16 PRIOR RENEWAL APPLICATIONS AND THE PAYMENT OF ANY RENEWAL FEE
17 REQUIRED BY SECTION 4101.

18 (3) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
19 RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE
20 BOARD OF A CHANGE RELATING TO THE STATUS OF ITS LICENSE OR TO
21 OTHER INFORMATION CONTAINED IN THE APPLICATION MATERIALS ON
22 FILE WITH THE BOARD.

23 (C) REVOCATION OR FAILURE TO RENEW.--

24 (1) IN ADDITION TO OTHER SANCTIONS THE BOARD MAY IMPOSE
25 UNDER THIS PART, THE BOARD MAY AT ITS DISCRETION SUSPEND,
26 REVOKE OR DENY RENEWAL OF A PERMIT OR LICENSE ISSUED UNDER
27 THIS PART IF IT RECEIVES INFORMATION FROM ANY SOURCE THAT THE
28 APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OWNERS OR KEY
29 EMPLOYEES IS IN VIOLATION OF ANY PROVISION OF THIS PART, THAT
30 THE APPLICANT HAS FURNISHED THE BOARD WITH FALSE OR

1 MISLEADING INFORMATION OR THAT THE INFORMATION CONTAINED IN
2 THE APPLICANT'S INITIAL APPLICATION OR RENEWAL APPLICATION IS
3 NO LONGER TRUE AND CORRECT SUCH THAT THE APPLICANT IS NO
4 LONGER ELIGIBLE.

5 (2) IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW,
6 THE APPLICANT'S AUTHORIZATION TO CONDUCT THE PREVIOUSLY
7 APPROVED ACTIVITY SHALL IMMEDIATELY CEASE UPON RECEIPT OF A
8 FINAL ADJUDICATION UNDER 2 PA.C.S. CHS. 5 SUBCH. A (RELATING
9 TO PRACTICE AND PROCEDURE OF COMMONWEALTH AGENCIES) AND 7
10 SUBCH. A (RELATING TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY
11 ACTION), AND ALL FEES PAID IN CONNECTION WITH THE APPLICATION
12 SHALL BE DEEMED TO BE FORFEITED.

13 (3) IN THE EVENT OF A SUSPENSION, THE APPLICANT'S
14 AUTHORIZATION TO CONDUCT THE PREVIOUSLY APPROVED ACTIVITY
15 SHALL IMMEDIATELY CEASE UNTIL THE BOARD HAS NOTIFIED THE
16 APPLICANT THAT THE SUSPENSION IS NO LONGER IN EFFECT.

17 (D) NONTRANSFERABILITY OF LICENSES.--

18 (1) A LICENSE ISSUED BY THE BOARD IS A GRANT OF THE
19 PRIVILEGE TO CONDUCT A BUSINESS IN THIS COMMONWEALTH.

20 (2) EXCEPT AS PERMITTED BY SECTION 3517 (RELATING TO
21 CHANGE IN OWNERSHIP OR CONTROL OF TERMINAL OPERATOR
22 LICENSEE), NO LICENSE GRANTED OR RENEWED PURSUANT TO THIS
23 PART MAY BE SOLD, TRANSFERRED OR ASSIGNED TO ANOTHER PERSON.

24 (3) NO LICENSEE MAY PLEDGE OR OTHERWISE GRANT A SECURITY
25 INTEREST IN OR LIEN ON THE LICENSE.

26 (4) THE BOARD HAS THE SOLE DISCRETION TO ISSUE, RENEW,
27 CONDITION OR DENY THE ISSUANCE OF A TERMINAL OPERATOR LICENSE
28 BASED UPON THE REQUIREMENTS OF THIS PART.

29 (5) NOTHING CONTAINED IN THIS PART IS INTENDED OR SHALL
30 BE CONSTRUED TO CREATE IN ANY PERSON AN ENTITLEMENT TO A

1 LICENSE.

2 § 3517. CHANGE IN OWNERSHIP OR CONTROL OF TERMINAL OPERATOR
3 LICENSEE.

4 (A) NOTIFICATION AND APPROVAL.--

5 (1) A TERMINAL OPERATOR LICENSEE SHALL PROMPTLY NOTIFY
6 THE BOARD OF A PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP
7 OF THE TERMINAL OPERATOR LICENSEE BY A PERSON OR GROUP OF
8 PERSONS ACTING IN CONCERT WHICH INVOLVES ANY OF THE
9 FOLLOWING:

10 (I) MORE THAN 5% OF A TERMINAL OPERATOR LICENSEE'S
11 SECURITIES OR OTHER OWNERSHIP INTERESTS.

12 (II) MORE THAN 5% OF THE SECURITIES OR OTHER
13 OWNERSHIP INTERESTS OF A CORPORATION OR OTHER FORM OF
14 BUSINESS ENTITY THAT OWNS DIRECTLY OR INDIRECTLY AT LEAST
15 20% OF THE VOTING OR OTHER SECURITIES OR OTHER OWNERSHIP
16 INTERESTS OF THE LICENSEE.

17 (III) THE SALE OF ALL OR SUBSTANTIALLY ALL OF A
18 LICENSEE'S ASSETS.

19 (IV) OTHER TRANSACTION OR OCCURRENCE DEEMED BY THE
20 BOARD TO BE RELEVANT TO LICENSE QUALIFICATIONS.

21 (2) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH
22 (1), NO TERMINAL OPERATOR LICENSEE MAY BE REQUIRED TO
23 NOTIFY THE BOARD OF AN ACQUISITION BY AN INSTITUTIONAL
24 INVESTOR UNDER PARAGRAPH (1)(I) OR (II) IF THE
25 INSTITUTIONAL INVESTOR HOLDS LESS THAN 10% OF THE
26 SECURITIES OR OTHER OWNERSHIP INTERESTS REFERRED TO IN
27 PARAGRAPH (1)(I) OR (II), THE SECURITIES OR INTERESTS ARE
28 PUBLICLY TRADED SECURITIES AND ITS HOLDINGS OF THE
29 SECURITIES WERE PURCHASED FOR INVESTMENT PURPOSES ONLY
30 AND THE INSTITUTIONAL INVESTOR FILES WITH THE BOARD A

1 CERTIFIED STATEMENT TO THE EFFECT THAT IT HAS NO
2 INTENTION OF INFLUENCING OR AFFECTING, DIRECTLY OR
3 INDIRECTLY, THE AFFAIRS OF THE LICENSEE, PROVIDED,
4 HOWEVER, THAT IT SHALL BE PERMITTED TO VOTE ON MATTERS
5 PUT TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS.

6 (II) NOTICE TO THE BOARD AND BOARD APPROVAL SHALL BE
7 REQUIRED PRIOR TO COMPLETION OF ANY PROPOSED OR
8 CONTEMPLATED CHANGE OF OWNERSHIP OF A TERMINAL OPERATOR
9 LICENSEE THAT MEETS THE CRITERIA OF THIS SECTION.

10 (B) QUALIFICATION OF PURCHASER OF TERMINAL OPERATOR
11 LICENSEE; CHANGE OF CONTROL.--

12 (1) THE PURCHASER OF ALL OR SUBSTANTIALLY ALL OF THE
13 ASSETS OF A TERMINAL OPERATOR LICENSEE SHALL, IF NOT ALREADY
14 A TERMINAL OPERATOR LICENSEE, INDEPENDENTLY QUALIFY FOR A
15 LICENSE IN ACCORDANCE WITH THIS PART AND SHALL PAY THE
16 LICENSE FEE AS REQUIRED BY SECTION 4101 (RELATING TO FEES).

17 (2) A CHANGE IN CONTROL OF A TERMINAL OPERATOR LICENSEE
18 SHALL REQUIRE THAT THE TERMINAL OPERATOR LICENSEE
19 INDEPENDENTLY QUALIFY FOR A LICENSE IN ACCORDANCE WITH THIS
20 PART, AND THE TERMINAL OPERATOR LICENSEE SHALL PAY A NEW
21 LICENSE FEE AS REQUIRED BY SECTION 4101, EXCEPT AS OTHERWISE
22 REQUIRED BY THE BOARD PURSUANT TO THIS SECTION.

23 (3) THE NEW LICENSE FEE SHALL BE PAID UPON THE
24 ASSIGNMENT AND ACTUAL CHANGE OF CONTROL OR OWNERSHIP OF THE
25 TERMINAL OPERATOR LICENSE.

26 (C) CHANGE IN CONTROL DEFINED.--FOR PURPOSES OF THIS
27 SECTION, A CHANGE IN CONTROL OF A TERMINAL OPERATOR LICENSEE
28 SHALL MEAN THE ACQUISITION BY A PERSON OR GROUP OF PERSONS
29 ACTING IN CONCERT OF MORE THAN 20% OF A TERMINAL OPERATOR
30 LICENSEE'S SECURITIES OR OTHER OWNERSHIP INTERESTS, WITH THE

1 EXCEPTION OF ANY OWNERSHIP INTEREST OF THE PERSON THAT EXISTED
2 AT THE TIME OF INITIAL LICENSING AND PAYMENT OF THE INITIAL SLOT
3 MACHINE LICENSE FEE, OR MORE THAN 20% OF THE SECURITIES OR OTHER
4 OWNERSHIP INTERESTS OF A CORPORATION OR OTHER FORM OF BUSINESS
5 ENTITY THAT OWNS DIRECTLY OR INDIRECTLY AT LEAST 20% OF THE
6 VOTING OR OTHER SECURITIES OR OTHER OWNERSHIP INTERESTS OF THE
7 LICENSEE.

8 (D) FEE REDUCTION.--THE BOARD MAY IN ITS DISCRETION
9 ELIMINATE THE NEED FOR QUALIFICATION OR PROPORTIONATELY REDUCE,
10 BUT NOT ELIMINATE, THE NEW LICENSE FEE OTHERWISE REQUIRED
11 PURSUANT TO THIS SECTION IN CONNECTION WITH A CHANGE OF CONTROL
12 OF A LICENSEE, DEPENDING UPON THE TYPE OF TRANSACTION, THE
13 RELEVANT OWNERSHIP INTERESTS AND CHANGES TO THE INTERESTS
14 RESULTING FROM THE TRANSACTION AND OTHER CONSIDERATIONS DEEMED
15 RELEVANT BY THE BOARD.

16 (E) LICENSE REVOCATION.--FAILURE TO COMPLY WITH THIS SECTION
17 MAY CAUSE THE LICENSE ISSUED UNDER THIS PART TO BE REVOKED OR
18 SUSPENDED BY THE BOARD UNLESS THE PURCHASE OF THE ASSETS OR THE
19 CHANGE IN CONTROL THAT MEETS THE CRITERIA OF THIS SECTION HAS
20 BEEN INDEPENDENTLY QUALIFIED IN ADVANCE BY THE BOARD AND ANY
21 REQUIRED LICENSE FEE HAS BEEN PAID.

22 § 3518. VIDEO GAMING ACCOUNTING CONTROLS AND AUDITS.

23 (A) APPROVAL.--EXCEPT AS OTHERWISE PROVIDED BY THIS PART, A
24 TERMINAL OPERATOR LICENSE APPLICANT SHALL, IN ADDITION TO
25 OBTAINING A TERMINAL OPERATOR LICENSE, OBTAIN APPROVAL FROM THE
26 BOARD IN CONSULTATION WITH THE DEPARTMENT OF ITS INTERNAL
27 CONTROL SYSTEMS AND AUDIT PROTOCOLS PRIOR TO THE INSTALLATION
28 AND OPERATION OF VIDEO GAMING TERMINALS AT LICENSED
29 ESTABLISHMENTS.

30 (B) MINIMUM REQUIREMENTS.--AT A MINIMUM, THE APPLICANT'S

1 PROPOSED INTERNAL CONTROLS AND AUDIT PROTOCOLS SHALL:

2 (1) SAFEGUARD ITS ASSETS AND REVENUES, INCLUDING, BUT
3 NOT LIMITED TO, THE RECORDING OF CASH AND EVIDENCES OF
4 INDEBTEDNESS RELATED TO THE VIDEO GAMING TERMINALS.

5 (2) PROVIDE FOR RELIABLE RECORDS, ACCOUNTS AND REPORTS
6 OF A FINANCIAL EVENT THAT OCCURS IN THE OPERATION OF A VIDEO
7 GAMING TERMINAL, INCLUDING REPORTS TO THE BOARD RELATED TO
8 THE VIDEO GAMING TERMINALS.

9 (3) ENSURE THAT EACH VIDEO GAMING TERMINAL DIRECTLY
10 PROVIDES OR COMMUNICATES ALL REQUIRED ACTIVITIES AND
11 FINANCIAL DETAILS TO THE CENTRAL CONTROL COMPUTER SYSTEM AS
12 SET BY THE BOARD.

13 (4) PROVIDE FOR ACCURATE AND RELIABLE FINANCIAL RECORDS.

14 (5) ENSURE A FINANCIAL EVENT THAT OCCURS IN THE
15 OPERATION OF A VIDEO GAMING TERMINAL IS PERFORMED ONLY IN
16 ACCORDANCE WITH THE MANAGEMENT'S GENERAL OR SPECIFIC
17 AUTHORIZATION, AS APPROVED BY THE BOARD.

18 (6) ENSURE THAT A FINANCIAL EVENT THAT OCCURS IN THE
19 OPERATION OF A VIDEO GAMING TERMINAL IS RECORDED ADEQUATELY
20 TO PERMIT PROPER AND TIMELY REPORTING OF GROSS REVENUE AND
21 THE CALCULATION THEREOF AND OF FEES AND TAXES AND TO MAINTAIN
22 ACCOUNTABILITY FOR ASSETS.

23 (7) ENSURE THAT ACCESS TO ASSETS IS PERMITTED ONLY IN
24 ACCORDANCE WITH MANAGEMENT'S SPECIFIC AUTHORIZATION, AS
25 APPROVED BY THE BOARD.

26 (8) ENSURE THAT RECORDED ACCOUNTABILITY FOR ASSETS IS
27 COMPARED WITH ACTUAL ASSETS AT INTERVALS AS REQUIRED BY THE
28 BOARD AND APPROPRIATE ACTION IS TAKEN WITH RESPECT TO
29 DISCREPANCIES.

30 (9) ENSURE THAT ALL FUNCTIONS, DUTIES AND

1 RESPONSIBILITIES ARE APPROPRIATELY SEGREGATED AND PERFORMED
2 IN ACCORDANCE WITH SOUND FINANCIAL PRACTICES BY COMPETENT,
3 QUALIFIED PERSONNEL.

4 (10) ANY OTHER REQUIREMENT OF THE BOARD.

5 (C) INTERNAL CONTROL.--A TERMINAL OPERATOR LICENSE APPLICANT
6 SHALL SUBMIT TO THE BOARD AND DEPARTMENT, IN SUCH MANNER AS THE
7 BOARD REQUIRES, A DESCRIPTION OF ITS ADMINISTRATIVE AND
8 ACCOUNTING PROCEDURES IN DETAIL, INCLUDING ITS WRITTEN SYSTEM OF
9 INTERNAL CONTROL. THE WRITTEN SYSTEM OF INTERNAL CONTROL SHALL
10 INCLUDE:

11 (1) RECORDS OF DIRECT AND INDIRECT OWNERSHIP IN THE
12 PROPOSED TERMINAL OPERATOR LICENSEE, ITS AFFILIATE,
13 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY.

14 (2) AN ORGANIZATIONAL CHART DEPICTING APPROPRIATE
15 SEGREGATION OF FUNCTIONS AND RESPONSIBILITIES.

16 (3) A DESCRIPTION OF THE DUTIES AND RESPONSIBILITIES OF
17 EACH POSITION SHOWN ON THE ORGANIZATIONAL CHART.

18 (4) A DETAILED NARRATIVE DESCRIPTION OF THE
19 ADMINISTRATIVE AND ACCOUNTING PROCEDURES DESIGNED TO SATISFY
20 THE REQUIREMENTS OF THIS SECTION.

21 (5) RECORD RETENTION POLICY.

22 (6) PROCEDURE TO ENSURE THAT ASSETS ARE SAFEGUARDED,
23 INCLUDING MANDATORY COUNT PROCEDURES.

24 (7) A STATEMENT SIGNED BY THE CHIEF FINANCIAL OFFICER OF
25 THE TERMINAL OPERATOR LICENSE APPLICANT OR OTHER COMPETENT
26 PERSON AND THE CHIEF EXECUTIVE OFFICER OF THE TERMINAL
27 OPERATOR LICENSE APPLICANT OR OTHER COMPETENT PERSON
28 ATTESTING THAT THE OFFICER BELIEVES, IN GOOD FAITH, THAT THE
29 SYSTEM SATISFIES THE REQUIREMENTS OF THIS SECTION.

30 (8) OTHER ITEMS THAT THE BOARD MAY REQUIRE IN ITS

1 DISCRETION.

2 § 3519. MULTIPLE LICENSES PROHIBITED.

3 (A) MANUFACTURER RESTRICTION.--A MANUFACTURER MAY NOT BE
4 LICENSED AS A TERMINAL OPERATOR OR OWN, MANAGE OR CONTROL AN
5 ESTABLISHMENT LICENSEE, BUT MAY ALSO BE LICENSED AS A SUPPLIER.

6 (B) SUPPLIER RESTRICTION.--A SUPPLIER MAY NOT BE LICENSED AS
7 A TERMINAL OPERATOR OR OWN, MANAGE OR CONTROL AN ESTABLISHMENT
8 LICENSEE OR TERMINAL OPERATOR LICENSEE.

9 (C) TERMINAL OPERATOR RESTRICTION.--A TERMINAL OPERATOR MAY
10 NOT BE LICENSED AS A MANUFACTURER OR SUPPLIER OR OWN, MANAGE OR
11 CONTROL AN ESTABLISHMENT LICENSEE OR OWN, MANAGE OR CONTROL
12 PREMISES USED BY AN ESTABLISHMENT LICENSEE.

13 (D) ESTABLISHMENT RESTRICTION.--AN ESTABLISHMENT LICENSEE
14 MAY NOT BE LICENSED AS A MANUFACTURER, SUPPLIER, TERMINAL
15 OPERATOR OR PROCUREMENT AGENT.

16 § 3520. CONDITIONAL LICENSES.

17 (A) CONDITIONAL ESTABLISHMENT LICENSES.--

18 (1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS
19 SECTION, THE BOARD SHALL MAKE APPLICATIONS FOR ESTABLISHMENT
20 LICENSES AVAILABLE TO APPLICANTS.

21 (2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN
22 APPLICANT FOR AN ESTABLISHMENT LICENSE IF THE APPLICANT
23 SATISFIES, AS DETERMINED BY THE BOARD, ALL OF THE FOLLOWING
24 CRITERIA:

25 (I) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
26 FELONY IN ANY JURISDICTION.

27 (II) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

28 (III) THE APPLICANT HAS SUBMITTED A COMPLETED
29 APPLICATION FOR AN ESTABLISHMENT LICENSE IN ACCORDANCE
30 WITH THIS PART, WHICH MAY BE SUBMITTED CONCURRENTLY WITH

1 THE APPLICANT'S REQUEST FOR A CONDITIONAL LICENSE.

2 (IV) FOR LIQUOR ESTABLISHMENT APPLICANTS, THE
3 APPLICANT HELD A VALID LIQUOR LICENSE ON THE DATE OF
4 APPLICATION AND SUCH LICENSE IS IN GOOD STANDING.

5 (V) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
6 GAMBLING LAW VIOLATION IN ANY JURISDICTION.

7 (VI) FOR AN APPLICANT THAT IS A LIQUOR ESTABLISHMENT
8 WHOSE LICENSED PREMISES IS LESS THAN 1,000 SQUARE FEET,
9 THE REPORT REQUIRED UNDER SECTION 3514(D.1) (RELATING TO
10 ESTABLISHMENT LICENSES) HAS BEEN RECEIVED AND REVIEWED BY
11 THE BOARD.

12 (3) (I) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO
13 AN APPLICANT FOR AN ESTABLISHMENT LICENSE, WITHIN 60 DAYS
14 AFTER THE COMPLETED APPLICATION HAS BEEN RECEIVED BY THE
15 BOARD, PROVIDED THAT THE BOARD DETERMINES THAT THE
16 CRITERIA CONTAINED IN PARAGRAPH (2) HAS BEEN SATISFIED.

17 (II) IF THE BOARD DETERMINES THAT THE CRITERIA
18 CONTAINED IN PARAGRAPH (2) HAS NOT BEEN SATISFIED, THE
19 BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT
20 AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN
21 SATISFIED.

22 (4) A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

23 (I) THE BOARD EITHER APPROVES OR DENIES THE
24 APPLICANT'S APPLICATION FOR LICENSURE;

25 (II) THE CONDITIONAL LICENSE IS TERMINATED FOR A
26 VIOLATION OF THIS PART; OR

27 (III) ONE CALENDAR YEAR HAS PASSED SINCE THE
28 CONDITIONAL LICENSE WAS ISSUED.

29 (5) THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL
30 LICENSE FOR ONE CALENDAR YEAR.

1 (6) AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER
2 PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE
3 PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF
4 THIS SECTION OR ANY OTHER PROVISION OF THIS PART.

5 (7) A REQUEST FOR CONDITIONAL LICENSURE UNDER THIS
6 SUBSECTION SHALL INCLUDE PAYMENT OF A \$100 FEE, WHICH FEE
7 SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER
8 SECTION 4101 (RELATING TO FEES).

9 (B) CONDITIONAL TERMINAL OPERATOR LICENSES.--

10 (1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS
11 SECTION, THE BOARD SHALL MAKE APPLICATIONS FOR TERMINAL
12 OPERATOR LICENSES AVAILABLE TO APPLICANTS.

13 (2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN
14 APPLICANT FOR A TERMINAL OPERATOR LICENSE IF THE APPLICANT
15 SATISFIES, AS DETERMINED BY THE BOARD, ALL OF THE FOLLOWING
16 CRITERIA:

17 (I) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
18 FELONY IN ANY JURISDICTION.

19 (II) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

20 (III) THE APPLICANT HAS SUBMITTED A COMPLETED
21 APPLICATION FOR A TERMINAL OPERATOR LICENSE WHICH MAY BE
22 SUBMITTED CONCURRENTLY WITH THE APPLICANT'S REQUEST FOR A
23 CONDITIONAL LICENSE.

24 (IV) THE APPLICANT HAS NEVER HAD ITS TERMINAL
25 OPERATOR LICENSE OR SIMILAR GAMING LICENSE DENIED OR
26 REVOKED IN ANOTHER JURISDICTION.

27 (V) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
28 GAMBLING LAW VIOLATION IN ANY JURISDICTION.

29 (3) (I) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO
30 AN APPLICANT FOR A TERMINAL OPERATOR LICENSE, WITHIN 60

1 DAYS AFTER THE COMPLETED APPLICATION HAS BEEN RECEIVED BY
2 THE BOARD, PROVIDED THAT THE BOARD DETERMINES THAT THE
3 CRITERIA CONTAINED IN PARAGRAPH (3) HAS BEEN SATISFIED.

4 (II) IF THE BOARD DETERMINES THAT THE CRITERIA
5 CONTAINED IN PARAGRAPH (3) HAS NOT BEEN SATISFIED, THE
6 BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT
7 AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN
8 SATISFIED.

9 (4) A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

10 (I) THE BOARD EITHER APPROVES OR DENIES THE
11 APPLICANT'S APPLICATION FOR LICENSURE;

12 (II) THE CONDITIONAL LICENSE IS TERMINATED FOR A
13 VIOLATION OF THIS CHAPTER; OR

14 (III) ONE CALENDAR YEAR HAS PASSED SINCE THE
15 CONDITIONAL LICENSE WAS ISSUED.

16 (5) THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL
17 LICENSE FOR ONE CALENDAR YEAR.

18 (6) AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER
19 PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE
20 PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF
21 THIS SUBSECTION OR ANY OTHER PROVISION OF THIS PART.

22 (7) A REQUEST FOR CONDITIONAL LICENSURE UNDER THIS
23 SUBSECTION SHALL INCLUDE PAYMENT OF A \$100 FEE, WHICH FEE
24 SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER
25 SECTION 4101.

26 (C) CONDITIONAL MANUFACTURER AND SUPPLIER LICENSES.--

27 (1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS
28 SECTION, THE BOARD SHALL MAKE APPLICATIONS AVAILABLE FOR
29 MANUFACTURER AND SUPPLIER LICENSE.

30 (2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN

1 APPLICANT FOR A MANUFACTURER OR SUPPLIER LICENSE IF THE
2 APPLICANT SATISFIES, AS DETERMINED BY THE BOARD, ALL OF THE
3 FOLLOWING CRITERIA:

4 (I) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
5 FELONY.

6 (II) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

7 (III) THE APPLICANT HAS SUBMITTED A COMPLETED
8 APPLICATION A MANUFACTURER OR SUPPLIER LICENSE, WHICH MAY
9 BE SUBMITTED CONCURRENTLY WITH THE APPLICANT'S REQUEST
10 FOR A CONDITIONAL LICENSE.

11 (IV) THE APPLICANT HAS NEVER HAD ITS MANUFACTURER,
12 SUPPLIER OR SIMILAR GAMING LICENSE DENIED OR REVOKED IN
13 ANOTHER JURISDICTION.

14 (V) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
15 GAMBLING LAW VIOLATION IN ANY JURISDICTION.

16 (3) (I) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO
17 AN APPLICANT FOR A MANUFACTURER OR SUPPLIER LICENSE
18 WITHIN 60 DAYS AFTER THE COMPLETED APPLICATION HAS BEEN
19 RECEIVED BY THE BOARD, PROVIDED THAT THE BOARD DETERMINES
20 THAT THE CRITERIA CONTAINED IN PARAGRAPH (2) HAS BEEN
21 SATISFIED.

22 (II) IF THE BOARD DETERMINES THAT THE CRITERIA
23 CONTAINED IN PARAGRAPH (2) HAS NOT BEEN SATISFIED, THE
24 BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT
25 AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN
26 SATISFIED.

27 (4) A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

28 (I) THE BOARD EITHER APPROVES OR DENIES THE
29 APPLICANT'S APPLICATION FOR LICENSURE;

30 (II) THE CONDITIONAL LICENSE IS TERMINATED FOR A

1 VIOLATION OF THIS PART; OR

2 (III) ONE CALENDAR YEAR HAS PASSED SINCE THE
3 CONDITIONAL LICENSE WAS ISSUED.

4 (5) THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL
5 LICENSE FOR ONE CALENDAR YEAR.

6 (6) AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER
7 PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE
8 PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF
9 THIS SUBSECTION OR ANY OTHER PROVISION OF THIS PART.

10 (7) A REQUEST FOR A CONDITIONAL LICENSE UNDER THIS
11 SUBSECTION SHALL INCLUDE PAYMENT OF A \$1,000 FEE, WHICH FEE
12 SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER
13 SECTION 4101.

14 (D) OTHER CONDITIONAL LICENSES.--

15 (1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS
16 SECTION, THE BOARD SHALL MAKE APPLICATIONS AVAILABLE FOR ANY
17 OTHER LICENSE REQUIRED UNDER THIS PART.

18 (2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN
19 APPLICANT IF THE APPLICANT SATISFIES, AS DETERMINED BY THE
20 BOARD, ALL OF THE FOLLOWING CRITERIA:

21 (I) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
22 FELONY IN ANY JURISDICTION.

23 (II) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

24 (III) THE APPLICANT HAS SUBMITTED A COMPLETED
25 APPLICATION FOR LICENSURE, WHICH MAY BE SUBMITTED
26 CONCURRENTLY WITH THE APPLICANT'S REQUEST FOR A
27 CONDITIONAL LICENSE.

28 (IV) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
29 GAMBLING LAW VIOLATION IN ANY JURISDICTION.

30 (3) (I) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO

1 AN APPLICANT WITHIN 60 DAYS AFTER THE COMPLETED
2 APPLICATION HAS BEEN RECEIVED BY THE BOARD, PROVIDED THAT
3 THE BOARD DETERMINES THAT THE CRITERIA CONTAINED IN
4 PARAGRAPH (2) HAS BEEN SATISFIED.

5 (II) IF THE BOARD DETERMINES THAT THE CRITERIA
6 CONTAINED IN PARAGRAPH (2) HAS NOT BEEN SATISFIED, THE
7 BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT
8 AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN
9 SATISFIED.

