

## AMENDMENTS TO HOUSE BILL NO. 2150

Sponsor: REPRESENTATIVE REED

Printer's No. 3531

1 Amend Bill, page 1, lines 1 through 18; page 2, lines 1  
2 through 15; by striking out all of said lines on said pages and  
3 inserting  
4 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
5 Statutes, providing for fantasy contests; in general  
6 provisions, further providing for legislative intent and for  
7 definitions; providing for video gaming; in Pennsylvania  
8 Gaming Control Board, further providing for general and  
9 specific powers, for licensed gaming entity application  
10 appeals from board, for board minutes and records, for  
11 regulatory authority of board, for slot machine license fee,  
12 for reports of board and for diversity goals of board; in  
13 licensees, further providing for Category 3 slot machine  
14 license, for slot machine license application, for supplier  
15 licenses and for manufacturer licenses, providing for  
16 nongaming service provider and further providing for slot  
17 machine testing and certification standards and for license  
18 renewals; in table games, further providing for authorization  
19 to conduct table games, for table game tournaments, for other  
20 financial transactions, for table game device and associated  
21 equipment testing and certification standards, for table game  
22 authorization fee and for local share assessment; providing  
23 for interactive gaming, for slot machines at nonprimary  
24 locations, for slot machines in qualified airports, for  
25 casino simulcasting and for sports wagering; in revenues,  
26 further providing for establishment of State Gaming Fund and  
27 net slot machine revenue distribution, for Pennsylvania Race  
28 Horse Development Fund and for Pennsylvania Gaming Economic  
29 Development and Tourism Fund and establishing the Public  
30 School Employees' Retirement Contribution Fund; in  
31 administration and enforcement, further providing for  
32 responsibility and authority of the Department of Revenue and  
33 for compulsive and problem gambling program, providing for  
34 child endangerment protection, further providing for  
35 financial and employment interests, for political influence,  
36 for regulation requiring exclusion or ejection of certain  
37 persons, for repeat offenders excludable from licensed gaming

1 facility, for list of persons self excluded from gaming  
2 activities, for investigations and enforcement and for  
3 prohibited acts and penalties; in miscellaneous provisions,  
4 further providing for appropriations; making an editorial  
5 change; and making a related repeal.

6 Amend Bill, page 2, lines 18 through 30; pages 3 through 35,  
7 lines 1 through 30; page 36, lines 1 through 8; by striking out  
8 all of said lines on said pages and inserting

9 Section 1. Title 4 of the Pennsylvania Consolidated Statutes  
10 is amended by adding a part to read:

11 PART I

12 AMUSEMENTS GENERALLY

13 Chapter

14 1. Preliminary Provisions (Reserved)

15 3. Fantasy Contests

16 CHAPTER 1

17 PRELIMINARY PROVISIONS

18 (Reserved)

19 CHAPTER 3

20 FANTASY CONTESTS

21 Subchapter

22 A. General Provisions

23 B. Administration

24 C. Licensure

25 D. Fiscal Provisions

26 E. Miscellaneous Provisions

27 SUBCHAPTER A

28 GENERAL PROVISIONS

29 Sec.

30 301. Scope.

31 302. Definitions.

32 § 301. Scope.

33 This chapter relates to fantasy contests.

34 § 302. Definitions.

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

38 "Board." The Pennsylvania Gaming Control Board.

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

42 "Controlling interest." Either of the following:

43 (1) For a publicly traded domestic or foreign  
44 corporation, a controlling interest is an interest in an  
45 applicant for a fantasy contest license or a licensed  
46 operator if a person's sole voting rights under State law or  
47 corporate articles or bylaws entitle the person to elect or  
48 appoint one or more of the members of the board of directors

1 or other governing board or the ownership or beneficial  
2 holding of 5% or more of the securities of the publicly  
3 traded corporation, partnership, limited liability company or  
4 other form of publicly traded legal entity, unless this  
5 presumption of control or ability to elect is rebutted by  
6 clear and convincing evidence.

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

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

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

17 "Fantasy contest." An online fantasy or simulated game or  
18 contest with an entry fee and a prize or award in which:

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

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

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

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

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

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

42 "Fantasy contest terminal." A physical, land-based  
43 computerized or electronic terminal or similar device that  
44 allows participants to:

45 (1) register for a fantasy contest account;

46 (2) pay an entry fee;

47 (3) select an imaginary team;

48 (4) receive winnings; or

49 (5) otherwise participate in a fantasy contest.

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

1 play.  
2 "Gaming service provider." As defined in section 1103  
3 (relating to definitions).  
4 "In-State participant." An individual who participates in a  
5 fantasy contest conducted by a licensed operator and pays a fee  
6 to a licensed operator from a location within this Commonwealth.  
7 The term includes an individual who pays an entry fee through a  
8 fantasy contest terminal within a licensed facility.  
9 "In-State percentage." For each fantasy contest, the  
10 percentage, rounded to the nearest tenth of a percent, equal to  
11 the total entry fees collected from all in-State participants  
12 divided by the total entry fees collected from all participants  
13 in the fantasy contest.  
14 "Key employee." An individual who is employed by an  
15 applicant for a fantasy contest license or a licensed operator  
16 in a director or department head capacity and who is empowered  
17 to make discretionary decisions that regulate fantasy contest  
18 operations as determined by the board.  
19 "Licensed entity representative." A person, including an  
20 attorney, agent or lobbyist, acting on behalf of or authorized  
21 to represent the interest of an applicant, licensee or other  
22 person authorized by the board to engage in an act or activity  
23 which is regulated under this chapter regarding a matter before,  
24 or which may be reasonably be expected to come before, the  
25 board.  
26 "Licensed facility." As defined in section 1103 (relating to  
27 definitions).  
28 "Licensed gaming entity." As defined in section 1103  
29 (relating to definitions).  
30 "Licensed operator." A person who holds a fantasy contest  
31 license.  
32 "Participant." An individual who participates in a fantasy  
33 contest, whether the individual is located in this Commonwealth  
34 or another jurisdiction.  
35 "Person." A natural person, corporation, publicly traded  
36 corporation, foundation, organization, business trust, estate,  
37 limited liability company, licensed corporation, trust,  
38 partnership, limited liability partnership, association or any  
39 other form of legal business entity.  
40 "Principal." An officer, director, person who directly holds  
41 a beneficial interest in or ownership of the securities of an  
42 applicant for a fantasy contest license or a licensed operator,  
43 person who has a controlling interest in an applicant for a  
44 fantasy contest license or a licensed operator or who has the  
45 ability to elect a majority of the board of directors of a  
46 licensed operator or to otherwise control a licensed operator,  
47 lender or other licensed financial institution of an applicant  
48 for a fantasy contest license or a licensed operator, other than  
49 a bank or lending institution which makes a loan or holds a  
50 mortgage or other lien acquired in the ordinary course of  
51 business, underwriter of an applicant for a fantasy contest

1 license or a licensed operator or other person or employee of an  
2 applicant for a fantasy contest license or a licensed operator  
3 deemed to be a principal by the board.

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

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

8 (1) has a class or series of securities registered under  
9 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
10 § 78a et seq.);

11 (2) is a registered management company under the  
12 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §  
13 80a-1 et seq.); or

14 (3) is subject to the reporting obligations imposed by  
15 section 15(d) of the Securities Exchange Act of 1934 by  
16 reason of having filed a registration statement that has  
17 become effective under the Securities Act of 1933 (48 Stat.  
18 74, 15 U.S.C. § 77a et seq.).

19 "Script." A list of commands that a fantasy-contest-related  
20 computer program can execute that is created by a participant or  
21 third party not approved by the licensed operator to automate  
22 processes on a licensed operator's fantasy contest platform.

23 SUBCHAPTER B  
24 ADMINISTRATION

25 Sec.

26 311. General and specific powers of board.

27 312. Temporary regulations.

28 313. Fantasy contest license appeals.

29 314. Board minutes and records.

30 315. Reports of board.

31 § 311. General and specific powers of board.

32 (a) General powers.--

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

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

43 (b) Specific powers.--The board shall have the following  
44 powers:

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

47 (2) At the board's discretion, to suspend, condition or  
48 deny the issuance or renewal of a license or levy fines for  
49 any violation of this chapter.

50 (3) To publish each January on the board's publicly  
51 accessible Internet website a complete list of all persons

1 who applied for or held a fantasy contest license at any time  
2 during the preceding calendar year and the status of the  
3 application or fantasy contest license.

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

13 (5) In the event that, in any year, appropriations for  
14 the administration of this chapter are not enacted by June  
15 30, any funds appropriated for the administration of this  
16 chapter which are unexpended, uncommitted and unencumbered at  
17 the end of a fiscal year shall remain available for  
18 expenditure by the board until the enactment of appropriation  
19 for the ensuing fiscal year.

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

27 (7) To administer oaths, examine witnesses and issue  
28 subpoenas compelling the attendance of witnesses or the  
29 production of documents and records or other evidence or to  
30 designate officers or employees to perform duties required by  
31 this chapter.

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

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

39 (10) To require licensed operators to:

40 (i) annually contract with a certified public  
41 accountant to conduct an independent audit in accordance  
42 with standards adopted by the American Institute of  
43 Certified Public Accountants to verify compliance with  
44 the provisions of this chapter and board regulations;

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

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

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

7           (12) At the board's discretion, to permit the placement  
8 and operation of fantasy contest terminals within licensed  
9 facilities and to ensure the integrity of fantasy contest  
10 terminals.

11 (b.1) Licensed entity representative.--

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

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

22           (3) The board shall maintain a list of licensed entity  
23 representatives which shall contain the information required  
24 under paragraph (1) and shall be available for public  
25 inspection at the offices of the board and on the board's  
26 publicly accessible Internet website.

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

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

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

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

38 § 312. Temporary regulations.

39           (a) Promulgation.--In order to facilitate the prompt  
40 implementation of this chapter, regulations promulgated by the  
41 board shall be deemed temporary regulations and shall expire no  
42 later than two years following the effective date of this  
43 section. The board may promulgate temporary regulations not  
44 subject to:

45           (1) Sections 201, 202 and 203 of the act of July 31,  
46 1968 (P.L.769, No.240), referred to as the Commonwealth  
47 Documents Law.

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

50           (b) Expiration.-- Except for temporary regulations  
51 concerning network connectivity, security and testing and

1 compulsive and problem play, the authority provided to the board  
2 to adopt temporary regulations in subsection (a) shall expire no  
3 later than two years following the effective date of this  
4 section. Regulations adopted after this period shall be  
5 promulgated as provided by law.

6 § 313. Fantasy contest license appeals.

7 An applicant may appeal any final order, determination or  
8 decision of the board involving the approval, issuance, denial,  
9 revocation or conditioning of a fantasy contest license in  
10 accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice  
11 and procedure of Commonwealth agencies) and 7 Subch. A (relating  
12 to judicial review of Commonwealth agency action).

13 § 314. Board minutes and records.

14 (a) Record of proceedings.--The board shall maintain a  
15 record of all proceedings held at public meetings of the board.  
16 The verbatim transcript of the proceedings shall be the property  
17 of the board and shall be prepared by the board upon the request  
18 of any board member or upon the request of any other person and  
19 the payment by that person of the costs of preparation.

20 (b) Applicant information.--

21 (1) The board shall maintain a list of all applicants  
22 for a fantasy contest license. The list shall include a  
23 record of all actions taken with respect to each applicant.  
24 The list shall be open to public inspection during the normal  
25 business hours of the board.

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

30 (c) Other files and records.--The board shall maintain such  
31 other files and records as it may deem appropriate.

32 (d) Confidentiality of information.--

33 (1) The following information submitted by an applicant  
34 for a fantasy contest license under section 322 (relating to  
35 application) or otherwise obtained by the board as part of a  
36 background or other investigation from any source shall be  
37 confidential and withheld from public disclosure:

38 (i) All information relating to character, honesty  
39 and integrity, including family, habits, reputation,  
40 history of criminal activity, business activities,  
41 financial affairs and business, professional and personal  
42 associations.

43 (ii) Nonpublic personal information, including home  
44 addresses, telephone numbers and other personal contact  
45 information, Social Security numbers, educational  
46 records, memberships, medical records, tax returns and  
47 declarations, actual or proposed compensation, financial  
48 account records, creditworthiness or financial condition  
49 relating to an applicant.

50 (iii) Information relating to proprietary  
51 information, trade secrets, patents or exclusive



1 licenses, architectural and engineering plans and  
2 information relating to competitive marketing materials  
3 and strategies that may include customer-identifying  
4 information or customer prospects for services subject to  
5 competition.

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

11 (v) Records of an applicant for a fantasy contest  
12 license or a licensed operator not required to be filed  
13 with the Securities and Exchange Commission by issuers  
14 that either have securities registered under section 12  
15 of the Securities Exchange Act of 1934 (48 Stat. 881, 15  
16 U.S.C. § 781) or are required to file reports under  
17 section 15(d) of the Securities Exchange Act of 1934 (48  
18 Stat. 881, 15 U.S.C. § 78o)

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

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

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

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

35 (4) The information made confidential under this section  
36 shall be withheld from public disclosure, in whole or in  
37 part, except that any confidential information shall be  
38 released upon the order of a court of competent jurisdiction  
39 or, with the approval of the Attorney General, to a duly  
40 authorized law enforcement agency or shall be released to the  
41 public, in whole or in part, to the extent that such release  
42 is requested by an applicant for a fantasy contest license or  
43 licensed operator and does not otherwise contain confidential  
44 information about another person.

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

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

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

10 § 315. Reports of board.

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

14 (1) Total fantasy contest adjusted revenues.

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

19 (3) At the board's discretion, any other information  
20 related to the conduct of fantasy contests or licensed  
21 operators.

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

25 SUBCHAPTER C

26 LICENSURE

27 Sec.

28 321. General prohibition.

29 322. Application.

30 323. Issuance and denial of license.

31 324. License renewal.

32 325. Conditions of licensure.

33 326. Prohibitions.

34 327. Change in ownership or control of licensed operators.

35 328. Penalties.

36 § 321. General prohibition.

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

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

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

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

49 § 322. Application.

50 (a) Form and information.--An application for a license  
51 shall be submitted on a form and in manner as shall be required

1 by the board. An application for a fantasy contest license shall  
2 contain the following information:

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

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

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

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

15 (5) Information, documentation and assurances related to  
16 financial and criminal history as the board deems necessary  
17 to establish by clear and convincing evidence the financial  
18 stability, integrity and responsibility of the applicant and  
19 the applicant's key employees and principals.

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

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

24 (b) Nonrefundable application fee.--Each application  
25 submitted under this chapter shall be accompanied by a  
26 nonrefundable application fee, which shall be established by the  
27 board, and which may not exceed the amount necessary to  
28 reimburse the board for all costs incurred by the board for  
29 fulfilling the requirements of this section and section 323  
30 (relating to issuance and denial of license) or exceed an amount  
31 equal to 5% of the applicant's fantasy contest adjusted revenues  
32 for the previous calendar year if the applicant is not a  
33 licensed gaming entity.

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

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

44 § 323. Issuance and denial of license.

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

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

51 (2) Has demonstrated that the applicant has the

1 financial stability, integrity and responsibility to comply  
2 with the provisions of this chapter and regulations  
3 established by the board.

