

## AMENDMENTS TO SENATE BILL NO. 711

Sponsor: REPRESENTATIVE TURZAI

Printer's No. 1468

1 Amend Bill, page 112, line 19, by striking out "1313(C)" and  
2 inserting

3 1313

4 Amend Bill, page 114, line 24, by striking out all of said  
5 line and inserting

6 (a) Applicant financial information.--[The board shall  
7 require each] Each applicant for a slot machine license shall be  
8 required to produce [the] information, documentation and  
9 assurances concerning financial background and resources [as the  
10 board deems necessary to establish by clear and convincing  
11 evidence] and provide it to the bureau. The information,  
12 documentation and assurance must be sufficient to allow the  
13 board to determine if the applicant has established, by clear  
14 and convincing evidence, the financial stability, integrity and  
15 responsibility of the applicant, its affiliate, intermediary,  
16 subsidiary or holding company, including, but not limited to,  
17 bank references, business and personal income and disbursement  
18 schedules, tax returns and other reports filed with governmental  
19 agencies, and business and personal accounting and check records  
20 and ledgers. In addition, each applicant shall in writing  
21 authorize the examination of all bank accounts and records as  
22 may be deemed necessary by the board.

23 (a.1) Minimum financial standard.--Each applicant shall be  
24 required to demonstrate to the board and to the bureau that no  
25 more than 66.6% of the operating funds consists of borrowed  
26 funds. For the purposes of this subsection, the term "operating  
27 funds" shall be defined to include the aggregate of all funds  
28 necessary to:

29 (1) purchase, construct, renovate or develop a licensed  
30 facility; and

31 (2) operate the licensed facility for one year.

32 (b) Financial backer information.--[The board shall require  
33 each] Each applicant for a slot machine license shall be  
34 required to produce and provide to the bureau the information,  
35 documentation and assurances as may be necessary to establish by  
36 clear and convincing evidence the integrity of all financial

1 backers, investors, mortgagees, bondholders and holders of  
2 indentures, notes or other evidences of indebtedness, either in  
3 effect or proposed. Any such banking or lending institution and  
4 institutional investors may be waived from the qualification  
5 requirements by the board in consultation with the bureau. A  
6 banking or lending institution or institutional investor shall,  
7 however, produce for the board upon request any document or  
8 information which bears any relation to the proposal submitted  
9 by the applicant or applicants. The integrity of the financial  
10 sources shall be judged upon the same standards as the  
11 applicant. Any such person or entity shall produce for the board  
12 upon request any document or information which bears any  
13 relation to the application. In addition, the applicant shall  
14 produce [whatever] any information, documentation or assurances  
15 [the board requires to establish] needed to allow the board to  
16 determine if the applicant has established, by clear and  
17 convincing evidence, the adequacy of financial resources.

18 Amend Bill, page 114, line 27, by inserting a bracket before  
19 "POST"

20 Amend Bill, page 114, line 28, by inserting a bracket after  
21 "to"

22 Amend Bill, page 115, line 3, by inserting a bracket before  
23 "POST"

24 Amend Bill, page 115, line 4, by inserting a bracket after  
25 "TO" where it occurs the first time

26 Amend Bill, page 115, line 11, by striking out all of said  
27 line

28 Amend Bill, page 115, line 15, by striking out all of said  
29 line and inserting

30 (d) Applicant's business experience.--The board shall  
31 require each applicant for a slot machine license to produce the  
32 information, documentation and assurances as the board may  
33 require to establish by clear and convincing evidence that the  
34 applicant has sufficient business ability and experience to  
35 create and maintain a successful, efficient operation.  
36 Applicants shall produce the names of all proposed key employees  
37 and a description of their respective or proposed  
38 responsibilities as they become known.

39 (e) Applicant's operational viability.--In assessing the

1 financial viability of the proposed licensed facility, the board  
2 shall make a finding, after review of the application, that the  
3 applicant is likely to maintain a financially successful, viable  
4 and efficient business operation and will likely be able to  
5 maintain a steady level of growth of revenue to the Commonwealth  
6 pursuant to section 1403 (relating to establishment of State  
7 Gaming Fund and net slot machine revenue distribution).  
8 Notwithstanding any provision of this part to the contrary, an  
9 applicant that includes a commitment or promise to pay a slot  
10 machine license fee in excess of the amount provided in section  
11 1209 or a distribution of terminal revenue in excess of the  
12 amounts provided in sections 1403, 1405 (relating to  
13 Pennsylvania Race Horse Development Fund) and 1407 (relating to  
14 Pennsylvania Gaming Economic Development and Tourism Fund) shall  
15 not be deemed a financially successful, viable or efficient  
16 business operation and shall not be approved for a slot machine  
17 license.

18 (f) Additional information.--In addition to other  
19 information required by this part, a person applying for a slot  
20 machine license shall provide the following information:

21 (1) The organization, financial structure and nature of  
22 all businesses operated by the person, including any  
23 affiliate, intermediary, subsidiary or holding companies, the  
24 names and personal employment and criminal histories of all  
25 officers, directors and key employees of the corporation; the  
26 names of all holding, intermediary, affiliate and subsidiary  
27 companies of the corporation; and the organization, financial  
28 structure and nature of all businesses operated by such  
29 holding, intermediary and subsidiary companies as the board  
30 may require, including names and personal employment and  
31 criminal histories of such officers, directors and principal  
32 employees of such corporations and companies as the board may  
33 require.

34 (2) The extent of securities held in the corporation by  
35 all officers, directors and underwriters and their  
36 remuneration in the form of salary, wages, fees or otherwise.

37 (3) Copies of all management and service contracts.