10 (4) A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

11 (I) THE BOARD EITHER APPROVES OR DENIES THE
12 APPLICANT'S APPLICATION FOR LICENSURE;

13 (II) THE CONDITIONAL LICENSE IS TERMINATED FOR A
14 VIOLATION OF THIS PART; OR

15 (III) ONE CALENDAR YEAR HAS PASSED SINCE THE
16 CONDITIONAL LICENSE WAS ISSUED.

17 (5) THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL
18 LICENSE FOR ONE CALENDAR YEAR.

19 (6) AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER
20 PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE
21 PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF
22 THIS SUBSECTION OR ANY OTHER PROVISION OF THIS PART.

23 (7) A REQUEST FOR CONDITIONAL LICENSURE UNDER THIS
24 SUBSECTION SHALL INCLUDE PAYMENT OF A \$100 FEE, WHICH FEE
25 SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER
26 SECTION 4101.

27 (E) PRIORITIZATION PROHIBITED.--

28 (1) THE BOARD MAY NOT UTILIZE THE ALTERNATIVE LICENSING
29 STANDARDS FOR A TERMINAL OPERATOR LICENSE, MANUFACTURER
30 LICENSE OR A SUPPLIER LICENSE UNDER SECTIONS 3511 (RELATING

1 TO ALTERNATIVE TERMINAL OPERATOR LICENSING STANDARDS), 3512
2 (RELATING TO ALTERNATIVE MANUFACTURER LICENSING STANDARDS)
3 AND 3513 (RELATING TO ALTERNATIVE SUPPLIER LICENSING
4 STANDARDS) TO PRIORITIZE THE ISSUANCE OF A TERMINAL OPERATOR,
5 MANUFACTURER OR SUPPLIER LICENSE UNDER THIS CHAPTER.

6 (2) THE BOARD SHALL ENSURE THAT APPLICATIONS MADE TO THE
7 BOARD ACCORDING TO THE ALTERNATIVE STANDARDS UNDER SECTIONS
8 3511, 3512 AND 3513 ARE NOT APPROVED OR DENIED IN A TIME
9 PERIOD THAT IS LESS THAN THE TIME PERIOD IN WHICH AN
10 APPLICATION FOR A CONDITIONAL LICENSE IS APPROVED OR DENIED
11 UNDER THIS SECTION.

12 (F) INCOMPLETE APPLICATIONS.--IF THE BOARD RECEIVES AN
13 APPLICATION THAT IS INCOMPLETE, THE BOARD SHALL, WITHIN SEVEN
14 DAYS OF RECEIVING THE INCOMPLETE APPLICATION, NOTIFY THE
15 APPLICANT OF ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

16 CHAPTER 37

17 OPERATION

18 3701. TESTING AND CERTIFICATION OF TERMINALS.

19 3702. VIDEO GAMING LIMITATIONS.

20 3703. HOURS OF OPERATION.

21 3704. TERMINAL PLACEMENT AGREEMENTS.

22 3705. DUTIES OF LICENSEES.

23 3706. COMPULSIVE AND PROBLEM GAMBLING.

24 § 3701. TESTING AND CERTIFICATION OF TERMINALS.

25 (A) GENERAL RULE.--NO VIDEO GAMING TERMINAL OR REDEMPTION
26 TERMINAL OR ASSOCIATED EQUIPMENT MAY BE MADE AVAILABLE FOR USE
27 IN THIS COMMONWEALTH PRIOR TO BEING TESTED AND CERTIFIED BY THE
28 BOARD IN ACCORDANCE WITH THIS SECTION.

29 (B) VIDEO GAMING TERMINAL SPECIFICATIONS.--VIDEO GAMING
30 TERMINALS SHALL BE TESTED AND CERTIFIED TO MEET THE FOLLOWING

1 SPECIFICATIONS:

2 (1) THE VIDEO GAMING TERMINAL SHALL HAVE THE ABILITY TO
3 BE LINKED TO THE CENTRAL CONTROL COMPUTER.

4 (2) THE VIDEO GAMING TERMINAL SHALL BE MARKED WITH AN
5 IRREMOVABLE IDENTIFICATION PLATE THAT IS PLACED IN A
6 CONSPICUOUS LOCATION ON THE EXTERIOR OF THE VIDEO GAMING
7 TERMINAL. THE IDENTIFICATION PLATE SHALL CONTAIN THE NAME OF
8 THE MANUFACTURER AND THE SERIAL AND MODEL NUMBERS OF THE
9 VIDEO GAMING TERMINAL.

10 (3) THE VIDEO GAMING TERMINAL SHALL PROMINENTLY DISPLAY
11 THE RULES OF PLAY EITHER ON THE VIDEO GAMING TERMINAL FACE OR
12 SCREEN.

13 (4) THE VIDEO GAMING TERMINAL MAY NOT HAVE THE ABILITY
14 TO DISPENSE CASH, TOKENS OR ANYTHING OF VALUE, EXCEPT
15 REDEMPTION TICKETS WHICH SHALL ONLY BE EXCHANGEABLE FOR CASH
16 AT A REDEMPTION TERMINAL OR REINSERTED INTO ANOTHER VIDEO
17 GAMING TERMINAL LOCATED IN THE SAME VIDEO GAMING AREA AS THE
18 VIDEO GAMING TERMINAL.

19 (5) THE COST OF A CREDIT SHALL ONLY BE 1¢, 5¢, 10¢ OR
20 25¢.

21 (6) THE MAXIMUM WAGER PER INDIVIDUAL GAME SHALL NOT
22 EXCEED \$5.

23 (7) THE MAXIMUM PRIZE PER INDIVIDUAL GAME SHALL NOT
24 EXCEED \$1,000.

25 (8) THE VIDEO GAMING TERMINAL SHALL BE DESIGNED AND
26 MANUFACTURED WITH TOTAL ACCOUNTABILITY TO INCLUDE GROSS
27 PROCEEDS, NET PROFITS, WINNING PERCENTAGES AND OTHER
28 INFORMATION THE BOARD REQUIRES.

29 (9) THE VIDEO GAMING TERMINAL SHALL PAY OUT A MINIMUM OF
30 85% OF THE AMOUNT WAGERED.

1 (10) OTHER SPECIFICATIONS THE BOARD REQUIRES.
2 (C) REDEMPTION TERMINAL SPECIFICATIONS.--REDEMPTION
3 TERMINALS SHALL BE TESTED AND CERTIFIED TO MEET THE FOLLOWING
4 SPECIFICATIONS:

5 (1) THE REDEMPTION TERMINAL SHALL BE MARKED WITH AN
6 IRREMOVABLE IDENTIFICATION PLATE THAT IS PLACED IN A
7 CONSPICUOUS LOCATION ON THE EXTERIOR OF THE REDEMPTION
8 TERMINAL. THE IDENTIFICATION PLATE SHALL CONTAIN THE NAME OF
9 THE MANUFACTURER AND THE SERIAL AND MODEL NUMBERS OF THE
10 REDEMPTION TERMINAL.

11 (2) THE REDEMPTION TERMINAL SHALL ONLY ACCEPT REDEMPTION
12 TICKETS FROM VIDEO GAMING TERMINALS LOCATED IN THE SAME VIDEO
13 GAMING AREA.

14 (3) THE REDEMPTION TERMINAL SHALL BE DESIGNED AND
15 MANUFACTURED WITH TOTAL ACCOUNTABILITY TO RECORD INFORMATION
16 THE BOARD REQUIRES.

17 (4) OTHER SPECIFICATIONS THE BOARD REQUIRES.
18 (D) USE OF OTHER STATE STANDARDS.--

19 (1) THE BOARD MAY DETERMINE, IN ITS DISCRETION, WHETHER
20 THE VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL TESTING AND
21 CERTIFICATION STANDARDS OF ANOTHER JURISDICTION WITHIN THE
22 UNITED STATES IN WHICH A MANUFACTURER LICENSEE IS LICENSED
23 ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR ADEQUATE
24 SAFEGUARDS AS THOSE REQUIRED BY THIS PART.

25 (2) IF THE BOARD MAKES THAT DETERMINATION, THE BOARD MAY
26 PERMIT A MANUFACTURER LICENSEE THROUGH A LICENSED SUPPLIER TO
27 DEPLOY THOSE VIDEO GAMING TERMINALS OR REDEMPTION TERMINALS
28 WHICH HAVE MET THE VIDEO GAMING TERMINAL OR REDEMPTION
29 TERMINAL TESTING AND CERTIFICATION STANDARDS IN SUCH OTHER
30 JURISDICTIONS WITHOUT UNDERGOING THE FULL TESTING AND

1 CERTIFICATION PROCESS BY THE BOARD'S TESTING FACILITY.

2 (3) IN THE EVENT VIDEO GAMING TERMINALS OR REDEMPTION
3 TERMINALS OF A MANUFACTURER LICENSEE ARE LICENSED IN THE
4 OTHER JURISDICTION, THE BOARD MAY DETERMINE TO USE AN
5 ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION
6 DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER THE
7 ISSUANCE OF A VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL
8 CERTIFICATION TO SUCH AN APPLICANT.

9 (E) PRIVATE TESTING.--THE BOARD MAY, IN ITS DISCRETION, RELY
10 UPON THE CERTIFICATION OF A VIDEO GAMING TERMINAL OR REDEMPTION
11 TERMINAL THAT HAS MET THE TESTING AND CERTIFICATION STANDARDS OF
12 ONE OR MORE BOARD-APPROVED INDEPENDENT PRIVATE TESTING AND
13 CERTIFICATION FACILITIES.

14 (F) TESTING AND CERTIFICATION FEE.--

15 (1) A FEE FOR THE TESTING AND CERTIFICATION OF A VIDEO
16 GAMING TERMINAL OR REDEMPTION TERMINAL SHALL BE PAID BY THE
17 MANUFACTURER LICENSEE SUBMITTING THE TERMINAL, WHICH FEE
18 SHALL BE AN AMOUNT ESTABLISHED BY THE BOARD ACCORDING TO A
19 SCHEDULE ADOPTED BY THE BOARD.

20 (2) FEES ESTABLISHED BY THE BOARD SHALL BE EXEMPT FROM
21 ANY FEE LIMITATION CONTAINED IN SECTION 4101 (RELATING TO
22 FEES).

23 (G) CENTRAL CONTROL COMPUTER COMPATIBILITY.--THE BOARD SHALL
24 ENSURE THAT ALL VIDEO GAMING TERMINALS CERTIFIED AND APPROVED
25 FOR USE IN THIS COMMONWEALTH ARE COMPATIBLE AND COMPLY WITH THE
26 CENTRAL CONTROL COMPUTER AND PROTOCOL SPECIFICATIONS APPROVED BY
27 THE DEPARTMENT.

28 § 3702. VIDEO GAMING LIMITATIONS.

29 (A) ESTABLISHMENT LICENSEE LIMITATIONS.--AN ESTABLISHMENT
30 LICENSEE MAY OFFER VIDEO GAMING TERMINALS FOR PLAY WITHIN ITS

1 PREMISES, SUBJECT TO THE FOLLOWING:

2 (1) NO MORE THAN THE FOLLOWING NUMBER OF VIDEO GAMING
3 TERMINALS MAY BE PLACED ON THE PREMISES OF THE ESTABLISHMENT
4 LICENSEE:

5 (I) FOR AN ESTABLISHMENT LICENSEE THAT IS A TRUCK
6 STOP ESTABLISHMENT, NO MORE THAN 10 VIDEO GAMING
7 TERMINALS.

8 (II) FOR AN ESTABLISHMENT LICENSEE THAT IS NOT A
9 TRUCK STOP ESTABLISHMENT OR NONPRIMARY LOCATION, NO MORE
10 THAN FIVE VIDEO GAMING TERMINALS.

11 (2) REDEMPTION TICKETS SHALL ONLY BE EXCHANGED FOR CASH
12 THROUGH A REDEMPTION TERMINAL OR REINSERTED INTO ANOTHER
13 VIDEO GAMING TERMINAL IN THE SAME VIDEO GAMING AREA OR AS
14 OTHERWISE AUTHORIZED BY THE BOARD IN THE EVENT OF A FAILURE
15 OR MALFUNCTION IN A REDEMPTION TERMINAL, AND AT LEAST ONE
16 REDEMPTION TERMINAL SHALL BE LOCATED IN THE VIDEO GAMING
17 AREA.

18 (3) VIDEO GAMING TERMINALS LOCATED ON THE PREMISES OF
19 THE ESTABLISHMENT LICENSEE SHALL BE PLACED AND OPERATED BY A
20 TERMINAL OPERATOR LICENSEE PURSUANT TO A TERMINAL PLACEMENT
21 AGREEMENT.

22 (4) NO VIDEO GAMING AREA MAY BE LOCATED IN AN AREA THAT
23 IS NOT PROPERLY SEGREGATED FROM MINORS.

24 (5) THE ENTRANCE TO THE VIDEO GAMING AREA SHALL BE
25 SECURE AND EASILY SEEN AND OBSERVED BY AT LEAST ONE EMPLOYEE.

26 (6) THE VIDEO GAMING AREA SHALL AT ALL TIMES BE
27 MONITORED BY AN EMPLOYEE OF THE ESTABLISHMENT LICENSEE EITHER
28 DIRECTLY OR THROUGH LIVE MONITORING OF VIDEO SURVEILLANCE.
29 THE EMPLOYEE MUST BE AT LEAST 18 YEARS OF AGE AND HAVE
30 COMPLETED THE MANDATORY TRAINING PROGRAM REQUIRED IN SECTION

1 3706 (RELATING TO COMPULSIVE AND PROBLEM GAMBLING).

2 (7) NO ESTABLISHMENT LICENSEE MAY PROVIDE AN INCENTIVE.

3 (8) NO MINOR SHALL BE PERMITTED TO PLAY A VIDEO GAMING
4 TERMINAL OR ENTER THE VIDEO GAMING AREA.

5 (9) NO VISIBLY INTOXICATED PERSON SHALL BE PERMITTED TO
6 PLAY A VIDEO GAMING TERMINAL.

7 (10) NO ESTABLISHMENT LICENSEE MAY EXTEND CREDIT OR
8 ACCEPT A CREDIT CARD OR DEBIT CARD FOR PLAY OF A VIDEO GAMING
9 TERMINAL.

10 (11) NO ESTABLISHMENT LICENSEE MAY MAKE STRUCTURAL
11 ALTERATIONS OR SIGNIFICANT RENOVATIONS TO A VIDEO GAMING AREA
12 UNLESS THE ESTABLISHMENT LICENSEE HAS NOTIFIED THE TERMINAL
13 OPERATOR LICENSEE AND OBTAINED PRIOR APPROVAL FROM THE BOARD.

14 (12) NO ESTABLISHMENT LICENSEE MAY MOVE A VIDEO GAMING
15 TERMINAL OR REDEMPTION TERMINAL AFTER INSTALLATION BY A
16 TERMINAL OPERATOR LICENSEE.

17 (B) TERMINAL OPERATOR LICENSEE LIMITATIONS.--A TERMINAL
18 OPERATOR LICENSEE MAY PLACE AND OPERATE VIDEO GAMING TERMINALS
19 ON THE PREMISES OF AN ESTABLISHMENT LICENSEE, SUBJECT TO THE
20 FOLLOWING:

21 (1) NO MORE THAN THE FOLLOWING NUMBER OF VIDEO GAMING
22 TERMINALS MAY BE PLACED ON THE PREMISES OF THE ESTABLISHMENT
23 LICENSEE:

24 (I) FOR AN ESTABLISHMENT LICENSEE THAT IS A TRUCK
25 STOP ESTABLISHMENT, NO MORE THAN 10 VIDEO GAMING
26 TERMINALS.

27 (II) FOR AN ESTABLISHMENT LICENSEE THAT IS NOT A
28 TRUCK STOP ESTABLISHMENT OR NONPRIMARY LOCATION, NO MORE
29 THAN FIVE VIDEO GAMING TERMINALS.

30 (2) REDEMPTION TICKETS SHALL ONLY BE EXCHANGED FOR CASH

1 THROUGH A REDEMPTION TERMINAL LOCATED WITHIN THE SAME VIDEO
2 GAMING AREA OR REINSERTED INTO ANOTHER VIDEO GAMING TERMINAL
3 LOCATED IN THE SAME VIDEO GAMING AREA AS THE VIDEO GAMING
4 TERMINAL.

5 (3) VIDEO GAMING TERMINALS LOCATED ON THE PREMISES OF
6 THE ESTABLISHMENT LICENSEE SHALL BE PLACED AND OPERATED
7 PURSUANT TO A TERMINAL PLACEMENT AGREEMENT.

8 (4) NO TERMINAL OPERATOR LICENSEE MAY PROVIDE AN
9 INCENTIVE.

10 (5) NO TERMINAL OPERATOR LICENSEE MAY PLACE AND OPERATE
11 VIDEO GAMING TERMINALS WITHIN A LICENSED FACILITY.

12 (6) NO TERMINAL OPERATOR LICENSEE MAY EXTEND CREDIT OR
13 ACCEPT A CREDIT CARD OR DEBIT CARD FOR PLAY OF A VIDEO GAMING
14 TERMINAL.

15 (7) NO TERMINAL OPERATOR LICENSEE MAY GIVE OR OFFER TO
16 GIVE, DIRECTLY OR INDIRECTLY, ANY TYPE OF INDUCEMENT TO AN
17 ESTABLISHMENT TO SECURE OR MAINTAIN A TERMINAL PLACEMENT
18 AGREEMENT.

19 (8) NO TERMINAL OPERATOR LICENSEE MAY GIVE AN
20 ESTABLISHMENT LICENSEE A PERCENTAGE OF GROSS TERMINAL REVENUE
21 OTHER THAN 26% OF THE GROSS TERMINAL REVENUE OF THE VIDEO
22 GAMING TERMINALS OPERATING IN THE ESTABLISHMENT LICENSEE'S
23 PREMISES.

24 (9) A TERMINAL OPERATOR LICENSEE SHALL ONLY OPERATE,
25 INSTALL OR OTHERWISE MAKE AVAILABLE FOR PUBLIC USE A VIDEO
26 GAMING TERMINAL OR REDEMPTION TERMINAL THAT HAS BEEN OBTAINED
27 FROM A SUPPLIER LICENSEE.

28 (10) NO TERMINAL OPERATOR LICENSEE MAY MAKE STRUCTURAL
29 ALTERATIONS OR SIGNIFICANT RENOVATIONS TO A VIDEO GAMING AREA
30 UNLESS THE TERMINAL OPERATOR LICENSEE HAS NOTIFIED THE

1 ESTABLISHMENT LICENSEE AND OBTAINED PRIOR APPROVAL FROM THE
2 BOARD.

3 (11) NO TERMINAL OPERATOR LICENSEE MAY MOVE A VIDEO
4 GAMING TERMINAL OR REDEMPTION TERMINAL AFTER INSTALLATION
5 UNLESS PRIOR APPROVAL IS OBTAINED FROM THE BOARD.

6 § 3703. HOURS OF OPERATION.

7 (A) LIQUOR ESTABLISHMENTS.--AN ESTABLISHMENT LICENSEE THAT
8 IS ALSO A LIQUOR ESTABLISHMENT MAY ONLY PERMIT THE PLAY OF VIDEO
9 GAMING TERMINALS DURING THE HOURS IN WHICH THE LIQUOR
10 ESTABLISHMENT IS AUTHORIZED BY THE PENNSYLVANIA LIQUOR CONTROL
11 BOARD TO SELL ALCOHOLIC BEVERAGES.

12 (B) OTHER ESTABLISHMENTS.--AN ESTABLISHMENT LICENSEE THAT IS
13 ALSO A TRUCK STOP ESTABLISHMENT MAY PERMIT PLAY OF VIDEO GAMING
14 TERMINALS DURING NORMAL BUSINESS HOURS.

15 § 3704. TERMINAL PLACEMENT AGREEMENTS.

16 (A) GENERAL RULE.--EXCEPT AS PROVIDED FOR IN SUBSECTION (J),
17 NO TERMINAL OPERATOR LICENSEE MAY PLACE AND OPERATE VIDEO GAMING
18 TERMINALS ON THE PREMISES OF AN ESTABLISHMENT LICENSEE UNLESS
19 PURSUANT TO A TERMINAL PLACEMENT AGREEMENT APPROVED BY THE
20 BOARD. APPROVAL SHALL BE PRESENTED UPON CONNECTION OF ONE OR
21 MORE VIDEO GAMING TERMINALS AT THE ESTABLISHMENT LICENSEE TO THE
22 CENTRAL CONTROL COMPUTER.

23 (B) FORM OF AGREEMENT.--THE BOARD SHALL ESTABLISH THROUGH
24 REGULATION MINIMUM STANDARDS FOR TERMINAL PLACEMENT AGREEMENTS.

25 (C) LENGTH OF AGREEMENT.--TERMINAL PLACEMENT AGREEMENTS
26 SHALL BE VALID FOR A MINIMUM 60-MONTH TERM BUT SHALL NOT EXCEED
27 A 120-MONTH TERM.

28 (D) PROVISIONS REQUIRED.--A TERMINAL PLACEMENT AGREEMENT
29 SHALL INCLUDE A PROVISION THAT:

30 (1) RENDERS THE AGREEMENT INVALID IF EITHER THE TERMINAL

OPERATOR LICENSE OR TERMINAL OPERATOR APPLICATION OR THE
ESTABLISHMENT LICENSE OR ESTABLISHMENT LICENSEE APPLICATION
IS DENIED, REVOKED, NOT RENEWED, WITHDRAWN OR SURRENDERED.

(2) PROVIDES THE ESTABLISHMENT LICENSEE NO MORE OR LESS
THAN 26% OF GROSS TERMINAL REVENUE FROM EACH VIDEO GAMING
TERMINAL LOCATED ON THE PREMISES OF THE ESTABLISHMENT
LICENSEE.

(3) IDENTIFIES WHO SOLICITED THE TERMINAL PLACEMENT
AGREEMENT ON BEHALF OF A TERMINAL OPERATOR LICENSEE OR
APPLICANT.

(E) PROCUREMENT AGENT.--NO PERSON MAY BE COMPENSATED FOR THE
SOLICITATION OR PROCUREMENT OF A TERMINAL PLACEMENT AGREEMENT ON
BEHALF OF A TERMINAL OPERATOR LICENSEE OR APPLICANT.

(F) PARTIES TO AGREEMENT.--ONLY AN ESTABLISHMENT LICENSEE OR
APPLICANT MAY SIGN OR AGREE TO SIGN A TERMINAL PLACEMENT
AGREEMENT WITH AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR A
TERMINAL OPERATOR LICENSEE.

(G) VOID AGREEMENTS.--AN AGREEMENT ENTERED INTO BY AN
ESTABLISHMENT PRIOR TO THE EFFECTIVE DATE OF THIS SECTION WITH A
PERSON OR ENTITY FOR THE PLACEMENT, OPERATION, SERVICE OR
MAINTENANCE OF VIDEO GAMING TERMINALS, INCLUDING AN AGREEMENT
GRANTING A PERSON OR ENTITY THE RIGHT TO ENTER INTO AN AGREEMENT
OR MATCH ANY OFFER MADE AFTER THE EFFECTIVE DATE OF THIS SECTION
SHALL BE VOID AND MAY NOT BE APPROVED BY THE BOARD.

(H) TRANSFERABILITY OF AGREEMENTS.--NO TERMINAL PLACEMENT
AGREEMENT MAY BE TRANSFERRED OR ASSIGNED UNLESS THE INDIVIDUAL
OR ENTITY MAKING THE ASSIGNMENT IS EITHER A TERMINAL OPERATOR
APPLICANT OR LICENSEE AND THE INDIVIDUAL OR ENTITY RECEIVING THE
ASSIGNMENT OF THE TERMINAL PLACEMENT AGREEMENT IS EITHER A
TERMINAL OPERATOR APPLICANT OR LICENSEE UNDER THIS CHAPTER.

1 § 3705. DUTIES OF LICENSEES.

2 A PERSON ISSUED A LICENSE UNDER THIS PART SHALL:

3 (1) PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY THE
4 BOARD, THE BUREAU OR THE PENNSYLVANIA STATE POLICE AND TO
5 COOPERATE IN INQUIRIES, INVESTIGATIONS AND HEARINGS.

6 (2) CONSENT TO INSPECTIONS, SEARCHES AND SEIZURES.

7 (3) INFORM THE BOARD OF ACTIONS THAT THE PERSON BELIEVES
8 WOULD CONSTITUTE A VIOLATION OF THIS PART.

9 (4) INFORM THE BOARD OF ARRESTS FOR VIOLATIONS OF
10 OFFENSES ENUMERATED UNDER 18 PA.C.S. (RELATING TO CRIMES AND
11 OFFENSES).

12 § 3706. COMPULSIVE AND PROBLEM GAMBLING.

13 (A) REQUIRED POSTING.--

14 (1) AN ESTABLISHMENT LICENSEE SHALL CONSPICUOUSLY POST
15 SIGNS SIMILAR TO THE FOLLOWING STATEMENT:

16 IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM,
17 HELP IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER)
18 OR TEXT (TOLL-FREE TELEPHONE NUMBER).

19 (2) AT LEAST ONE SIGN SHALL BE POSTED WITHIN THE VIDEO
20 GAMING AREA AND AT LEAST ONE SIGN SHALL BE POSTED WITHIN FIVE
21 FEET OF EACH AUTOMATED TELLER MACHINE LOCATED WITHIN THE
22 ESTABLISHMENT LICENSEE'S PREMISES, IF APPLICABLE.

23 (B) TOLL-FREE TELEPHONE NUMBER.--THE TOLL-FREE TELEPHONE
24 NUMBER REQUIRED TO BE POSTED IN SUBSECTION (A) SHALL BE THE SAME
25 NUMBER MAINTAINED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS
26 OR SUCCESSOR AGENCY UNDER SECTION 3310 (RELATING TO DEPARTMENT
27 OF DRUG AND ALCOHOL PROGRAMS).

28 (C) PROBLEM GAMBLING INFORMATION.--

29 (1) AN ESTABLISHMENT LICENSEE SHALL HAVE AVAILABLE IN
30 ITS ESTABLISHMENT ACCESS TO MATERIALS REGARDING COMPULSIVE

1 AND PROBLEM GAMBLING ASSISTANCE.

2 (2) THE AVAILABLE MATERIALS REQUIRED BY PARAGRAPH (1)
3 SHALL BE A UNIFORM, STATEWIDE HANDOUT DEVELOPED BY THE BOARD
4 IN CONSULTATION WITH THE DEPARTMENT OF DRUG AND ALCOHOL
5 PROGRAMS OR SUCCESSOR AGENCY.

6 (3) THE AVAILABLE MATERIALS REQUIRED BY PARAGRAPH (1)
7 SHALL BE DISPLAYED CONSPICUOUSLY AT LEAST WITHIN THE VIDEO
8 GAMING AREA.

9 (D) MANDATORY TRAINING.--

10 (1) THE BOARD'S OFFICE OF COMPULSIVE AND PROBLEM
11 GAMBLING, IN CONSULTATION WITH THE DEPARTMENT OF DRUG AND
12 ALCOHOL PROGRAMS OR SUCCESSOR AGENCY, SHALL DEVELOP A
13 MANDATORY TRAINING PROGRAM FOR EMPLOYEES AND MANAGEMENT OF AN
14 ESTABLISHMENT LICENSEE WHO OVERSEE THE LICENSEE'S VIDEO
15 GAMING AREA. THE TRAINING PROGRAM SHALL ADDRESS RESPONSIBLE
16 GAMING AND OTHER COMPULSIVE AND PROBLEM GAMBLING ISSUES
17 RELATED TO VIDEO GAMING TERMINALS.

18 (2) THE BOARD SHALL ESTABLISH A FEE TO COVER THE COST OF
19 THE MANDATORY TRAINING PROGRAM.

20 (3) AT LEAST ONE EMPLOYEE OF THE ESTABLISHMENT LICENSEE
21 WHO HAS SUCCESSFULLY COMPLETED THE TRAINING PROGRAM SHALL BE
22 LOCATED ON THE PREMISES AND SUPERVISING THE VIDEO GAMING AREA
23 DURING ALL TIMES VIDEO GAMING TERMINALS ARE AVAILABLE FOR
24 PLAY.