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

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

7 (1) has knowingly made a false statement of material  
8 fact or has deliberately failed to disclose any information  
9 requested;

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

15 (3) has at any time knowingly failed to comply with the  
16 provisions of this chapter or of any requirements of the  
17 board;

18 (4) has had a registration, permit or license to conduct  
19 fantasy contests denied or revoked in any other jurisdiction;

20 (5) has legally defaulted in the payment of any  
21 obligation or debt due to the Commonwealth or is not  
22 compliant with taxes due to the department; or

23 (6) is not qualified to do business in this Commonwealth  
24 or is not subject to the jurisdiction of the courts of the  
25 Commonwealth.

26 (c) Time period for review.--The board shall conclude its  
27 review of an application for a fantasy contest license within  
28 120 days of receipt of the completed application. If the license  
29 is not issued, the board shall provide the applicant with the  
30 justification for not issuing such license with specificity.

31 (d) License fee.--

32 (1) Within 30 days of the board issuing a fantasy  
33 contest license, an applicant shall pay to the board a  
34 license fee of \$50,000 or an amount equivalent to 7.5% of the  
35 applicant's fantasy contest adjusted revenues for the  
36 previous calendar year, whichever is less, except that an  
37 applicant who is also a licensed gaming entity shall pay to  
38 the board a license fee of \$50,000.

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

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

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

50 § 324. License renewal.

51 (a) Renewal.--

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

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

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

18 (b) Revocation or failure to renew.--

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

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

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

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

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

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

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

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

47 (c) Renewal fee.--

48       (1) Within 30 days of the board renewing a fantasy  
49 contest license, the licensed operator shall pay to the board  
50 a renewal fee of \$5,000.

51       (2) The renewal fee collected by the board under this

1 subsection shall be deposited into the General Fund.

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

6 § 325. Conditions of licensure.

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

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

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

19 (3) Verify the identity of a participant by requiring  
20 the participant to provide the licensed operator a unique  
21 user name and password prior to accessing a fantasy contest  
22 account.

23 (4) Ensure rules and prizes and awards established by  
24 the licensed operator for a fantasy contest are made known to  
25 a participant prior to the acceptance of any entry fee.

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

31 (6) Allow a person to restrict himself from entering a  
32 fantasy contest or accessing a fantasy contest account for a  
33 specific period of time as determined by the participant and  
34 implement reasonable procedures to prevent the individual  
35 from participating in the licensed operator's fantasy  
36 contests.

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

42 (8) Conspicuously post compulsive and problem play  
43 notices at fantasy contest registration points and provide a  
44 toll-free telephone number to participants who have expressed  
45 to the licensed operator issues with compulsive and problem  
46 play of fantasy contests. The toll-free telephone number and  
47 the compulsive and problem play notice shall be approved by  
48 the board, in consultation with the Department of Drug and  
49 Alcohol Programs.

50 (9) Disclose the number of entries a single participant  
51 may submit to each fantasy contest and take commercially

1 reasonable steps to prevent such participants from submitting  
2 more than the allowable number.

3 (10) Prevent the licensed operator's employees and  
4 relatives living in the same household of an employee from  
5 competing in a fantasy contest offered by any licensed  
6 operator to the general public and in which fantasy contest  
7 the licensed operator offers a prize or award.

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

11 (12) Take commercially reasonable steps to maintain the  
12 confidentiality of a participant's personal and financial  
13 information.

14 (13) Segregate participant funds from operational funds  
15 in separate accounts and maintain a reserve in the form of  
16 cash, cash equivalents, security deposits held by banks and  
17 processors, an irrevocable letter of credit, payment  
18 processor reserves and receivables, a bond or a combination  
19 thereof in an amount sufficient to pay all prizes and awards  
20 offered to winning participants.

21 (14) Provide winning in-State participants with  
22 information and documentation necessary to ensure the proper  
23 reporting of winnings by in-State participants to the  
24 department.

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

29 (16) Prohibit the use of scripts by participants and  
30 implement technologies to prevent the use of scripts.

31 (17) Monitor fantasy contests for the use of scripts and  
32 restrict players found to have used such scripts from  
33 participation in future fantasy contests.

34 (18) Establish any other condition deemed appropriate by  
35 the board.

36 § 326. Prohibitions.

37 No licensed operator may:

38 (1) accept an entry fee from or permit a natural person  
39 under 18 years of age to become a participant in a fantasy  
40 contest;

41 (2) offer a fantasy contest based, in whole or in part,  
42 on collegiate or high school athletic events or players;

43 (3) permit a participant to enter a fantasy contest  
44 prior to establishing a fantasy contest account;

45 (4) establish a fantasy contest account for a person who  
46 is not an individual;

47 (5) alter rules established for a fantasy contest after  
48 a participant has entered the fantasy contest;

49 (6) issue credit to a participant to establish or fund a  
50 fantasy contest account;

51 (7) knowingly directly market to a participant during

1 the time period in which the participant has self-excluded  
2 from the licensed operators' fantasy contests;

3 (8) knowingly permit a participant to enter the licensed  
4 operator's fantasy contests during the time period in which  
5 the participant has self-excluded from the licensed  
6 operators' fantasy contests;

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

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

13 (11) knowingly permit an employee or relative living in  
14 the same household of an employee to become a participant in  
15 a fantasy contest offered by any licensed operator in which a  
16 licensed operator offers a prize or award;

17 (12) offer a fantasy contest where:

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

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

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

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

35 (13) except as permitted under section 342 (relating to  
36 licensed gaming entities), offer or make available in this  
37 Commonwealth a fantasy contest terminal;

38 (14) fail to remit taxes or assessments to the  
39 department in accordance with sections 331 (relating to  
40 fantasy contest tax), 332 (relating to licensed operator  
41 deposits) and 333 (relating to responsibility and authority  
42 of department);

43 (15) knowingly allow a participant to use a script  
44 during a fantasy contest; and

45 (16) perform any other action prohibited by the board.

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

47 (a) Notification and approval.--

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



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

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

5           (iii) Any other transaction or occurrence deemed by  
6           the board to be relevant to fantasy contest license  
7           qualifications.

8           (2) Notwithstanding the provisions of paragraph (1), a  
9           licensed operator shall not be required to notify the board  
10           of any acquisition by an institutional investor under  
11           paragraph (1)(i) or (ii) if the institutional investor holds  
12           less than 10% of the securities or other ownership interests  
13           referred to in paragraph (1)(i) or (ii), the securities or  
14           interests are publicly traded securities and its holdings of  
15           such securities were purchased for investment purposes only  
16           and the institutional investor files with the board a  
17           certified statement to the effect that the institutional  
18           investor has no intention of influencing or affecting,  
19           directly or indirectly, the affairs of the licensed operator,  
20           provided, however, that the institutional investor may vote  
21           on matters put to the vote of the outstanding security  
22           holders. Notice to the board shall be required prior to  
23           completion of any proposed or contemplated change of  
24           ownership of a licensed operator that meets the criteria of  
25           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  
31           fee and license fee as required by sections 322 (relating to  
32           application) and 323 (relating to issuance and denial of  
33           license), except that if the purchaser of assets is another  
34           licensed operator, the purchaser of assets shall not be  
35           required to requalify for a fantasy contest license or pay  
36           another application fee and license fee.

37           (2) A change in control of any licensed operator shall  
38           require that the licensed operator independently qualify for  
39           a fantasy contest license in accordance with this chapter,  
40           and the licensed operator shall pay a new application and  
41           license fee as required by sections 322 and 323, except that  
42           if the new controller is another licensed operator, the new  
43           controller shall not be required to requalify for a fantasy  
44           contest license or pay another application fee and license  
45           fee.

46           (c) Change in control defined.--For purposes of this  
47           section, a change in control of a licensed operator shall mean  
48           the acquisition by a person or group of persons acting in  
49           concert of more than 20% of a licensed operator's securities or  
50           other ownership interests, with the exception of any ownership  
51           interest of the person that existed at the time of initial

1 licensing and payment of the initial fantasy contest license  
2 fee, or more than 20% of the securities or other ownership  
3 interests of a corporation or other form of business entity that  
4 owns directly or indirectly at least 20% of the voting or other  
5 securities or other ownership interests of the licensed  
6 operator.

7 (d) License revocation.--Failure to comply with this section  
8 may cause the fantasy contest license issued under this chapter  
9 to be revoked or suspended by the board unless the purchase of  
10 the assets or the change in control that meets the criteria of  
11 this section has been independently qualified in advance by the  
12 board and any required application or license fee has been paid.  
13 § 328. Penalties.

14 (a) Suspension or revocation of license.--

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

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

23 (b) Administrative penalties.--

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

28 (2) A violation of this chapter that is determined to be  
29 an offense of a continuing nature shall be deemed to be a  
30 separate offense on each event or day during which the  
31 violation occurs, except that the total administrative  
32 penalty for an offense of a continuing nature may not exceed  
33 \$25,000.

34 (3) The licensed operator shall have the right to appeal  
35 administrative penalties in accordance with 2 Pa.C.S. Chs. 5  
36 Subch. A (relating to practice and procedure of Commonwealth  
37 agencies) and 7 Subch. A (relating to judicial review of  
38 Commonwealth agency action).

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

41 (c) Civil penalties.--

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

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

49 SUBCHAPTER D  
50 FISCAL PROVISIONS

51 Sec.

1 331. Fantasy contest tax.  
2 332. Licensed operator deposits.  
3 333. Responsibility and authority of department.

4 § 331. Fantasy contest tax.

5 (a) Imposition.--Each licensed operator shall report to the  
6 department and pay from its quarterly fantasy contest adjusted  
7 revenues, on a form and in the manner prescribed by the  
8 department, a tax of 5% of its quarterly fantasy contest  
9 adjusted revenues.

10 (b) Deposits and distributions.--

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

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

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

20 (c) Penalty.--

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

27 (2) Penalties imposed under this subsection shall be  
28 deposited in the General Fund.

29 § 332. Licensed operator deposits.

30 (a) Accounts established.--The State Treasurer shall  
31 establish within the State Treasury an account for each licensed  
32 operator for the deposit of sums required under subsection (b)  
33 to:

34 (1) recover costs or expenses incurred by the board and  
35 the department in carrying out their powers and duties under  
36 this chapter based upon a budget submitted by the board and  
37 the department under subsection (c); and

38 (2) repay any loans made by the General Fund to the  
39 board or the department in connection with carrying out its  
40 powers and duties under this chapter.

41 (b) Deposits.--

42 (1) The department shall determine the appropriate  
43 assessment amount for each licensed operator, which shall be  
44 a percentage assessed on the licensed operator's fantasy  
45 contest adjusted revenues. Each licensed operator shall  
46 deposit funds into its account on a quarterly basis.

47 (2) The percentage assessed shall not exceed an amount  
48 necessary to:

49 (i) recover costs or expenses incurred by the board  
50 and the department in carrying out their powers and  
51 duties under this chapter based on a budget submitted by

1 the board and the department under subsection (c); and  
2 (ii) repay any loans made from the General Fund to  
3 the board in connection with carrying out its powers and  
4 duties under this chapter.

5 (c) Itemized budget reporting.--

6 (1) The board and the department shall prepare and  
7 annually submit to the chairman of the Appropriations  
8 Committee of the Senate and the chairman of the  
9 Appropriations Committee of the House of Representatives an  
10 itemized budget consisting of amounts to be appropriated out  
11 of the accounts established under this section necessary to  
12 administer this chapter.

13 (2) As soon as practicable after submitting copies of  
14 the itemized budget, the board and the department shall  
15 jointly prepare and submit to the chairmen of the committees  
16 analyses of and make recommendations regarding the itemized  
17 budget.

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

21 (e) Penalty.--

22 (1) A licensed operator who fails to timely remit to the  
23 department amounts required under this section shall be  
24 liable, in addition to any liability imposed elsewhere in  
25 this chapter, to a penalty of 5% per month up to a maximum of  
26 25% of the amounts ultimately found to be due, to be  
27 recovered by the department.

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

30 § 333. Responsibility and authority of department.

31 (a) General rule.--The department may administer and collect  
32 taxes imposed under section 331 (relating to fantasy contest  
33 tax) and interest imposed under section 806 of the act of April  
34 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and  
35 promulgate and enforce rules and regulations to carry out its  
36 prescribed duties in accordance with sections 331 and 332  
37 (relating to licensed operator deposits), including the  
38 collection of taxes, penalties, assessments and interest.

39 (b) Procedure.--For purposes of implementing sections 331  
40 and 332, the department may promulgate regulations in the same  
41 manner in which the board is authorized as provided in section  
42 312 (relating to temporary regulations).

43 SUPBCHAPTER E

44 MISCELLANEOUS PROVISIONS

45 Sec.

46 341. Applicability of other statutes.

47 342. Licensed gaming entities.

48 343. Funding.

49 § 341. Applicability of other statutes.

50 (a) Unlawful gambling.--The provisions of 18 Pa.C.S. § 5513  
51 (relating to gambling devices, gambling, etc.) shall not apply

1 to a fantasy contest conducted in accordance with this chapter.

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

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

9 (d) State Lottery Law.--This chapter shall not apply to a  
10 fantasy contest or similar product authorized under the act of  
11 August 26, 1971 (P.L.351, No.91), known as the State Lottery  
12 Law, and authorized solely by the department and the Division of  
13 the State Lottery.

14 § 342. Licensed gaming entities.

15 (a) Scope.--This section shall apply to a licensed gaming  
16 entity that holds a fantasy contest license.

17 (b) Applicability.--

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

24 (2) A fantasy contest terminal shall not be considered a  
25 "slot machine" or "table game" under section 1103 (relating  
26 to definitions).

27 (c) Fantasy contest terminals.--

28 (1) Upon approval of a fantasy contest license  
29 application, a licensed gaming entity may place and operate  
30 fantasy contest terminals within the licensed gaming entity's  
31 licensed facility.

32 (2) At its discretion, the board may approve the  
33 placement and operation of fantasy contest terminals at a  
34 location within the licensed facility, provided that fantasy  
35 contest terminals shall not be placed on the gaming floor.

36 (d) Restricted contests.--A licensed gaming entity may offer  
37 fantasy contests that are exclusive to participants who are at  
38 least 21 years of age.

39 (e) Promotional play.--For a restricted contest under  
40 subsection (d), a licensed gaming entity may offer slot machine  
41 or table game promotional play to a participant who is at least  
42 21 years of age as a prize or award or for participating in a  
43 fantasy contest conducted by the licensed gaming entity.

44 (f) Gaming service providers.--A licensed operator who is  
45 not a licensed gaming entity may, at the discretion of the  
46 board, be certificated or registered as a gaming service  
47 provider under section 1317.2 (relating to gaming service  
48 provider) in order to operate fantasy contests subject to the  
49 restrictions of subsection (d) on behalf of a licensed gaming  
50 entity.

51 § 343. Funding.

1 (a) Appropriation.--The following amounts are appropriated:

2 (1) The sum of \$1,250,000 is appropriated to the board  
3 for the fiscal year period July 1, 2016, to June 30, 2017,  
4 for the purpose of implementing and administering the  
5 provisions of this chapter.

6 (2) The sum of \$500,000 is appropriated to the  
7 department for the fiscal period July 1, 2016, to June 30,  
8 2017, for the purpose of implementing and administering the  
9 provisions of this chapter.

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

18 (c) Unused amounts.--On July 1, 2017, any portion of amounts  
19 appropriated under subsection (a) that is unexpended,  
20 unencumbered or uncommitted as of June 30 of the prior fiscal  
21 year shall automatically be transferred to the General Fund.

22 Section 2. Section 1102 of Title 4 is amended by adding  
23 paragraphs to read:

24 § 1102. Legislative intent.