25 (E) PENALTY.--AN ESTABLISHMENT LICENSEE THAT FAILS TO
26 FULFILL THE REQUIREMENTS OF SUBSECTION (A), (B), (C) OR (D)
27 SHALL BE ASSESSED BY THE BOARD AN ADMINISTRATIVE PENALTY AND MAY
28 HAVE ITS ESTABLISHMENT LICENSE SUSPENDED. WHEN DETERMINING THE
29 PENALTY AND NUMBER OF SUSPENSION DAYS, THE BOARD SHALL CONSIDER
30 THE LENGTH OF TIME IN WHICH THE MATERIALS WERE NOT AVAILABLE OR

A TRAINED EMPLOYEE WAS NOT LOCATED ON THE PREMISES AS REQUIRED
BY SUBSECTION (D) (3).

CHAPTER 39

ENFORCEMENT

SEC.

3901. EXCLUSION OR EJECTION OF CERTAIN PERSONS.

3902. REPEAT OFFENDERS.

3903. SELF-EXCLUSION.

3904. INVESTIGATIONS AND ENFORCEMENT.

3905. PROHIBITED ACTS AND PENALTIES.

3906. REPORT OF SUSPICIOUS TRANSACTIONS.

3907. ADDITIONAL AUTHORITY.

3908. DETENTION.

§ 3901. EXCLUSION OR EJECTION 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 THE VIDEO GAMING AREA OF AN ESTABLISHMENT LICENSEE.
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 VIDEO GAMING AREA WOULD, IN THE OPINION OF
THE BOARD, BE INIMICAL TO THE INTEREST OF THE COMMONWEALTH OR OF
LICENSED VIDEO GAMING IN THIS COMMONWEALTH, OR BOTH.

(B) CATEGORIES TO BE DEFINED.--THE BOARD SHALL PROMULGATE
DEFINITIONS ESTABLISHING CATEGORIES OF PERSONS WHO SHALL BE
EXCLUDED OR EJECTED PURSUANT TO THIS SECTION, INCLUDING CHEATS
AND PERSONS WHOSE PRIVILEGES FOR LICENSURE, CERTIFICATION,
PERMIT OR REGISTRATION HAVE BEEN REVOKED.

(C) DISCRIMINATION PROHIBITED.--RACE, COLOR, CREED, NATIONAL
ORIGIN OR ANCESTRY OR SEX SHALL NOT BE A REASON FOR PLACING THE

1 NAME OF A PERSON UPON A LIST UNDER THIS SECTION.

2 (D) PREVENTION OF ACCESS.--THE BOARD SHALL, IN CONSULTATION
3 WITH TERMINAL OPERATOR LICENSEES AND ESTABLISHMENT LICENSEES,
4 DEVELOP POLICIES AND PROCEDURES TO REASONABLY PREVENT PERSONS ON
5 THE LIST REQUIRED BY THIS SECTION FROM ENTERING A VIDEO GAMING
6 AREA.

7 (E) SANCTIONS.--THE BOARD MAY IMPOSE SANCTIONS UPON AN
8 ESTABLISHMENT LICENSEE IN ACCORDANCE WITH THIS PART IF THE
9 ESTABLISHMENT LICENSEE KNOWINGLY FAILS TO IMPLEMENT THE POLICIES
10 AND PROCEDURES ESTABLISHED BY THE BOARD UNDER PARAGRAPH (D).

11 (F) LIST NOT ALL-INCLUSIVE.--A LIST COMPILED BY THE BOARD
12 UNDER THIS SECTION SHALL NOT BE DEEMED AN ALL-INCLUSIVE LIST,
13 AND AN ESTABLISHMENT LICENSEE SHALL KEEP FROM THE VIDEO GAMING
14 AREA PERSONS KNOWN TO THE ESTABLISHMENT LICENSEE TO BE WITHIN
15 THE CLASSIFICATIONS DECLARED IN THIS SECTION AND THE REGULATIONS
16 PROMULGATED UNDER THIS SECTION WHOSE PRESENCE IN A VIDEO GAMING
17 AREA WOULD BE INIMICAL TO THE INTEREST OF THE COMMONWEALTH OR OF
18 LICENSED VIDEO GAMING IN THIS COMMONWEALTH, OR BOTH, AS DEFINED
19 IN STANDARDS ESTABLISHED BY THE BOARD.

20 (G) NOTICE.--IF THE BUREAU DECIDES TO PLACE THE NAME OF A
21 PERSON ON A LIST PURSUANT TO THIS SECTION, THE BUREAU SHALL
22 SERVE NOTICE OF THE DECISION TO THE PERSON BY PERSONAL SERVICE
23 OR CERTIFIED MAIL AT THE LAST KNOWN ADDRESS OF THE PERSON. THE
24 NOTICE SHALL INFORM THE PERSON OF THE RIGHT TO REQUEST A HEARING
25 UNDER SUBSECTION (H).

26 (H) HEARING.--

27 (1) WITHIN 30 DAYS AFTER RECEIPT OF NOTICE IN ACCORDANCE
28 WITH SUBSECTION (G), THE PERSON NAMED FOR EXCLUSION OR
29 EJECTION MAY DEMAND A HEARING BEFORE THE BOARD, AT WHICH
30 HEARING THE BUREAU MUST DEMONSTRATE THAT THE PERSON NAMED FOR

1 EXCLUSION OR EJECTION SATISFIES THE CRITERIA FOR EXCLUSION OR
2 EJECTION ESTABLISHED BY THIS SECTION AND THE BOARD'S
3 REGULATIONS.

4 (2) FAILURE OF THE PERSON TO DEMAND A HEARING WITHIN 30
5 DAYS AFTER SERVICE SHALL BE DEEMED AN ADMISSION OF ALL
6 MATTERS AND FACTS ALLEGED IN THE BUREAU'S NOTICE AND SHALL
7 PRECLUDE THE PERSON FROM HAVING AN ADMINISTRATIVE HEARING,
8 BUT SHALL IN NO WAY AFFECT THE RIGHT TO JUDICIAL REVIEW AS
9 PROVIDED IN THIS SECTION.

10 (I) REVIEW.--

11 (1) IF, UPON COMPLETION OF A HEARING ON THE NOTICE OF
12 EXCLUSION OR EJECTION, THE BOARD DETERMINES THAT PLACEMENT OF
13 THE NAME OF THE PERSON ON THE EXCLUSION OR EJECTION LIST IS
14 APPROPRIATE, THE BOARD SHALL MAKE AND ENTER AN ORDER TO THAT
15 EFFECT.

16 (2) THE ORDER SHALL BE SUBJECT TO REVIEW BY THE
17 COMMONWEALTH COURT IN ACCORDANCE WITH THE RULES OF COURT.

18 § 3902. REPEAT OFFENDERS.

19 (A) DISCRETION TO EXCLUDE OR EJECT.--AN ESTABLISHMENT
20 LICENSEE MAY EXCLUDE OR EJECT FROM THE ESTABLISHMENT LICENSEE'S
21 VIDEO GAMING AREA OR PREMISES A PERSON WHO IS KNOWN TO IT TO
22 HAVE BEEN CONVICTED OF A MISDEMEANOR OR FELONY COMMITTED IN OR
23 ON THE PREMISES OF A LICENSED ESTABLISHMENT.

24 (B) CONSTRUCTION.--NOTHING IN THIS SECTION OR IN ANY OTHER
25 LAW OF THIS COMMONWEALTH SHALL BE CONSTRUED TO LIMIT THE RIGHT
26 OF AN ESTABLISHMENT LICENSEE TO EXERCISE ITS COMMON LAW RIGHT TO
27 EXCLUDE OR EJECT PERMANENTLY FROM ITS VIDEO GAMING AREA OR
28 PREMISES A PERSON WHO:

29 (1) DISRUPTS THE OPERATIONS OF ITS PREMISES;

30 (2) THREATENS THE SECURITY OF ITS PREMISES OR ITS

1 OCCUPANTS; OR

2 (3) IS DISORDERLY OR INTOXICATED.

3 § 3903. SELF-EXCLUSION.

4 (A) ESTABLISHMENT OF LIST.--

5 (1) THE BOARD SHALL PROVIDE BY REGULATION FOR THE
6 ESTABLISHMENT OF A LIST OF PERSONS SELF-EXCLUDED FROM VIDEO
7 GAMING ACTIVITIES WITHIN SPECIFIC ESTABLISHMENT LICENSEES OR
8 ESTABLISHMENT LICENSEES IN GEOGRAPHIC AREAS OF THE
9 COMMONWEALTH.

10 (2) A PERSON MAY REQUEST PLACEMENT ON THE LIST OF SELF-
11 EXCLUDED PERSONS BY:

12 (I) ACKNOWLEDGING IN A MANNER TO BE ESTABLISHED BY
13 THE BOARD THAT THE PERSON IS A PROBLEM GAMBLER;

14 (II) AGREEING THAT, DURING ANY PERIOD OF VOLUNTARY
15 EXCLUSION, THE PERSON MAY NOT COLLECT ANY WINNINGS OR
16 RECOVER ANY LOSSES RESULTING FROM ANY VIDEO GAMING
17 ACTIVITY WITHIN ESTABLISHMENT LICENSEES AND THAT PERSON
18 MAY BE SUBJECT TO ARREST FOR TRESPASS; AND

19 (III) AGREEING TO ANOTHER CONDITION ESTABLISHED BY
20 THE BOARD.

21 (B) REGULATIONS.--THE REGULATIONS OF THE BOARD SHALL
22 ESTABLISH:

23 (1) PROCEDURES FOR PLACEMENT ON AND REMOVAL FROM THE
24 LIST OF A SELF-EXCLUDED PERSON.

25 (2) PROCEDURES FOR THE TRANSMITTAL TO ESTABLISHMENT
26 LICENSEES OF IDENTIFYING INFORMATION CONCERNING A SELF-
27 EXCLUDED PERSON AND SHALL REQUIRE ESTABLISHMENT LICENSEES TO
28 ESTABLISH REASONABLE PROCEDURES DESIGNED AT A MINIMUM TO
29 PREVENT ENTRY OF A SELF-EXCLUDED PERSON INTO THE VIDEO GAMING
30 AREA OF AN ESTABLISHMENT LICENSEE, PROVIDED THAT THE BOARD

1 MAY NOT REQUIRE VIDEO GAMING TERMINALS TO BE EQUIPPED WITH
2 IDENTIFICATION CARD-READING DEVICES OR REQUIRE ESTABLISHMENT
3 LICENSEES TO PURCHASE IDENTIFICATION CARD-READING DEVICES.

4 (3) PROCEDURES FOR THE TRANSMITTAL TO TERMINAL OPERATOR
5 LICENSEES OF IDENTIFYING INFORMATION CONCERNING A SELF-
6 EXCLUDED PERSON AND SHALL REQUIRE TERMINAL OPERATOR LICENSEES
7 TO ESTABLISH PROCEDURES TO REMOVE SELF-EXCLUDED PERSONS FROM
8 CUSTOMER LOYALTY OR REWARD CARD PROGRAMS AND TARGETED
9 MAILINGS OR OTHER FORMS OF ADVERTISING OR PROMOTIONS;
10 PROVIDED THAT THE BOARD MAY NOT REQUIRE VIDEO GAMING
11 TERMINALS TO BE EQUIPPED WITH IDENTIFICATION CARD-READING
12 DEVICES OR REQUIRE ESTABLISHMENT LICENSEES TO PURCHASE
13 IDENTIFICATION CARD-READING DEVICES.

14 (C) LIABILITY.--AN ESTABLISHMENT LICENSEE OR EMPLOYEE
15 THEREOF SHALL NOT BE LIABLE TO A SELF-EXCLUDED PERSON OR TO
16 ANOTHER PARTY IN A JUDICIAL PROCEEDING FOR HARM, MONETARY OR
17 OTHERWISE, WHICH MAY ARISE AS A RESULT OF:

18 (1) THE FAILURE OF THE ESTABLISHMENT LICENSEE TO
19 WITHHOLD VIDEO GAMING PRIVILEGES FROM OR RESTORE VIDEO GAMING
20 PRIVILEGES TO THE SELF-EXCLUDED PERSON; OR

21 (2) OTHERWISE PERMITTING OR NOT PERMITTING THE SELF-
22 EXCLUDED PERSON TO ENGAGE IN VIDEO GAMING ACTIVITY WITHIN THE
23 ESTABLISHMENT LICENSEE'S PREMISES WHILE ON THE LIST OF SELF-
24 EXCLUDED PERSONS.

25 (D) NONDISCLOSURE.--NOTWITHSTANDING ANY OTHER LAW TO THE
26 CONTRARY, THE BOARD'S LIST OF SELF-EXCLUDED PERSONS SHALL NOT BE
27 OPEN TO PUBLIC INSPECTION.

28 § 3904. INVESTIGATIONS AND ENFORCEMENT.

29 (A) POWERS AND DUTIES OF BUREAU.--THE BUREAU SHALL HAVE THE
30 FOLLOWING POWERS AND DUTIES:

1 (1) ENFORCE THE PROVISIONS OF THIS PART.

2 (2) INVESTIGATE AND REVIEW APPLICANTS AND APPLICATIONS
3 FOR A LICENSE OR REGISTRATION. THE BUREAU SHALL BE PROHIBITED
4 FROM DISCLOSING ANY PORTION OF A BACKGROUND INVESTIGATION
5 REPORT TO A MEMBER OF THE BOARD PRIOR TO THE SUBMISSION OF
6 THE BUREAU'S FINAL BACKGROUND INVESTIGATION REPORT RELATING
7 TO THE APPLICANT'S SUITABILITY FOR LICENSURE TO THE BOARD.
8 THE OFFICE OF ENFORCEMENT COUNSEL, ON BEHALF OF THE BUREAU,
9 SHALL PREPARE THE FINAL BACKGROUND INVESTIGATION REPORT FOR
10 INCLUSION IN A FINAL REPORT RELATING TO THE APPLICANT'S
11 SUITABILITY FOR LICENSURE.

12 (3) INVESTIGATE LICENSEES, REGISTRANTS AND OTHER PERSONS
13 REGULATED BY THE BOARD UNDER THIS PART FOR NONCRIMINAL
14 VIOLATIONS OF THIS PART, INCLUDING POTENTIAL VIOLATIONS
15 REFERRED TO THE BUREAU BY THE BOARD OR OTHER PERSON.

16 (4) MONITOR VIDEO GAMING OPERATIONS TO ENSURE COMPLIANCE
17 WITH THIS PART.

18 (5) INSPECT AND EXAMINE LICENSED ENTITIES. INSPECTIONS
19 MAY INCLUDE THE REVIEW AND REPRODUCTION OF DOCUMENTS OR
20 RECORDS.

21 (6) CONDUCT REVIEWS OF A LICENSED ENTITY AS NECESSARY TO
22 ENSURE COMPLIANCE WITH THIS PART. A REVIEW MAY INCLUDE THE
23 REVIEW OF ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS,
24 MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND OTHER RECORDS
25 UTILIZED BY A LICENSED ENTITY.

26 (7) REFER POSSIBLE CRIMINAL VIOLATIONS TO THE
27 PENNSYLVANIA STATE POLICE. THE BUREAU SHALL NOT HAVE THE
28 POWER OF ARREST.

29 (8) COOPERATE IN THE INVESTIGATION AND PROSECUTION OF
30 CRIMINAL VIOLATIONS RELATED TO THIS PART.

1 (9) BE A CRIMINAL JUSTICE AGENCY UNDER 18 PA.C.S. CH. 91
2 (RELATING TO CRIMINAL HISTORY RECORD INFORMATION).

3 (B) OFFICE OF ENFORCEMENT COUNSEL.--THE BOARD'S OFFICE OF
4 ENFORCEMENT COUNSEL SHALL ACT AS THE PROSECUTOR IN ALL
5 NONCRIMINAL ENFORCEMENT ACTIONS INITIATED BY THE BUREAU UNDER
6 THIS PART AND SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

7 (1) ADVISE THE BUREAU ON ALL MATTERS, INCLUDING THE
8 GRANTING OF LICENSES OR REGISTRATIONS, THE CONDUCT OF
9 BACKGROUND INVESTIGATIONS, AUDITS AND INSPECTIONS AND THE
10 INVESTIGATION OF POTENTIAL VIOLATIONS OF THIS PART.

11 (2) FILE ON BEHALF OF THE BUREAU RECOMMENDATIONS AND
12 OBJECTIONS RELATING TO THE ISSUANCE OF LICENSES AND
13 REGISTRATIONS.

14 (3) INITIATE, IN ITS SOLE DISCRETION, PROCEEDINGS FOR
15 NONCRIMINAL VIOLATIONS OF THIS PART BY FILING A COMPLAINT OR
16 OTHER PLEADING WITH THE BOARD.

17 (C) POWERS AND DUTIES OF DEPARTMENT.--

18 (1) THE DEPARTMENT SHALL AT ALL TIMES HAVE THE POWER OF
19 ACCESS TO EXAMINE AND AUDIT EQUIPMENT AND RECORDS RELATING TO
20 ALL ASPECTS OF THE OPERATION OF VIDEO GAMING TERMINALS AND
21 REDEMPTION TERMINALS UNDER THIS PART.

22 (2) NOTWITHSTANDING THE PROVISIONS OF SECTION 353(F) OF
23 THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX
24 REFORM CODE OF 1971, THE DEPARTMENT SHALL SUPPLY THE BOARD,
25 THE BUREAU, THE PENNSYLVANIA STATE POLICE AND THE OFFICE OF
26 ATTORNEY GENERAL WITH INFORMATION CONCERNING THE STATUS OF
27 DELINQUENT TAXES OWNED BY APPLICANTS OR LICENSEES.

28 (D) POWERS AND DUTIES OF THE PENNSYLVANIA STATE POLICE.--THE
29 PENNSYLVANIA STATE POLICE SHALL HAVE THE FOLLOWING POWERS AND
30 DUTIES:

1 (1) PROMPTLY CONDUCT BACKGROUND INVESTIGATIONS ON
2 PERSONS AS DIRECTED BY THE BOARD UNDER THIS PART. THE
3 PENNSYLVANIA STATE POLICE MAY CONTRACT WITH OTHER LAW
4 ENFORCEMENT ANNUITANTS TO ASSIST IN THE CONDUCT OF
5 INVESTIGATIONS UNDER THIS PARAGRAPH.

6 (2) INITIATE PROCEEDINGS FOR CRIMINAL VIOLATIONS OF THIS
7 PART.

8 (3) PROVIDE THE BOARD WITH ALL INFORMATION NECESSARY FOR
9 ALL ACTIONS UNDER THIS PART FOR ALL PROCEEDINGS INVOLVING
10 CRIMINAL ENFORCEMENT OF THIS PART.

11 (4) INSPECT, WHEN APPROPRIATE, A LICENSEE'S PERSON AND
12 PERSONAL EFFECTS PRESENT WITHIN AN ESTABLISHMENT LICENSEE'S
13 PREMISES UNDER THIS PART WHILE THAT LICENSEE IS PRESENT.

14 (5) ENFORCE THE CRIMINAL PROVISIONS OF THIS PART AND ALL
15 OTHER CRIMINAL LAWS OF THIS COMMONWEALTH.

16 (6) FINGERPRINT APPLICANTS.

17 (7) EXCHANGE FINGERPRINT DATA WITH AND RECEIVE NATIONAL
18 CRIMINAL HISTORY RECORD INFORMATION FROM THE FEDERAL BUREAU
19 OF INVESTIGATION FOR USE IN BACKGROUND INVESTIGATIONS
20 PERFORMED BY THE BUREAU UNDER THIS PART.

21 (8) RECEIVE AND TAKE APPROPRIATE ACTION ON ANY REFERRAL
22 FROM THE BUREAU RELATING TO CRIMINAL CONDUCT.

23 (9) CONDUCT ADMINISTRATIVE INSPECTIONS ON THE PREMISES
24 OF AN ESTABLISHMENT LICENSEE AT SUCH TIMES, UNDER SUCH
25 CIRCUMSTANCES AND TO SUCH EXTENT AS THE BUREAU DETERMINES TO
26 ENSURE COMPLIANCE WITH THIS PART AND THE REGULATIONS OF THE
27 BOARD AND, IN THE COURSE OF INSPECTIONS, REVIEW AND MAKE
28 COPIES OF ALL DOCUMENTS AND RECORDS REQUIRED BY THE
29 INSPECTION THROUGH ONSITE OBSERVATION AND OTHER REASONABLE
30 MEANS TO ASSURE COMPLIANCE WITH THIS PART AND REGULATIONS

1 PROMULGATED UNDER THIS PART.

2 (10) CONDUCT AUDITS OR VERIFICATION OF INFORMATION OF
3 VIDEO GAMING TERMINAL OPERATIONS AT SUCH TIMES, UNDER SUCH
4 CIRCUMSTANCES AND TO SUCH EXTENT AS THE BUREAU DETERMINES.
5 THIS PARAGRAPH INCLUDES THE REVIEW OF ACCOUNTING,
6 ADMINISTRATIVE AND FINANCIAL RECORDS AND MANAGEMENT CONTROL
7 SYSTEMS, PROCEDURES AND RECORDS UTILIZED BY A TERMINAL
8 OPERATOR LICENSEE.

9 (11) ASSIGN MEMBERS OF THE PENNSYLVANIA STATE POLICE TO
10 DUTIES OF ENFORCEMENT UNDER THIS PART. THOSE MEMBERS SHALL
11 NOT BE COUNTED TOWARD THE COMPLEMENT AS PROVIDED IN SECTION
12 205 OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS
13 THE ADMINISTRATIVE CODE OF 1929.

14 (12) REPORT TO THE GENERAL ASSEMBLY. BY MARCH 1 OF EACH
15 YEAR, THE COMMISSIONER OF THE PENNSYLVANIA STATE POLICE SHALL
16 SUBMIT A REPORT TO THE APPROPRIATIONS COMMITTEE OF THE
17 SENATE, THE COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT
18 COMMITTEE OF THE SENATE, THE APPROPRIATIONS COMMITTEE OF THE
19 HOUSE OF REPRESENTATIVES AND THE GAMING OVERSIGHT COMMITTEE
20 OF THE HOUSE OF REPRESENTATIVES. THE REPORT SHALL SUMMARIZE
21 ALL LAW ENFORCEMENT ACTIVITIES AT EACH ESTABLISHMENT LICENSEE
22 DURING THE PREVIOUS CALENDAR YEAR AND SHALL INCLUDE ALL OF
23 THE FOLLOWING:

24 (I) THE NUMBER OF ARRESTS MADE AND CITATIONS ISSUED
25 AT EACH ESTABLISHMENT LICENSEE AND THE NAME OF THE LAW
26 ENFORCEMENT AGENCY MAKING THE ARRESTS OR ISSUING THE
27 CITATIONS.

28 (II) A LIST OF SPECIFIC OFFENSES CHARGED FOR EACH
29 ARREST MADE OR CITATION ISSUED.

30 (III) THE NUMBER OF CRIMINAL PROSECUTIONS RESULTING

1 FROM ARRESTS MADE OR CITATIONS ISSUED.

2 (IV) THE NUMBER OF CONVICTIONS RESULTING FROM
3 PROSECUTIONS REPORTED UNDER SUBPARAGRAPH (III).

4 (13) REPORT VIOLATIONS OF THIS PART TO THE BUREAU THAT
5 ARE FOUND DURING THE NORMAL COURSE OF DUTIES REQUIRED UNDER
6 ANY LAW OF THIS COMMONWEALTH.

7 (14) REQUIRE THE BUREAU OF LIQUOR CONTROL ENFORCEMENT TO
8 REPORT VIOLATIONS OF THIS PART TO THE BUREAU THAT ARE FOUND
9 DURING THE NORMAL COURSE OF DUTIES REQUIRED UNDER ANY LAW OF
10 THIS COMMONWEALTH.

11 (E) POWERS AND DUTIES OF ATTORNEY GENERAL.--THE GAMING UNIT
12 WITHIN THE OFFICE OF ATTORNEY GENERAL SHALL INVESTIGATE AND
13 INSTITUTE CRIMINAL PROCEEDINGS AS AUTHORIZED UNDER SUBSECTION
14 (F).

15 (F) CRIMINAL ACTION.--

16 (1) THE DISTRICT ATTORNEYS OF THE SEVERAL COUNTIES SHALL
17 HAVE AUTHORITY TO INVESTIGATE AND TO INSTITUTE CRIMINAL
18 PROCEEDINGS FOR A VIOLATION OF THIS PART.

19 (2) IN ADDITION TO THE AUTHORITY CONFERRED UPON THE
20 ATTORNEY GENERAL UNDER THE ACT OF OCTOBER 15, 1980 (P.L.950,
21 NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT, THE
22 ATTORNEY GENERAL SHALL HAVE THE AUTHORITY TO INVESTIGATE AND,
23 FOLLOWING CONSULTATION WITH THE APPROPRIATE DISTRICT
24 ATTORNEY, TO INSTITUTE CRIMINAL PROCEEDINGS FOR A VIOLATION
25 OF THIS PART.

26 (3) A PERSON CHARGED WITH A VIOLATION OF THIS PART BY
27 THE ATTORNEY GENERAL SHALL NOT HAVE STANDING TO CHALLENGE THE
28 AUTHORITY OF THE ATTORNEY GENERAL TO INVESTIGATE OR PROSECUTE
29 THE CASE, AND, IF ANY SUCH CHALLENGE IS MADE, THE CHALLENGE
30 SHALL BE DISMISSED AND NO RELIEF SHALL BE AVAILABLE IN THE

1 COURTS OF THIS COMMONWEALTH TO THE PERSON MAKING THE
2 CHALLENGE.

3 (G) REGULATORY ACTION.--NOTHING CONTAINED IN SUBSECTION (E)
4 SHALL BE CONSTRUED TO LIMIT THE EXISTING REGULATORY OR
5 INVESTIGATIVE AUTHORITY OF AN AGENCY OR THE COMMONWEALTH WHOSE
6 FUNCTIONS RELATE TO PERSONS OR MATTERS WITHIN THE SCOPE OF THIS
7 PART.

8 (H) INSPECTION, SEIZURE AND WARRANTS.--

9 (1) THE BOARD, THE BUREAU, THE DEPARTMENT AND THE
10 PENNSYLVANIA STATE POLICE SHALL HAVE THE AUTHORITY WITHOUT
11 NOTICE AND WITHOUT WARRANT TO DO ALL OF THE FOLLOWING IN THE
12 PERFORMANCE OF THEIR DUTIES UNDER THIS PART:

13 (I) INSPECT AND EXAMINE ALL PREMISES WHERE VIDEO
14 GAMING OPERATIONS ARE CONDUCTED; WHERE VIDEO GAMING
15 TERMINALS, REDEMPTION TERMINALS AND ASSOCIATED EQUIPMENT
16 ARE MANUFACTURED, SOLD, DISTRIBUTED OR SERVICED; OR WHERE
17 RECORDS OF THESE ACTIVITIES ARE PREPARED OR MAINTAINED.

18 (II) INSPECT ALL EQUIPMENT AND SUPPLIES IN, ABOUT,
19 UPON OR AROUND PREMISES REFERRED TO IN SUBPARAGRAPH (I).

20 (III) SEIZE, SUMMARILY REMOVE AND IMPOUND EQUIPMENT
21 AND SUPPLIES FROM PREMISES REFERRED TO IN SUBPARAGRAPH
22 (I) FOR THE PURPOSES OF EXAMINATION AND INSPECTION.

23 (IV) INSPECT, EXAMINE AND AUDIT ALL BOOKS, RECORDS
24 AND DOCUMENTS PERTAINING TO A TERMINAL OPERATOR
25 LICENSEE'S VIDEO GAMING OPERATION.

26 (V) SEIZE, IMPOUND OR ASSUME PHYSICAL CONTROL OF ANY
27 BOOK, RECORD, LEDGER OR DEVICE RELATED TO VIDEO GAMING
28 OPERATIONS OR THE VIDEO GAMING TERMINALS OR REDEMPTION
29 TERMINALS.

30 (2) THE PROVISIONS OF PARAGRAPH (1) SHALL NOT BE

1 CONSTRUED TO LIMIT WARRANTLESS INSPECTIONS EXCEPT IN
2 ACCORDANCE WITH CONSTITUTIONAL REQUIREMENTS.

3 (3) TO FURTHER EFFECTUATE THE PURPOSES OF THIS PART, THE
4 BUREAU AND THE PENNSYLVANIA STATE POLICE MAY OBTAIN
5 ADMINISTRATIVE WARRANTS FOR THE INSPECTION AND SEIZURE OF
6 PROPERTY POSSESSED, CONTROLLED, BAILED OR OTHERWISE HELD BY
7 AN APPLICANT, LICENSEE, INTERMEDIARY, SUBSIDIARY, AFFILIATE
8 OR HOLDING COMPANY.