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

28 \* \* \*

29 (12.1) The continued growth and success of the  
30 commercial gaming industry in this Commonwealth is dependent  
31 upon a regulatory environment which promotes and fosters  
32 technological advances and encourages the development and  
33 delivery of innovative gaming products.

34 (12.2) It is also the intent of the General Assembly to  
35 ensure the sustainability and competitiveness of the  
36 commercial gaming industry in this Commonwealth by  
37 authorizing interactive gaming, the operation of multistate  
38 wide-area progressive slot machines, skill and hybrid slot  
39 machines and casino simulcasting and the operation of slot  
40 machines at nonprimary locations.

41 \* \* \*

42 Section 3. The definitions of "associated equipment," "cash  
43 equivalent," "cheat," "cheating or thieving device,"  
44 "commission" or "commissions," "conduct of gaming," "contest,"  
45 "counterfeit chip," "fully automated electronic gaming table,"  
46 "gaming employee," "gaming school," "gaming service provider,"  
47 "key employee," "licensed facility," "manufacturer,"  
48 "manufacturer license," "player," "progressive payout,"  
49 "progressive system," "slot machine," "supplier," "supplier  
50 license" and "table game device" in section 1103 of Title 4 are  
51 amended and the section is amended by adding definitions to

1 read:

2 § 1103. Definitions.

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

6 \* \* \*

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

13 "Airport gaming area." A location or locations within a  
14 qualified airport approved for the conduct of authorized  
15 interactive games through the use of multi-use computing devices  
16 by eligible passengers as approved by the airport authority or  
17 in the case of a qualified airport located in a city of the  
18 first class, as approved by the governing body of the city of  
19 the first class, and the Pennsylvania Gaming Control Board.

20 \* \* \*

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

37 \* \* \*

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

47 \* \* \*

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

- 50 (1) Chips or tokens.  
51 (2) Travelers checks.

1 (3) Foreign currency and coin.  
2 (4) Certified checks, cashier's checks and money orders.  
3 (5) Personal checks or drafts.  
4 (6) A negotiable instrument applied against credit  
5 extended by a certificate holder, an interactive gaming  
6 certificate holder, a holder of an interactive gaming license  
7 or a financial institution.

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

11 "Casino simulcasting." The simultaneous transmission of live  
12 thoroughbred or harness horse race meetings from an in-State  
13 sending racetrack, out-of-State sending racetrack or a satellite  
14 facility, regardless of licensure status or whether the horse  
15 race meetings originate within this Commonwealth or any other  
16 state or jurisdiction, to a simulcasting facility in this  
17 Commonwealth by satellite devices, television cables, telephone  
18 lines or any other telecommunications technology for the  
19 purposes of conducting pari-mutuel wagering.

20 "Casino simulcasting permit" or "simulcasting permit." A  
21 permit awarded by the board under section 13F12 (relating to  
22 casino simulcasting permit) which authorizes a licensed gaming  
23 entity to conduct casino simulcasting.

24 "Casino simulcasting permit holder." A licensed gaming  
25 entity that holds a casino simulcasting permit issued by the  
26 board in accordance with section 13F12 (relating to casino  
27 simulcasting permit).

28 \* \* \*

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

37 (1) The result of a slot machine game [or], table game  
38 or authorized interactive game.

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

41 (3) The value of a wagering instrument.

42 (4) The value of a wagering credit.

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

47 "Cheating or thieving device." A device, software or  
48 hardware used or possessed with the intent to be used to cheat  
49 during the operation or play of any slot machine [or], table  
50 game or authorized interactive game. The term shall also include  
51 any device used to alter a slot machine [or], a table game



1 device or associated equipment, an authorized interactive game  
2 or interactive gaming device or associated equipment without the  
3 slot machine licensee's approval.

4 \* \* \*

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

10 \* \* \*

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

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

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

29 \* \* \*

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

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

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

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

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

43 \* \* \*

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

48 \* \* \*

49 "Fully automated electronic gaming table." An electronic  
50 gaming table determined by the Pennsylvania Gaming Control Board  
51 to be playable or operable as a table game without the

1 assistance or participation of a person acting on behalf of a  
2 certificate holder. The term shall include a multi-use computing  
3 device, which through the use of digital, electronic or other  
4 communications technology, is capable of simulating a table  
5 game.

6 \* \* \*

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

- 9 (1) Cashiers.
- 10 (2) Change personnel.
- 11 (3) Count room personnel.
- 12 (4) Slot attendants.
- 13 (5) Hosts or other individuals authorized to extend  
14 complimentary services, including employees performing  
15 functions similar to those performed by a gaming junket  
16 representative.
- 17 (6) Machine mechanics, computer machine technicians or  
18 table game device technicians.
- 19 (7) Security personnel.
- 20 (8) Surveillance personnel.
- 21 (9) Promotional play supervisors, credit supervisors,  
22 pit supervisors, cashier supervisors, shift supervisors,  
23 table game managers and assistant managers and other  
24 supervisors and managers, except for those specifically  
25 identified in this part as key employees.
- 26 (10) Boxmen.
- 27 (11) Dealers or croupiers.
- 28 (12) Floormen.
- 29 (13) Personnel authorized to issue promotional play.
- 30 (14) Personnel authorized to issue credit.

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

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

1 play.

2 \* \* \*

3 "Gaming-related restricted area." Any room or area of a  
4 licensed facility and which is specifically designated by the  
5 Pennsylvania Gaming Control Board as restricted or by the slot  
6 machine licensee as restricted in its board-approved internal  
7 controls.

8 \* \* \*

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

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

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

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

32 \* \* \*

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

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

39 (2) The cash equivalent value of any personal property  
40 or other noncash items or things of value included in a  
41 drawing, contest or tournament and distributed to registered  
42 players as a result of playing authorized interactive games.

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

46 Amounts deposited with an interactive gaming certificate holder  
47 for purposes of interactive gaming and amounts taken in  
48 fraudulent acts perpetrated against an interactive gaming  
49 certificate holder for which the interactive gaming certificate  
50 holder is not reimbursed may not be considered to have been paid  
51 to the interactive gaming certificate holder for purposes of

1 calculating gross interactive gaming revenue.

2 \* \* \*

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

6 \* \* \*

7 "In-State sending track." A racetrack within this  
8 Commonwealth which is operated by a licensed racing entity and  
9 is permitted to conduct casino simulcasting.

10 \* \* \*

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

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

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

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

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

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

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

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

11 "Interactive gaming certificate." The authorization issued  
12 to a slot machine licensee by the Pennsylvania Gaming Control  
13 Board authorizing the operation and conduct of interactive  
14 gaming by a slot machine licensee or other person on behalf of a  
15 slot machine licensee in accordance with Chapter 13B (relating  
16 to interactive gaming).

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

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

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

27 "Interactive gaming licensee." A person who has been issued  
28 a license to act as an interactive gaming operator under Chapter  
29 13B.

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

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

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

51 "Interactive gaming restricted area." Any room or area, as

1 approved by the Pennsylvania Gaming Control Board, used by an  
2 interactive gaming certificate holder or interactive gaming  
3 license holder to manage, control and operate interactive  
4 gaming, including, where approved by the board, redundancy  
5 facilities.

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

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

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

21 \* \* \*

22 "Key employee." Any individual who is employed in a director  
23 or department head capacity and who is empowered to make  
24 discretionary decisions that regulate slot machine or table game  
25 operations or interactive gaming operations or casino  
26 simulcasting, including the general manager and assistant  
27 manager of the licensed facility, director of slot operations,  
28 director of table game operations, director of interactive  
29 gaming, director of cage and/or credit operations, director of  
30 surveillance, director of marketing, director of management  
31 information systems, director of interactive gaming system  
32 programs or other similar job classifications associated with  
33 interactive gaming and casino simulcasting, persons who manage,  
34 control or administer interactive gaming and casino simulcasting  
35 or the bets and wagers associated with authorized interactive  
36 games and casino simulcasting, director of security, comptroller  
37 and any employee who is not otherwise designated as a gaming  
38 employee and who supervises the operations of these departments  
39 or to whom these department directors or department heads report  
40 and such other positions not otherwise designated or defined  
41 under this part which the Pennsylvania Gaming Control Board  
42 shall determine based on detailed analyses of job descriptions  
43 as provided in the internal controls of the licensee as approved  
44 by the Pennsylvania Gaming Control Board. All other gaming  
45 employees unless otherwise designated by the Pennsylvania Gaming  
46 Control Board shall be classified as non-key employees.

47 \* \* \*

48 "Licensed facility." The physical land-based location at  
49 which a licensed gaming entity is authorized to place and  
50 operate slot machines and, if authorized by the Pennsylvania  
51 Gaming Control Board under Chapter 13A (relating to table

1 games), to conduct table games and if authorized under Chapter  
2 13B (relating to interactive gaming), to conduct interactive  
3 gaming. The term includes any:

4 (1) area of a licensed racetrack at which a slot machine  
5 licensee was previously authorized pursuant to section  
6 1207(17) (relating to regulatory authority of board) to  
7 operate slot machines prior to the effective date of this  
8 paragraph;

9 (2) board-approved interim facility or temporary  
10 facility; [and]

11 (3) area of a hotel which the Pennsylvania Gaming  
12 Control Board determines is suitable to conduct table  
13 games[.];

14 (4) area of a licensed facility where casino  
15 simulcasting is conducted, as approved by the Pennsylvania  
16 Gaming Control Board; and

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

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

30 \* \* \*

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

37 "Manufacturer." A person who manufactures, builds, rebuilds,  
38 fabricates, assembles, produces, programs, designs or otherwise  
39 makes modifications to any slot machine, table game device or  
40 associated equipment or authorized interactive games for use or  
41 play of slot machines [or], table games or authorized  
42 interactive games in this Commonwealth for gaming purposes. The  
43 term shall not include a person who manufactures, builds,  
44 rebuilds, fabricates, assembles, produces, programs, designs or  
45 otherwise makes modifications to multi-use computing devices  
46 used in connection with the conduct of interactive gaming at a  
47 qualified airport.

48 "Manufacturer license." A license issued by the Pennsylvania  
49 Gaming Control Board authorizing a manufacturer to manufacture  
50 or produce slot machines, table game devices or associated  
51 equipment, interactive gaming devices or associated equipment

1 for use in this Commonwealth for gaming purposes.

2 \* \* \*

3 "Multi-use computing device." As follows:

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

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

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

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

13 (iv) Is approved by the Pennsylvania Gaming Control  
14 Board.

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

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

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

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

36 \* \* \*

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

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

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

47 \* \* \*

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



1 nonprimary locations).

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

7 \* \* \*

8 "Out-of-State sending track." An interstate or international  
9 racetrack in a state or jurisdiction other than this  
10 Commonwealth which is equipped to conduct casino simulcasting  
11 and the operator of which is lawfully permitted to conduct horse  
12 race meetings and to provide simulcast horse races to slot  
13 machine licensees in this Commonwealth.

14 \* \* \*

15 "Player." An individual wagering cash, a cash equivalent or  
16 other thing of value in the play or operation of a slot machine  
17 [or], an authorized interactive game or a table game, including  
18 during a contest or tournament, the play or operation of which  
19 may deliver or entitle the individual playing or operating the  
20 slot machine [or], authorized interactive game or table game to  
21 receive cash, a cash equivalent or other thing of value from  
22 another player or a slot machine licensee.

23 \* \* \*

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

28 "Progressive system." A computerized system linking slot  
29 machines in one or more licensed facilities within this  
30 Commonwealth and offering one or more common progressive payouts  
31 based on the amounts wagered. The term shall include the linking  
32 of slot machines in a licensed facility in this Commonwealth  
33 with a multistate wide-area progressive system operated by  
34 gaming entities in one or more states or jurisdictions as  
35 approved by the Pennsylvania Gaming Control Board.

36 \* \* \*

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

40 \* \* \*

41 "Race Horse Industry Reform Act." [The act of December 17,  
42 1981 (P.L.435, No.135), known as the Race Horse Industry Reform  
43 Act.] Article XXVIII-D of the act of April 9, 1929 (P.L.177,  
44 No.175), known as The Administrative Code of 1929.

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

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

1 \* \* \*

2 "Simulcast horse race." A thoroughbred or harness horse race  
3 meeting conducted at a racetrack, whether within or outside this  
4 Commonwealth, which is simultaneously transmitted by an approved  
5 telecommunications technology to racetracks or simulcasting  
6 facilities in this Commonwealth in accordance with regulations  
7 of the commission.

8 "Simulcasting facility." An area of a licensed facility  
9 established and maintained by a slot machine licensee for the  
10 conduct of casino simulcasting in accordance with Chapter 13F  
11 (relating to casino simulcasting), Article XXVIII-D of the act  
12 of April 9, 1929 (P.L.177, No.175), known as The Administrative  
13 Code of 1929, and regulations of the board and the commission.

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

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

19 "Slot machine." Includes:

20 (1) Any mechanical, electrical or computerized  
21 contrivance, terminal, machine or other device approved by  
22 the Pennsylvania Gaming Control Board which, upon insertion  
23 of a coin, bill, ticket, token or similar object therein or  
24 upon payment of any consideration whatsoever, including the  
25 use of any electronic payment system except a credit card or  
26 debit card, is available to play or operate, the play or  
27 operation of which, whether by reason of skill or application  
28 of the element of chance or both, may deliver or entitle the  
29 person or persons playing or operating the contrivance,  
30 terminal, machine or other device to receive cash, billets,  
31 tickets, tokens or electronic credits to be exchanged for  
32 cash or to receive merchandise or anything of value  
33 whatsoever, whether the payoff is made automatically from the  
34 machine or manually. A slot machine:

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

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

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

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

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

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

50 (iii) A multistate wide-area progressive slot  
51 machine and devices and associated equipment as defined

1 by the board through regulations.

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

5 \* \* \*

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

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

21 \* \* \*

22 "Table game device." Includes gaming tables, cards, dice,  
23 chips, shufflers, tiles, dominoes, wheels[, drop boxes] or any  
24 mechanical, electrical or computerized contrivance, terminal,  
25 machine or other device, apparatus, equipment or supplies  
26 approved by the Pennsylvania Gaming Control Board and used to  
27 conduct a table game or that is capable, through the use of  
28 digital, electronic or other communications technology, of  
29 simulating play of a table game.

30 \* \* \*

31 Section 3.1. Title 4 is amended by adding a chapter to read:

32 CHAPTER 11A

33 VIDEO GAMING

34 Sec.

35 11A01. Definitions.

36 11A02. Powers and duties.

37 11A03. Licensing of manufacturers, terminal operators and  
38 service technicians.

39 11A04. Video gaming license.

40 11A05. License prohibitions.

41 11A06. Video gaming limitations.

42 11A07. Central computer system.

43 11A08. Video gaming terminal and redemption terminal.

44 11A09. Unlawful acts.

45 11A10. Enforcement.

46 11A11. Multiple types of licenses prohibited.

47 11A12. Establishment of account and distribution of funds.

48 11A12.1. Licensed establishment fee refund.

49 11A13. Initial funding.

50 11A14. Preemption of local taxes and license fees.

51 11A15. Exemption from State gaming laws.

1 11A16. Exemption from Federal regulation.  
2 11A17. Preemption.  
3 11A18. Compulsive and problem gambling.  
4 11A19. Provisional licenses.  
5 11A20. Temporary video gaming regulations.  
6 11A21. City of the First Class Nuisance Bar Enforcement Task  
7 Force Account.  
8 § 11A01. Definitions.

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

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

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

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

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

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

31 (1) A coin-operated amusement game.

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

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

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

39 (5) A lottery terminal used under the act of August 26,  
40 1971 (P.L.351, No.91), known as the State Lottery Law.

41 "Grocery store." A retail establishment, commonly known as a  
42 grocery store, supermarket or delicatessen, where food, food  
43 products and supplies are sold for human consumption on or off  
44 the premises. The term shall include a restaurant with an  
45 interior connection to, and the separate and segregated portion  
46 of, any other retail establishment which is dedicated solely to  
47 the sale of food, food products and supplies for the table for  
48 human consumption on or off the premises.

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

1 terminal.

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

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

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

17 "Licensed liquor establishment." A brew pub, club, privately  
18 owned public golf course or restaurant as defined or licensed  
19 under the act of April 12, 1951 (P.L.90, No.21), known as the  
20 Liquor Code, that operates under a valid liquor or malt or  
21 brewed beverage license under Article IV of the Liquor Code. The  
22 term shall not include a grocery store or a hotel or restaurant  
23 whose place of business is located in a licensed facility as  
24 defined in 4 Pa.C.S. § 1103 (relating to definitions). The term  
25 shall not include a hotel as defined in section 102 of the  
26 Liquor Code that operates under a valid liquor or malt or brewed  
27 beverage license under Article IV of the Liquor Code.

28 "Manufacturer." A person that:

- 29 (1) is licensed by the board; and  
30 (2) manufactures, produces or assembles video gaming  
31 terminals or major parts and components of video gaming  
32 terminals.

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

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

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

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

43 "Terminal operator." A person that:

- 44 (1) is licensed by the board; and  
45 (2) owns, services or maintains video gaming terminals  
46 for placement in licensed establishments.

47 "Truck stop establishment." A premises that is equipped with  
48 diesel islands used for fueling commercial motor vehicles, has  
49 sold on average 50,000 gallons of diesel or biodiesel fuel each  
50 month for the previous 12 months or is projected to sell an  
51 average of 50,000 gallons of diesel or biodiesel fuel each month

1 for the next 12 months, has parking spaces dedicated for  
2 commercial motor vehicles, has a convenience store and is  
3 situated on a parcel of land not less than three acres.

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

8 "Video gaming terminal." A device or terminal:

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

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

14 (3) in which, by the skill of the player or by chance,  
15 the player may receive a free game or credit that may be  
16 redeemed for cash at a redemption terminal.

17 § 11A02. Powers and duties.

18 (a) General powers.--The board shall regulate and adopt  
19 standards for video gaming as authorized under this chapter.

20 (b) Specific powers.--The board shall have the specific  
21 powers and duties:

22 (1) To authorize acceptable forms of identification that  
23 each video game terminal must utilize to establish a person's  
24 identity and age prior to play of a video gaming terminal.

25 (2) To determine the adequacy of a licensed  
26 establishment's site plans for identifying the proposed video  
27 gaming terminal area and security and surveillance measures  
28 related to the operation of video gaming terminals.

29 § 11A03. Licensing of manufacturers, terminal operators and  
30 service technicians.

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

35 (b) Application fee.--

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

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

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

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

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

51 (2) Written authorization by the applicant for third

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

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

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

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

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

35 (2) The background investigation shall include a  
36 security, criminal and credit investigation by the  
37 Pennsylvania State Police, which shall include records of  
38 criminal arrests and convictions, in any jurisdiction,  
39 including Federal criminal history record information. The  
40 investigation may utilize information about the applicant  
41 compiled by the Pennsylvania Liquor Control Board. The  
42 Pennsylvania State Police may share investigation information  
43 with the board to the extent permitted by Federal and State  
44 law as determined by the Pennsylvania State Police. None of  
45 the information obtained by the Pennsylvania State Police may  
46 be disclosed publicly nor be subject to disclosure under the  
47 act of February 14, 2008 (P.L.6, No.3), known as the Right-  
48 to-Know Law.

49 (3) The background investigation shall include an  
50 examination of personal, financial or business records,  
51 including tax returns, bank accounts, business accounts,

1 mortgages and contracts to which the applicant is a party or  
2 has an interest.

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

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

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

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

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

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

20 (2) Be 18 years of age or older.

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

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

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

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

44 (2) The license shall be nontransferable.

45 (3) Any other condition established by the board.

46 (g) Annual fees.--

47 (1) The annual fee for a terminal operator license shall  
48 be \$25,000 for a terminal operator that has placed 50 or  
49 fewer video gaming terminals at licensed establishments in  
50 this Commonwealth. The annual fee shall be \$30,000 for a  
51 terminal operator that has placed more than 50 video gaming



1 terminals at licensed establishments in this Commonwealth.

2 (1.1) A terminal operator shall pay an additional fee of  
3 \$250 per video gaming terminal located at licensed  
4 establishments in a city of the first class. The funds  
5 collected from this additional fee shall be deposited in the  
6 City of the First Class Nuisance Bar Enforcement Task Force  
7 Account.

8 (2) The annual fee for a manufacturer license shall be  
9 \$10,000.

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

12 (h) Renewal and late filing fees.--

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

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

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

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

35 (i) Validation of licenses and late filing fees.--

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

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

51 (j) Third-party disclosure.--An applicant must accept any

1 risk of adverse public notice, embarrassment, criticism, damages  
2 or financial loss, which may result from disclosure or  
3 publication by a third party of material or information  
4 requested by the board pursuant to action on an application. The  
5 applicant expressly must waive a claim against the board or the  
6 Commonwealth and the applicant's employees from damages as a  
7 result of disclosure or publication by a third party.

8 (k) Hearing upon denial.--A person that is denied a license  
9 or the renewal of a license under this section has the right to  
10 a hearing before the board in accordance with the provisions of  
11 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of  
12 Commonwealth agencies) and 7 Subch. A (relating to judicial  
13 review of Commonwealth agency action).  
14 § 11A04. Video gaming license.

15 (a) Application.--A person that applies to the board for a  
16 video gaming license under this section shall do so on a form  
17 prescribed by the board. The form shall be accompanied by  
18 detailed site plans of the proposed video gaming terminal area  
19 and a description of the proposed security and surveillance  
20 measures for ensuring the integrity of video gaming and  
21 preventing underage video gaming within the establishment.

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

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

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

33 (2) Is 18 years of age or older.

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

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

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

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

50 (ii) Written authorization by the applicant for  
51 third parties in possession or control of accounts or

1 records under paragraph (1) to allow for examination of  
2 such documents as deemed necessary by the board or the  
3 Pennsylvania State Police in conducting background  
4 investigations.

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

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

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

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

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

51 (iii) An examination of personal or business

1 relationships that include a partial ownership or voting  
2 interest in a partnership, association or corporation and  
3 bear on the fitness of the applicant for licensure.

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

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

11 (d.1) License fee.--Upon approval for a video gaming  
12 license, a licensed establishment shall pay a licensing fee  
13 equal to \$7,500 per video gaming terminal that will be operated  
14 at the licensed establishment. Subject to the limitation  
15 contained in section 11A06(a)(1), if a licensed establishment  
16 increases the number of video gaming terminals in operation at  
17 the licensed establishment's premises after the payment of the  
18 licensing fee, the licensed establishment shall pay a licensing  
19 fee of \$7,500 for each additional video gaming terminal. The  
20 fees under this subsection shall not apply to a licensed  
21 establishment that is a volunteer fire company.

22 (e) Annual fees.--Except for a year in which the licensed  
23 establishment pays the fee under subsection (d.1), a licensed  
24 establishment shall pay an annual fee of \$1,000 and an annual  
25 fee of \$500 per video gaming terminal.

26 (e.1) Additional annual fee in cities of the first class.--A  
27 licensed establishment in a city of the first class shall pay an  
28 additional annual fee of \$500 per video gaming terminal. The  
29 funds generated from the additional fee shall be deposited in  
30 the City of the First Class Nuisance Bar Enforcement Task Force  
31 Account.

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

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

45 (2) The license shall be nontransferable.

46 (3) Any other condition established by the board.

47 (g) Renewal and late filing fees.--

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

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

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

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

19 (h) Validation of licenses and late filing fees.--

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

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

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

44           (j) Hearing upon denial.--A person who is denied a license  
45 or the renewal of a license under this section has the right to  
46 a hearing before the board in accordance with the provisions of  
47 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of  
48 Commonwealth agencies) and 7 Subch. A (relating to judicial  
49 review of Commonwealth agency action).

50           (k) Prerequisite.--Notwithstanding any other provision of  
51 this chapter, the board may not issue a video gaming license to

1 an applicant for a video gaming license until the board has  
2 determined the adequacy of the applicant's proposed site plans  
3 for identifying the proposed video gaming terminal area and  
4 proposed security and surveillance measures relating to the  
5 operation of video gaming terminals.

6 § 11A05. License prohibitions.

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

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

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

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

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

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

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

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

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

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

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

38 (i) classified as a felony; or

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

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

44 § 11A06. Video gaming limitations.

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

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

49 (2) With the exception of tickets indicating amounts  
50 won, which are redeemable for cash, or which can be  
51 reinserted into video gaming machines for play of games

1 authorized by the board, no video gaming terminal may  
2 directly dispense a coin, cash, token or anything else of  
3 value. The winning ticket may, however, be used in other  
4 video gaming terminals in the same licensed establishment.

5 (3) (i) Video gaming terminals may only be placed in a  
6 licensed establishment by a terminal operator pursuant to  
7 a written placement agreement with a minimum 60-month  
8 term and a maximum 120-month term. The form of the  
9 agreement shall be approved by the board and on file and  
10 available for inspection at the licensed establishment. A  
11 licensed liquor establishment or truck stop  
12 establishment, whether or not a licensed establishment,  
13 may only sign, or agree to sign, a written agreement with  
14 a terminal operator or terminal operator applicant.

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

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

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

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

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

34 (vii) Any agreement entered into by a licensed  
35 liquor establishment or truck stop establishment, prior  
36 to the effective date of this section, with any person or  
37 entity for the placement, operation, service or  
38 maintenance of video gaming terminals, including any  
39 agreement granting a person or entity the right to enter  
40 into an agreement or match any offer made after the  
41 effective date of this section, is void.

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

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

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

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

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

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

11          (b) Fines.--A person found in violation of any of the  
12          limitations in subsection (a) shall be subject to the following  
13          finer:

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

16           (2) For more than one violation or subsequent  
17           violations, a fine of not less than \$500, nor more than  
18           \$1,000.

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

22          § 11A07. Central computer system.

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

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

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

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

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

36          § 11A08. Video gaming terminal and redemption terminal.

37          (a) Specifications.--

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

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

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

51          (c) Contents of specifications.--The specifications shall



1 include:

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

4 (2) Unremovable identification plates shall appear on  
5 the exterior of the video gaming terminal containing the name  
6 of the manufacturer and the serial and model number of the  
7 video gaming terminal.

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

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

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

27 (6) No cash award for any individual game may exceed  
28 \$1,000.

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

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

35 (9) Each video gaming terminal shall be designed to  
36 verify a person's identity and age prior to play of the video  
37 gaming terminal. The board shall approve acceptable forms of  
38 identification a video gaming terminal may utilize to verify  
39 identity and age.

40 § 11A09. Unlawful acts.

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

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

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

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

51 (4) To possess a gaming machine.

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

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

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

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

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

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

20       (1) A person convicted of violating subsection (a)(1) or  
21 (3) is guilty of a summary offense. A person convicted of a  
22 second or subsequent violation of subsection (a)(1) is guilty  
23 of a misdemeanor of the third degree and shall pay a fine of  
24 not less than \$5,000.

25       (2) A person convicted of violating subsection (a)(4) is  
26 guilty of a felony of the third degree and shall be subject  
27 to additional penalties as provided in subsection (c).

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

29       (i) A person convicted of violating any other  
30 provision of subsection (a) is guilty of a misdemeanor of  
31 the third degree and shall pay fine of not less than  
32 \$5,000.

33       (ii) A person convicted of violating any other  
34 provision of subsection (a) that is convicted of a second  
35 or subsequent violation is guilty of a misdemeanor of the  
36 second degree and shall pay a fine of not less than  
37 \$15,000.

38       (c) Seizure, forfeiture and destruction of gaming machines  
39 and fines.--

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

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

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

51       (ii) For a second or subsequent violation, the

1 penalty shall be a fine of \$50,000 and a suspension of  
2 the liquor license for not less than 60 consecutive days,  
3 or a revocation of the establishment's license.

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

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

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

15 (d) Enforcing void agreements.--In addition to any other  
16 penalty authorized by law, if any person or entity attempts to  
17 enforce an agreement entered into prior to the effective date of  
18 this section related to the placement, operation, service or  
19 maintenance of video gaming terminals, including any agreement  
20 granting a person or entity the right to enter into an agreement  
21 or match any offer made after the effective date of this  
22 section, the board shall assess an administrative penalty on the  
23 applicant and, if applicable, revoke any license issued to the  
24 applicant by the board under this chapter.

25 § 11A10. Enforcement.

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

30 § 11A11. Multiple types of licenses prohibited.

31 (a) Manufacturer restriction.--A manufacturer may not be  
32 licensed as a terminal operator, or own, manage or control a  
33 licensed establishment.

34 (b) Terminal operator restriction.--A terminal operator may  
35 not be licensed as a manufacturer and shall be licensed only to  
36 contract with licensed establishments. A slot machine licensee  
37 may be licensed as a terminal operator.

38 (c) Licensed establishment restriction.--An owner of a  
39 licensed establishment may not be licensed as a manufacturer or  
40 terminal operator.

41 § 11A12. Establishment of account and distribution of funds.

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

48 (b) Video operator accounts.--A video operator shall  
49 establish and maintain an account in a State depository in this  
50 Commonwealth into which the video operator shall deposit gross  
51 revenue generated by the play of all video gaming terminals for

1 which the operator has been issued a video operator license. The  
2 sums in the video operator account shall be withdrawn weekly by  
3 the department and deposited as provided in subsection (a).

4 (c) Distribution of gross revenue.--The gross revenue from  
5 each video gaming terminal shall be distributed in the following  
6 manner:

7 (1) The licensed establishment, 32%.

8 (2) The terminal operator, 32%.

9 (3) The Commonwealth, 36%.

10 (d) Video Gaming Account appropriations.--

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

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

15 (ii) The department for operation of the central  
16 management system.

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

19 (iv) The department for refunds under section  
20 11A12.1 (relating to licensed establishment fee refund).

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

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

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

36 § 11A12.1. Licensed establishment fee refund.

37 (a) General rule.--Beginning July 1, 2017, and each fiscal  
38 year thereafter, a licensed establishment may apply to the  
39 department, on a form and in a manner as the department  
40 requires, for a refund in an amount not to exceed 10% of the  
41 licensed establishment's gross revenue for the previous fiscal  
42 year.

43 (b) Limitation.--The total dollar amount of refunds issued  
44 by the department to a licensed establishment under this section  
45 may not exceed the total of all licensing fees paid by the  
46 licensed establishment under section 11A04(d.1) (relating to  
47 video gaming license).

48 § 11A13. Initial funding.

49 The sum of \$10,000,000 is hereby appropriated from the  
50 General Fund to the board for the purpose of paying costs  
51 associated with the licensing and regulation of video gaming and

1 the initial implementation of this chapter and other costs  
2 associated with this chapter by the board. The appropriated  
3 amount shall be repaid from the Video Gaming Account to the  
4 General Fund by June 30, 2017.

5 § 11A14. Preemption of local taxes and license fees.

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

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

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

12 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule  
13 and optional plan government).