9 (I) INFORMATION SHARING AND ENFORCEMENT REFERRAL.--WITH
10 RESPECT TO THE ADMINISTRATION, SUPERVISION AND ENFORCEMENT OF
11 THIS PART, THE BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE
12 POLICE OR THE OFFICE OF ATTORNEY GENERAL MAY OBTAIN OR PROVIDE
13 PERTINENT INFORMATION REGARDING APPLICANTS OR LICENSEES FROM OR
14 TO LAW ENFORCEMENT ENTITIES OR GAMING AUTHORITIES OF THE
15 COMMONWEALTH AND OTHER DOMESTIC, FOREIGN OR FEDERALLY APPROVED
16 JURISDICTIONS, INCLUDING THE FEDERAL BUREAU OF INVESTIGATION,
17 AND MAY TRANSMIT THE INFORMATION TO EACH OTHER ELECTRONICALLY.

18 (J) PENNSYLVANIA LIQUOR CONTROL BOARD.--NOTHING IN THIS PART
19 SHALL BE CONSTRUED AS CONFERRING ON THE PENNSYLVANIA LIQUOR
20 CONTROL BOARD THE AUTHORITY TO ASSESS PENALTIES UNDER THE ACT OF
21 APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE,
22 AGAINST A LIQUOR ESTABLISHMENT THAT HOLDS AN ESTABLISHMENT
23 LICENSE FOR VIOLATIONS OF THIS PART THAT ARE NOT A CRIMINAL
24 OFFENSE.

25 (K) INFORMATION SHARING AND ENFORCEMENT REFERRAL.--WITH
26 RESPECT TO THE ADMINISTRATION, SUPERVISION AND ENFORCEMENT OF
27 THIS PART, THE BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE
28 POLICE OR THE OFFICE OF ATTORNEY GENERAL MAY OBTAIN OR PROVIDE
29 PERTINENT INFORMATION REGARDING APPLICANTS OR LICENSEES FROM OR
30 TO LAW ENFORCEMENT ENTITIES OR GAMING AUTHORITIES OF THE

1 COMMONWEALTH AND OTHER DOMESTIC, FOREIGN OR FEDERALLY APPROVED
2 JURISDICTIONS, INCLUDING THE FEDERAL BUREAU OF INVESTIGATION,
3 AND MAY TRANSMIT SUCH INFORMATION TO EACH OTHER ELECTRONICALLY.
4 § 3905. PROHIBITED ACTS AND PENALTIES.

5 (A) CRIMINAL OFFENSES.--

6 (1) THE PROVISIONS OF 18 PA.C.S. § 4902 (RELATING TO
7 PERJURY), 4903 (RELATING TO FALSE SWEARING) OR 4904 (RELATING
8 TO UNSWORN FALSIFICATION TO AUTHORITIES) SHALL APPLY TO A
9 PERSON PROVIDING INFORMATION OR MAKING A STATEMENT, WHETHER
10 WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE DEPARTMENT,
11 THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF ATTORNEY
12 GENERAL, AS REQUIRED BY THIS PART.

13 (2) IT SHALL BE UNLAWFUL FOR A PERSON TO WILLFULLY:

14 (I) FAIL TO REPORT, PAY OR TRUTHFULLY ACCOUNT FOR
15 AND PAY OVER A LICENSE FEE, AUTHORIZATION FEE, TAX OR
16 ASSESSMENT IMPOSED UNDER THIS PART; OR

17 (II) ATTEMPT IN ANY MANNER TO EVADE OR DEFEAT A
18 LICENSE FEE, AUTHORIZATION FEE, TAX OR ASSESSMENT IMPOSED
19 UNDER THIS PART.

20 (3) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY, GAMING
21 EMPLOYEE, KEY EMPLOYEE OR ANY OTHER PERSON TO PERMIT A VIDEO
22 GAMING TERMINAL TO BE OPERATED, TRANSPORTED, REPAIRED OR
23 OPENED ON THE PREMISES OF AN ESTABLISHMENT LICENSEE BY A
24 PERSON OTHER THAN A PERSON LICENSED OR PERMITTED BY THE BOARD
25 PURSUANT TO THIS PART.

26 (4) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY OR OTHER
27 PERSON TO MANUFACTURE, SUPPLY OR PLACE VIDEO GAMING
28 TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT INTO
29 PLAY OR DISPLAY VIDEO GAMING TERMINALS, REDEMPTION TERMINALS
30 OR ASSOCIATED EQUIPMENT ON THE PREMISES OF AN ESTABLISHMENT

1 LICENSEE WITHOUT THE AUTHORITY OF THE BOARD.

2 (5) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY OR OTHER
3 PERSON TO MANUFACTURE, SUPPLY, OPERATE, CARRY ON OR EXPOSE
4 FOR PLAY A VIDEO GAMING TERMINAL OR ASSOCIATED EQUIPMENT
5 AFTER THE PERSON'S LICENSE HAS EXPIRED OR FAILED TO BE
6 RENEWED IN ACCORDANCE WITH THIS PART.

7 (6) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL WHILE ON THE
8 PREMISES OF AN ESTABLISHMENT LICENSEE TO KNOWINGLY USE
9 CURRENCY OTHER THAN LAWFUL COIN OR LEGAL TENDER OF THE UNITED
10 STATES OR A COIN NOT OF THE SAME DENOMINATION AS THE COIN
11 INTENDED TO BE USED IN THE VIDEO GAMING TERMINAL OR USE A
12 COUNTERFEIT OR ALTERED REDEMPTION TICKETS WITH THE INTENT TO
13 CHEAT OR DEFRAUD A TERMINAL OPERATOR LICENSEE OR THE
14 COMMONWEALTH OR DAMAGE THE VIDEO GAMING TERMINAL OR
15 REDEMPTION TERMINAL.

16 (7) (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), IT
17 SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO USE OR POSSESS A
18 CHEATING OR THIEVING DEVICE, COUNTERFEIT OR ALTERED
19 BILLET, TICKET, TOKEN OR SIMILAR OBJECT ACCEPTED BY A
20 VIDEO GAMING TERMINAL OR COUNTERFEIT OR ALTERED
21 REDEMPTION TICKET ON THE PREMISES OF AN ESTABLISHMENT
22 LICENSEE.

23 (II) AN AUTHORIZED EMPLOYEE OF A LICENSEE OR AN
24 EMPLOYEE OF THE BOARD MAY POSSESS AND USE A CHEATING OR
25 THIEVING DEVICE, COUNTERFEIT OR ALTERED BILLET, TICKET,
26 TOKEN OR SIMILAR OBJECT ACCEPTED BY A VIDEO GAMING
27 TERMINAL OR COUNTERFEIT OR ALTERED REDEMPTION TICKET IN
28 PERFORMANCE OF THE DUTIES OF EMPLOYMENT.

29 (8) (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), IT
30 SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO KNOWINGLY POSSESS

1 OR USE WHILE ON THE PREMISES OF AN ESTABLISHMENT LICENSEE
2 A KEY OR DEVICE DESIGNED FOR THE PURPOSE OF AND SUITABLE
3 FOR OPENING OR ENTERING A VIDEO GAMING TERMINAL OR
4 REDEMPTION TERMINAL THAT IS LOCATED ON THE PREMISES OF
5 THE ESTABLISHMENT LICENSEE.

6 (II) AN AUTHORIZED EMPLOYEE OF A LICENSEE OR A
7 MEMBER OF THE BOARD MAY POSSESS AND USE A DEVICE REFERRED
8 TO IN SUBPARAGRAPH (I) IN THE PERFORMANCE OF THE DUTIES
9 OF EMPLOYMENT.

10 (9) IT SHALL BE UNLAWFUL FOR A PERSON OR LICENSED ENTITY
11 TO POSSESS A DEVICE, EQUIPMENT OR MATERIAL WHICH THE PERSON
12 OR LICENSED ENTITY KNOWS HAS BEEN MANUFACTURED, DISTRIBUTED,
13 SOLD, TAMPERED WITH OR SERVICED IN VIOLATION OF THIS PART
14 WITH THE INTENT TO USE THE DEVICE, EQUIPMENT OR MATERIAL AS
15 THOUGH IT HAD BEEN MANUFACTURED, DISTRIBUTED, SOLD, TAMPERED
16 WITH OR SERVICED PURSUANT TO THIS PART.

17 (10) IT SHALL BE UNLAWFUL FOR A PERSON TO SELL, OFFER
18 FOR SALE, REPRESENT OR PASS OFF AS LAWFUL ANY DEVICE,
19 EQUIPMENT OR MATERIAL THAT THE PERSON OR LICENSED ENTITY
20 KNOWS HAS BEEN MANUFACTURED, DISTRIBUTED, SOLD, TAMPERED WITH
21 OR SERVICED IN VIOLATION OF THIS PART.

22 (11) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO WORK OR
23 BE EMPLOYED IN A POSITION THE DUTIES OF WHICH WOULD REQUIRE
24 LICENSING UNDER THIS PART WITHOUT FIRST OBTAINING THE
25 REQUISITE LICENSE ISSUED UNDER THIS PART.

26 (12) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY TO
27 EMPLOY OR CONTINUE TO EMPLOY AN INDIVIDUAL IN A POSITION THE
28 DUTIES OF WHICH REQUIRE A LICENSE UNDER THIS PART IF THE
29 INDIVIDUAL:

30 (I) IS NOT LICENSED UNDER THIS PART.

1 (II) IS PROHIBITED FROM ACCEPTING EMPLOYMENT FROM A
2 LICENSEE.

3 (13) IT SHALL BE UNLAWFUL FOR A MINOR TO ENTER AND
4 REMAIN IN ANY VIDEO GAMING AREA, EXCEPT THAT AN INDIVIDUAL AT
5 LEAST 18 YEARS OF AGE EMPLOYED BY A TERMINAL OPERATOR
6 LICENSEE, A GAMING SERVICE PROVIDER, AN ESTABLISHMENT
7 LICENSEE, THE BOARD OR ANOTHER REGULATORY OR EMERGENCY
8 RESPONSE AGENCY MAY ENTER AND REMAIN IN THE AREA WHILE
9 ENGAGED IN THE PERFORMANCE OF THE INDIVIDUAL'S EMPLOYMENT
10 DUTIES.

11 (14) IT SHALL BE UNLAWFUL FOR A MINOR TO WAGER, PLAY OR
12 ATTEMPT TO PLAY A VIDEO GAMING TERMINAL OR SUBMIT A
13 REDEMPTION TICKET INTO A REDEMPTION TERMINAL.

14 (15) IT SHALL BE UNLAWFUL FOR A TERMINAL OPERATOR
15 LICENSEE TO REQUIRE A VIDEO GAMING TERMINAL WAGER TO BE
16 GREATER THAN THE STATED MINIMUM WAGER OR GREATER THAN THE
17 STATED MAXIMUM WAGER.

18 (16) AN INDIVIDUAL WHO ENGAGES IN CONDUCT PROHIBITED BY
19 18 PA.C.S. § 6308 (RELATING TO PURCHASE, CONSUMPTION,
20 POSSESSION OR TRANSPORTATION OF LIQUOR OR MALT OR BREWED
21 BEVERAGES) ON THE PREMISES OF AN ESTABLISHMENT LICENSEE
22 COMMITTS A NONGAMBLING OFFENSE.

23 (17) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO CLAIM,
24 COLLECT OR TAKE, OR ATTEMPT TO CLAIM, COLLECT OR TAKE, MONEY
25 OR ANYTHING OF VALUE IN OR FROM A VIDEO GAMING TERMINAL OR
26 REDEMPTION TERMINAL WITH THE INTENT TO DEFRAUD, OR TO CLAIM,
27 COLLECT OR TAKE AN AMOUNT GREATER THAN THE AMOUNT WON, OR TO
28 MANIPULATE WITH THE INTENT TO CHEAT, A COMPONENT OF A VIDEO
29 GAMING TERMINAL OR REDEMPTION TERMINAL IN A MANNER CONTRARY
30 TO THE DESIGNED AND NORMAL OPERATIONAL PURPOSE.

1 (B) CRIMINAL PENALTIES AND FINES.--

2 (1) (I) A PERSON THAT COMMITS A FIRST OFFENSE IN
3 VIOLATION OF 18 PA.C.S. § 4902, 4903 OR 4904 IN
4 CONNECTION WITH PROVIDING INFORMATION OR MAKING ANY
5 STATEMENT, WHETHER WRITTEN OR ORAL, TO THE BOARD, THE
6 BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE,
7 THE OFFICE OF ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS
8 REQUIRED BY THIS PART COMMITS AN OFFENSE TO BE GRADED IN
9 ACCORDANCE WITH THE APPLICABLE SECTION VIOLATED. A PERSON
10 THAT IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF
11 18 PA.C.S. § 4902, 4903 OR 4904 IN CONNECTION WITH
12 PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER
13 WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE
14 DEPARTMENT, THE PENNSYLVANIA STATE POLICE, THE OFFICE OF
15 ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS REQUIRED BY
16 THIS PART COMMITS A FELONY OF THE SECOND DEGREE.

17 (II) A PERSON THAT VIOLATES SUBSECTION (A) (2), (3),
18 (4), (5), (6), (7), (8), (9), (10), (11), (12) OR (17)
19 COMMITS A MISDEMEANOR OF THE FIRST DEGREE. A PERSON THAT
20 IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF
21 SUBSECTION (A) (2), (3), (4), (5), (6), (7), (8), (9),
22 (10), (11), (12) OR (17) COMMITS A FELONY OF THE SECOND
23 DEGREE.

24 (2) (I) FOR A FIRST VIOLATION OF SUBSECTION (A) (1),
25 (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)
26 OR (17), A PERSON SHALL BE SENTENCED TO PAY A FINE OF:

27 (A) NOT LESS THAN \$75,000 NOR MORE THAN \$150,000
28 IF THE PERSON IS AN INDIVIDUAL OR ESTABLISHMENT
29 LICENSEE;

30 (B) NOT LESS THAN \$300,000 NOR MORE THAN

\$600,000 IF THE PERSON IS A TERMINAL OPERATOR
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), (4), (5), (6), (7), (8),
(9), (10), (11), (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 OR
ESTABLISHMENT LICENSEE;

(B) NOT LESS THAN \$600,000 NOR MORE THAN
\$1,200,000 IF THE PERSON IS A TERMINAL OPERATOR
LICENSEE; OR

(C) NOT LESS THAN \$300,000 NOR MORE THAN
\$600,000 IF THE PERSON IS A LICENSED MANUFACTURER OR
SUPPLIER.

(3) AN INDIVIDUAL WHO COMMITS AN OFFENSE IN VIOLATION OF
SUBSECTION (A) (13) OR (14) 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 WHO IS CONVICTED OF A SECOND OR
SUBSEQUENT OFFENSE UNDER SUBSECTION (A) (13) OR (14) 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 (14) MAY
BE SENTENCED TO PERFORM A PERIOD OF COMMUNITY SERVICE NOT TO
EXCEED 40 HOURS.

(4) AN INDIVIDUAL WHO COMMITS AN OFFENSE IN VIOLATION OF

1 SUBSECTION (A) (16) COMMITS A NONGAMBLING OFFENSE TO BE GRADED
2 IN ACCORDANCE WITH 18 PA.C.S. § 6308 AND SHALL BE SUBJECT TO
3 THE SAME PENALTIES IMPOSED PURSUANT TO 18 PA.C.S. §§ 6308 AND
4 6310.4 (RELATING TO RESTRICTION OF OPERATING PRIVILEGES)
5 EXCEPT THAT THE FINE IMPOSED FOR A VIOLATION OF SUBSECTION
6 (A) (16) SHALL BE NOT LESS THAN \$350 NOR MORE THAN \$1,000.
7 (C) BOARD-IMPOSED ADMINISTRATIVE SANCTIONS.--

8 (1) IN ADDITION TO ANY OTHER PENALTY AUTHORIZED BY LAW,
9 THE BOARD MAY IMPOSE WITHOUT LIMITATION THE FOLLOWING
10 SANCTIONS:

11 (I) REVOKE THE LICENSE OF A PERSON CONVICTED OF A
12 CRIMINAL OFFENSE UNDER THIS PART OR REGULATIONS
13 PROMULGATED UNDER THIS PART OR COMMITTING ANY OTHER
14 OFFENSE OR VIOLATION OF THIS PART OR APPLICABLE LAW THAT
15 WOULD OTHERWISE DISQUALIFY THE PERSON FROM HOLDING THE
16 LICENSE.

17 (II) REVOKE THE LICENSE OF A PERSON DETERMINED TO
18 HAVE VIOLATED A PROVISION OF THIS PART OR REGULATIONS
19 PROMULGATED UNDER THIS PART THAT WOULD OTHERWISE
20 DISQUALIFY THE PERSON FROM HOLDING THE LICENSE.

21 (III) REVOKE THE LICENSE OF A PERSON FOR WILLFULLY
22 AND KNOWINGLY VIOLATING OR ATTEMPTING TO VIOLATE AN ORDER
23 OF THE BOARD DIRECTED TO THE PERSON.

24 (IV) SUBJECT TO SUBSECTION (G), ASSESS
25 ADMINISTRATIVE PENALTIES AS NECESSARY TO PUNISH
26 VIOLATIONS OF THIS PART.

27 (V) ORDER RESTITUTION OF MONEY OR PROPERTY
28 UNLAWFULLY OBTAINED OR RETAINED BY A LICENSEE.

29 (VI) ENTER CEASE AND DESIST ORDERS WHICH SPECIFY THE
30 CONDUCT WHICH IS TO BE DISCONTINUED, ALTERED OR

1 IMPLEMENTED BY A LICENSEE.

2 (VII) ISSUE LETTERS OF REPRIMAND OR CENSURE, WHICH
3 LETTERS SHALL BE MADE A PERMANENT PART OF THE FILE OF THE
4 LICENSEE SO SANCTIONED.

5 (2) (I) IF THE BOARD REFUSES TO ISSUE OR RENEW A
6 LICENSE, SUSPENDS OR REVOKES A LICENSE, ASSESSES CIVIL
7 PENALTIES, ORDERS RESTITUTION, ENTERS A CEASE AND DESIST
8 ORDER OR ISSUES A LETTER OF REPRIMAND OR CENSURE, THE
9 BOARD SHALL PROVIDE THE APPLICANT OR LICENSEE WITH
10 WRITTEN NOTIFICATION OF ITS DECISION, INCLUDING A
11 STATEMENT OF THE REASONS FOR ITS DECISION, BY CERTIFIED
12 MAIL WITHIN FIVE BUSINESS DAYS OF THE DECISION OF THE
13 BOARD.

14 (II) THE APPLICANT OR LICENSEE SHALL HAVE THE RIGHT
15 TO APPEAL THE DECISION IN ACCORDANCE WITH 2 PA.C.S. CHS.
16 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF
17 COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO
18 JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

19 (D) AIDING AND ABETTING.--A PERSON WHO AIDS, ABETS,
20 COUNSELS, COMMANDS, INDUCES, PROCURES OR CAUSES ANOTHER PERSON
21 TO VIOLATE THIS PART SHALL BE SUBJECT TO ALL SANCTIONS AND
22 PENALTIES, BOTH CIVIL AND CRIMINAL, PROVIDED UNDER THIS PART.

23 (E) CONTINUING OFFENSES.--A VIOLATION OF THIS PART THAT IS
24 DETERMINED TO BE AN OFFENSE OF A CONTINUING NATURE SHALL BE
25 DEEMED TO BE A SEPARATE OFFENSE ON EACH EVENT OR DAY DURING
26 WHICH THE VIOLATION OCCURS.

27 (F) PROPERTY SUBJECT TO SEIZURE, CONFISCATION, DESTRUCTION
28 OR FORFEITURE.--ANY EQUIPMENT, DEVICE OR APPARATUS, MONEY,
29 MATERIAL, GAMING PROCEEDS OR SUBSTITUTED PROCEEDS OR REAL OR
30 PERSONAL PROPERTY USED, OBTAINED OR RECEIVED OR AN ATTEMPT TO

1 USE, OBTAIN OR RECEIVE THE DEVICE, APPARATUS, MONEY, MATERIAL,
2 PROCEEDS OR REAL OR PERSONAL PROPERTY IN VIOLATION OF THIS PART
3 SHALL BE SUBJECT TO SEIZURE, CONFISCATION, DESTRUCTION OR
4 FORFEITURE.

5 (G) PENALTY LIMITATION.--

6 (1) ADMINISTRATIVE PENALTIES ASSESSED BY THE BOARD ON AN
7 ESTABLISHMENT LICENSEE SHALL NOT EXCEED \$5,000 FOR EACH
8 NONCRIMINAL VIOLATION OF THIS PART.

9 (2) WHEN IMPOSING AN ADMINISTRATIVE PENALTY ON AN
10 ESTABLISHMENT LICENSEE FOR A NONCRIMINAL VIOLATION OF THIS
11 PART, THE BOARD SHALL TAKE INTO CONSIDERATION THE
12 ESTABLISHMENT LICENSEE'S ANNUAL TAXABLE INCOME AND WHETHER
13 THE PENALTY AMOUNT WOULD CAUSE THE ESTABLISHMENT LICENSEE TO
14 CEASE NON-VIDEO GAMING OPERATIONS.

15 (H) DEPOSIT OF FINES.--FINES IMPOSED AND COLLECTED BY THE
16 BOARD UNDER SUBSECTION (C) SHALL BE DEPOSITED INTO THE GENERAL
17 FUND.

18 § 3906. REPORT OF SUSPICIOUS TRANSACTIONS.

19 (A) DUTY.--AN ESTABLISHMENT LICENSEE OR TERMINAL OPERATOR
20 LICENSEE OR A PERSON ACTING ON BEHALF OF AN ESTABLISHMENT
21 LICENSEE OR TERMINAL OPERATOR LICENSEE SHALL, ON A FORM AND IN A
22 MANNER AS REQUIRED BY THE BUREAU, NOTIFY THE BUREAU OF A
23 SUSPICIOUS TRANSACTION.

24 (B) FAILURE TO REPORT.--

25 (1) A PERSON THAT IS REQUIRED TO FILE A REPORT OF A
26 SUSPICIOUS TRANSACTION UNDER THIS SECTION AND KNOWINGLY FAILS
27 TO FILE THE REPORT OR THAT KNOWINGLY CAUSES ANOTHER PERSON
28 HAVING THAT RESPONSIBILITY TO FAIL TO FILE THE REPORT COMMITS
29 A MISDEMEANOR OF THE THIRD DEGREE.

30 (2) A PERSON REQUIRED TO FILE A REPORT OF A SUSPICIOUS

TRANSACTION UNDER THIS SECTION AND FAILS TO FILE THE REPORT
OR A PERSON THAT CAUSES ANOTHER PERSON REQUIRED UNDER THIS
SECTION TO FILE THE REPORT TO FAIL TO FILE THE REPORT SHALL
BE STRICTLY LIABLE FOR THE PERSON'S ACTIONS AND MAY BE
SUBJECT TO SANCTION UNDER SECTION 3905(C) (RELATING TO
PROHIBITED ACTS AND PENALTIES).

(C) BUREAU.--THE BUREAU SHALL MAINTAIN A RECORD OF ALL
REPORTS MADE UNDER THIS SECTION FOR A PERIOD OF FIVE YEARS. THE
BUREAU SHALL MAKE THE REPORTS AVAILABLE TO ANY FEDERAL OR STATE
LAW ENFORCEMENT AGENCY UPON WRITTEN REQUEST AND WITHOUT
NECESSITY OF SUBPOENA.

(D) NOTICE PROHIBITED.--

(1) A PERSON THAT IS REQUIRED TO FILE A REPORT OF A
SUSPICIOUS TRANSACTION UNDER THIS SECTION MAY NOT NOTIFY AN
INDIVIDUAL SUSPECTED OF COMMITTING THE SUSPICIOUS TRANSACTION
THAT THE TRANSACTION HAS BEEN REPORTED.

(2) A PERSON THAT VIOLATES THIS SUBSECTION COMMITS A
MISDEMEANOR OF THE THIRD DEGREE AND MAY BE SUBJECT TO
SANCTION UNDER SECTION 3905(C).

(E) IMMUNITY.--A PERSON THAT IS REQUIRED TO FILE A REPORT OF
A SUSPICIOUS TRANSACTION UNDER THIS SECTION AND IN GOOD FAITH
MAKES THE REPORT SHALL NOT BE LIABLE IN ANY CIVIL ACTION BROUGHT
BY A PERSON FOR MAKING THE REPORT, REGARDLESS OF WHETHER THE
TRANSACTION IS LATER DETERMINED TO BE A SUSPICIOUS TRANSACTION.

(F) SANCTIONS.--

(1) IN CONSIDERING APPROPRIATE ADMINISTRATIVE SANCTIONS
AGAINST A PERSON FOR VIOLATING THIS SECTION, THE BOARD SHALL
CONSIDER ALL OF THE FOLLOWING:

(I) THE RISK TO THE PUBLIC AND TO THE INTEGRITY OF
GAMING OPERATIONS CREATED BY THE CONDUCT OF THE PERSON.

1 (II) THE SERIOUSNESS OF THE CONDUCT OF THE PERSON
2 AND WHETHER THE CONDUCT WAS PURPOSEFUL AND WITH KNOWLEDGE
3 THAT IT WAS IN CONTRAVENTION OF THE PROVISIONS OF THIS
4 PART OR REGULATIONS PROMULGATED UNDER THIS PART.

5 (III) JUSTIFICATION OR EXCUSE FOR THE CONDUCT BY THE
6 PERSON.

7 (IV) THE PRIOR HISTORY OF THE PARTICULAR LICENSEE OR
8 PERSON INVOLVED WITH RESPECT TO VIDEO GAMING TERMINAL
9 ACTIVITY.

10 (V) THE CORRECTIVE ACTION TAKEN BY THE ESTABLISHMENT
11 LICENSEE OR TERMINAL OPERATOR LICENSEE TO PREVENT FUTURE
12 MISCONDUCT OF A LIKE NATURE FROM OCCURRING.

13 (VI) IN THE CASE OF A MONETARY PENALTY, THE AMOUNT
14 OF THE PENALTY IN RELATION TO THE SEVERITY OF THE
15 MISCONDUCT AND THE FINANCIAL MEANS OF THE LICENSEE OR
16 PERSON. THE BOARD MAY IMPOSE ANY SCHEDULE OR TERMS OF
17 PAYMENT OF SUCH PENALTY AS IT MAY DEEM APPROPRIATE.

18 (2) IT SHALL BE NO DEFENSE TO DISCIPLINARY ACTION BEFORE
19 THE BOARD THAT A PERSON INADVERTENTLY, UNINTENTIONALLY OR
20 UNKNOWNLY VIOLATED THIS SECTION. THE FACTORS ENUMERATED
21 UNDER PARAGRAPH (1) SHALL ONLY APPLY TO THE DEGREE OF THE
22 PENALTY TO BE IMPOSED BY THE BOARD AND NOT TO A FINDING OF A
23 VIOLATION ITSELF.

24 (G) REGULATIONS.--THE BOARD SHALL PROMULGATE REGULATIONS TO
25 EFFECTUATE THE PURPOSES OF THIS SECTION.

26 § 3907. ADDITIONAL AUTHORITY.

27 (A) PETITION FOR ACCESS TO AGENCY INFORMATION.--

28 (1) THE DIRECTOR OF THE OFFICE OF ENFORCEMENT COUNSEL
29 WITHIN THE BUREAU MAY PETITION A COURT OF RECORD HAVING
30 JURISDICTION OVER INFORMATION IN THE POSSESSION OF AN AGENCY

1 IN THIS COMMONWEALTH OR, IF THERE IS NO SUCH COURT, THEN THE
2 COMMONWEALTH COURT FOR AUTHORIZATION TO REVIEW OR OBTAIN
3 INFORMATION IN THE POSSESSION OF AN AGENCY IN THIS
4 COMMONWEALTH BY AVERRING SPECIFIC FACTS DEMONSTRATING THAT:

5 (I) THE AGENCY HAS IN ITS POSSESSION INFORMATION
6 MATERIAL TO A PENDING INVESTIGATION OR INQUIRY BEING
7 CONDUCTED BY THE BUREAU PURSUANT TO THIS PART.