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

16 (b) Licensing fees.--

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

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

21 § 11A15. Exemption from State gaming laws.

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

26 § 11A16. Exemption from Federal regulation.

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

34 § 11A17. Preemption.

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

38 § 11A18. Compulsive and problem gambling.

39 (a) Establishment of program.--

40 (1) The Department of Health shall develop program  
41 guidelines for public education, awareness and training  
42 regarding compulsive and problem gambling and the treatment  
43 and prevention of compulsive and problem gambling  
44 specifically in the area of video gaming. The program shall  
45 supplement and be complimentary to the existing program under  
46 section 1509 (relating to compulsive and problem gambling  
47 program).

48 (2) Except as otherwise provided in this subsection, the  
49 provisions of section 1509 shall be fully applicable to video  
50 gaming. The guidelines shall include strategies for the  
51 prevention of compulsive and problem gambling. The Department

1 of Health may consult with the board and licensed gaming  
2 entities to develop such strategies.

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

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

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

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

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

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

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

26 (b) Notice of availability of assistance.--

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

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

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

48 (c) Mandatory training.--The board's Office of Compulsive and  
49 Problem Gambling shall develop mandatory training for employees  
50 and management of a licensed establishment who oversee the video  
51 gaming terminal to identify and address compulsory gambling

1 behaviors and provide assistance to problem gamblers. The board  
2 shall establish a fee to cover the cost of the training.

3 § 11A19. Provisional licenses.

4 (a) General rule.--The General Assembly has determined that  
5 prompt and expedited implementation of video gaming in this  
6 Commonwealth is desirable, to the extent that such expedited  
7 implementation can be accomplished without compromising the  
8 integrity of gaming. The provisional licensing provisions of  
9 this section are found to strike the correct balance between  
10 assuring that licensees meet the licensing criteria without  
11 causing an undue delay in implementation of this chapter.

12 (b) Provisional licensing of licensed liquor  
13 establishments.--

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

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

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

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

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

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

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

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

44 (4) A provisional license shall be valid until:

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

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

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

51 If the board fails to act upon the application for a video

1 gaming license as a licensed liquor establishment, within 60  
2 days after the expiration of a provisional license, the  
3 applicant may apply for a renewal of the provisional license.

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

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

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

17 (b) Provisional licensing of terminal operators.--

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

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

24 (3) The board shall issue a provisional license to an  
25 applicant for licensure as a terminal operator if the  
26 applicant satisfies, as determined by the board, all of the  
27 following criteria:

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

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

31 (iii) The applicant has submitted a completed  
32 application for licensure as a licensed terminal  
33 operator, which may be submitted concurrently with the  
34 applicant's request for a provisional license.

35 (iv) The applicant has never had its terminal  
36 operator license or similar gaming license revoked in  
37 another jurisdiction.

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

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

49 (5) A provisional license shall be valid until:

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



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

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

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

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

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

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

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

26 (c) Provisional licensing of service technicians.--

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

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

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

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

37           (iii) The applicant has submitted a completed  
38 application for licensure as a service technician, which  
39 may be submitted concurrently with the applicant's  
40 request for a provisional license.

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

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

48           (3) The board shall issue a provisional license to an  
49 applicant for licensure as a service technician, within 60  
50 days after the application has been received by the board,  
51 provided that the board determines that the criteria

1 contained in paragraph (2) has been satisfied. If the board  
2 has determined that the criteria contained in paragraph (2)  
3 of this subsection has not been satisfied, the board shall  
4 give a written explanation to the applicant as to why it has  
5 determined the criteria has not been satisfied.

6 (4) A provisional license shall be valid until:

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

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

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

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

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

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

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

30 (d) Provisional licensing of manufacturers.--

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

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

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

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

41 (iii) The applicant has submitted a completed  
42 application for licensure as a manufacturer, which may be  
43 submitted concurrently with the applicant's request for a  
44 provisional license;

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

47 (3) The board shall issue a provisional license to an  
48 applicant for licensure as a manufacturer, within 60 days  
49 after such application has been received by the board,  
50 provided that the board determines that the criteria  
51 contained in paragraph (2) has been satisfied. If the board

1 has determined that the criteria contained in paragraph (2)  
2 has not been satisfied, the board shall give a written  
3 explanation to the applicant as to why it has determined the  
4 criteria has not been satisfied.

5 (4) A provisional license shall be valid until:

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

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

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

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

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

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

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

29 § 11A20. Temporary video gaming regulations.

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

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

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

40 (3) Sections 204(b) and 301(10) of the act of October  
41 15, 1980 (P.L.950, No.164), known as the Commonwealth  
42 Attorneys Act.

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

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

50 § 11A21. City of the First Class Nuisance Bar Enforcement Task  
51 Force Account.

1 (a) Establishment.--There is established a restricted  
2 receipt account in the State Treasury to be known as the City of  
3 the First Class Nuisance Bar Enforcement Task Force Account.

4 (b) Use.--The money deposited in the restricted receipt  
5 account is appropriated on a continuing basis to the  
6 Pennsylvania State Police for the purpose established under  
7 subsection (c).

8 (c) Purpose.--The Pennsylvania State Police, in consultation  
9 with the Pennsylvania Liquor Control Board, shall form a  
10 Nuisance Bar Enforcement Task Force to operate in a city of the  
11 first class. The task force shall consist of law enforcement  
12 officers and personnel that are dedicated to liquor code  
13 enforcement in a city of the first class.

14 Section 4. Section 1202(a)(1) and (b)(20) and (23) of Title  
15 4 are amended and subsection (b) is amended by adding paragraphs  
16 to read:

17 § 1202. General and specific powers.

18 (a) General powers.--

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

31 \* \* \*

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

34 \* \* \*

35 (12.2) At its discretion, to award, revoke, suspend,  
36 condition or deny an interactive gaming certificate or an  
37 interactive gaming license in accordance with Chapter 13B  
38 (relating to interactive gaming).

39 (12.3) To award, revoke, suspend, condition or deny a  
40 casino simulcasting permit in accordance with Chapter 13F  
41 (relating to casino simulcasting).

42 (12.4) At its discretion, to award, revoke, suspend,  
43 condition or deny authorization for the placement and  
44 operation of slot machines at a nonprimary location in  
45 accordance with Chapter 13D (relating to slot machines at  
46 nonprimary locations).

47 \* \* \*

48 (20) In addition to the power of the board regarding  
49 license and permit applicants, to determine at its discretion  
50 the suitability of any person who furnishes or seeks to  
51 furnish to a slot machine licensee directly or indirectly any

1 goods, services or property related to slot machines, table  
2 games, table game devices or associated equipment,  
3 interactive games and interactive gaming devices and  
4 associated equipment or casino simulcasting technology and  
5 equipment or through any arrangements under which that person  
6 receives payment based directly or indirectly on earnings,  
7 profits or receipts from the slot machines, table games,  
8 table game devices and associated equipment, interactive  
9 games, interactive gaming devices and associated equipment or  
10 casino simulcasting technology and equipment. The board may  
11 require any such person to comply with the requirements of  
12 this part and the regulations of the board and may prohibit  
13 the person from furnishing the goods, services or property  
14 except that, in determining the suitability of a person who  
15 furnishes or seeks to furnish casino simulcasting technology  
16 and equipment, the board shall consult the commission.

17 \* \* \*

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

34 \* \* \*

35 (27.2) Within six months of the effective date of this  
36 section, to publish on the board's Internet website a  
37 complete list of all slot machine licensees who filed a  
38 petition seeking authorization to conduct interactive gaming  
39 and the status of each petition or interactive gaming  
40 certificate.

41 \* \* \*

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

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

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

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

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

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

13       (37) To review and approve detailed site and  
14 architectural plans identifying the area of a licensed  
15 facility where a slot machine licensee proposes to manage,  
16 control and administer casino simulcasting in order to  
17 determine the adequacy of proposed internal and external  
18 controls, security and surveillance measures.

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

26       (39) To review and approve detailed site and  
27 architectural plans identifying the area of a licensed  
28 facility where a slot machine licensee proposes to place and  
29 make multistate wide-area progressive slot machines, skill  
30 slot machines or hybrid slot machines available for play in  
31 order to determine the adequacy of proposed internal and  
32 external controls, security and proposed surveillance  
33 measures.

34       Section 5. Sections 1204 and 1206(f)(1) of Title 4 are  
35 amended to read:

36 § 1204. Licensed gaming entity application appeals from board.

37       The Supreme Court of Pennsylvania shall be vested with  
38 exclusive appellate jurisdiction to consider appeals of any  
39 final order, determination or decision of the board involving  
40 the approval, issuance, denial or conditioning of a slot machine  
41 license [or], the award, denial or conditioning of a table game  
42 operation certificate[.] or the award, denial or conditioning of  
43 an interactive gaming certificate, an interactive gaming  
44 license, a casino simulcasting permit, a nonprimary location  
45 permit or an airport gaming operation certificate.

46 Notwithstanding the provisions of 2 Pa.C.S. Ch. 7 Subch. A  
47 (relating to judicial review of Commonwealth agency action) and  
48 42 Pa.C.S. § 763 (relating to direct appeals from government  
49 agencies), the Supreme Court shall affirm all final orders,  
50 determinations or decisions of the board involving the approval,  
51 issuance, denial or conditioning of a slot machine license [or],

1 the award, denial or conditioning of a table game operation  
2 certificate or the award, denial or conditioning of an  
3 interactive gaming certificate, an interactive gaming license, a  
4 casino simulcasting permit, a nonprimary location permit or an  
5 airport gaming operation certificate, unless it shall find that  
6 the board committed an error of law or that the order,  
7 determination or decision of the board was arbitrary and there  
8 was a capricious disregard of the evidence.  
9 § 1206. Board minutes and records.

10 \* \* \*

11 (f) Confidentiality of information.--

12 (1) The following information submitted by an applicant,  
13 permittee, certificate holder or licensee pursuant to section  
14 1310(a) (relating to slot machine license application  
15 character requirements) [or], 1308(a.1) (relating to  
16 applications for license or permit), 13B12 (relating to  
17 interactive gaming certificate required and content of  
18 petition), 13B14 (relating to interactive gaming operators),  
19 13D11 (relating to application for nonprimary location  
20 permit), 13E12 (relating to application) or 13F12 (relating  
21 to casino simulcasting permit) or obtained by the board or  
22 the bureau as part of a background or other investigation  
23 from any source shall be confidential and withheld from  
24 public disclosure:

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

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

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

50 (iv) Security information, including risk prevention  
51 plans, detection and countermeasures, location of count

1 rooms, location of interactive gaming restricted areas  
2 and redundancy facilities, emergency management plans,  
3 security and surveillance plans, equipment and usage  
4 protocols and theft and fraud prevention plans and  
5 countermeasures.

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

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

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

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

26 \* \* \*

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

30 § 1207. Regulatory authority of board.

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

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

44 \* \* \*

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

49 (4) Require that each licensed entity, including, in the  
50 case of interactive gaming, each interactive gaming operator,  
51 provide to the board its audited annual financial statements,



1 with such additional detail as the board from time to time  
2 shall require, which information shall be submitted not later  
3 than 90 days after the end of the licensee's fiscal year.

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

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

20 (6.1) Collaborate with the appropriate gaming  
21 authorities in other states or jurisdictions to facilitate  
22 the establishment of multistate wide-area progressive slot  
23 machine systems by slot machine licensees in this  
24 Commonwealth and, if determined necessary, enter into the  
25 necessary agreements with such other states or jurisdictions  
26 as necessary for the operation of multistate wide-area  
27 progressive slot machine systems by slot machine licensees in  
28 this Commonwealth.

29 \* \* \*

30 (7.2) Enforce prescribed hours for the operation of  
31 authorized interactive games so that an interactive gaming  
32 certificate holder or interactive gaming licensee may conduct  
33 authorized interactive games on any day during the year in  
34 order to meet the needs of registered players or to meet  
35 competition.

36 (7.3) In consultation with the commission, enforce  
37 prescribed hours of operation of casino simulcasting by slot  
38 machine licensees and the operation of slot machines at a  
39 nonprimary location by a Category 1 slot machine licensee.

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

44 (9) Establish procedures for the inspection and  
45 certification of compliance of each slot machine, table game,  
46 table game device and associated equipment, interactive game  
47 and interactive gaming device and associated equipment and  
48 casino simulcasting technology and equipment prior to being  
49 placed into use by a slot machine licensee. However, the  
50 board shall collaborate with the commission to facilitate the  
51 inspection and certification of casino simulcasting

1 technology and equipment.

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

23 \* \* \*

24 (21) Authorize, in its discretion, a slot machine  
25 licensee to conduct slot machine contests or tournaments,  
26 table game tournaments or contests in accordance with section  
27 13A22.1 (relating to table game tournaments) or interactive  
28 gaming contests or tournaments and adopt regulations  
29 governing the conduct of such tournaments and contests.

30 (21.1) Authorize, at its discretion, a slot machine  
31 licensee to place and make multistate wide-area progressive  
32 slot machines, skill slot machines or hybrid slot machines  
33 available for play at licensed facilities.

34 (21.2) Adopt and promulgate regulations to govern the  
35 operation and placement of skill slot machines and hybrid  
36 slot machines by slot machine licensees at licensed  
37 facilities. In order to facilitate the operation and  
38 placement of skill and hybrid slot machines at licensed  
39 facilities pursuant to this paragraph, regulations  
40 promulgated by the board shall be deemed temporary  
41 regulations which shall expire two years after the date of  
42 publication in the Pennsylvania Bulletin.

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

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

1           (24) Require, as applicable, that all wagering offered  
2 through interactive gaming display online the permissible  
3 minimum and maximum wagers associated with each authorized  
4 interactive game.

5           (25) Ensure, in consultation with the commission, that  
6 the wagering at casino simulcasting facilities is conducted  
7 in conformance with the pari-mutuel system of wagering  
8 regulated by the commission pursuant to Article XXVIII-D of  
9 the act of April 9, 1929 (P.L.177, No.175), known as The  
10 Administrative Code of 1929.

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

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

32           (28) Authorize a Category 2 or Category 3 slot machine  
33 licensee to enter into an agreement with a Category 1 slot  
34 machine licensee for the conduct of casino simulcasting under  
35 the Category 1 slot machine licensee's authority as a  
36 licensed racing entity, if such agreement is approved by the  
37 board and by the commission, pursuant to the commission's  
38 authority under Article XXVIII-D of The Administrative Code  
39 of 1929.

40           (29) Adopt, in consultation with the commission,  
41 regulations to govern the conduct of casino simulcasting by a  
42 Category 2 or Category 3 slot machine licensee in accordance  
43 with paragraph (28).

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

1 paragraph (28).

2 Section 7. Section 1209(b) of Title 4 is amended to read:  
3 § 1209. Slot machine license fee.

4 \* \* \*

5 (b) Term.--A slot machine license, after payment of the fee,  
6 shall be in effect unless suspended, revoked or not renewed by  
7 the board upon good cause consistent with the license  
8 requirements as provided for in this part. Slot machine  
9 licensees shall be required to update the information in their  
10 initial applications annually, and the license of a licensee in  
11 good standing shall be renewed every [three] five years. Nothing  
12 in this subsection shall relieve a licensee of the affirmative  
13 duty to notify the board of any changes relating to the status  
14 of its license or to any other information contained in the  
15 application materials on file with the board. As to the renewal  
16 of a license, except as required in subsection (f)(3), no  
17 additional license fee pursuant to subsection (a) shall be  
18 required.

19 \* \* \*

20 Section 8. Section 1211 of Title 4 is amended by adding  
21 subsections to read:

22 § 1211. Reports of board.

23 \* \* \*

24 (a.4) Interactive gaming reporting requirements.--

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

28 (i) Total gross interactive gaming revenue.

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

32 (iii) All taxes, fees, fines and other revenue  
33 collected and, where appropriate, revenue disbursed  
34 during the previous year. The department shall  
35 collaborate with the board to carry out the requirements  
36 of this subparagraph.

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

42 \* \* \*

43 (d.1) Impact of interactive gaming, annual report.--One year  
44 after the issuance of the first interactive gaming certificate,  
45 an annual report shall be prepared and distributed to the  
46 Governor and the standing committees of the General Assembly  
47 with jurisdiction over this part on the impact of interactive  
48 gaming on compulsive and problem gambling and gambling addiction  
49 in this Commonwealth. The report shall be prepared by a private  
50 organization or entity with expertise in serving and treating  
51 the needs of persons with compulsive gambling addictions, which

1 organization or entity shall be selected by the Department of  
2 Drug and Alcohol Programs. The report may be prepared and  
3 distributed in coordination with the board. Any costs associated  
4 with the preparation and distribution of the report shall be  
5 borne by slot machine licensees who have been authorized by the  
6 board to conduct interactive gaming. The board shall be  
7 authorized to assess a fee against each slot machine licensee  
8 for these purposes.

9 (d.2) Additional information and annual reporting.--

10 (1) One year after the commencement of casino  
11 simulcasting in accordance with Chapter 13F (relating to  
12 casino simulcasting), the operation of skill slot machines,  
13 hybrid slot machines, the operation of slot machines at  
14 nonprimary locations in accordance with Chapter 13D (relating  
15 to slot machines at nonprimary locations) and the operation  
16 of a multistate wide-area slot machine system, the report  
17 required under subsection (a) shall include information  
18 related to the 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 a multistate wide-area  
23 progressive slot machine system.

24 (iv) The operation of slot machines at nonprimary  
25 locations.

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

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

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

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

51 (3) Any gaming products which the board may have the

1 authority to authorize pursuant to its regulatory authority  
2 under this part.

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

6 (d.4) Time of submission and reports.--Notwithstanding any  
7 provision of this part, all reports and studies required to be  
8 submitted under subsections (d.1), (d.2) and (d.3) after the  
9 effective date of this subsection shall be submitted initially  
10 by October 1, 2017, and by October 1 of each year thereafter.

11 \* \* \*

12 Section 9. Section 1212(e) of Title 4 is amended by adding  
13 paragraphs to read:

14 § 1212. Diversity goals of board.

15 \* \* \*

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

20 \* \* \*

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

23 (10) Technology related to casino simulcasting.

24 Section 10. Section 1305 of Title 4 is amended to read:

25 § 1305. Category 3 slot machine license.

26 (a) Eligibility.--

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

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

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

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

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

1 such individual.

2 (1.1) The board may approve a seasonal or year-round  
3 membership that allows an individual to use one or more of  
4 the amenities provided by the well-established resort hotel  
5 holding a Category 3 slot machine license. The membership  
6 shall allow the member and one guest to enter the gaming  
7 floor at any time as long as the guest is accompanied by the  
8 individual owning or holding the membership. The board shall  
9 base its approval of a membership on all of the following:

10 (i) The duration of the membership.

11 (ii) The amenity covered by the membership.

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

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

26 (3) If the person seeking a slot machine license  
27 proposes to place the licensed facility upon land designated  
28 a subzone, an expansion subzone or an improvement subzone  
29 under the act of October 6, 1998 (P.L.705, No.92), known as  
30 the Keystone Opportunity Zone, Keystone Opportunity Expansion  
31 Zone and Keystone Opportunity Improvement Zone Act, the  
32 person shall, at any time prior to the application being  
33 approved, submit a statement waiving the exemptions,  
34 deductions, abatements or credits granted under the Keystone  
35 Opportunity Zone, Keystone Opportunity Expansion Zone and  
36 Keystone Opportunity Improvement Zone Act if the board  
37 approves the application.

38 (b) Location.--The following shall apply:

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

42 (1.1) A Category 3 license established on or after [July  
43 20, 2017] January 1, 2016, shall [not be located by the board  
44 within 30 linear miles of another licensed facility.] only be  
45 located in a county that:

46 (i) does not contain a licensed facility; and

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

50 (2) Within five days of approving a license for an  
51 applicant with a proposed licensed facility consisting of

1 land designated a subzone, an expansion subzone or an  
2 improvement subzone under the Keystone Opportunity Zone,  
3 Keystone Opportunity Expansion Zone and Keystone Opportunity  
4 Improvement Zone Act for a slot machine license under this  
5 section, the board shall notify the Department of Community  
6 and Economic Development. The notice shall include a  
7 description of the land of the proposed licensed facility  
8 which is designated a subzone, an expansion subzone or an  
9 improvement subzone. Within five days of receiving the notice  
10 required by this paragraph, the Secretary of Community and  
11 Economic Development shall decertify the land of the proposed  
12 license facility as being a subzone, an expansion subzone or  
13 an improvement subzone. Upon decertification in accordance  
14 with this paragraph and notwithstanding Chapter 3 of the  
15 Keystone Opportunity Zone, Keystone Opportunity Expansion  
16 Zone and Keystone Opportunity Improvement Zone Act, a  
17 political subdivision may amend the ordinance, resolution or  
18 other required action which granted the exemptions,  
19 deductions, abatements or credits required by the Keystone  
20 Opportunity Zone, Keystone Opportunity Expansion Zone and  
21 Keystone Opportunity Improvement Zone Act to repeal the  
22 exemptions, deductions, abatements or credits for the land  
23 decertified.

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

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

41 (c.2) Increase in number.--Upon submission of a petition to  
42 the board in such form and manner as the board may require, the  
43 board may authorize the Category 3 slot machine licensee to  
44 increase the number of slot machines at its licensed facility  
45 for the conduct of a slot machine tournament or contest. An  
46 increase in the number of slot machines by a Category 3 slot  
47 machine licensee under this subsection may not, at the  
48 discretion of the board, exceed 75 additional slot machines,  
49 which shall be in addition to the number of permissible slot  
50 machines authorized under subsections (c) and (c.1).

51 (d) Category 3 license fee.--The board shall impose a one-



1 time Category 3 license fee to be paid by each successful  
2 applicant in the amount of \$5,000,000 to be deposited in the  
3 State Gaming Fund. The provisions of section 1209(b), (c), (d)  
4 and (e) shall apply to a Category 3 licensee[.], except that the  
5 holder of a Category 3 slot machine license approved and issued  
6 by the board on or after January 1, 2016, shall pay a fee of  
7 \$8,500,000 for deposit in the General Fund.

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

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

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

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

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

37 Section 11. Section 1309(a.1) heading of Title 4 is amended  
38 and the subsection is amended by adding a paragraph to read:  
39 § 1309. Slot machine license application.

40 \* \* \*

41 (a.1) Table games and interactive gaming information.--

42 \* \* \*

43 (3) Notwithstanding paragraph (2), the board may permit  
44 an applicant for a slot machine license that has an  
45 application pending before the board to supplement its  
46 application with all information required under Chapters 13B  
47 (relating to interactive gaming) and 13D (relating to slot  
48 machines at nonprimary locations) and to request that the  
49 board consider its application for a slot machine license, a  
50 table game operation certificate, an interactive gaming  
51 certificate or a nonprimary location permit concurrently. All

1 fees for an interactive gaming certificate and a nonprimary  
2 location permit shall be paid by the applicant in accordance  
3 with the requirements of this part.

4 \* \* \*

5 Section 12. Sections 1317(a) and (c) and 1317.1(a), (b),  
6 (c), (c.1), (d.1) and (e) of Title 4 are amended and the  
7 sections are amended by adding subsections to read:

8 § 1317. Supplier licenses.

9 (a) Application.--A manufacturer that elects to contract  
10 with a supplier under section 1317.1(d.1) (relating to  
11 manufacturer licenses) shall ensure that the supplier is  
12 appropriately licensed under this section. A person seeking to  
13 provide slot machines, table game devices or associated  
14 equipment, interactive gaming devices or associated equipment or  
15 multi-use computing devices to a slot machine licensee or an  
16 interactive gaming licensee within this Commonwealth through a  
17 contract with a licensed manufacturer shall apply to the board  
18 for the appropriate supplier license.

19 \* \* \*

20 (c) Review and approval.--Upon being satisfied that the  
21 requirements of subsection (b) have been met, the board may  
22 approve the application and issue the applicant a supplier  
23 license consistent with all of the following:

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

32 (2) The license shall be nontransferable.

33 (3) Any other condition established by the board.

34 \* \* \*

35 (c.2) Abbreviated process for supplier.--

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

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

6 \* \* \*

7 § 1317.1. Manufacturer licenses.

8       (a) Application.--A person seeking to manufacture slot  
9 machines, table game devices and associated equipment or  
10 interactive gaming devices and associated equipment for use in  
11 this Commonwealth shall apply to the board for a manufacturer  
12 license.

13       (b) Requirements.--An application for a manufacturer license  
14 shall be on the form required by the board, accompanied by the  
15 application fee, and shall include all of the following:

16           (1) The name and business address of the applicant and  
17 the applicant's affiliates, intermediaries, subsidiaries and  
18 holding companies; the principals and key employees of each  
19 business; and a list of employees and their positions within  
20 each business, as well as any financial information required  
21 by the board.

22           (2) A statement that the applicant and each affiliate,  
23 intermediary, subsidiary or holding company of the applicant  
24 are not slot machine licensees.

25           (3) The consent to a background investigation of the  
26 applicant, its principals and key employees or other persons  
27 required by the board and a release to obtain any and all  
28 information necessary for the completion of the background  
29 investigation.

30           (4) The details of any equivalent license granted or  
31 denied by other jurisdictions where gaming activities as  
32 authorized by this part are permitted and consent for the  
33 board to acquire copies of applications submitted or licenses  
34 issued in connection therewith.

35           (5) The type of slot machines, table game devices or  
36 associated equipment or interactive gaming devices or  
37 associated equipment to be manufactured or repaired.

38           (6) Any other information determined by the board to be  
39 appropriate.

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

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

1 (2) The license shall be nontransferable.

2 (3) Any other condition established by the board.

3 (c.1) Abbreviated process.--In the event an applicant for a  
4 manufacturer license to manufacture table game devices or  
5 associated equipment used in connection with table games is  
6 licensed by the board under this section to manufacture slot  
7 machines or associated equipment used in connection with slot  
8 machines, the board may determine to use an abbreviated process  
9 requiring only that information determined by the board to be  
10 necessary to consider the issuance of a license to manufacture  
11 table game devices or associated equipment used in connection  
12 with table games, including financial viability of the  
13 applicant. Nothing in this section shall be construed to waive  
14 any fees associated with obtaining a license, certificate or  
15 permit through the normal application process. The board may  
16 only use the abbreviated process if all of the following apply:

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

21 (2) The person to whom the manufacturer license was  
22 issued affirms there has been no material change in  
23 circumstances relating to the license.

24 (3) The board determines, in its sole discretion, that  
25 there has been no material change in circumstances relating  
26 to the licensee that necessitates that the abbreviated  
27 process not be used.

28 (c.2) Abbreviated process for manufacturer.--

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

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

50 \* \* \*

51 (d.1) Authority.--The following shall apply to a licensed

1 manufacturer:

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

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

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

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

29 (e) Prohibitions.--

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

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

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

46 (4) No limitation shall be placed on the number of  
47 manufacturer licenses issued or the time period to submit  
48 applications for licensure, except as required to comply with  
49 section 1306 (relating to order of initial license issuance).

50 Section 13. Title 4 is amended by adding a section to read:  
51 § 1317.3. Nongaming service provider.

1 (a) Notification required.--

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

6 (i) the nongaming service provider's provision of  
7 goods or services at the slot machine licensee's licensed  
8 facility; or

9 (ii) the provision of goods or services for use in  
10 the operation of the slot machine licensee's licensed  
11 facility.

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

16 (b) Contents of notification.--Notification under this  
17 section shall include:

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

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

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

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

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

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

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

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

42 (3) Any other information the board deems necessary and  
43 appropriate.

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

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

51 (2) The slot machine licensee or applicant for a slot

1 machine license shall notify the board of any material change  
2 in the information provided in the notification under this  
3 section. No fee shall be required for a subsequent change  
4 during the time for which the notification remains valid  
5 under subsection (c).

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

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

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

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

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

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

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

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

32 (f) (Reserved).

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

40 (h) Emergency notification.--

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

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

50 (i) Notify the board immediately upon engaging a  
51 nongaming service provider for which the board has not

1 previously received notification in accordance with  
2 subsection (a).

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

6 (i) Nongaming service provider list.--

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

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

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

18 (j) Duties of nongaming service provider.--A nongaming  
19 service provider shall:

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

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

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

34 (k) Construction.--Nothing in this section shall be  
35 construed to limit the powers and authority of the board under  
36 section 1202 (relating to general and specific powers of the  
37 board) or the regulatory authority of the board under section  
38 1207 (relating to regulatory authority of the board).

39 Section 14. Section 1320(a) of Title 4 is amended and the  
40 section is amended by adding a subsection to read:

41 § 1320. Slot machine testing and certification standards.

42 (a) Use of other state standards.--[Until such time as the  
43 board establishes an independent testing and certification  
44 facility pursuant to subsection (b), the] The board may  
45 determine, at its discretion, whether the slot machine testing  
46 and certification standards of another jurisdiction within the  
47 United States in which an applicant for a manufacturer license  
48 is licensed are comprehensive and thorough and provide similar  
49 adequate safeguards as those required by this part. If the board  
50 makes that determination, it may permit a manufacturer through a  
51 licensed supplier as provided in section 1317 (relating to



1 supplier [and manufacturer licenses application] licenses) to  
2 deploy those slot machines which have met the slot machine  
3 testing and certification standards in such other jurisdictions  
4 without undergoing the full testing and certification process by  
5 a board-established independent facility. In the event slot  
6 machines of an applicant for a manufacturer license are licensed  
7 in such other jurisdiction, the board may determine to use an  
8 abbreviated process requiring only that information determined  
9 by the board to be necessary to consider the issuance of a slot  
10 machine certification to such an applicant. [Alternatively, the  
11 board in its discretion may also rely upon the certification of  
12 a slot machine that has met the testing and certification  
13 standards of a board-approved private testing and certification  
14 facility until such time as the board establishes an independent  
15 testing and certification facility pursuant to subsection (b).  
16 Nothing in this section shall be construed to waive any fees  
17 associated with obtaining a license through the normal  
18 application process.]

19 \* \* \*

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

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

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

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

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

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

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

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

50 (8) Require slot machines submitted for abbreviated  
51 certification to be approved or denied by the board within 30

1 days from the date of submission to the board. If the board  
2 fails to act within the 30-day period, the abbreviated  
3 certification shall be deemed conditionally approved.

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

9 \* \* \*

10 Section 15. Sections 1326, 13A11(b), 13A22.1(c) and 13A27(c)  
11 of Title 4 are amended to read:

12 § 1326. [License renewals] Renewals.