8 (II) DISCLOSURE OR RELEASE OF THE INFORMATION IS IN
9 THE BEST INTEREST OF THE COMMONWEALTH.

10 (2) THE PETITION SHALL REQUEST THAT THE COURT ENTER A
11 RULE UPON THE AGENCY TO SHOW CAUSE WHY THE AGENCY SHOULD NOT
12 BE DIRECTED TO DISCLOSE TO THE BUREAU, OR IDENTIFIED AGENTS
13 THEREOF, INFORMATION IN THE AGENCY'S POSSESSION ABOUT ANY
14 PENDING MATTER UNDER THE JURISDICTION OF THE BUREAU PURSUANT
15 TO THIS PART.

16 (3) IF THE RESPONDENT IS A LOCAL AGENCY, A COPY OF A
17 RULE ISSUED PURSUANT TO THIS SECTION SHALL BE PROVIDED TO THE
18 DISTRICT ATTORNEY OF THE COUNTY IN WHICH THE LOCAL AGENCY IS
19 LOCATED AND THE OFFICE OF ATTORNEY GENERAL.

20 (4) UPON REQUEST OF A LOCAL AGENCY, THE DISTRICT
21 ATTORNEY OR THE ATTORNEY GENERAL MAY ELECT TO ENTER AN
22 APPEARANCE TO REPRESENT THE LOCAL AGENCY IN THE PROCEEDINGS.

23 (B) PROCEDURE.--

24 (1) THE FILING OF A PETITION PURSUANT TO THIS SECTION
25 AND RELATED PROCEEDINGS SHALL BE IN ACCORDANCE WITH COURT
26 RULE, INCLUDING ISSUANCE AS OF COURSE.

27 (2) A PARTY TO THE PROCEEDING MAY NOT DISCLOSE THE
28 FILING OF A PETITION OR ANSWER OR THE RECEIPT, CONTENT OR
29 DISPOSITION OF A RULE OR ORDER ISSUED PURSUANT TO THIS
30 SECTION, WITHOUT LEAVE OF COURT.

1 (3) A PARTY TO THE PROCEEDINGS MAY REQUEST THAT THE
2 RECORD BE SEALED AND PROCEEDINGS BE CLOSED. THE COURT SHALL
3 GRANT THE REQUEST IF IT IS IN THE BEST INTEREST OF A PERSON
4 OR THE COMMONWEALTH TO DO SO.

5 (C) COURT DETERMINATION.--

6 (1) FOLLOWING REVIEW OF THE RECORD, THE COURT SHALL
7 GRANT THE RELIEF SOUGHT BY THE DIRECTOR OF THE OFFICE OF
8 ENFORCEMENT COUNSEL IF THE COURT DETERMINES THAT:

9 (I) THE AGENCY HAS IN ITS POSSESSION INFORMATION
10 MATERIAL TO THE INVESTIGATION OR INQUIRY.

11 (II) DISCLOSURE OR RELEASE OF THE INFORMATION IS IN
12 THE BEST INTEREST OF THE COMMONWEALTH.

13 (III) THE DISCLOSURE OR RELEASE OF THE INFORMATION
14 IS NOT OTHERWISE PROHIBITED BY STATUTE OR REGULATION.

15 (IV) THE DISCLOSURE OR RELEASE OF THE INFORMATION
16 WOULD NOT INHIBIT AN AGENCY IN THE PERFORMANCE OF THE
17 AGENCY'S DUTIES.

18 (2) IF THE COURT SO DETERMINES, THE COURT SHALL ENTER AN
19 ORDER AUTHORIZING AND DIRECTING THE INFORMATION BE MADE
20 AVAILABLE FOR REVIEW IN CAMERA.

21 (D) RELEASE OF MATERIALS OR INFORMATION.--

22 (1) IF, AFTER AN IN-CAMERA REVIEW BY THE COURT, THE
23 DIRECTOR OF THE OFFICE OF ENFORCEMENT COUNSEL SEEKS TO OBTAIN
24 COPIES OF MATERIALS IN THE AGENCY'S POSSESSION, THE COURT
25 MAY, IF NOT OTHERWISE PROHIBITED BY STATUTE OR REGULATION,
26 ENTER AN ORDER THAT THE REQUESTED MATERIALS BE PROVIDED.

27 (2) AN ORDER AUTHORIZING THE RELEASE OF MATERIALS OR
28 OTHER INFORMATION SHALL CONTAIN DIRECTION REGARDING THE
29 SAFEKEEPING AND USE OF THE MATERIALS OR OTHER INFORMATION
30 SUFFICIENT TO SATISFY THE COURT THAT THE MATERIALS OR

1 INFORMATION WILL BE SUFFICIENTLY SAFEGUARDED.

2 (3) IN MAKING THE DETERMINATION UNDER PARAGRAPH (2) THE
3 COURT SHALL CONSIDER INPUT OF THE AGENCY IN POSSESSION OF THE
4 INFORMATION AND INPUT FROM ANY AGENCY WITH WHICH THE
5 INFORMATION ORIGINATED CONCERNING A PENDING INVESTIGATION OR
6 ONGOING MATTER AND THE SAFETY OF PERSON AND PROPERTY.

7 (E) MODIFICATION OF ORDER.--

8 (1) IF SUBSEQUENT INVESTIGATION OR INQUIRY BY THE BUREAU
9 WARRANTS MODIFICATION OF AN ORDER ENTERED PURSUANT TO THIS
10 SECTION, THE DIRECTOR OF THE OFFICE OF ENFORCEMENT COUNSEL
11 MAY PETITION TO REQUEST MODIFICATION OF THE ORDER.

12 (2) UPON THE REQUEST, THE COURT MAY MODIFY THE ORDER AT
13 ANY TIME AND IN ANY MANNER IT DEEMS NECESSARY AND
14 APPROPRIATE.

15 (3) THE AGENCY NAMED IN THE ORIGINAL PETITION SHALL BE
16 GIVEN NOTICE AND AN OPPORTUNITY TO BE HEARD.

17 (F) USE OF INFORMATION OR MATERIALS.--A PERSON WHO, BY ANY
18 MEANS AUTHORIZED BY THIS SECTION, HAS OBTAINED KNOWLEDGE OF
19 INFORMATION OR MATERIALS SOLELY PURSUANT TO THIS SECTION MAY USE
20 THE INFORMATION OR MATERIALS IN A MANNER CONSISTENT WITH ANY
21 DIRECTION IMPOSED BY THE COURT AND APPROPRIATE TO THE PROPER
22 PERFORMANCE OF THE PERSON'S DUTIES UNDER THIS PART.

23 (G) VIOLATION.--IN ADDITION TO THE REMEDIES AND PENALTIES
24 PROVIDED IN THIS PART, A VIOLATION OF THE PROVISIONS OF THIS
25 SECTION MAY BE PUNISHED AS CONTEMPT OF COURT.

26 (H) DEFINITION.--AS USED IN THIS SECTION, THE TERM "AGENCY"
27 SHALL MEAN A "COMMONWEALTH AGENCY" OR A "LOCAL AGENCY" AS THOSE
28 TERMS ARE DEFINED IN SECTION 102 OF THE ACT OF FEBRUARY 14, 2008
29 (P.L.6, NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW.

30 § 3908. DETENTION.

1 (A) GENERAL RULE.--A PEACE OFFICER WHO HAS PROBABLE CAUSE TO
2 BELIEVE THAT CRIMINAL VIOLATION OF THIS PART HAS OCCURRED OR IS
3 OCCURRING ON OR ABOUT AN ESTABLISHMENT LICENSEE'S PREMISES AND
4 WHO HAS PROBABLE CAUSE TO BELIEVE THAT A SPECIFIC INDIVIDUAL HAS
5 COMMITTED OR IS COMMITTING THE CRIMINAL VIOLATION MAY DETAIN THE
6 INDIVIDUAL IN A REASONABLE MANNER FOR A REASONABLE TIME ON THE
7 PREMISES OF THE ESTABLISHMENT LICENSEE TO REQUIRE THE SUSPECT TO
8 IDENTIFY HIMSELF, TO VERIFY SUCH IDENTIFICATION OR TO INFORM A
9 PEACE OFFICER.

10 (B) IMMUNITY.--A PEACE OFFICER SHALL NOT BE SUBJECT TO CIVIL
11 OR CRIMINAL LIABILITY FOR DETENTION OF AN INDIVIDUAL IN
12 ACCORDANCE WITH SUBSECTION (A).

13 CHAPTER 41

14 REVENUES

15 SEC.

16 4101. FEES.

17 4102. TAXES AND ASSESSMENTS.

18 4103. DISTRIBUTION OF LOCAL SHARE.

19 4104. REGULATORY ASSESSMENTS.

20 4105. TRANSFERS FROM VIDEO GAMING FUND.

21 4106. FIRE COMPANY AND EMERGENCY RESPONDER GRANT FUND.

22 4107. CITY OF THE FIRST CLASS ENFORCEMENT FUND.

23 4108. LOTTERY STABILIZATION FUND.

24 4109. GUN VIOLENCE TASK FORCE FUND.

25 § 4101. FEES.

26 (A) APPLICATION FEES.--THE FOLLOWING NONREFUNDABLE
27 APPLICATION FEES SHALL ACCOMPANY AN APPLICATION FOR THE
28 FOLLOWING LICENSES OR PERMITS APPLIED FOR UNDER CHAPTER 35
29 (RELATING TO APPLICATION AND LICENSURE):

30 (1) FOR A MANUFACTURER OR SUPPLIER LICENSE, \$50,000.

1 (2) FOR A TERMINAL OPERATOR LICENSE, \$25,000.

2 (3) FOR AN ESTABLISHMENT LICENSE, \$100.

3 (4) FOR A KEY EMPLOYEE OR PRINCIPAL LICENSE, \$500.

4 (5) FOR ANY OTHER AUTHORIZATION OR PERMIT AUTHORIZED BY
5 THIS PART, AN AMOUNT ESTABLISHED BY THE BOARD, THROUGH
6 REGULATION, WHICH MAY NOT EXCEED \$100.

7 (B) INITIAL LICENSE AND RENEWAL FEES.--THE FOLLOWING
8 NONREFUNDABLE FEES SHALL BE REQUIRED UPON ISSUANCE OF AN INITIAL
9 LICENSE AND SHALL ACCOMPANY AN APPLICATION FOR RENEWAL FOR THE
10 FOLLOWING LICENSES OR PERMITS UNDER CHAPTER 35:

11 (1) FOR A MANUFACTURER OR SUPPLIER LICENSE, \$10,000.

12 (2) FOR A TERMINAL OPERATOR LICENSE, \$5,000.

13 (3) FOR AN ESTABLISHMENT LICENSE, AN AMOUNT EQUAL TO
14 \$250 PER EACH VIDEO GAMING TERMINAL IN OPERATION AT THE
15 PREMISES OF THE ESTABLISHMENT LICENSEE.

16 (4) FOR A KEY EMPLOYEE, PROCUREMENT AGENT LICENSE OR
17 PRINCIPAL LICENSE, \$500.

18 (5) FOR ANY OTHER AUTHORIZATION OR LICENSE AUTHORIZED BY
19 THIS PART, AN AMOUNT ESTABLISHED BY THE BOARD, THROUGH
20 REGULATION, WHICH MAY NOT EXCEED \$100.

21 (C) TERMINAL INCREASE FEE.--AN ESTABLISHMENT LICENSEE THAT
22 INCREASES THE TOTAL NUMBER OF VIDEO GAMING TERMINALS WITHIN THE
23 ESTABLISHMENT AFTER SUBMISSION OF THE RENEWAL FEE REQUIRED IN
24 SUBSECTION (B) SHALL PROVIDE THE BOARD WITH A \$250 RENEWAL FEE
25 FOR EACH ADDITIONAL VIDEO GAMING TERMINAL ADDED TO THE
26 ESTABLISHMENT WITHIN 60 DAYS OF INSTALLATION OF EACH ADDITIONAL
27 VIDEO GAMING TERMINAL.

28 (D) DEPOSIT OF FEES.--FEES COLLECTED UNDER THIS SECTION
29 SHALL BE DEPOSITED INTO THE GENERAL FUND.
30 \$ 4102. TAXES AND ASSESSMENTS.

1 (A) FUND ESTABLISHED.--THE VIDEO GAMING FUND IS ESTABLISHED
2 IN THE STATE TREASURY. MONEY IN THE FUND IS HEREBY APPROPRIATED
3 TO THE DEPARTMENT ON A CONTINUING BASIS FOR THE PURPOSES UNDER
4 SUBSECTION (C).

5 (B) VIDEO GAMING TERMINAL TAX AND ASSESSMENTS.--

6 (1) THE DEPARTMENT SHALL DETERMINE AND EACH TERMINAL
7 OPERATOR LICENSEE SHALL PAY ON A BIMONTHLY BASIS:

8 (I) A TAX OF 37.5% OF ITS GROSS TERMINAL REVENUE
9 FROM ALL VIDEO GAMING TERMINALS OPERATED BY THE TERMINAL
10 OPERATOR LICENSEE WITHIN THIS COMMONWEALTH.

11 (II) A 4% LOCAL SHARE ASSESSMENT FROM ITS GROSS
12 TERMINAL REVENUE.

13 (III) A REGULATORY ASSESSMENT ESTABLISHED IN SECTION
14 4104 (RELATING TO REGULATORY ASSESSMENTS) FROM THE
15 TERMINAL OPERATOR LICENSEE'S WEEKLY GROSS TERMINAL
16 REVENUE.

17 (2) ALL MONEY OWED UNDER THIS SECTION SHALL BE HELD IN
18 TRUST BY THE TERMINAL OPERATOR LICENSEE UNTIL THE MONEY IS
19 PAID OR TRANSFERRED TO THE VIDEO GAMING FUND.

20 (3) UNLESS OTHERWISE AGREED TO BY THE BOARD, A TERMINAL
21 OPERATOR LICENSEE SHALL ESTABLISH A SEPARATE BANK ACCOUNT TO
22 MAINTAIN GROSS TERMINAL REVENUE UNTIL SUCH TIME AS THE MONEY
23 IS PAID OR TRANSFERRED UNDER THIS SECTION.

24 (C) TRANSFERS AND DISTRIBUTIONS.--THE DEPARTMENT SHALL:

25 (1) TRANSFER THE TAX IMPOSED UNDER SUBSECTION (B) TO THE
26 VIDEO GAMING FUND.

27 (2) FROM THE LOCAL SHARE ASSESSMENT ESTABLISHED UNDER
28 SUBSECTION (B), MAKE DISTRIBUTIONS AMONG THE MUNICIPALITIES
29 THAT HOST ESTABLISHMENT LICENSEES IN ACCORDANCE WITH SECTION
30 4103 (RELATING TO DISTRIBUTION OF LOCAL SHARE).

1 (3) TRANSFER THE REGULATORY ASSESSMENT IMPOSED UNDER
2 SUBSECTION (B) IN ACCORDANCE WITH SECTION 4104.
3 § 4103. DISTRIBUTION OF LOCAL SHARE.

4 (A) DISTRIBUTION.--

5 (1) SUBJECT TO THE LIMITATION UNDER SUBSECTION (C), THE
6 DEPARTMENT SHALL DISTRIBUTE, IN A MANNER AND ACCORDING TO A
7 SCHEDULE ADOPTED BY THE DEPARTMENT, TO EACH MUNICIPALITY 2%
8 OF THE GROSS TERMINAL REVENUE OF EACH VIDEO GAMING TERMINAL
9 OPERATING WITHIN THE MUNICIPALITY.

10 (2) THE DEPARTMENT SHALL ON A QUARTERLY BASIS DEPOSIT 2%
11 OF THE GROSS TERMINAL REVENUE OF EACH VIDEO GAMING TERMINAL
12 OPERATING WITHIN THE COUNTY INTO A RESTRICTED RECEIPTS
13 ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING
14 AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS FOR PROJECTS IN
15 THE PUBLIC INTEREST WITHIN THE HOST COUNTY.

16 (B) DUTY OF TERMINAL OPERATOR.--A TERMINAL OPERATOR LICENSEE
17 SHALL CONTINUOUSLY PROVIDE THE DEPARTMENT WITH RECORDS,
18 DOCUMENTS OR OTHER INFORMATION NECESSARY TO EFFECTUATE THE
19 REQUIREMENTS OF SUBSECTION (A).

20 (C) LIMITATION.--THE DEPARTMENT MAY NOT DISTRIBUTE A LOCAL
21 SHARE AMOUNT TO A MUNICIPALITY IN EXCESS OF 50% OF THE
22 MUNICIPALITY'S TOTAL BUDGET FOR FISCAL YEAR 2017, ADJUSTED FOR
23 INFLATION IN SUBSEQUENT FISCAL YEARS BY AN AMOUNT NOT TO EXCEED
24 AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING AN
25 UPWARD PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY
26 PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT.

27 (D) TRANSFERS TO FUND.--LOCAL SHARE AMOUNTS NOT DISTRIBUTED
28 BY THE DEPARTMENT TO A MUNICIPALITY DUE TO THE LIMITATION
29 ESTABLISHED UNDER SUBSECTION (C) SHALL BE DISTRIBUTED TO THE
30 HOST COUNTY IN ACCORDANCE WITH SUBSECTION (A) (2).

1 (E) USE OF ASSESSMENTS.--

2 (1) A MUNICIPALITY THAT RECEIVES ASSESSMENTS FROM THE
3 DEPARTMENT UNDER SUBSECTION (A) MAY USE THE FUNDS FOR THE
4 FOLLOWING PURPOSES:

5 (I) ECONOMIC DEVELOPMENT.

6 (II) COMBATING BLIGHT AND THE FUNDING OF LAND BANK
7 JURISDICTIONS.

8 (III) LOCAL LAW ENFORCEMENT FUNDING.

9 (IV) GRANTS TO VOLUNTEER AMBULANCE SERVICES AND FIRE
10 COMPANIES.

11 (2) A COUNTY MAY USE THE FUNDS AS LOCAL MATCHING FUNDS
12 FOR OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

13 (F) REPORTING.--

14 (1) IN COOPERATION WITH THE DEPARTMENT AND THE
15 COMMONWEALTH FINANCING AUTHORITY, THE DEPARTMENT OF COMMUNITY
16 AND ECONOMIC DEVELOPMENT SHALL SUBMIT AN ANNUAL REPORT ON ALL
17 DISTRIBUTIONS OF LOCAL SHARE ASSESSMENTS TO MUNICIPALITIES
18 AND COUNTIES UNDER THIS SECTION TO THE CHAIRPERSON AND
19 MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE
20 SENATE, THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
21 COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT COMMITTEE OF
22 THE SENATE, THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
23 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND
24 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE GAMING
25 OVERSIGHT COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE
26 REPORT SHALL BE SUBMITTED BY AUGUST 31, 2018, AND BY AUGUST
27 31 OF EACH YEAR THEREAFTER.

28 (2) A MUNICIPALITY OR COUNTY THAT RECEIVES DISTRIBUTIONS
29 OF LOCAL SHARE ASSESSMENTS UNDER THIS SECTION SHALL SUBMIT
30 INFORMATION TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC

1 DEVELOPMENT ON A FORM PREPARED BY THE DEPARTMENT OF COMMUNITY
2 AND ECONOMIC DEVELOPMENT THAT STATES THE AMOUNT AND USE OF
3 THE FUNDS RECEIVED IN THE PRIOR FISCAL YEAR. THE FORM SHALL
4 SPECIFY WHETHER THE FUNDS RECEIVED WERE DEPOSITED IN THE
5 MUNICIPALITY'S OR COUNTY'S GENERAL FUND OR COMMITTED TO A
6 SPECIFIC PROJECT OR USE.

7 (G) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
8 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
9 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

10 "CONSUMER PRICE INDEX." THE CONSUMER PRICE INDEX FOR ALL
11 URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND
12 MARYLAND AREA FOR THE MOST RECENT 12-MONTH PERIOD FOR WHICH
13 FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE UNITED STATES
14 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

15 "MUNICIPALITY." THE TERM DOES NOT INCLUDE A COUNTY.
16 § 4104. REGULATORY ASSESSMENTS.

17 (A) ACCOUNTS ESTABLISHED.--THE STATE TREASURER SHALL
18 ESTABLISH WITHIN THE STATE TREASURY AN ACCOUNT FOR EACH TERMINAL
19 OPERATOR FOR THE DEPOSIT OF A REGULATORY ASSESSMENT AMOUNT
20 REQUIRED UNDER SUBSECTION (B) TO RECOVER COSTS OR EXPENSES
21 INCURRED BY THE BOARD, THE DEPARTMENT, THE PENNSYLVANIA STATE
22 POLICE AND THE OFFICE OF ATTORNEY GENERAL IN CARRYING OUT THEIR
23 POWERS AND DUTIES UNDER THIS PART BASED UPON A BUDGET SUBMITTED
24 BY THE DEPARTMENT UNDER SUBSECTION (C).

25 (B) BI-MONTHLY DEPOSITS.--

26 (1) THE DEPARTMENT SHALL DETERMINE THE APPROPRIATE
27 ASSESSMENT AMOUNT FOR EACH TERMINAL OPERATOR LICENSEE, WHICH
28 SHALL BE A PERCENTAGE ASSESSED ON THE TERMINAL OPERATOR
29 LICENSEE'S BI-MONTHLY GROSS TERMINAL REVENUE.

30 (2) THE PERCENTAGE ASSESSED SHALL NOT EXCEED AN AMOUNT

1 EQUAL TO THE LESSER OF:

2 (I) THE COSTS OR EXPENSES INCURRED BY THE BOARD, THE
3 DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE OFFICE
4 OF ATTORNEY GENERAL IN CARRYING OUT THEIR POWERS AND
5 DUTIES UNDER THIS PART BASED UPON A BUDGET SUBMITTED BY
6 THE DEPARTMENT UNDER SUBSECTION (C); OR

7 (II) ONE AND ONE-HALF PERCENT OF THE TERMINAL
8 OPERATOR LICENSEE'S WEEKLY GROSS TERMINAL REVENUE.

9 (C) ITEMIZED BUDGET REPORTING.--

10 (1) THE DEPARTMENT SHALL PREPARE AND ANNUALLY SUBMIT TO
11 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
12 APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRPERSON
13 AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF
14 THE HOUSE OF REPRESENTATIVES AN ITEMIZED BUDGET CONSISTING OF
15 AMOUNTS TO BE APPROPRIATED OUT OF THE ACCOUNTS ESTABLISHED
16 UNDER THIS SECTION NECESSARY TO ADMINISTER THIS PART.

17 (2) AS SOON AS PRACTICABLE AFTER SUBMITTING COPIES OF
18 THE ITEMIZED BUDGET, THE DEPARTMENT SHALL SUBMIT TO THE
19 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
20 COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND MINORITY
21 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
22 REPRESENTATIVES ANALYSES OF AND RECOMMENDATIONS REGARDING THE
23 ITEMIZED BUDGET.

24 (3) THE ITEMIZED BUDGET REQUIRED UNDER PARAGRAPH (1)
25 SHALL BE SUBMITTED IN CONJUNCTION WITH THE BUDGET REQUIRED TO
26 BE SUBMITTED UNDER SECTION 1202(B)(28) (RELATING TO GENERAL
27 AND SPECIFIC POWERS)).

28 (D) APPROPRIATION.--

29 (1) COSTS AND EXPENSES MAY BE PAID FROM THE ACCOUNTS
30 ESTABLISHED UNDER SUBSECTION (A) ONLY UPON APPROPRIATION BY

1 THE GENERAL ASSEMBLY.

2 (2) IF THE TOTAL COSTS OR EXPENSES INCURRED BY THE
3 BOARD, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE
4 OFFICE OF ATTORNEY GENERAL EXCEED THE AMOUNTS AVAILABLE IN
5 THE ACCOUNTS ESTABLISHED UNDER SUBSECTION (A), THE GENERAL
6 ASSEMBLY MAY APPROPRIATE ADDITIONAL AMOUNTS TO THE BOARD, THE
7 DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF
8 ATTORNEY GENERAL FROM THE VIDEO GAMING FUND.

9 § 4105. TRANSFERS FROM VIDEO GAMING FUND.

10 (A) TRANSFER FOR COMPULSIVE AND PROBLEM GAMBLING
11 TREATMENT.--ON JUNE 30, 2018, AND ON THE LAST DAY OF EACH FISCAL
12 YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE
13 VIDEO GAMING FUND THE SUM OF \$2,500,000 OR AN AMOUNT EQUAL TO
14 0.002 MULTIPLIED BY THE TOTAL GROSS TERMINAL REVENUE OF ALL
15 TERMINAL OPERATOR LICENSEES, WHICHEVER IS GREATER, TO THE
16 COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND ESTABLISHED IN
17 SECTION 1509 (RELATING TO COMPULSIVE AND PROBLEM GAMBLING
18 PROGRAM).

19 (B) TRANSFER TO FIRE COMPANY AND EMERGENCY RESPONDER GRANT
20 FUND.--ON JUNE 30, 2018, AND ON THE LAST DAY OF EACH FISCAL YEAR
21 THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE VIDEO
22 GAMING FUND THE SUM OF \$2,500,000 TO THE FIRE COMPANY AND
23 EMERGENCY RESPONDER GRANT FUND ESTABLISHED IN SECTION 4106
24 (RELATING TO FIRE COMPANY AND EMERGENCY RESPONDER GRANT FUND).

25 (C) TRANSFER FOR DRUG AND ALCOHOL TREATMENT.--ON JUNE 30,
26 2018, AND ON THE LAST DAY OF EACH FISCAL YEAR THEREAFTER, THE
27 STATE TREASURER SHALL TRANSFER FROM THE VIDEO GAMING FUND THE
28 SUM OF \$2,500,000 TO THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS
29 TO BE USED TO PROVIDE DRUG AND ALCOHOL ADDICTION TREATMENT
30 SERVICES, INCLUDING TREATMENT FOR DRUG AND ALCOHOL ADDICTION

1 RELATED TO COMPULSIVE AND PROBLEM GAMBLING, AS SET FORTH IN
2 SECTION 1509.1 (RELATING TO DRUG AND ALCOHOL TREATMENT).

3 (D) TRANSFER TO CITY OF THE FIRST CLASS ENFORCEMENT FUND.--
4 ON JUNE 30, 2018, AND ON THE LAST DAY OF EACH FISCAL YEAR
5 THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE VIDEO
6 GAMING FUND THE SUM OF \$3,000,000 TO THE CITY OF THE FIRST CLASS
7 ENFORCEMENT FUND ESTABLISHED IN SECTION 4107 (RELATING TO CITY
8 OF THE FIRST CLASS ENFORCEMENT FUND).

9 (E) TRANSFER TO THE STATE LOTTERY FUND.--ON JUNE 30, 2018,
10 THE STATE TREASURER SHALL TRANSFER FROM THE VIDEO GAMING FUND
11 THE SUM OF \$38,000,000 TO THE STATE LOTTERY FUND. ON JUNE 30,
12 2019, AND ON THE LAST DAY OF EACH FISCAL YEAR THEREAFTER, AN
13 AMOUNT, TO BE DETERMINED THROUGH AN APPROPRIATION BY THE GENERAL
14 ASSEMBLY, TO MAKE THE AMOUNT OF MONEY IN THE STATE LOTTERY FUND
15 EQUAL TO AMOUNTS IN THE STATE LOTTERY FUND FOR THE PREVIOUS
16 FISCAL YEAR.

17 (F) TRANSFER TO THE LOTTERY STABILIZATION FUND.--ON JUNE 30,
18 2019, AND ON THE LAST DAY OF EACH FISCAL YEAR THEREAFTER, THE
19 STATE TREASURER SHALL TRANSFER FROM THE VIDEO GAMING FUND 3.5%
20 OF THE GROSS TERMINAL REVENUE OF ALL VIDEO GAMING TERMINALS
21 OPERATING WITHIN THIS COMMONWEALTH FOR THE CURRENT FISCAL YEAR
22 TO THE LOTTERY STABILIZATION FUND ESTABLISHED IN SECTION 4108
23 (RELATING TO LOTTERY STABILIZATION FUND).

24 (G) TRANSFER TO GUN VIOLENCE TASK FORCE FUND.--ON JUNE 30,
25 2018, AND ON THE LAST DAY OF EACH FISCAL YEAR THEREAFTER, THE
26 STATE TREASURER SHALL TRANSFER FROM THE VIDEO GAMING FUN THE SUM
27 OF \$2,000,000 TO THE GUN VIOLENCE TASK FORCE FUND ESTABLISHED IN
28 SECTION 4109 (RELATING TO GUN VIOLENCE TASK FORCE FUND).

29 (H) GENERAL FUND TRANSFER.--ON JUNE 30, 2018, AND ON THE
30 LAST DAY OF EACH FISCAL YEAR THEREAFTER, THE STATE TREASURER

1 SHALL TRANSFER THE REMAINING BALANCE IN THE VIDEO GAMING FUND
2 THAT IS NOT TRANSFERRED UNDER SUBSECTIONS (A), (B), (C), (D),
3 (E), (F) AND (G) TO THE GENERAL FUND.

4 § 4106. FIRE COMPANY AND EMERGENCY RESPONDER GRANT FUND.

5 (A) ESTABLISHMENT.--THE FIRE COMPANY AND EMERGENCY RESPONDER
6 GRANT FUND IS ESTABLISHED IN THE STATE TREASURY. THE FUND SHALL
7 RECEIVE MONEY FROM THE VIDEO GAMING FUND IN ACCORDANCE WITH
8 SECTION 4105 (RELATING TO TRANSFERS FROM VIDEO GAMING FUND).

9 (B) USE OF FUND.--HALF OF THE MONEY IN THE FUND SHALL BE
10 USED TO FUND PROGRAMS THAT PROVIDE GRANTS TO VOLUNTEER AMBULANCE
11 SERVICES AND THE REMAINING MONEY IN THE FUND SHALL BE USED TO
12 FUND PROGRAMS THAT PROVIDE GRANTS TO FIRE COMPANIES AND OTHER
13 EMERGENCY RESPONDERS AS SPECIFIED THROUGH SEPARATE ACT OF THE
14 GENERAL ASSEMBLY.

15 § 4107. CITY OF THE FIRST CLASS ENFORCEMENT FUND.

16 (A) ESTABLISHMENT.--THE CITY OF THE FIRST CLASS ENFORCEMENT
17 FUND IS ESTABLISHED IN THE STATE TREASURY. THE FUND SHALL
18 RECEIVE MONEY FROM THE VIDEO GAMING FUND IN ACCORDANCE WITH
19 SECTION 4105 (RELATING TO TRANSFERS FROM VIDEO GAMING FUND).

20 (B) USE OF MONEY.--MONEY IN THE FUND SHALL BE USED SOLELY
21 FOR THE ASSIGNMENT AND RELATED COSTS OF ADDITIONAL AGENTS TO
22 LIQUOR CODE ENFORCEMENT AND THE REPORTING TO THE BUREAU OF
23 VIOLATIONS OF THIS PART WITHIN A CITY OF THE FIRST CLASS.

24 § 4108. LOTTERY STABILIZATION FUND.

25 (A) ESTABLISHMENT.--THE LOTTERY STABILIZATION FUND IS
26 ESTABLISHED IN THE STATE TREASURY. THE FUND SHALL RECEIVE MONEY
27 FROM THE VIDEO GAMING FUND IN ACCORDANCE WITH SECTION 4105
28 (RELATING TO TRANSFERS FROM VIDEO GAMING FUND).

29 (B) USE OF MONEY.--MONEY IN THE FUND SHALL BE USED TO
30 TRANSFER FUNDS TO THE STATE LOTTERY FUND IN ORDER TO ENSURE THE

STABILITY AND MAINTENANCE OF ADEQUATE FUNDING TO THE STATE
LOTTERY FUND AS SPECIFIED THROUGH A SEPARATE ACT OF THE GENERAL
ASSEMBLY.

§ 4109. GUN VIOLENCE TASK FORCE FUND.

(A) ESTABLISHMENT.--THE GUN VIOLENCE TASK FORCE FUND IS
ESTABLISHED IN THE STATE TREASURY. THE FUND SHALL RECEIVE MONEY
FROM THE VIDEO GAMING FUND IN ACCORDANCE WITH SECTION 4105
(RELATING TO TRANSFERS FROM VIDEO GAMING FUND).

(B) USE OF MONEY.--MONEY IN THE FUND SHALL BE USED BY A TASK
FORCE ON GUN VIOLENCE AS SPECIFIED THROUGH A SEPARATE ACT OF THE
GENERAL ASSEMBLY.

CHAPTER 43

ETHICS

SEC.

4301. BOARD CODE OF CONDUCT.

4302. ADDITIONAL BOARD RESTRICTIONS.

4303. FINANCIAL AND EMPLOYMENT INTERESTS.

4304. ADDITIONAL RESTRICTIONS.

4305. POLITICAL INFLUENCE.

§ 4301. BOARD CODE OF CONDUCT.

(A) UPDATE REQUIRED.--THE BOARD SHALL UPDATE THE
COMPREHENSIVE CODE OF CONDUCT ESTABLISHED UNDER SECTION 1202.1
(RELATING TO CODE OF CONDUCT) PRIOR TO THE CONSIDERATION OF A
LICENSE, PERMIT OR OTHER AUTHORIZATION UNDER THIS PART IN ORDER
TO AVOID A PERCEIVED OR ACTUAL CONFLICT OF INTEREST AND TO
PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY AND IMPARTIALITY OF
THE BOARD AS RELATED TO VIDEO GAMING. AT A MINIMUM, THE UPDATED
CODE OF CONDUCT ADOPTED UNDER THIS SECTION SHALL INCLUDE
REGISTRATION OF LICENSED ENTITY REPRESENTATIVES UNDER SUBSECTION
(B) AND THE RESTRICTIONS UNDER SUBSECTION (C) AS THEY RELATE TO

1 VIDEO GAMING.

2 (B) REGISTRATION.--

3 (1) A LICENSED ENTITY REPRESENTATIVE SHALL REGISTER WITH
4 THE BOARD IN A MANNER PRESCRIBED BY THE BOARD. THE
5 REGISTRATION SHALL INCLUDE THE NAME, EMPLOYER OR FIRM,
6 BUSINESS ADDRESS AND BUSINESS TELEPHONE NUMBER OF BOTH THE
7 LICENSED ENTITY REPRESENTATIVE AND ANY LICENSED ENTITY,
8 APPLICANT FOR LICENSURE OR OTHER PERSON BEING REPRESENTED.

9 (2) A LICENSED ENTITY REPRESENTATIVE SHALL UPDATE THE
10 REGISTRATION INFORMATION ON AN ONGOING BASIS AND FAILURE TO
11 DO SO SHALL BE PUNISHABLE BY THE BOARD.

12 (3) THE BOARD SHALL MAINTAIN A REGISTRATION LIST THAT
13 CONTAINS THE INFORMATION REQUIRED UNDER PARAGRAPH (1). THE
14 LIST SHALL BE AVAILABLE ON THE BOARD'S PUBLICLY ACCESSIBLE
15 INTERNET WEBSITE.

16 (C) RESTRICTIONS.--IN ADDITION TO THE OTHER PROHIBITIONS
17 CONTAINED IN THIS PART, A MEMBER OF THE BOARD SHALL:

18 (1) NOT ACCEPT A DISCOUNT, GIFT, GRATUITY, COMPENSATION,
19 TRAVEL, LODGING OR OTHER THING OF VALUE, DIRECTLY OR
20 INDIRECTLY, FROM AN APPLICANT, LICENSED ENTITY, AFFILIATE,
21 SUBSIDIARY OR INTERMEDIARY OF AN APPLICANT OR A LICENSED
22 ENTITY, REGISTRANT OR LICENSED ENTITY REPRESENTATIVE.

23 (2) DISCLOSE AND RECUSE HIMSELF FROM A HEARING OR OTHER
24 PROCEEDING IN WHICH THE MEMBER'S OBJECTIVITY, IMPARTIALITY,
25 INTEGRITY OR INDEPENDENCE OF JUDGMENT MAY BE REASONABLY
26 QUESTIONED DUE TO THE MEMBER'S RELATIONSHIP OR ASSOCIATION
27 WITH A PARTY CONNECTED TO A HEARING OR PROCEEDING OR A PERSON
28 APPEARING BEFORE THE BOARD.

29 (3) REFRAIN FROM FINANCIAL OR BUSINESS DEALING THAT
30 WOULD TEND TO REFLECT ADVERSELY ON THE MEMBER'S OBJECTIVITY,

1 IMPARTIALITY OR INDEPENDENCE OF JUDGMENT.

2 (4) (I) NOT SOLICIT FUNDS FOR A CHARITABLE,
3 EDUCATIONAL, RELIGIOUS, HEALTH, FRATERNAL, CIVIC OR OTHER
4 NONPROFIT ENTITY FROM AN APPLICANT, LICENSED ENTITY,
5 PARTY, REGISTRANT OR LICENSED ENTITY REPRESENTATIVE OR
6 FROM AN AFFILIATE, SUBSIDIARY, INTERMEDIARY OR HOLDING
7 COMPANY OF AN APPLICANT, LICENSED ENTITY, PARTY OR
8 LICENSED ENTITY REPRESENTATIVE.

9 (II) SUBJECT TO THE PROVISIONS OF SECTION 1201(H)
10 (4.1) (RELATING TO PENNSYLVANIA GAMING CONTROL BOARD
11 ESTABLISHED), A MEMBER MAY SERVE AS AN OFFICER, EMPLOYEE
12 OR MEMBER OF THE GOVERNING BODY OF A NONPROFIT ENTITY AND
13 MAY ATTEND, MAKE PERSONAL CONTRIBUTIONS TO AND PLAN OR
14 PRESIDE OVER THE ENTITY'S FUNDRAISING EVENTS.

15 (III) A MEMBER MAY PERMIT THEIR NAME TO APPEAR ON
16 THE LETTERHEAD USED FOR FUNDRAISING EVENTS IF THE
17 LETTERHEAD CONTAINS ONLY THE MEMBER'S NAME AND POSITION
18 WITH THE NONPROFIT ENTITY.

19 (5) (I) NOT MEET OR ENGAGE IN DISCUSSIONS WITH AN
20 APPLICANT, LICENSED ENTITY, REGISTRANT, LICENSED ENTITY
21 REPRESENTATIVE, PERSON WHO PROVIDES GOODS, PROPERTY OR
22 SERVICES TO A TERMINAL OPERATOR LICENSEE OR ANOTHER
23 PERSON OR ENTITY UNDER THE JURISDICTION OF THE BOARD
24 UNLESS THE MEETING OR DISCUSSION OCCURS ON THE BUSINESS
25 PREMISES OF THE BOARD AND IS RECORDED IN A LOG.

26 (II) THE LOG SHALL BE POSTED ON THE BOARD'S PUBLICLY
27 ACCESSIBLE INTERNET WEBSITE.

28 (III) THE LOG MUST INCLUDE THE DATE AND TIME OF THE
29 MEETING OR DISCUSSION, THE NAMES OF THE PARTICIPANTS AND
30 THE SUBJECT DISCUSSED.

1 (IV) THE PROVISIONS OF THIS PARAGRAPH SHALL NOT
2 APPLY TO A MEETING THAT CONSIDERS MATTERS REQUIRING THE
3 PHYSICAL INSPECTION OF THE EQUIPMENT OR PREMISES OF AN
4 APPLICANT OR A LICENSED ENTITY, IF THE MEETING IS ENTERED
5 IN THE LOG.

6 (6) AVOID IMPROPRIETY AND THE APPEARANCE OF IMPROPRIETY
7 AT ALL TIMES AND OBSERVE STANDARDS AND CONDUCT THAT PROMOTE
8 PUBLIC CONFIDENCE IN THE OVERSIGHT OF VIDEO GAMING.

9 (7) COMPLY WITH OTHER LAWS, RULES OR REGULATIONS
10 RELATING TO THE CONDUCT OF A MEMBER.

11 § 4302. ADDITIONAL BOARD RESTRICTIONS.

12 (A) BOARD RESTRICTIONS.--THE FOLLOWING SHALL APPLY TO A
13 BOARD MEMBER OR EMPLOYEE OF THE BOARD WHOSE DUTIES SUBSTANTIALLY
14 INVOLVE LICENSING, ENFORCEMENT, DEVELOPMENT OF LAW, PROMULGATION
15 OF REGULATIONS OR DEVELOPMENT OF POLICY RELATING TO GAMING UNDER
16 THIS PART OR WHO HAS OTHER DISCRETIONARY AUTHORITY WHICH MAY
17 AFFECT OR INFLUENCE THE OUTCOME OF AN ACTION, PROCEEDING OR
18 DECISION UNDER THIS PART:

19 (1) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO YEARS
20 FOLLOWING TERMINATION OF EMPLOYMENT, ACCEPT EMPLOYMENT WITH
21 OR BE RETAINED BY AN APPLICANT OR A LICENSED ENTITY OR BY AN
22 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN
23 APPLICANT OR A LICENSED ENTITY.

24 (2) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO YEARS
25 FOLLOWING TERMINATION OF EMPLOYMENT, APPEAR BEFORE THE BOARD
26 IN A HEARING OR PROCEEDING OR PARTICIPATE IN ACTIVITY ON
27 BEHALF OF AN APPLICANT, LICENSEE OR LICENSED ENTITY OR ON
28 BEHALF OF AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
29 COMPANY OF AN APPLICANT, LICENSEE OR LICENSED ENTITY.

30 (3) (I) AN APPLICANT OR A LICENSED ENTITY OR AN

1 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF
2 AN APPLICANT OR A LICENSED ENTITY MAY NOT, UNTIL THE
3 EXPIRATION OF TWO YEARS FOLLOWING TERMINATION OF
4 EMPLOYMENT, EMPLOY OR RETAIN THE INDIVIDUAL.

5 (II) VIOLATION OF THIS SUBPARAGRAPH SHALL RESULT IN
6 TERMINATION OF THE INDIVIDUAL'S EMPLOYMENT AND SUBJECT
7 THE VIOLATOR TO SECTION 3905(C) (RELATING TO PROHIBITED
8 ACTS AND PENALTIES).

9 (4) (I) A PROSPECTIVE EMPLOYEE WHO, UPON EMPLOYMENT,
10 WOULD BE SUBJECT TO THIS SUBSECTION MUST, AS A CONDITION
11 OF EMPLOYMENT, SIGN AN AFFIDAVIT THAT THE PROSPECTIVE
12 EMPLOYEE WILL NOT VIOLATE PARAGRAPH (1) OR (2).

13 (II) IF THE PROSPECTIVE EMPLOYEE FAILS TO SIGN THE
14 AFFIDAVIT, THE BOARD SHALL RESCIND AN OFFER OF EMPLOYMENT
15 AND MAY NOT EMPLOY THE INDIVIDUAL.

16 (B) CONTRACTOR RESTRICTIONS.--THE FOLLOWING SHALL APPLY TO
17 AN INDEPENDENT CONTRACTOR OF THE BOARD AND TO AN EMPLOYEE OF AN
18 INDEPENDENT CONTRACTOR WHOSE DUTIES SUBSTANTIALLY INVOLVE
19 CONSULTATION RELATING TO LICENSING, ENFORCEMENT, DEVELOPMENT OF
20 LAW, PROMULGATION OF REGULATIONS OR DEVELOPMENT OF POLICY
21 RELATING TO VIDEO GAMING UNDER THIS PART:

22 (1) THE PERSON MAY NOT, FOR A PERIOD OF ONE YEAR
23 FOLLOWING TERMINATION OF THE CONTRACT WITH THE BOARD, BE
24 RETAINED BY AN APPLICANT OR A LICENSED ENTITY OR BY AN
25 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN
26 APPLICANT OR A LICENSED ENTITY.

27 (2) THE PERSON MAY NOT, FOR A PERIOD OF TWO YEARS
28 FOLLOWING TERMINATION OF THE CONTRACT WITH THE BOARD, APPEAR
29 BEFORE THE BOARD IN A HEARING OR PROCEEDING OR PARTICIPATE IN
30 ACTIVITY ON BEHALF OF AN APPLICANT, LICENSEE OR LICENSED

1 ENTITY OR ON BEHALF OF AN AFFILIATE, INTERMEDIARY, SUBSIDIARY
2 OR HOLDING COMPANY OF AN APPLICANT, LICENSEE OR LICENSED
3 ENTITY.

4 (3) (I) AN APPLICANT OR A LICENSED ENTITY OR AN
5 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF
6 AN APPLICANT OR A LICENSEE MAY NOT, UNTIL THE EXPIRATION
7 OF ONE YEAR FOLLOWING TERMINATION OF THE CONTRACT WITH
8 THE BOARD, EMPLOY OR RETAIN THE PERSON.

9 (II) A KNOWING VIOLATION OF THIS SUBPARAGRAPH SHALL
10 RESULT IN TERMINATION OF THE PERSON'S EMPLOYMENT AND
11 SUBJECT THE VIOLATOR TO SECTION 3905(C).

12 (4) (I) EACH CONTRACT BETWEEN THE BOARD AND AN
13 INDEPENDENT CONTRACTOR THAT INVOLVES THE DUTIES SPECIFIED
14 IN THIS SUBSECTION SHALL CONTAIN A PROVISION REQUIRING
15 THE INDEPENDENT CONTRACTOR TO SIGN AN AFFIDAVIT THAT THE
16 INDEPENDENT CONTRACTOR WILL NOT VIOLATE PARAGRAPH (1) OR
17 (2).

18 (II) IF THE INDEPENDENT CONTRACTOR FAILS TO SIGN THE
19 AFFIDAVIT, THE BOARD MAY NOT ENTER INTO THE CONTRACT OR
20 MUST TERMINATE THE CONTRACT.

21 (5) (I) AN INDEPENDENT CONTRACTOR SHALL REQUIRE A
22 PROSPECTIVE EMPLOYEE WHOSE EMPLOYMENT WOULD INVOLVE THE
23 DUTIES SPECIFIED IN THIS SUBSECTION TO SIGN AN AFFIDAVIT
24 THAT THE PROSPECTIVE EMPLOYEE WILL NOT VIOLATE PARAGRAPH
25 (1) OR (2).

26 (II) IF THE PROSPECTIVE EMPLOYEE FAILS TO SIGN THE
27 AFFIDAVIT, THE INDEPENDENT CONTRACTOR SHALL RESCIND AN
28 OFFER OF EMPLOYMENT AND MAY NOT EMPLOY THE INDIVIDUAL.

29 (C) CONSTRUCTION.--NOTHING UNDER SUBSECTION (A) OR (B) SHALL
30 BE CONSTRUED TO PREVENT A CURRENT OR FORMER EMPLOYEE OF THE

1 BOARD, A CURRENT OR FORMER INDEPENDENT CONTRACTOR OR A CURRENT
2 OR FORMER EMPLOYEE OF AN INDEPENDENT CONTRACTOR FROM APPEARING
3 BEFORE THE BOARD IN A HEARING OR PROCEEDING AS A WITNESS OR
4 TESTIFYING AS TO ANY FACT OR INFORMATION.

5 (D) ETHICS COMMISSION.-

6 (1) THE STATE ETHICS COMMISSION SHALL ISSUE A WRITTEN
7 DETERMINATION OF WHETHER A PERSON IS SUBJECT TO SUBSECTION
8 (A) OR (B) UPON THE WRITTEN REQUEST OF THE PERSON OR THE
9 PERSON'S EMPLOYER OR POTENTIAL EMPLOYER. A PERSON THAT RELIES
10 IN GOOD FAITH ON A DETERMINATION ISSUED UNDER THIS PARAGRAPH
11 SHALL NOT BE SUBJECT TO A PENALTY FOR AN ACTION TAKEN,
12 PROVIDED THAT ALL MATERIAL FACTS SPECIFIED IN THE REQUEST FOR
13 THE DETERMINATION ARE CORRECT.

14 (2) (I) THE STATE ETHICS COMMISSION SHALL PUBLISH A
15 LIST OF ALL EMPLOYMENT POSITIONS WITHIN THE BOARD AND
16 EMPLOYMENT POSITIONS WITHIN INDEPENDENT CONTRACTORS WHOSE
17 DUTIES WOULD SUBJECT THE INDIVIDUALS IN THOSE POSITIONS
18 TO THE PROVISIONS OF SUBSECTIONS (A) AND (B).

19 (II) THE BOARD AND EACH INDEPENDENT CONTRACTOR SHALL
20 ASSIST THE STATE ETHICS COMMISSION IN THE DEVELOPMENT OF
21 THE LIST, WHICH SHALL BE PUBLISHED BY THE STATE ETHICS
22 COMMISSION IN THE PENNSYLVANIA BULLETIN BIENNIALLY AND
23 POSTED BY THE BOARD ON THE BOARD'S PUBLICLY ACCESSIBLE
24 INTERNET WEBSITE.

25 (III) UPON REQUEST, EMPLOYEES OF THE BOARD AND EACH
26 INDEPENDENT CONTRACTOR SHALL PROVIDE THE STATE ETHICS
27 COMMISSION WITH ADEQUATE INFORMATION TO ACCURATELY
28 DEVELOP AND MAINTAIN THE LIST.

29 (IV) THE STATE ETHICS COMMISSION MAY IMPOSE A CIVIL
30 PENALTY UNDER 65 PA.C.S. § 1109(F) (RELATING TO

1 PENALTIES) UPON AN INDIVIDUAL WHO FAILS TO COOPERATE WITH
2 THE STATE ETHICS COMMISSION UNDER THIS PARAGRAPH.

3 (V) AN INDIVIDUAL WHO RELIES IN GOOD FAITH ON THE
4 LIST PUBLISHED BY THE STATE ETHICS COMMISSION SHALL NOT
5 BE SUBJECT TO A PENALTY FOR A VIOLATION OF SUBSECTION (A)
6 OR (B).

7 § 4303. FINANCIAL AND EMPLOYMENT INTERESTS.

8 (A) FINANCIAL INTERESTS.--EXCEPT AS MAY BE PROVIDED FOR THE
9 JUDICIARY BY RULE OR ORDER OF THE PENNSYLVANIA SUPREME COURT, AN
10 EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
11 OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, SHALL NOT
12 INTENTIONALLY OR KNOWINGLY HOLD A FINANCIAL INTEREST IN AN
13 APPLICANT OR A LICENSEE, OR IN A HOLDING COMPANY, AFFILIATE,
14 INTERMEDIARY OR SUBSIDIARY THEREOF, WHILE THE INDIVIDUAL IS AN
15 EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
16 OFFICER AND FOR ONE YEAR FOLLOWING TERMINATION OF THE
17 INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
18 PUBLIC OFFICIAL OR PARTY OFFICER.

19 (B) EMPLOYMENT.--EXCEPT AS MAY BE PROVIDED BY RULE OR ORDER
20 OF THE PENNSYLVANIA SUPREME COURT AND EXCEPT AS PROVIDED IN
21 SECTION 1202.1 (RELATING TO CODE OF CONDUCT) OR 4304 (RELATING
22 TO ADDITIONAL RESTRICTIONS), NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
23 PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER
24 THEREOF, SHALL BE EMPLOYED BY AN APPLICANT OR LICENSEE, OR BY A
25 HOLDING COMPANY, AFFILIATE, INTERMEDIARY OR SUBSIDIARY THEREOF,
26 WHILE THE INDIVIDUAL IS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
27 PUBLIC OFFICIAL OR PARTY OFFICER AND FOR ONE YEAR FOLLOWING
28 TERMINATION OF THE INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL
29 PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER.

30 (C) COMPLIMENTARY SERVICES.--

1 (1) NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL
2 OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF,
3 SHALL SOLICIT OR ACCEPT A COMPLIMENTARY SERVICE FROM AN
4 APPLICANT OR LICENSEE, OR FROM AN AFFILIATE, INTERMEDIARY,
5 SUBSIDIARY OR HOLDING COMPANY THEREOF, WHICH THE EXECUTIVE-
6 LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR
7 AN IMMEDIATE FAMILY MEMBER THEREOF, KNOWS OR HAS REASON TO
8 KNOW IS OTHER THAN A SERVICE OR DISCOUNT WHICH IS OFFERED TO
9 MEMBERS OF THE GENERAL PUBLIC IN LIKE CIRCUMSTANCES.

10 (2) NO APPLICANT OR LICENSEE, OR AN AFFILIATE,
11 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, SHALL
12 OFFER OR DELIVER TO AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
13 PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY
14 MEMBER THEREOF, A COMPLIMENTARY SERVICE FROM THE APPLICANT OR
15 LICENSEE, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR
16 HOLDING COMPANY THEREOF, THAT THE APPLICANT OR LICENSEE, OR
17 AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
18 THEREOF, KNOWS OR HAS REASON TO KNOW IS OTHER THAN A SERVICE
19 OR DISCOUNT THAT IS OFFERED TO MEMBERS OF THE GENERAL PUBLIC
20 IN LIKE CIRCUMSTANCES.

21 (D) GRADING.--AN INDIVIDUAL WHO VIOLATES THIS SECTION
22 COMMITTS A MISDEMEANOR OF THE THIRD DEGREE AND SHALL, UPON
23 CONVICTION, BE SENTENCED TO PAY A FINE OF NOT MORE THAN \$1,000
24 OR TO IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BOTH.

25 (E) DIVESTITURE.--

26 (1) AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL
27 OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, WHO
28 HOLDS A FINANCIAL INTEREST PROHIBITED BY THIS SECTION SHALL
29 DIVEST THE FINANCIAL INTEREST WITHIN THREE MONTHS OF THE
30 EFFECTIVE DATE OF THIS SECTION, AS APPLICABLE.

1 (2) AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL,
2 PARTY OFFICER OR IMMEDIATE FAMILY MEMBER SHALL HAVE 30 DAYS
3 FROM THE DATE THE INDIVIDUAL KNEW OR HAD REASON TO KNOW OF
4 THE VIOLATION OR 30 DAYS FROM THE PUBLICATION IN THE
5 PENNSYLVANIA BULLETIN UNDER SECTION 3301(B)(12) (RELATING TO
6 POWERS OF BOARD) OF THE APPLICATION OR LICENSURE OF THE
7 EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL, PARTY
8 OFFICER OR IMMEDIATE FAMILY MEMBER, WHICHEVER OCCURS EARLIER,
9 TO DIVEST THE FINANCIAL INTEREST.

10 (3) THE STATE ETHICS COMMISSION MAY, FOR GOOD CAUSE,
11 EXTEND THE TIME PERIOD UNDER THIS SUBSECTION.

12 (F) STATE ETHICS COMMISSION.--THE STATE ETHICS COMMISSION
13 SHALL DO ALL OF THE FOLLOWING:

14 (1) (I) ISSUE A WRITTEN DETERMINATION OF WHETHER A
15 PERSON IS SUBJECT TO SUBSECTION (A), (B) OR (C) UPON THE
16 WRITTEN REQUEST OF THE PERSON OR ANOTHER PERSON THAT MAY
17 HAVE LIABILITY FOR AN ACTION TAKEN WITH RESPECT TO THE
18 PERSON.

19 (II) A PERSON THAT RELIES IN GOOD FAITH ON A
20 DETERMINATION MADE UNDER THIS PARAGRAPH SHALL NOT BE
21 SUBJECT TO PENALTY FOR AN ACTION TAKEN, PROVIDED THAT ALL
22 MATERIAL FACTS SPECIFIED IN THE REQUEST FOR THE
23 DETERMINATION ARE CORRECT.

24 (2) (I) PUBLISH A LIST OF ALL STATE, COUNTY, MUNICIPAL
25 AND OTHER GOVERNMENT POSITIONS THAT MEET THE DEFINITIONS
26 OF "PUBLIC OFFICIAL" AS DEFINED UNDER SUBSECTION (G) OR
27 "EXECUTIVE-LEVEL PUBLIC EMPLOYEE" AS DEFINED UNDER
28 SECTION 3102 (RELATING TO DEFINITIONS).

29 (II) THE OFFICE OF ADMINISTRATION SHALL ASSIST THE
30 STATE ETHICS COMMISSION IN THE DEVELOPMENT OF THE LIST,

1 WHICH LIST SHALL BE PUBLISHED BY THE STATE ETHICS
2 COMMISSION IN THE PENNSYLVANIA BULLETIN BIENNIALY AND
3 POSTED BY THE BOARD ON THE BOARD'S PUBLICLY ACCESSIBLE
4 INTERNET WEBSITE.

5 (III) UPON REQUEST, A PUBLIC OFFICIAL SHALL PROVIDE
6 THE STATE ETHICS COMMISSION WITH ADEQUATE INFORMATION TO
7 ACCURATELY DEVELOP AND MAINTAIN THE LIST.