13 (a) Renewal.--All permits [and], licenses, registrations or  
14 certificates issued under this part unless otherwise provided  
15 shall be subject to renewal every [three] five years. Nothing in  
16 this subsection shall relieve a licensee of the affirmative duty  
17 to notify the board of any changes relating to the status of its  
18 license, permit, certificate or registration or to any other  
19 information contained in the application materials on file with  
20 the board. The application for renewal shall be submitted at  
21 least [60] 180 days prior to the expiration of the permit [or],  
22 license, registration or certificate and shall include an update  
23 of the information contained in the initial and any prior  
24 renewal applications and the payment of any renewal fee required  
25 by this part. Unless otherwise specifically provided in this  
26 part, the amount of any renewal fee shall be calculated by the  
27 board to reflect the longer renewal period. A permit [or],  
28 license, registration or certificate for which a completed  
29 renewal application and fee, if required, has been received by  
30 the board will continue in effect unless and until the board  
31 sends written notification to the holder of the permit [or],  
32 license, registration or certificate that the board has denied  
33 the renewal of such permit [or], license, registration or  
34 certificate.

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

1 longer in effect.

2 § 13A11. Authorization to conduct table games.

3 \* \* \*

4 (b) Number of authorized gaming tables.--

5 (1) A Category 1 and Category 2 slot machine licensee  
6 awarded a table game operation certificate may operate up to  
7 250 gaming tables at any one time at its licensed facility.  
8 No more than 30% of these gaming tables may be used to play  
9 nonbanking games at any one time. Six months following the  
10 date of commencement of table game operations, the board may  
11 permit a Category 1 or Category 2 certificate holder to  
12 increase the number of gaming tables above the number  
13 authorized under this paragraph. The certificate holder shall  
14 petition the board for the increase at its licensed facility.  
15 The board, in considering the petition, shall take into  
16 account the appropriateness of the physical space where the  
17 gaming tables will be located and the convenience of the  
18 public attending the facility. The board may also take into  
19 account the potential benefit to the Commonwealth.

20 (2) A Category 3 slot machine licensee awarded a table  
21 game operation certificate may operate up to 50 gaming tables  
22 at any one time at its licensed facility. [No more than 30%  
23 of these gaming tables may be used to play nonbanking games  
24 at any one time.]

25 (2.1) A Category 3 slot machine licensee awarded a table  
26 game operation certificate may petition the board for  
27 additional table games at its licensed facility. The board  
28 may authorize up to 15 additional gaming tables. The  
29 additional tables shall be used to play nonbanking games. The  
30 board, in considering the petition, shall take into account  
31 the appropriateness of the physical space where the gaming  
32 tables will be located and the convenience of the public  
33 attending the facility. The board may also take into account  
34 the potential benefit to the Commonwealth.

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

37 § 13A22.1. Table game tournaments.

38 \* \* \*

39 (c) Exemptions and additional tables.--The following shall  
40 apply:

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

47 (2) For a Category 3 licensed facility, the executive  
48 director may authorize the licensed facility to operate up to  
49 15 additional gaming tables for use in tournaments. [The  
50 executive director may grant the use of the additional gaming  
51 tables for tournaments authorized under this paragraph only

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

10 \* \* \*

11 § 13A27. Other financial transactions.

12 \* \* \*

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

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

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

28 \* \* \*

29 Section 16. Section 13A41 of Title 4 is amended by adding a  
30 subsection to read:

31 § 13A41. Table game device and associated equipment testing and  
32 certification standards.

33 \* \* \*

34 (b.1) Use of private testing and certification facilities.--  
35 Notwithstanding any provision of this part or regulation of the  
36 board, if a table game device or associated equipment is tested  
37 and certified by a private testing and certification facility  
38 registered with the board, the board shall use an abbreviated  
39 certification process requiring only that information determined  
40 by it to be necessary to consider the issuance of a table game  
41 device or associated equipment certification under this section.  
42 Within one year of the effective date of this subsection, the  
43 board shall promulgate regulations that:

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

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

50 (3) Establish and collect an application fee for persons  
51 seeking registration. The application fee shall include the

1 costs of all background investigations as determined  
2 necessary and appropriate by the board.

3 (4) Establish uniform procedures and standards which  
4 private testing and certification facilities must comply with  
5 during the testing and certification of table game devices  
6 and associated equipment.

7 (5) Utilize information provided by private testing and  
8 certification facilities for the abbreviated certification of  
9 table game devices and associated equipment.

10 (6) Establish an abbreviated certification process that  
11 may be used by registered private testing and certification  
12 facilities to test and certify table game devices and  
13 associated equipment.

14 (7) Establish fees that must be paid by a licensed  
15 manufacturer.

16 (8) Require table game devices and associated equipment  
17 submitted for abbreviated certification to be approved or  
18 denied by the board within 30 days from the date of  
19 submission to the board. If the board fails to act within the  
20 30-day period, the abbreviated certification shall be deemed  
21 conditionally approved.

22 (9) Provide procedures and standards for the suspension  
23 and revocation of the registration of a private testing and  
24 certification facility and the reinstatement of a suspended  
25 or revoked registration.

26 Section 17. Sections 13A61(a) and (f) and 13A63(b) (4) of  
27 Title 4 are amended to read:

28 § 13A61. Table game authorization fee.

29 (a) Amount of authorization fee.--

30 (1) A Category 1 or a Category 2 slot machine licensee  
31 that submits a petition for a table game operation  
32 certificate under section 13A12 (relating to petition  
33 requirements) on or before June 1, 2010, shall pay a one-time  
34 nonrefundable authorization fee in the amount of \$16,500,000.  
35 A Category 1 or a Category 2 slot machine licensee that  
36 submits a petition for a table game operation certificate  
37 under section 13A12 after June 1, 2010, shall pay a one-time  
38 nonrefundable authorization fee in the amount of \$24,750,000.

39 (2) A Category 3 slot machine licensee that submits a  
40 petition for a table game operation certificate under section  
41 13A12 on or before June 1, 2010, shall pay a one-time  
42 nonrefundable authorization fee in the amount of \$7,500,000.  
43 A Category 3 slot machine licensee that submits a petition  
44 for a table game operation certificate under section 13A12  
45 after June 1, 2010, shall pay a one-time nonrefundable  
46 authorization fee in the amount of \$11,250,000.

47 (3) Notwithstanding paragraphs (1) and (2), the holder  
48 of a Category 1 or Category 3 slot machine license issued  
49 after June 1, 2010, that submits a petition for a table game  
50 operation certificate shall pay a one-time nonrefundable  
51 authorization fee in the amount of \$16,500,000 or \$7,500,000,

1 respectively.

2 (3.1) Notwithstanding paragraphs (2) and (3), the holder  
3 of a Category 3 slot machine license issued on or after  
4 January 1, 2016, that submits a petition for a table game  
5 operation certificate shall pay a one-time nonrefundable  
6 authorization fee in the amount of \$8,500,000.

7 (3.2) Notwithstanding any other provision of this part,  
8 no later than 60 days after the board approves a request for  
9 additional table games in accordance with section 13A11  
10 (relating to authorization to conduct table games) submitted  
11 by the holder of a Category 3 slot machine license issued  
12 prior to January 1, 2016, the Category 3 slot machine  
13 licensee shall pay a one-time nonrefundable fee in the amount  
14 of \$1,000,000.

15 (4) A table game operation certificate shall not be  
16 subject to renewal or payment of an additional authorization  
17 fee.

18 \* \* \*

19 (f) Deposit of fees.--Notwithstanding section 1208 (relating  
20 to collection of fees and fines), all table game authorization  
21 fees and other fees or penalties received by the board under  
22 this subchapter, all table game device and associated equipment  
23 manufacturer and supplier license fees, all table game device or  
24 associated equipment manufacturer and supplier renewal fees and  
25 fees for licenses issued under Chapter 16 (relating to junkets)  
26 shall be deposited in the General Fund.

27 § 13A63. Local share assessment.

28 \* \* \*

29 (b) Distributions to counties.--The department shall make  
30 quarterly distributions from the local share assessments  
31 deposited into the fund under subsection (a) to counties,  
32 including home rule counties, hosting a licensed facility  
33 authorized to conduct table games under this chapter in  
34 accordance with the following:

35 \* \* \*

36 (4) The following apply:

37 (i) If the facility is a Category 3 licensed  
38 facility located in a county of the second class A: 50%  
39 of the licensed facility's local share assessment shall  
40 be [deposited into a restricted receipts account to be  
41 established in the Commonwealth Financing Authority to be  
42 used exclusively for grants or guarantees for projects in  
43 the county that qualify under 64 Pa.C.S. §§ 1551  
44 (relating to Business in Our Sites Program), 1556  
45 (relating to Tax Increment Financing Guarantee Program)  
46 and 1558 (relating to Water Supply and Waste Water  
47 Infrastructure Program).] distributed as follows:

48 (A) Seventy-five percent shall be distributed to  
49 the county hosting the licensed facility from each  
50 such licensed facility for the purpose of supporting  
51 the maintenance and refurbishment of the Parks and

1 Heritage sites throughout the county in which the  
2 licensee is located.

3 (B) Twelve and one-half percent shall be  
4 distributed to the county hosting the licensed  
5 facility from each such licensed facility for the  
6 purpose of supporting a child advocacy center located  
7 within the county in which the licensee is located.

8 (C) Twelve and one-half percent shall be  
9 distributed to the county hosting the licensed  
10 facility from each such licensed facility for the  
11 purpose of supporting an organization providing  
12 comprehensive support services to victims of domestic  
13 violence, including legal and medical aid, shelters,  
14 transitional housing and counseling located within  
15 the county in which the licensee is located.

16 (ii) Except as provided in subparagraph (i), if the  
17 facility is a Category 3 licensed facility in a county of  
18 any class: 50% of the licensed facility's local share  
19 assessment shall be added to the funds in the restricted  
20 receipts account established under section 1403(c) (2) (iv)  
21 for distribution with those funds.

22 \* \* \*

23 Section 18. Title 4 is amended by adding chapters to read:

24 CHAPTER 13B

25 INTERACTIVE GAMING

26 Subchapter

27 A. General Provisions

28 B. Interactive Gaming Authorized

29 B.1. Multi-use Computing Devices

30 C. Conduct of Interactive Gaming

31 D. Facilities and Equipment

32 E. Testing and Certification

33 F. Taxes and Fees

34 G. Miscellaneous Provisions

35 SUBCHAPTER A

36 GENERAL PROVISIONS

37 Sec.

38 13B01. Legislative findings.

39 13B02. Regulatory authority.

40 13B03. Temporary interactive gaming regulations.

41 § 13B01. Legislative findings.

42 The General Assembly finds and declares that:

43 (1) The primary objective of the Pennsylvania Race Horse  
44 Development and Gaming Act, to which all other objectives are  
45 secondary, is to protect the public through the regulation  
46 and policing of all activities involving gaming and practices  
47 that continue to be unlawful.

48 (2) Legislative authorization of slot machine gaming and  
49 the conduct of table games is intended to enhance live horse  
50 racing, breeding programs, entertainment and employment in  
51 this Commonwealth.

1           (3) Legalized gaming was seen as a means to provide a  
2 source of revenue for property and wage tax relief, promote  
3 economic development and enhance development of tourism  
4 markets throughout this Commonwealth.

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

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

18           (6) Since its development, the Internet has provided the  
19 opportunity for millions of people worldwide to engage in  
20 online gambling, mostly through illegal, unregulated off-  
21 shore gambling operations.

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

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

33           (9) Interactive gaming is illegal in this Commonwealth  
34 and without legislative authorization and strict regulation,  
35 the public's trust and confidence in legalized commercial  
36 gaming may be impacted.

37           (10) In this Commonwealth, interactive gaming has been  
38 conducted without oversight, regulation or enforcement, all  
39 of which raises significant concerns for the protection of  
40 the health, welfare and safety of the citizens of this  
41 Commonwealth.

42           (11) An effective regulatory, licensing and enforcement  
43 system for Interactive gaming in this Commonwealth would  
44 inhibit underage wagering and otherwise protect vulnerable  
45 individuals, ensure that the games offered through the  
46 Internet are fair and safe, stop sending much-needed jobs,  
47 tax and other revenue offshore to illegal operators, provide  
48 a significant source of taxable revenue, create jobs and  
49 economic development and address the concerns of law  
50 enforcement.

51           (12) By legalizing interactive gaming and subjecting it



1 to the regulatory oversight of the Pennsylvania Gaming  
2 Control Board, the General Assembly is assuring the citizens  
3 of this Commonwealth that only those persons licensed by the  
4 board to conduct slot machine gaming and table games and to  
5 operate interactive games or interactive gaming systems, in  
6 accordance with the requirements of this part, have been  
7 determined to be suitable to facilitate and conduct  
8 interactive gaming activities in this Commonwealth.

9 (13) An effective regulatory, licensing and enforcement  
10 system to govern interactive gaming in this Commonwealth is  
11 consistent with the original objectives and intent of the  
12 Pennsylvania Race Horse Development and Gaming Act, thereby  
13 ensuring the public trust and confidence in the commercial  
14 gaming industry in this Commonwealth.

15 (14) The Commonwealth has a legitimate State interest in  
16 protecting the integrity of State-authorized interactive  
17 gaming by licensing those entities already engaged in the  
18 conduct of gaming in this Commonwealth, which are subject to  
19 the scrutiny and discipline of the board and other regulatory  
20 agencies and which are in good standing with those agencies.  
21 § 13B02. Regulatory authority.

22 (a) Authority.--The board shall promulgate and adopt rules  
23 and regulations to govern the conduct of interactive gaming in  
24 order to ensure that it will be implemented in a manner that  
25 provides for the security and effective management,  
26 administration and control of interactive gaming, including, but  
27 not limited to, regulations:

28 (1) Ensuring that interactive gaming is offered for play  
29 in this Commonwealth in a manner that is consistent with  
30 Federal law and the provisions of this chapter.

31 (2) Establishing standards and procedures for testing  
32 and approving interactive games and interactive gaming  
33 devices and associated equipment, and any variations or  
34 composites of authorized interactive games, provided that the  
35 board determines that the interactive games and any new  
36 interactive games or any variations or composites are  
37 suitable for use after a test or experimental period under  
38 any terms and conditions as the board may deem appropriate.  
39 The board may give priority to the testing of interactive  
40 games, interactive gaming devices and associated equipment or  
41 other gaming equipment which a slot machine licensee has  
42 certified that it will use to conduct interactive gaming in  
43 this Commonwealth. Nothing in this paragraph shall be  
44 construed to prohibit the board from using the testing and  
45 certification standards of another state or jurisdiction in  
46 which interactive gaming is conducted, if it determines that  
47 the standards of the jurisdiction are comprehensive, thorough  
48 and provide similar and adequate safeguards as those required  
49 under this part. If the board makes such a determination and  
50 the applicant for an interactive gaming certificate or an  
51 interactive gaming license is licensed in another state or

1 jurisdiction to operate interactive gaming, it may use an  
2 abbreviated process requiring only the information determined  
3 by it to be necessary to consider the issuance of a  
4 certification under this chapter. The board, in its  
5 discretion, may also rely upon the certification of  
6 interactive games that have met the testing and certification  
7 standards of a board-approved private testing and  
8 certification facility.

9 (3) Establishing standards and rules to govern the  
10 conduct of interactive gaming and the system of and wagering  
11 associated with interactive gaming, including internal  
12 controls and accounting controls, and the type, number,  
13 payout, wagering limits and rules for interactive games.

14 (4) Establishing the method for calculating gross  
15 interactive gaming revenue and standards for the daily  
16 counting and recording of cash and cash equivalents received  
17 in the conduct of authorized interactive games and ensure  
18 that internal controls and accounting controls are followed,  
19 including the maintenance of financial books and records and  
20 the conduct of audits. The board shall consult with the  
21 department in establishing these regulations.