8 (IV) THE STATE ETHICS COMMISSION MAY IMPOSE A CIVIL
9 PENALTY UNDER 65 PA.C.S. § 1109(F) (RELATING TO
10 PENALTIES) UPON AN INDIVIDUAL, INCLUDING A PUBLIC
11 OFFICIAL OR EXECUTIVE-LEVEL PUBLIC EMPLOYEE, WHO FAILS TO
12 COOPERATE WITH THE STATE ETHICS COMMISSION UNDER THIS
13 SUBSECTION.

14 (V) A PERSON THAT RELIES IN GOOD FAITH ON THE LIST
15 PUBLISHED BY THE STATE ETHICS COMMISSION SHALL NOT BE
16 SUBJECT TO PENALTY FOR A VIOLATION OF THIS SECTION.

17 (G) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
18 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
19 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

20 "APPLICANT." A PERSON APPLYING FOR A MANUFACTURER LICENSE,
21 SUPPLIER LICENSE OR TERMINAL OPERATOR LICENSE UNDER THIS PART.

22 "FINANCIAL INTEREST." OWNING OR HOLDING, OR BEING DEEMED TO
23 HOLD, DEBT OR EQUITY SECURITIES OR OTHER OWNERSHIP INTEREST OR
24 PROFITS INTEREST. A FINANCIAL INTEREST SHALL NOT INCLUDE A DEBT
25 OR EQUITY SECURITY, OR OTHER OWNERSHIP INTEREST OR PROFITS
26 INTEREST, WHICH IS HELD OR DEEMED TO BE HELD IN ANY OF THE
27 FOLLOWING:

28 (1) A BLIND TRUST OVER WHICH THE EXECUTIVE-LEVEL PUBLIC
29 EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY
30 MEMBER THEREOF MAY NOT EXERCISE ANY MANAGERIAL CONTROL OR

1 RECEIVE INCOME DURING THE TENURE OF OFFICE AND THE PERIOD
2 UNDER SUBSECTION (A). THE PROVISIONS OF THIS PARAGRAPH SHALL
3 APPLY ONLY TO BLIND TRUSTS ESTABLISHED PRIOR TO THE EFFECTIVE
4 DATE OF THIS SECTION.

5 (2) SECURITIES THAT ARE HELD IN A PENSION PLAN, PROFIT-
6 SHARING PLAN, INDIVIDUAL RETIREMENT ACCOUNT, TAX-SHELTERED
7 ANNUITY, A PLAN ESTABLISHED PURSUANT TO SECTION 457 OF THE
8 INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. §
9 1 ET SEQ.) OR A SUCCESSOR PROVISION DEFERRED COMPENSATION
10 PLAN WHETHER QUALIFIED OR NOT QUALIFIED UNDER THE INTERNAL
11 REVENUE CODE OF 1986 OR ANY SUCCESSOR PROVISION OR OTHER
12 RETIREMENT PLAN THAT:

13 (I) IS NOT SELF-DIRECTED BY THE INDIVIDUAL; AND

14 (II) IS ADVISED BY AN INDEPENDENT INVESTMENT ADVISER
15 WHO HAS SOLE AUTHORITY TO MAKE INVESTMENT DECISIONS WITH
16 RESPECT TO CONTRIBUTIONS MADE BY THE INDIVIDUAL TO THESE
17 PLANS.

18 (3) A TUITION ACCOUNT PLAN ORGANIZED AND OPERATED UNDER
19 SECTION 529 OF THE INTERNAL REVENUE CODE OF 1986 THAT IS NOT
20 SELF-DIRECTED BY THE INDIVIDUAL.

21 (4) A MUTUAL FUND WHERE THE INTEREST OWNED BY THE MUTUAL
22 FUND IN A LICENSED ENTITY DOES NOT CONSTITUTE A CONTROLLING
23 INTEREST AS DEFINED IN THIS PART.

24 "IMMEDIATE FAMILY." A SPOUSE, MINOR CHILD OR UNEMANCIPATED
25 CHILD.

26 "LICENSEE." A MANUFACTURER LICENSEE, SUPPLIER LICENSEE OR A
27 TERMINAL OPERATOR LICENSEE.

28 "PARTY OFFICER." A MEMBER OF A NATIONAL COMMITTEE; A
29 CHAIRPERSON, VICE CHAIRPERSON, SECRETARY, TREASURER OR COUNSEL
30 OF A STATE COMMITTEE OR MEMBER OF THE EXECUTIVE COMMITTEE OF A

1 STATE COMMITTEE; A COUNTY CHAIRPERSON, VICE CHAIRPERSON,
2 COUNSEL, SECRETARY OR TREASURER OF A COUNTY COMMITTEE IN WHICH A
3 LICENSED FACILITY IS LOCATED; OR A CITY CHAIRPERSON, VICE
4 CHAIRPERSON, COUNSEL, SECRETARY OR TREASURER OF A CITY COMMITTEE
5 OF A CITY IN WHICH A LICENSED FACILITY IS LOCATED.

6 "PUBLIC OFFICIAL." THE TERM SHALL INCLUDE THE FOLLOWING:

7 (1) THE GOVERNOR, LIEUTENANT GOVERNOR, A MEMBER OF THE
8 GOVERNOR'S CABINET, STATE TREASURER, AUDITOR GENERAL AND
9 ATTORNEY GENERAL OF THE COMMONWEALTH.

10 (2) A MEMBER OF THE SENATE OR HOUSE OF REPRESENTATIVES
11 OF THE COMMONWEALTH.

12 (3) AN INDIVIDUAL ELECTED OR APPOINTED TO AN OFFICE OF A
13 COUNTY OR MUNICIPALITY THAT DIRECTLY RECEIVES A DISTRIBUTION
14 OF REVENUE UNDER THIS PART.

15 (4) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT,
16 AGENCY, BOARD, COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL
17 BODY NOT INCLUDED IN PARAGRAPH (1), (2) OR (3) THAT DIRECTLY
18 RECEIVES A DISTRIBUTION OF REVENUE UNDER THIS PART.

19 (5) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT,
20 AGENCY, BOARD, COMMISSION, AUTHORITY, COUNTY, MUNICIPALITY OR
21 OTHER GOVERNMENTAL BODY NOT INCLUDED IN PARAGRAPH (1), (2) OR
22 (3) WITH DISCRETIONARY POWER THAT MAY INFLUENCE OR AFFECT THE
23 OUTCOME OF AN ACTION OR DECISION AND WHO IS INVOLVED IN THE
24 DEVELOPMENT OF REGULATION OR POLICY RELATING TO A LICENSED
25 ENTITY OR IS INVOLVED IN OTHER MATTERS UNDER THIS PART.

26 § 4304. ADDITIONAL RESTRICTIONS.

27 (A) RESTRICTIONS.--

28 (1) NO INDIVIDUAL TROOPER OR EMPLOYEE OF THE
29 PENNSYLVANIA STATE POLICE OR EMPLOYEE OF THE OFFICE OF
30 ATTORNEY GENERAL OR THE DEPARTMENT WHOSE DUTIES SUBSTANTIALLY

1 INVOLVE LICENSING OR ENFORCEMENT, THE DEVELOPMENT OF LAWS OR
2 THE DEVELOPMENT OR ADOPTION OF REGULATIONS OR POLICY RELATED
3 TO GAMING UNDER THIS PART OR WHO HAS OTHER DISCRETIONARY
4 AUTHORITY THAT MAY AFFECT OR INFLUENCE THE OUTCOME OF AN
5 ACTION, PROCEEDING OR DECISION UNDER THIS PART MAY DO ANY OF
6 THE FOLLOWING:

7 (I) ACCEPT EMPLOYMENT WITH OR BE RETAINED BY AN
8 APPLICANT OR LICENSED ENTITY, OR AN AFFILIATE,
9 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN
10 APPLICANT OR LICENSED ENTITY, FOR A PERIOD OF TWO YEARS
11 AFTER THE TERMINATION OF EMPLOYMENT.

12 (II) (A) APPEAR BEFORE THE BOARD IN A HEARING OR
13 PROCEEDING OR PARTICIPATE IN OTHER ACTIVITY ON BEHALF
14 OF AN APPLICANT, LICENSEE OR LICENSED ENTITY, OR AN
15 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
16 COMPANY OF AN APPLICANT, LICENSEE OR LICENSED ENTITY,
17 FOR A PERIOD OF TWO YEARS AFTER TERMINATION OF
18 EMPLOYMENT.

19 (B) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED
20 TO PREVENT A CURRENT OR FORMER TROOPER OR EMPLOYEE OF
21 THE PENNSYLVANIA STATE POLICE, THE OFFICE OF ATTORNEY
22 GENERAL OR THE DEPARTMENT FROM APPEARING BEFORE THE
23 BOARD IN A PROCEEDING OR HEARING AS A WITNESS OR
24 TESTIFYING AS TO A FACT OR INFORMATION.

25 (2) AS A CONDITION OF EMPLOYMENT, A POTENTIAL EMPLOYEE
26 WHO WOULD BE SUBJECT TO THIS SUBSECTION SHALL SIGN AN
27 AFFIDAVIT THAT THE INDIVIDUAL WILL NOT ACCEPT EMPLOYMENT WITH
28 OR BE RETAINED BY AN APPLICANT OR LICENSED ENTITY, OR AN
29 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN
30 APPLICANT OR LICENSED ENTITY, FOR A PERIOD OF TWO YEARS AFTER

1 THE TERMINATION OF EMPLOYMENT.

2 (B) EMPLOYMENT OR RETENTION.--

3 (1) NO APPLICANT OR LICENSED ENTITY OR AN AFFILIATE,
4 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT
5 OR LICENSED ENTITY MAY EMPLOY OR RETAIN AN INDIVIDUAL SUBJECT
6 TO SUBSECTION (A) UNTIL THE EXPIRATION OF THE PERIOD REQUIRED
7 IN SUBSECTION (A) (1) (I).

8 (2) AN APPLICANT OR LICENSED ENTITY, OR AN AFFILIATE,
9 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT
10 OR LICENSED ENTITY, THAT KNOWINGLY EMPLOYS OR RETAINS AN
11 INDIVIDUAL IN VIOLATION OF THIS SUBSECTION SHALL TERMINATE
12 THE EMPLOYMENT OF THE INDIVIDUAL AND BE SUBJECT TO PENALTY
13 UNDER SECTION 1518(C) (RELATING TO PROHIBITED ACTS;
14 PENALTIES).

15 (C) VIOLATION.--IF AN INDIVIDUAL SUBJECT TO SUBSECTION (A)
16 REFUSES OR OTHERWISE FAILS TO SIGN AN AFFIDAVIT, THE
17 INDIVIDUAL'S POTENTIAL EMPLOYER SHALL RESCIND THE OFFER OF
18 EMPLOYMENT.

19 (D) CODE OF CONDUCT.--

20 (1) THE PENNSYLVANIA STATE POLICE, OFFICE OF ATTORNEY
21 GENERAL AND DEPARTMENT EACH SHALL ADOPT A COMPREHENSIVE CODE
22 OF CONDUCT THAT SUPPLEMENTS ALL OTHER REQUIREMENTS UNDER THIS
23 PART AND 65 PA.C.S. PT. II (RELATING TO ACCOUNTABILITY), AS
24 APPLICABLE, AND SHALL PROVIDE GUIDELINES APPLICABLE TO
25 TROOPERS, EMPLOYEES, INDEPENDENT CONTRACTORS OF THE AGENCY
26 WHOSE DUTIES SUBSTANTIALLY INVOLVE LICENSING OR ENFORCEMENT,
27 THE DEVELOPMENT OF LAWS OR THE DEVELOPMENT OR ADOPTION OF
28 REGULATIONS OR POLICY RELATED TO VIDEO GAMING UNDER THIS PART
29 OR WHO HAVE OTHER DISCRETIONARY AUTHORITY THAT MAY AFFECT THE
30 OUTCOME OF AN ACTION, PROCEEDING OR DECISION UNDER THIS PART,

1 AND THE IMMEDIATE FAMILIES OF THESE INDIVIDUALS TO ENABLE
2 THEM TO AVOID A PERCEIVED OR ACTUAL CONFLICT OF INTEREST AND
3 TO PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY AND
4 IMPARTIALITY OF VIDEO GAMING ENFORCEMENT AND REGULATION.

5 (2) AT A MINIMUM, THE CODE OF CONDUCT ADOPTED UNDER THIS
6 SECTION SHALL APPLY THE TYPES OF RESTRICTIONS APPLICABLE TO
7 MEMBERS UNDER SECTION 1202.1(C) (RELATING TO CODE OF
8 CONDUCT), EXCEPT THAT THE RESTRICTIONS UNDER SECTION
9 1202.1(C) (5) SHALL NOT APPLY TO AN ELECTED ATTORNEY GENERAL.

10 (E) STATE ETHICS COMMISSION.--THE STATE ETHICS COMMISSION
11 SHALL DO ALL OF THE FOLLOWING:

12 (1) (I) ISSUE A WRITTEN DETERMINATION OF WHETHER AN
13 INDIVIDUAL IS SUBJECT TO SUBSECTION (A) UPON THE WRITTEN
14 REQUEST OF THE INDIVIDUAL OR THE INDIVIDUAL'S EMPLOYER OR
15 POTENTIAL EMPLOYER.

16 (II) A PERSON THAT RELIES IN GOOD FAITH ON A
17 DETERMINATION MADE UNDER THIS PARAGRAPH SHALL NOT BE
18 SUBJECT TO PENALTY FOR AN ACTION TAKEN, PROVIDED THAT ALL
19 MATERIAL FACTS SPECIFIED IN THE REQUEST FOR THE
20 DETERMINATION ARE CORRECT.

21 (2) (I) PUBLISH A LIST OF ALL POSITIONS WITHIN THE
22 PENNSYLVANIA STATE POLICE, THE OFFICE OF ATTORNEY GENERAL
23 AND THE DEPARTMENT THE DUTIES OF WHICH WOULD SUBJECT THE
24 INDIVIDUALS IN THOSE POSITIONS TO THE PROVISIONS OF
25 SUBSECTION (A).

26 (II) EACH AGENCY SUBJECT TO THIS SUBSECTION SHALL
27 ASSIST THE STATE ETHICS COMMISSION IN THE DEVELOPMENT OF
28 THE LIST, WHICH LIST SHALL BE PUBLISHED BY THE STATE
29 ETHICS COMMISSION IN THE PENNSYLVANIA BULLETIN
30 BIENNIALLY, SHALL BE POSTED BY THE BOARD ON THE BOARD'S

1 PUBLICLY ACCESSIBLE INTERNET WEBSITE AND SHALL BE POSTED
2 BY EACH AGENCY ON THE AGENCY'S PUBLICLY ACCESSIBLE
3 INTERNET WEBSITE.

4 (III) UPON REQUEST BY THE STATE ETHICS COMMISSION,
5 MEMBERS AND EMPLOYEES OF EACH AGENCY SUBJECT TO THIS
6 SUBSECTION SHALL PROVIDE THE STATE ETHICS COMMISSION WITH
7 ADEQUATE INFORMATION TO ACCURATELY DEVELOP AND MAINTAIN
8 THE LIST.

9 (IV) THE STATE ETHICS COMMISSION MAY IMPOSE A CIVIL
10 PENALTY UNDER 65 PA.C.S. § 1109(F) (RELATING TO
11 PENALTIES) UPON AN INDIVIDUAL WHO FAILS TO COOPERATE WITH
12 THE STATE ETHICS COMMISSION UNDER THIS SUBSECTION.

13 (V) A PERSON WHO RELIES IN GOOD FAITH ON THE LIST
14 PUBLISHED BY THE STATE ETHICS COMMISSION SHALL NOT BE
15 SUBJECT TO PENALTY FOR A VIOLATION OF SUBSECTION (A).

16 § 4305. POLITICAL INFLUENCE.

17 (A) CONTRIBUTION RESTRICTION.--THE FOLLOWING PERSONS SHALL
18 BE PROHIBITED FROM CONTRIBUTING MONEY OR AN IN-KIND CONTRIBUTION
19 TO A CANDIDATE FOR NOMINATION OR ELECTION TO A PUBLIC OFFICE IN
20 THIS COMMONWEALTH, TO A POLITICAL PARTY COMMITTEE OR OTHER
21 POLITICAL COMMITTEE IN THIS COMMONWEALTH OR TO A GROUP,
22 COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF A CANDIDATE,
23 POLITICAL PARTY COMMITTEE OR OTHER POLITICAL COMMITTEE IN THIS
24 COMMONWEALTH:

25 (1) AN APPLICANT FOR A TERMINAL OPERATOR LICENSE,
26 MANUFACTURER LICENSE, SUPPLIER LICENSE, PRINCIPAL LICENSE OR
27 A KEY EMPLOYEE LICENSE.

28 (2) A TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE
29 OR SUPPLIER LICENSEE.

30 (3) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF A

1 TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER
2 LICENSEE.

3 (4) AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
4 COMPANY OF A TERMINAL OPERATOR LICENSEE, MANUFACTURER
5 LICENSEE OR SUPPLIER LICENSEE.

6 (5) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF AN
7 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF A
8 TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER
9 LICENSEE.

10 (6) A PERSON WHO HOLDS A SIMILAR VIDEO GAMING LICENSE IN
11 ANOTHER JURISDICTION AND THE AFFILIATES, INTERMEDIARIES,
12 SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS OR KEY EMPLOYEES
13 THEREOF.

14 (B) CONTRIBUTIONS TO CERTAIN ASSOCIATIONS AND ORGANIZATIONS
15 BARRED.--NO INDIVIDUAL PROHIBITED FROM MAKING POLITICAL
16 CONTRIBUTIONS UNDER SUBSECTION (A) MAY MAKE A POLITICAL
17 CONTRIBUTION OF MONEY OR AN IN-KIND CONTRIBUTION TO AN
18 ASSOCIATION OR ORGANIZATION, INCLUDING A NONPROFIT ORGANIZATION,
19 THAT HAS BEEN SOLICITED BY, OR KNOWING THAT THE CONTRIBUTION OR
20 A PORTION THEREOF WILL BE CONTRIBUTED TO, THE ELECTED OFFICIAL,
21 EXECUTIVE-LEVEL PUBLIC EMPLOYEE OR CANDIDATE FOR NOMINATION OR
22 ELECTION TO A PUBLIC OFFICE IN THIS COMMONWEALTH.

23 (C) INTERNET WEBSITE.--

24 (1) THE BOARD SHALL ESTABLISH A PUBLICLY ACCESSIBLE
25 INTERNET WEBSITE THAT INCLUDES A LIST OF ALL APPLICANTS FOR
26 AND HOLDERS OF A TERMINAL OPERATOR LICENSE, MANUFACTURER
27 LICENSE OR SUPPLIER LICENSE AND THE AFFILIATES,
28 INTERMEDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY
29 EMPLOYEES THEREOF, ALL PERSONS HOLDING A SIMILAR VIDEO GAMING
30 LICENSE IN ANOTHER JURISDICTION, AND THE AFFILIATES,

1 INTERMEDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY
2 EMPLOYEES THEREOF, AND OTHER ENTITY IN WHICH THE APPLICANT OR
3 LICENSEE HAS A DEBT OR AN EQUITY SECURITY OR OTHER OWNERSHIP
4 OR PROFITS INTEREST. AN APPLICANT OR LICENSEE SHALL NOTIFY
5 THE BOARD WITHIN SEVEN DAYS OF THE DISCOVERY OF A CHANGE IN
6 OR ADDITION TO THE INFORMATION.

7 (2) NO INDIVIDUAL WHO ACTS IN GOOD FAITH AND IN RELIANCE
8 ON THE INFORMATION ON THE BOARD'S PUBLICLY ACCESSIBLE
9 INTERNET WEBSITE SHALL BE SUBJECT TO PENALTY OR LIABILITY
10 IMPOSED FOR A VIOLATION OF THIS SECTION.

11 (3) THE BOARD SHALL REQUEST THE INFORMATION REQUIRED
12 UNDER PARAGRAPH (1) FROM A PERSON LICENSED IN ANOTHER
13 JURISDICTION WHO DOES NOT HOLD A LICENSE IN THIS COMMONWEALTH
14 AND FROM REGULATORY AGENCIES IN THE OTHER JURISDICTION. IF A
15 PERSON WHO IS A LICENSEE IN ANOTHER JURISDICTION REFUSES TO
16 PROVIDE THE INFORMATION REQUIRED UNDER PARAGRAPH (1), THE
17 PERSON AND ITS OFFICERS, DIRECTORS OR PERSONS WITH A
18 CONTROLLING INTEREST SHALL BE INELIGIBLE TO RECEIVE A LICENSE
19 UNDER THIS PART.

20 (D) ANNUAL CERTIFICATION.--THE CHIEF EXECUTIVE OFFICER, OR
21 OTHER APPROPRIATE INDIVIDUAL, OF EACH APPLICANT FOR A TERMINAL
22 OPERATOR LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE, OR
23 MANUFACTURER LICENSEE, SUPPLIER LICENSEE OR TERMINAL OPERATOR
24 LICENSEE, SHALL ANNUALLY CERTIFY UNDER OATH TO THE BOARD AND THE
25 DEPARTMENT OF STATE THAT THE APPLICANT OR SUPPLIER LICENSEE,
26 MANUFACTURER LICENSEE OR TERMINAL OPERATOR LICENSEE HAS
27 DEVELOPED AND IMPLEMENTED INTERNAL SAFEGUARDS AND POLICIES
28 INTENDED TO PREVENT A VIOLATION OF THIS PROVISION AND THAT THE
29 APPLICANT OR SUPPLIER LICENSEE, MANUFACTURER LICENSEE OR
30 TERMINAL OPERATOR LICENSEE HAS CONDUCTED A GOOD FAITH

1 INVESTIGATION THAT HAS NOT REVEALED A VIOLATION OF THIS
2 SUBSECTION DURING THE PAST YEAR.

3 (E) PENALTIES.--

4 (1) A VIOLATION OF THIS SECTION BY A TERMINAL OPERATOR
5 LICENSEE OR A PERSON THAT HOLDS A CONTROLLING INTEREST IN THE
6 LICENSE, OR A SUBSIDIARY COMPANY THEREOF, OR AN OFFICER,
7 DIRECTOR OR MANAGEMENT-LEVEL EMPLOYEE OF THE LICENSEE SHALL
8 BE PUNISHABLE AS FOLLOWS:

9 (I) A FIRST VIOLATION OF THIS SECTION SHALL BE
10 PUNISHABLE BY A FINE EQUAL TO AN AMOUNT NOT LESS THAN THE
11 AVERAGE SINGLE-DAY GROSS TERMINAL REVENUE OF THE TERMINAL
12 OPERATOR LICENSEE.

13 (II) A SECOND VIOLATION OF THIS SECTION, WITHIN FIVE
14 YEARS OF THE FIRST VIOLATION, SHALL BE PUNISHABLE BY AT
15 LEAST A ONE-DAY SUSPENSION OF THE LICENSE HELD BY THE
16 TERMINAL OPERATOR LICENSEE AND A FINE EQUAL TO AN AMOUNT
17 NOT LESS THAN TWO TIMES THE AVERAGE SINGLE-DAY GROSS
18 TERMINAL REVENUE OF THE TERMINAL OPERATOR LICENSEE.

19 (III) A THIRD VIOLATION OF THIS SECTION WITHIN FIVE
20 YEARS OF THE SECOND VIOLATION SHALL BE PUNISHABLE BY THE
21 IMMEDIATE REVOCATION OF THE LICENSE HELD BY THE TERMINAL
22 OPERATOR LICENSEE.

23 (2) A VIOLATION OF THIS SECTION BY A MANUFACTURER OR
24 SUPPLIER LICENSED UNDER THIS PART OR BY A PERSON THAT HOLDS A
25 CONTROLLING INTEREST IN SUCH MANUFACTURER OR SUPPLIER, OR A
26 SUBSIDIARY COMPANY THEREOF, OR AN OFFICER, A DIRECTOR OR
27 MANAGEMENT-LEVEL EMPLOYEE OF SUCH A LICENSEE SHALL BE
28 PUNISHABLE AS FOLLOWS:

29 (I) A FIRST VIOLATION OF THIS SECTION SHALL BE
30 PUNISHABLE BY A FINE EQUAL TO AN AMOUNT NOT LESS THAN A

1 SINGLE-DAY AVERAGE OF THE GROSS PROFIT FROM SALES MADE BY
2 THE MANUFACTURER OR SUPPLIER IN THIS COMMONWEALTH DURING
3 THE PRECEDING 12-MONTH PERIOD OR PORTION THEREOF IN THE
4 EVENT THE MANUFACTURER OR SUPPLIER HAS NOT OPERATED IN
5 THIS COMMONWEALTH FOR 12 MONTHS.

6 (II) A SECOND OR SUBSEQUENT VIOLATION OF THIS
7 SECTION WITHIN FIVE YEARS OF A PRIOR VIOLATION SHALL BE
8 PUNISHABLE BY A ONE-MONTH SUSPENSION OF THE LICENSE HELD
9 BY THE MANUFACTURER OR SUPPLIER AND A FINE EQUAL TO AN
10 AMOUNT NOT LESS THAN TWO TIMES A SINGLE-DAY AVERAGE OF
11 THE GROSS PROFIT FROM SALES MADE BY THE MANUFACTURER OR
12 SUPPLIER IN THIS COMMONWEALTH DURING THE PRECEDING 12-
13 MONTH PERIOD OR PORTION THEREOF IN THE EVENT THE
14 MANUFACTURER OR SUPPLIER HAS NOT OPERATED IN THIS
15 COMMONWEALTH FOR 12 MONTHS.

16 (3) IN NO EVENT SHALL THE FINE IMPOSED UNDER THIS
17 SECTION BE AN AMOUNT LESS THAN \$100,000 FOR EACH VIOLATION.
18 IN ADDITION TO A FINE OR SANCTION THAT MAY BE IMPOSED BY THE
19 BOARD UNDER THIS SUBSECTION, AN INDIVIDUAL WHO MAKES A
20 CONTRIBUTION IN VIOLATION OF THIS SECTION COMMITS A
21 MISDEMEANOR OF THE THIRD DEGREE.

22 (D) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
23 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
24 SUBSECTION:

25 "CONTRIBUTION." A PAYMENT, GIFT, SUBSCRIPTION, ASSESSMENT,
26 CONTRACT, PAYMENT FOR SERVICES, DUES, LOAN, FORBEARANCE, ADVANCE
27 OR DEPOSIT OF MONEY OR A VALUABLE THING MADE TO A CANDIDATE OR
28 POLITICAL COMMITTEE FOR THE PURPOSE OF INFLUENCING AN ELECTION
29 IN THIS COMMONWEALTH OR FOR PAYING DEBTS INCURRED BY OR FOR A
30 CANDIDATE OR COMMITTEE BEFORE OR AFTER AN ELECTION. THE TERM

1 INCLUDES:

2 (1) THE PURCHASE OF TICKETS FOR EVENTS, INCLUDING
3 DINNERS, LUNCHEONS, RALLIES AND OTHER FUNDRAISING EVENTS.

4 (2) THE GRANTING OF DISCOUNTS OR REBATES NOT AVAILABLE
5 TO THE GENERAL PUBLIC.

6 (3) THE GRANTING OF DISCOUNTS OR REBATES BY TELEVISION
7 AND RADIO STATIONS AND NEWSPAPERS NOT EXTENDED ON AN EQUAL
8 BASIS TO ALL CANDIDATES FOR THE SAME OFFICE.

9 (4) A PAYMENT PROVIDED FOR THE BENEFIT OF A CANDIDATE,
10 INCLUDING PAYMENT FOR THE SERVICES OF A PERSON SERVING AS AN
11 AGENT OF A CANDIDATE OR COMMITTEE BY A PERSON OTHER THAN THE
12 CANDIDATE OR COMMITTEE OR PERSON WHOSE EXPENDITURES THE
13 CANDIDATE OR COMMITTEE MUST REPORT.

14 (5) THE RECEIPT OR USE OF ANYTHING OF VALUE BY A
15 POLITICAL COMMITTEE FROM ANOTHER POLITICAL COMMITTEE AND A
16 RETURN ON INVESTMENTS BY A POLITICAL COMMITTEE.

17 "POLITICAL COMMITTEE." A COMMITTEE, CLUB, ASSOCIATION OR
18 OTHER GROUP OF PERSONS THAT RECEIVES CONTRIBUTIONS OR MAKES
19 EXPENDITURES.

20 CHAPTER 45

21 MISCELLANEOUS PROVISIONS

22 SEC.

23 4501. GAMING SCHOOLS.

24 4502. DECLARATION OF EXEMPTION FROM FEDERAL LAWS PROHIBITING
25 VIDEO GAMING TERMINALS.

26 4503. PREEMPTION OF LOCAL TAXES AND LICENSE FEES.

27 4504. EXCLUSIVE JURISDICTION OF SUPREME COURT.

28 4505. FUNDING.

29 4506. COMMONWEALTH FINANCING AUTHORITY.

30 § 4501. GAMING SCHOOLS.

1 (A) CURRICULUM.--THE DEPARTMENT OF LABOR AND INDUSTRY, IN
2 CONSULTATION WITH THE DEPARTMENT OF EDUCATION AND THE BOARD,
3 SHALL, WITHIN 60 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS
4 SECTION, DEVELOP CURRICULUM GUIDELINES, INCLUDING MINIMUM
5 PROFICIENCY REQUIREMENTS ESTABLISHED BY THE BOARD, FOR GAMING
6 SCHOOL INSTRUCTION RELATED TO VIDEO GAMING TERMINALS. THE
7 GUIDELINES SHALL, AT A MINIMUM, ESTABLISH COURSES OF INSTRUCTION
8 THAT WILL PROVIDE INDIVIDUALS WITH ADEQUATE JOB TRAINING
9 NECESSARY TO OBTAIN EMPLOYMENT AS VIDEO GAMING EMPLOYEES.

10 (B) GAMING EQUIPMENT.--ALL GAMING EQUIPMENT UTILIZED BY A
11 GAMING SCHOOL, INCLUDING VIDEO GAMING AND ASSOCIATED EQUIPMENT
12 AND ALL REPRESENTATIONS OF VALUE, SHALL BE USED FOR TRAINING,
13 INSTRUCTIONAL AND PRACTICE PURPOSES ONLY. THE USE OF THE GAMING
14 EQUIPMENT FOR ACTUAL GAMING BY A PERSON IS PROHIBITED.

15 (C) POSSESSION, REMOVAL AND TRANSPORT OF EQUIPMENT.--NO
16 GAMING SCHOOL SHALL POSSESS, REMOVE OR TRANSPORT, OR CAUSE TO BE
17 REMOVED OR TRANSPORTED, A VIDEO GAMING TERMINAL OR ASSOCIATED
18 EQUIPMENT EXCEPT IN ACCORDANCE WITH THIS PART.

19 (D) SERIAL NUMBERS.--EACH VIDEO GAMING TERMINAL AND
20 ASSOCIATED EQUIPMENT ON THE PREMISES OF A GAMING SCHOOL SHALL
21 HAVE PERMANENTLY AFFIXED ON IT A SERIAL NUMBER THAT, TOGETHER
22 WITH THE LOCATION OF THE VIDEO GAMING TERMINAL, IS FILED WITH
23 THE BOARD.

24 (E) SECURITY.--EACH GAMING SCHOOL SHALL PROVIDE ADEQUATE
25 SECURITY FOR VIDEO GAMING TERMINALS AND ASSOCIATED EQUIPMENT ON
26 THE GAMING SCHOOL PREMISES.

27 (F) NOTICE TO BOARD AND BUREAU.--NO GAMING SCHOOL SHALL SELL
28 OR TRANSFER A VIDEO GAMING TERMINAL OR ASSOCIATED EQUIPMENT
29 EXCEPT UPON PRIOR WRITTEN NOTICE TO THE BOARD AND THE BUREAU.
30 § 4502. DECLARATION OF EXEMPTION FROM FEDERAL LAWS PROHIBITING

1 VIDEO GAMING TERMINALS.

2 (A) DECLARATION.--UNDER THE GAMBLING DEVICES TRANSPORTATION
3 ACT (64 STAT. 1134, 15 U.S.C. § 1171 ET SEQ.), THE COMMONWEALTH
4 DECLARES THAT IT IS EXEMPT FROM SECTION 2 OF THAT ACT.

5 (B) LEGAL SHIPMENTS.--ALL SHIPMENTS OF GAMBLING DEVICES, AS
6 DEFINED IN SECTION 1 OF THE GAMBLING DEVICES TRANSPORTATION ACT,
7 INTO THIS COMMONWEALTH, THE REGISTERING, RECORDING AND LABELING
8 OF WHICH HAS BEEN EFFECTED BY THE MANUFACTURER AND SUPPLIER OF
9 THOSE DEVICES IN ACCORDANCE WITH SECTIONS 3 AND 4 OF THE
10 GAMBLING DEVICES TRANSPORTATION ACT, SHALL BE DEEMED LEGAL
11 SHIPMENTS OF GAMBLING DEVICES INTO THIS COMMONWEALTH.

12 § 4503. PREEMPTION OF LOCAL TAXES AND LICENSE FEES.

13 (A) STATUTES.--VIDEO GAMING TERMINALS SHALL BE EXEMPT FROM
14 TAXES LEVIED UNDER THE FOLLOWING:

15 (1) THE ACT OF AUGUST 5, 1932 (SP.SESS., P.L.45, NO.45),
16 REFERRED TO AS THE STERLING ACT.

17 (2) THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511),
18 KNOWN AS THE LOCAL TAX ENABLING ACT.

19 (3) 53 PA.C.S. PT. III SUBPT. E (RELATING TO HOME RULE
20 AND OPTIONAL PLAN GOVERNMENT)).

21 (4) ANY STATUTE THAT CONFERS TAXING AUTHORITY TO A
22 POLITICAL SUBDIVISION.

23 (B) LICENSING FEES.--VIDEO GAMING TERMINALS ARE EXEMPT FROM
24 LOCAL LICENSING FEES.

25 § 4504. EXCLUSIVE JURISDICTION OF SUPREME COURT.

26 THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE
27 JURISDICTION TO HEAR A CHALLENGE TO OR TO RENDER A DECLARATORY
28 JUDGMENT CONCERNING THE CONSTITUTIONALITY OF THIS PART. THE
29 PENNSYLVANIA SUPREME COURT MAY TAKE SUCH ACTION AS IT DEEMS
30 APPROPRIATE, CONSISTENT WITH THE PENNSYLVANIA SUPREME COURT

1 RETAINING JURISDICTION OVER THE MATTER, TO FIND FACTS OR TO
2 EXPEDITE A FINAL JUDGMENT IN CONNECTION WITH A CHALLENGE OR
3 REQUEST FOR DECLARATORY RELIEF.

4 § 4505. FUNDING.

5 (A) APPROPRIATION.--THE GENERAL ASSEMBLY APPROPRIATES THE
6 FOLLOWING:

7 (1) THE SUM OF \$5,000,000 IS HEREBY APPROPRIATED TO THE
8 BOARD FOR THE FISCAL PERIOD JULY 1, 2017, TO JUNE 30, 2018,
9 TO IMPLEMENT AND ADMINISTER THE PROVISIONS OF THIS PART.

10 (2) THE SUM OF \$3,000,000 IS HEREBY APPROPRIATED FROM
11 THE GENERAL FUND TO THE DEPARTMENT FOR THE FISCAL PERIOD JULY
12 1, 2017, TO JUNE 30, 2018, TO PREPARE FOR, IMPLEMENT AND
13 ADMINISTER THE PROVISIONS OF THIS PART.

14 (3) THE SUM OF \$2,000,000 IS HEREBY APPROPRIATED FROM
15 THE GENERAL FUND TO THE PENNSYLVANIA STATE POLICE FOR THE
16 FISCAL PERIOD JULY 1, 2017, TO JUNE 30, 2018, TO PREPARE FOR,
17 IMPLEMENT AND ADMINISTER THE PROVISIONS OF THIS PART.

18 (B) REPAYMENT REQUIRED.--THE MONEY APPROPRIATED UNDER THIS
19 SECTION SHALL BE REPAID TO THE GENERAL FUND BY TERMINAL OPERATOR
20 LICENSEES ACCORDING TO SUBSECTION (C).

21 (C) REPAYMENT SCHEDULE.--BEGINNING TWO YEARS FROM THE DATE
22 THE BOARD AUTHORIZES THE FIRST VIDEO GAMING TERMINAL TO BE
23 CONNECTED TO THE CENTRAL CONTROL COMPUTER SYSTEM AND IS MADE
24 AVAILABLE FOR PUBLIC USE, THE DEPARTMENT SHALL COLLECT AN
25 ASSESSMENT OF .05% OF GROSS TERMINAL REVENUE ON A BI-MONTHLY
26 BASIS FROM EACH TERMINAL OPERATOR LICENSEE FOR DEPOSIT INTO THE
27 GENERAL FUND. THE DEPARTMENT SHALL CONTINUE TO COLLECT THE
28 ASSESSMENT UNTIL THE AMOUNTS UNDER SUBSECTION (A) ARE REPAID TO
29 THE GENERAL FUND.

30 (D) UNUSED AMOUNTS.--ON JULY 1, 2018, ANY PORTION OF AMOUNTS

1 APPROPRIATED UNDER THIS SECTION THAT ARE UNEXPENDED,
2 UNENCUMBERED OR UNCOMMITTED AS OF JUNE 30 OF THE PRIOR FISCAL
3 YEAR SHALL AUTOMATICALLY BE TRANSFERRED TO THE GENERAL FUND.
4 § 4506. COMMONWEALTH FINANCING AUTHORITY.

5 THE COMMONWEALTH FINANCING AUTHORITY SHALL ESTABLISH
6 ACCOUNTS, ADMINISTER AND DISTRIBUTE THE FUNDS DEPOSITED INTO THE
7 ACCOUNTS AND PERFORM ALL OTHER DUTIES REQUIRED OF IT UNDER THIS
8 PART.

9 SECTION 34. SECTION 5513 OF TITLE 18 IS AMENDED TO READ:

10 § 5513. GAMBLING DEVICES, GAMBLING, ETC.

11 (A) OFFENSE DEFINED.--[A] EXCEPT AS OTHERWISE PROVIDED FOR
12 IN SUBSECTIONS (A.1) AND (A.2), A PERSON IS GUILTY OF A
13 MISDEMEANOR OF THE FIRST DEGREE IF HE:

14 (1) INTENTIONALLY OR KNOWINGLY MAKES, ASSEMBLES, SETS
15 UP, MAINTAINS, SELLS, LENDS, LEASES, GIVES AWAY, OR OFFERS
16 FOR SALE, LOAN, LEASE OR GIFT, ANY PUNCH BOARD, DRAWING
17 CARD[, SLOT MACHINE] OR ANY DEVICE TO BE USED FOR GAMBLING
18 PURPOSES, EXCEPT PLAYING CARDS;

19 (2) ALLOWS PERSONS TO COLLECT AND ASSEMBLE FOR THE
20 PURPOSE OF UNLAWFUL GAMBLING AT ANY PLACE UNDER HIS CONTROL;

21 (3) SOLICITS OR INVITES ANY PERSON TO VISIT ANY UNLAWFUL
22 GAMBLING PLACE FOR THE PURPOSE OF GAMBLING; OR

23 (4) BEING THE OWNER, TENANT, LESSEE OR OCCUPANT OF ANY
24 PREMISES, KNOWINGLY PERMITS OR SUFFERS THE SAME, OR ANY PART
25 THEREOF, TO BE USED FOR THE PURPOSE OF UNLAWFUL GAMBLING.

26 (A.1) ELECTRONIC VIDEO MONITOR.--A PERSON COMMITS A
27 [MISDEMEANOR OF THE FIRST] FELONY OF THE THIRD DEGREE IF HE
28 OWNS, OPERATES, MAINTAINS, PLACES INTO OPERATION OR HAS A
29 FINANCIAL INTEREST IN AN ELECTRONIC VIDEO MONITOR OR BUSINESS
30 THAT OWNS, OPERATES, MAINTAINS OR PLACES INTO OPERATION OR HAS A

1 FINANCIAL INTEREST IN AN ELECTRONIC VIDEO MONITOR:

2 (1) WHICH IS OFFERED OR MADE AVAILABLE TO PERSONS TO
3 PLAY OR PARTICIPATE IN A SIMULATED GAMBLING PROGRAM FOR
4 DIRECT OR INDIRECT CONSIDERATION, INCLUDING CONSIDERATION
5 ASSOCIATED WITH A RELATED PRODUCT, SERVICE OR ACTIVITY; AND

6 (2) FOR WHICH THE PERSON PLAYING THE SIMULATED GAMBLING
7 PROGRAM MAY BECOME ELIGIBLE FOR A CASH OR CASH-EQUIVALENT
8 PRIZE, WHETHER OR NOT THE ELIGIBILITY FOR OR VALUE OF THE
9 CASH OR CASH-EQUIVALENT PRIZE IS DETERMINED BY OR HAS ANY
10 RELATIONSHIP TO THE OUTCOME OF OR PLAY OF THE SIMULATED
11 GAMBLING PROGRAM.

12 (A.2) GAMING MACHINE.--A PERSON COMMITS A FELONY OF THE
13 THIRD DEGREE IF HE OWNS, OPERATES, MAINTAINS, PLACES INTO
14 OPERATION OR HAS A FINANCIAL INTEREST IN A GAMING MACHINE OR
15 BUSINESS THAT OWNS, OPERATES, MAINTAINS OR PLACES INTO
16 OPERATION OR HAS A FINANCIAL INTEREST IN A GAMING MACHINE.

17 (B) CONFISCATION OF GAMBLING DEVICES.--ANY GAMBLING DEVICE
18 OR GAMING MACHINE POSSESSED OR USED IN VIOLATION OF THE
19 PROVISIONS OF [SUBSECTION (A)] SUBSECTIONS (A), (A.1) AND (A.2)
20 OF THIS SECTION SHALL BE SEIZED AND FORFEITED TO THE
21 COMMONWEALTH. ALL PROVISIONS OF LAW RELATING TO THE SEIZURE,
22 SUMMARY AND JUDICIAL FORFEITURE, AND CONDEMNATION OF
23 INTOXICATING LIQUOR SHALL APPLY TO SEIZURES AND FORFEITURES
24 UNDER THE PROVISIONS OF THIS SECTION.

25 (C) ANTIQUE SLOT MACHINES.--

26 (1) [A SLOT MACHINE SHALL BE ESTABLISHED AS AN] AN
27 ANTIQUUE SLOT MACHINE SHALL NOT BE CONSIDERED A GAMING MACHINE
28 OR AN ILLEGAL GAMBLING DEVICE IF THE DEFENDANT SHOWS BY A
29 PREPONDERANCE OF THE EVIDENCE THAT IT WAS MANUFACTURED AT
30 LEAST 25 YEARS BEFORE THE CURRENT YEAR AND THAT IT WAS NOT

1 USED OR ATTEMPTED TO BE USED FOR ANY UNLAWFUL PURPOSES.
2 NOTWITHSTANDING SUBSECTION (B), NO ANTIQUE SLOT MACHINE
3 SEIZED FROM ANY DEFENDANT SHALL BE DESTROYED OR OTHERWISE
4 ALTERED UNTIL THE DEFENDANT IS GIVEN AN OPPORTUNITY TO
5 ESTABLISH THAT THE SLOT MACHINE IS AN ANTIQUE SLOT MACHINE.
6 AFTER A FINAL COURT DETERMINATION THAT THE SLOT MACHINE IS AN
7 ANTIQUUE SLOT MACHINE, THE SLOT MACHINE SHALL BE RETURNED
8 PURSUANT TO THE PROVISIONS OF LAW PROVIDING FOR THE RETURN OF
9 PROPERTY; OTHERWISE, THE SLOT MACHINE SHALL BE DESTROYED.

10 (2) IT IS THE PURPOSE OF THIS SUBSECTION TO PROTECT THE
11 COLLECTION AND RESTORATION OF ANTIQUE SLOT MACHINES NOT
12 PRESENTLY UTILIZED FOR GAMBLING PURPOSES.

13 (D) SHIPBUILDING BUSINESS.--NOTWITHSTANDING ANY OTHER
14 PROVISIONS OF THIS SECTION, A PERSON MAY CONSTRUCT, DELIVER,
15 CONVERT OR REPAIR A VESSEL THAT IS EQUIPPED WITH GAMBLING
16 DEVICES IF ALL OF THE FOLLOWING CONDITIONS ARE SATISFIED:

17 (1) THE WORK PERFORMED ON THE VESSEL IS ORDERED BY A
18 CUSTOMER WHO USES OR POSSESSES THE VESSEL OUTSIDE OF THIS
19 COMMONWEALTH IN A LOCALITY WHERE THE USE OR POSSESSION OF THE
20 GAMBLING DEVICES ON THE VESSEL IS LAWFUL.

21 (2) THE WORK PERFORMED ON THE VESSEL THAT IS EQUIPPED
22 WITH GAMBLING DEVICES IS PERFORMED AT A SHIPBUILDING OR
23 REPAIR YARD LOCATED WITHIN A PORT FACILITY UNDER THE
24 JURISDICTION OF ANY PORT AUTHORITY ORGANIZED UNDER THE ACT OF
25 DECEMBER 6, 1972 (P.L.1392, NO.298), KNOWN AS THE THIRD CLASS
26 CITY PORT AUTHORITY ACT.

27 (3) THE PERSON PROVIDES THE OFFICE OF ATTORNEY GENERAL,
28 PRIOR TO THE IMPORTATION OF THE GAMBLING DEVICES INTO THIS
29 COMMONWEALTH, RECORDS THAT ACCOUNT FOR THE GAMBLING DEVICES,
30 INCLUDING THE IDENTIFICATION NUMBER AFFIXED TO EACH GAMBLING

1 DEVICE BY THE MANUFACTURER, AND THAT IDENTIFY THE LOCATION
2 WHERE THE GAMBLING DEVICES WILL BE STORED PRIOR TO THE
3 INSTALLATION OF THE GAMBLING DEVICES ON THE VESSEL.

4 (4) THE PERSON STORES THE GAMBLING DEVICES AT A SECURED
5 LOCATION AND PERMITS ANY PERSON AUTHORIZED TO ENFORCE THE
6 GAMBLING LAWS TO INSPECT THE LOCATION WHERE THE GAMBLING
7 DEVICES ARE STORED AND RECORDS RELATING TO THE STORAGE OF THE
8 GAMBLING DEVICES.

9 (5) IF THE PERSON REMOVES USED GAMBLING DEVICES FROM A
10 VESSEL, THE PERSON SHALL PROVIDE THE OFFICE OF ATTORNEY
11 GENERAL OF PENNSYLVANIA WITH AN INVENTORY OF THE USED
12 GAMBLING DEVICES PRIOR TO THEIR REMOVAL FROM THE VESSEL. THE
13 INVENTORY SHALL INCLUDE THE IDENTIFICATION NUMBER AFFIXED TO
14 EACH GAMBLING DEVICE BY THE MANUFACTURER.

15 (6) THE PERSON SUBMITS DOCUMENTATION TO THE OFFICE OF
16 ATTORNEY GENERAL OF PENNSYLVANIA NO LATER THAN 30 DAYS AFTER
17 THE DATE OF DELIVERY THAT THE VESSEL EQUIPPED WITH GAMBLING
18 DEVICES HAS BEEN DELIVERED TO THE CUSTOMER WHO ORDERED THE
19 WORK PERFORMED ON THE VESSEL.

20 (7) THE PERSON DOES NOT SELL A GAMBLING DEVICE TO ANY
21 OTHER PERSON EXCEPT TO A CUSTOMER WHO SHALL USE OR POSSESS
22 THE GAMBLING DEVICE OUTSIDE OF THIS COMMONWEALTH IN A
23 LOCALITY WHERE THE USE OR POSSESSION OF THE GAMBLING DEVICE
24 IS LAWFUL. IF A PERSON SELLS A GAMBLING DEVICE TO SUCH A
25 CUSTOMER, THE PERSON SHALL SUBMIT DOCUMENTATION TO THE OFFICE
26 OF ATTORNEY GENERAL OF PENNSYLVANIA NO LATER THAN 30 DAYS
27 AFTER THE DATE OF DELIVERY THAT THE GAMBLING DEVICE HAS BEEN
28 DELIVERED TO THE CUSTOMER.

29 (E) PENALTY.--ANY PERSON WHO FAILS TO PROVIDE RECORDS AS
30 PROVIDED IN SUBSECTION (D) COMMITS A SUMMARY OFFENSE.

(E.1) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
CONSTRUED TO PROHIBIT ANY ACTIVITY THAT IS LAWFULLY CONDUCTED
UNDER ANY OF THE FOLLOWING:

(1) THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN
AS THE STATE LOTTERY LAW.

(2) THE ACT OF JULY 10, 1981 (P.L.214, NO.67), KNOWN AS
THE BINGO LAW.

(3) THE ACT OF DECEMBER 19, 1988 (P.L.1262, NO.156),
KNOWN AS THE LOCAL OPTION SMALL GAMES OF CHANCE ACT.

(4) 4 PA.C.S. (RELATING TO AMUSEMENTS).

(F) DEFINITIONS.--THE FOLLOWING WORDS AND PHRASES WHEN USED
IN THIS SECTION SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"CONSIDERATION ASSOCIATED WITH A RELATED PRODUCT, SERVICE OR
ACTIVITY." MONEY OR OTHER VALUE COLLECTED FOR A PRODUCT,
SERVICE OR ACTIVITY WHICH IS OFFERED IN ANY DIRECT OR INDIRECT
RELATIONSHIP TO PLAYING OR PARTICIPATING IN THE SIMULATED
GAMBLING PROGRAM. THE TERM INCLUDES CONSIDERATION PAID FOR
COMPUTER TIME, INTERNET TIME, TELEPHONE CALLING CARDS AND A
SWEEPSTAKES ENTRY.

"ELECTRONIC VIDEO MONITOR." AN ELECTRONIC DEVICE CAPABLE OF
SHOWING MOVING OR STILL IMAGES.

"GAMING MACHINE." AN ELECTRONIC OR MECHANICAL DEVICE OR GAME
THAT DIRECTLY OR INDIRECTLY REQUIRES CONSIDERATION TO PLAY, HAS
THE OUTCOME OF PLAY DETERMINED PRIMARILY BY CHANCE AND REWARDS A
PLAYER CASH, PRIZE OR ANYTHING OF VALUE. THE TERM INCLUDES A
VIDEO GAMING TERMINAL AS DEFINED IN 4 PA.C.S. § 3102 (RELATING
TO DEFINITIONS) THAT DOES NOT CONTAIN AN IRREMOVABLE
IDENTIFICATION PLATE AS SPECIFIED IN 4 PA.C.S. § 3701 (RELATING
TO TESTING AND CERTIFICATION OF TERMINALS).

1 "SIMULATED GAMBLING PROGRAM." ANY METHOD INTENDED TO BE USED
2 BY A PERSON INTERACTING WITH AN ELECTRONIC VIDEO MONITOR IN A
3 BUSINESS ESTABLISHMENT THAT DIRECTLY OR INDIRECTLY IMPLEMENTS
4 THE PREDETERMINATION OF SWEEPSTAKES CASH OR CASH-EQUIVALENT
5 PRIZES OR OTHERWISE CONNECTS THE SWEEPSTAKES PLAYER OR
6 PARTICIPANT WITH THE CASH OR CASH-EQUIVALENT PRIZE.

7 SECTION 35. NO PERSON MAY BE CHARGED WITH A VIOLATION OF 18
8 PA.C.S. § 5513 INVOLVING A GAMBLING DEVICE OR GAMING MACHINE IF
9 THE PERSON SURRENDERS THE GAMBLING DEVICE OR GAMING MACHINE TO
10 THE PENNSYLVANIA STATE POLICE WITHIN 60 DAYS OF THE EFFECTIVE
11 DATE OF THIS SECTION.

12 SECTION 36. LICENSED GAMING ENTITIES REQUIRED TO MAKE
13 PAYMENTS UNDER 4 PA.C.S. § 1326.1 SHALL:

14 (1) RECEIVE A CREDIT AGAINST PAYMENTS DUE IN CALENDAR
15 YEAR 2017 FOR ANY PAYMENTS MADE UP TO THE DATE THE FIRST
16 PAYMENT IS DUE UNDER PARAGRAPH (2) UNDER THE FOLLOWING:

17 (I) 4 PA.C.S. § 1403(C)(3)(I), (II), (III), (III.1),
18 (IV), (V), (VI) AND (VII) AND 4(I) AND (II), FORMERLY (3)
19 (VIII) (A) AND (B), AS THOSE PROVISIONS WERE IN EXISTENCE
20 PRIOR TO THE EFFECTIVE DATE OF THE REENACTMENT AND
21 AMENDMENT OF 4 PA.C.S. § 1403;

22 (II) ANY WRITTEN AGREEMENT BETWEEN A MUNICIPALITY
23 AND A LICENSED GAMING ENTITY REQUIRED TO MAKE PAYMENTS
24 UNDER 4 PA.C.S. § 1326.1 ENTERED INTO PRIOR TO THE
25 EFFECTIVE DATE OF THIS SECTION THAT RELATES TO THE
26 PAYMENTS REQUIRED UNDER 4 PA.C.S. § 1403(C)(3)(I), (II),
27 (III), (III.1), (IV), (V), (VI) AND (VII) AND 4(I) AND
28 (II), FORMERLY (3) (VIII) (A) AND (B), AS THOSE PROVISIONS
29 EXISTED PRIOR TO THE EFFECTIVE DATE OF THE AMENDMENT OF 4
30 PA.C.S. § 1403; OR

(III) ANY WRITTEN AGREEMENT BETWEEN A COUNTY AND A LICENSED GAMING ENTITY REQUIRED TO MAKE PAYMENTS PRIOR TO THE EFFECTIVE DATE OF THIS SECTION UNDER THE PROVISIONS OF 4 PA.C.S. § 1403(C)(2), AS THOSE PROVISIONS EXISTED PRIOR TO THE EFFECTIVE DATE OF THE AMENDMENT OF 4 PA.C.S. § 1403; AND

(2) COMMENCE THE PAYMENTS DUE UNDER THIS SECTION THE FIRST DAY OF THE FIRST CALENDAR MONTH FOLLOWING THE EFFECTIVE DATE OF THIS SECTION.

SECTION 37. THIS ACT SHALL APPLY AS FOLLOWS:

(1) THE FOLLOWING PROVISIONS SHALL APPLY RETROACTIVELY TO JANUARY 1, 2017:

(I) THE ADDITION OF 4 PA.C.S. § 1326.1.

(II) THE AMENDMENT OF 4 PA.C.S. § 13A63(B)(3)(III) (A) AND (C).

(III) THE REENACTMENT AND AMENDMENT OF 4 PA.C.S. § 1403, EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SECTION.

(IV) SECTION 36 OF THIS ACT.

(2) THE REENACTMENT AND AMENDMENT OF 4 PA.C.S. § 1403(C)(2) SHALL APPLY RETROACTIVELY TO MAY 27, 2017.

SECTION 38. REPEALS ARE AS FOLLOWS:

(1) THE GENERAL ASSEMBLY FINDS THAT THE REPEAL UNDER PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE AMENDMENT OF 4 PA.C.S. § 1307(A).

(2) SECTION 21(2) OF THE ACT OF JANUARY 7, 2010 (P.L.1, NO.1), IS REPEALED.

(3) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER PARAGRAPH (4) IS NECESSARY TO EFFECTUATE THE ADDITION OF 4 PA.C.S. § 1403(C)(2)(I)(D)(I.2) AND (I.3).

1 (4) SECTION 1753-E OF THE ACT OF APRIL 9, 1929 (P.L.343,
2 NO.176), KNOWN AS THE FISCAL CODE, IS REPEALED.

3 (5) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
4 PARAGRAPH (6) IS NECESSARY TO EFFECTUATE THE ADDITION OF 4
5 PA.C.S. § 1521.1.

6 (6) SECTION 416 OF THE ACT OF APRIL 12, 1951 (P.L.90,
7 NO.21), KNOWN AS THE LIQUOR CODE.

8 SECTION 39. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

9 (1) THE AMENDMENT OR ADDITION OF 4 PA.C.S. CHS. 5 AND
10 13C AND 4 PA.C.S. § 1509 SHALL TAKE EFFECT IN 60 DAYS.

11 (2) THE ADDITION OF 4 PA.C.S. CH. 3 SHALL TAKE EFFECT IN
12 180 DAYS.

13 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
14 IMMEDIATELY.