22 (5) Establishing notice requirements pertaining to  
23 minimum and maximum wagers on authorized interactive games.

24 (6) Ensuring that all facilities and interactive gaming  
25 devices and associated equipment are arranged in a manner to  
26 promote appropriate security for interactive gaming.

27 (7) Establishing technical standards for the approval of  
28 interactive games, interactive gaming devices and associated  
29 equipment, including mechanical, electrical or program  
30 reliability, security against tampering and any other  
31 standards as it may deem necessary to protect registered  
32 players from fraud or deception.

33 (8) Governing the creation and utilization of  
34 interactive gaming accounts by registered players, including  
35 requiring that:

36 (i) Interactive gaming accounts be possessed by a  
37 natural person and not in the name of any beneficiary,  
38 custodian, joint trust, corporation, partnership or other  
39 organization or entity.

40 (ii) Interactive gaming accounts shall not be  
41 assignable or otherwise transferable.

42 (iii) No account be established for an individual  
43 under 21 years of age.

44 (9) Establishing procedures for registered players to  
45 log into their interactive gaming accounts, authenticate  
46 identities, agree to terms, conditions and rules applicable  
47 to authorized interactive games and log out of interactive  
48 gaming accounts, including procedures for automatically  
49 logging off registered players from an interactive game after  
50 a specified period of inactivity.

51 (10) Establishing procedures for:

1           (i) Depositing funds in an interactive gaming  
2 account by cash, transfer or other means, as approved by  
3 the board.

4           (ii) The withdrawal of funds from interactive gaming  
5 accounts.

6           (iii) The suspension of interactive gaming account  
7 activity for security reasons.

8           (iv) The termination of interactive gaming accounts  
9 and disposition of proceeds in accounts.

10          (v) The disposition of unclaimed amounts in dormant  
11 interactive gaming accounts.

12          (11) Establishing mechanisms by which registered players  
13 may place limits on the amount of money being wagered per  
14 authorized interactive game or during any specified time  
15 period or the amount of losses incurred during any specified  
16 time period.

17          (12) Establishing mechanisms to exclude from interactive  
18 gaming persons not eligible to play by reason of age,  
19 identity or location or inclusion on a list of persons denied  
20 access to interactive gaming activities in accordance with  
21 sections 1514 (relating to regulation requiring exclusion,  
22 ejection or denial of access of certain persons), 1515  
23 (relating to repeat offenders excludable from licensed gaming  
24 facility) and 1516 (relating to list of persons self excluded  
25 from gaming activities).

26          (13) Establishing procedures for the protection,  
27 security and reliability of interactive gaming accounts,  
28 authorized interactive games, interactive gaming devices and  
29 associated equipment and mechanisms to prevent tampering or  
30 utilization by unauthorized persons.

31          (14) Establishing data security standards to govern age,  
32 identity and location verification of persons engaged in  
33 interactive gaming activity.

34          (15) Requiring each interactive gaming certificate  
35 holder to:

36           (i) Provide written information on its interactive  
37 gaming skin or Internet website, which explains the rules  
38 for each authorized interactive game, payoffs or winning  
39 wagers and other information as the board may require.

40           (ii) Designate one or more interactive gaming  
41 restricted areas where interactive gaming will be  
42 managed, administered or controlled.

43           (iii) Provide the board with access to the  
44 interactive gaming skin or website, interactive gaming  
45 platform, signal or transmission used in connection with  
46 interactive gaming and interactive gaming restricted  
47 areas.

48           (iv) Adopt procedures for the recordation,  
49 replication and storage of all play and transactions for  
50 a period to be determined by the board.

51           (v) Provide statements on its interactive gaming

1 skin or website about the permissible minimum and maximum  
2 wagers for each authorized interactive game, as  
3 applicable.

4 (vi) Adopt policies or procedures to prohibit any  
5 unauthorized person from having access to interactive  
6 gaming devices and associated equipment, including  
7 software, system programs, hardware and any other gaming  
8 equipment or devices which are used to manage, administer  
9 or control interactive gaming.

10 (vii) Adopt data security standards to verify the  
11 age, identity and location of persons engaged in  
12 interactive gaming activity and prevent unauthorized  
13 access by any person whose age and location have not been  
14 verified or whose age and location cannot be verified in  
15 accordance with regulations adopted by the board.

16 (viii) Adopt standards to protect the privacy and  
17 security of registered players engaged in interactive  
18 gaming.

19 (ix) Collect, report and pay any and all applicable  
20 taxes and fees and maintain all books, records and  
21 documents related to the interactive gaming certificate  
22 holder's interactive gaming activities in a manner and in  
23 a location within this Commonwealth as approved by the  
24 board or the department. All books, records and documents  
25 shall be immediately available for inspection during all  
26 hours of operation in accordance with the regulations of  
27 the board and shall be maintained in a manner and during  
28 periods of time as the board shall by regulation require.

29 (b) Additional authority.--

30 (1) At its discretion, the board may determine whether  
31 persons that provide the following goods or services and any  
32 other goods or services related to interactive gaming as the  
33 board may determine shall be required to obtain a license,  
34 permit or other authorization:

35 (i) Payment processing and related money  
36 transmitting and services.

37 (ii) Customer identity or age verification and  
38 geospatial technology services.

39 (iii) General telecommunications services, which are  
40 not specifically designed for or related to interactive  
41 gaming.

42 (iv) Other goods or services that are not  
43 specifically designed for use with interactive gaming if  
44 the persons providing the goods or services are not paid  
45 a percentage of gaming revenue or of money wagered on  
46 interactive games or of any fees, not including fees to  
47 financial institutions and payment providers for  
48 facilitating a deposit by an interactive gaming account  
49 holder.

50 (2) The board shall develop a classification system for  
51 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 (c) Definition.--For the purposes of subsection (a)(12),  
13 (14) and (15)(viii) and (ix), the term "person" shall mean a  
14 natural person.

15 § 13B03. Temporary interactive gaming regulations.

16 (a) Promulgation.--

17 (1) In order to facilitate the prompt implementation of  
18 this chapter, regulations promulgated by the board shall be  
19 deemed temporary regulations which shall expire not later  
20 than two years following the publication of the temporary  
21 regulation in the Pennsylvania Bulletin and on the board's  
22 publicly accessible Internet website.

23 (2) The board may promulgate temporary regulations not  
24 subject to:

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

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

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

33 (b) Temporary regulations.--The board shall begin publishing  
34 temporary regulations governing the rules for interactive  
35 gaming, the issuance of interactive gaming certificates and  
36 interactive gaming licenses, standards for approving  
37 manufacturers, suppliers and other persons seeking to provide  
38 interactive games, interactive gaming devices and associated  
39 equipment, including age and location verification software or  
40 system programs and security and surveillance standards in the  
41 Pennsylvania Bulletin within 30 days of the effective date of  
42 this subsection.

43 (c) Expiration of temporary regulations.--Except for  
44 temporary regulations governing the rules for issuing  
45 certificates and licenses under this chapter, for new  
46 interactive games, for approving interactive games or variations  
47 thereof, interactive gaming devices and associated equipment and  
48 for approving manufacturers, suppliers and other persons seeking  
49 to provide interactive games, interactive gaming devices and  
50 associated equipment, the board's authority to adopt temporary  
51 regulations under subsection (a) shall expire two years after

1 the effective date of this section. Regulations adopted after  
2 this period shall be promulgated as provided by law.

3 SUBCHAPTER B

4 INTERACTIVE GAMING AUTHORIZED

5 Sec.

6 13B11. Authorization to conduct interactive gaming.

7 13B12. Interactive gaming certificate required and content of  
8 petition.

9 13B13. Issuance of interactive gaming certificate.

10 13B14. Interactive gaming operators.

11 13B15. Interactive gaming certificate and license.

12 13B16. Timing of initial interactive gaming authorizations.

13 § 13B11. Authorization to conduct interactive gaming.

14 (a) Authority of board.--

15 (1) The board may authorize a slot machine licensee:

16 (i) To conduct interactive gaming, including  
17 contests and tournaments and any other game which is  
18 determined by the board to be suitable for interactive  
19 gaming.

20 (ii) To deploy interactive gaming skins or Internet  
21 websites to facilitate the conduct of interactive gaming  
22 activities.

23 (2) Except as provided in this part, all individuals  
24 playing authorized interactive games must be physically  
25 located within this Commonwealth or within a state or  
26 jurisdiction in which the board has entered an interactive  
27 gaming reciprocal agreement. No individual under 21 years of  
28 age shall open, maintain, use or have access to an  
29 interactive gaming account.

30 (b) Authority to play interactive games.--Notwithstanding  
31 any other provision of law, an individual who is 21 years of age  
32 or older is hereby permitted to participate as a registered  
33 player in interactive gaming and wagering associated with  
34 playing an authorized interactive game offered by an interactive  
35 gaming certificate holder in accordance with regulations of the  
36 board.

37 § 13B12. Interactive gaming certificate required and content of  
38 petition.

39 (a) Certificate required.--No slot machine licensee or any  
40 other person associated with or representing a slot machine  
41 licensee shall operate or conduct or attempt to operate or  
42 conduct interactive gaming, except for test purposes or open  
43 interactive gaming to the public in this Commonwealth without  
44 first obtaining an interactive gaming certificate or an  
45 interactive gaming license from the board. A slot machine  
46 licensee may seek approval to conduct interactive gaming by  
47 filing a petition for an interactive gaming certificate with the  
48 board. The board shall prescribe the form and manner to govern  
49 the submission of a petition for an interactive gaming  
50 certificate.

51 (b) Content of petition.--In addition to information and

1 documentation demonstrating that the slot machine licensee is  
2 qualified for an interactive gaming certificate under this  
3 chapter, a petition seeking board approval to conduct  
4 interactive gaming within this Commonwealth shall include the  
5 following:

6 (1) The name, business address and contact information  
7 of the slot machine licensee.

8 (2) The name, business address and contact information  
9 of any affiliate, interactive gaming operator or other person  
10 that will be a party to an agreement related to the operation  
11 of interactive gaming or an interactive gaming system on  
12 behalf of a slot machine licensee.

13 (3) The name and business address, job title and a  
14 photograph of each principal and key employee of the slot  
15 machine licensee who will be involved in the conduct of  
16 interactive gaming and who is not currently licensed by the  
17 board, if known.

18 (4) The name and business address, job title and a  
19 photograph of each principal and key employee of the  
20 interactive gaming certificate holder and interactive gaming  
21 licensee, if any, who will be involved in the conduct of  
22 interactive gaming and who is currently licensed by the  
23 board.

24 (5) An itemized list of the interactive games and any  
25 other game or games the slot machine licensee plans to offer  
26 over the Internet for which authorization is being sought.  
27 The slot machine licensee shall, in accordance with  
28 regulations promulgated by the board, file any changes in the  
29 number of authorized interactive games offered through  
30 interactive gaming with the board.

31 (6) The estimated number of full-time and part-time  
32 employment positions that will be created at the licensed  
33 facility if interactive gaming is authorized and an updated  
34 hiring plan under section 1510(a) (relating to labor hiring  
35 preferences) which outlines the slot machine licensee's plan  
36 to promote the representation of diverse groups and  
37 Commonwealth residents in the employment positions.

38 (7) A brief description of the economic benefits  
39 expected to be realized by the Commonwealth, the host  
40 municipalities and residents if interactive gaming is  
41 authorized.

42 (8) The details of any financing obtained or that will  
43 be obtained to fund an expansion or modification of the  
44 licensed facility to accommodate interactive gaming and to  
45 otherwise fund the cost of commencing interactive gaming.

46 (9) Information and documentation concerning financial  
47 background and resources, as the board may require, to  
48 establish by clear and convincing evidence the financial  
49 stability, integrity and responsibility of the slot machine  
50 licensee, and information or documentation concerning any  
51 interactive gaming operator that will operate interactive

1 gaming or an interactive gaming system on behalf of the slot  
2 machine licensee, as the board may require.

3 (10) Information and documentation, as the board may  
4 require, to establish by clear and convincing evidence that  
5 the slot machine licensee has sufficient business ability and  
6 experience to conduct a successful interactive gaming  
7 operation. In making this determination, the board may  
8 consider the results of the slot machine licensee's slot  
9 machine and table game operations, including financial  
10 information, employment data and capital investment.

11 (11) Information and documentation, as the board may  
12 require, to establish by clear and convincing evidence that  
13 the slot machine licensee has or will have the financial  
14 ability to pay the interactive gaming authorization fee.

15 (12) Detailed site plans identifying the proposed  
16 interactive gaming restricted area where interactive gaming  
17 operations will be managed, administered or controlled as  
18 approved by the board.

19 (13) A detailed description of all of the following:

20 (i) The slot machine licensee's initial system of  
21 internal and accounting controls applicable to  
22 interactive gaming.

23 (ii) The slot machine licensee's proposed standards  
24 to protect, with a reasonable degree of certainty, the  
25 privacy and security of its registered players.

26 (iii) How the slot machine licensee will facilitate  
27 compliance with all of the requirements set forth in this  
28 chapter and in section 802(a) of the Unlawful Internet  
29 Gambling Enforcement Act of 2006 (Public Law 109-347, 31  
30 U.S.C. § 5362(10)(B)), including, but not limited to, all  
31 of the following:

32 (A) Age, identity and location verification  
33 requirements designed to block access to individuals  
34 under 21 years of age.

35 (B) Appropriate data security standards to  
36 prevent unauthorized access by any person whose age,  
37 identity and location have not been verified or whose  
38 age, identity and location cannot be verified in  
39 accordance with this chapter and applicable  
40 regulations of the board.

41 (C) Except as provided in this chapter, the  
42 requirement that all wagers made in the conduct of  
43 interactive gaming be initiated and received or  
44 otherwise made exclusively within this Commonwealth.

45 (iv) The slot machine licensee's proposed age,  
46 identity and location verification standards designed to  
47 block access to persons under 21 years of age and persons  
48 excluded or prohibited from participating in interactive  
49 gaming under this chapter.

50 (v) The procedures the slot machine licensee will  
51 use to register individuals who wish to participate in



1 interactive gaming.

2 (vi) The procedures the slot machine licensee will  
3 use to establish interactive gaming accounts for  
4 registered players.

5 (vii) The interactive games and services the slot  
6 machine licensee proposes to offer to registered players.

7 (viii) Documentation and information relating to all  
8 proposed subcontractors of the slot machine licensee,  
9 including, but not limited to, all of the following:

10 (A) A description of the services to be provided  
11 by each subcontractor.

12 (B) Information on the experience and  
13 qualifications of each subcontractor to provide the  
14 services anticipated.

15 (C) The names of all proposed subcontractors,  
16 owners, executives and employees that will be  
17 directly or indirectly involved in the slot machine  
18 licensee's interactive gaming operations, as well as  
19 sufficient personal identifying information on each  
20 such person to conduct background checks as may be  
21 required by the board.

22 (14) The interactive gaming devices and associated  
23 equipment, including the interactive gaming network,  
24 interactive gaming system or systems, that the slot machine  
25 licensee plans to or will utilize to manage, administer or  
26 control its interactive gaming operations.

27 (15) Compliance certification of its interactive gaming  
28 devices and associated equipment, including interactive  
29 gaming software and hardware, by a board-approved gaming  
30 laboratory to ensure that the gaming software and hardware  
31 comply with the requirements of this chapter and regulations  
32 of the board.

33 (16) Detailed description of accounting systems,  
34 including, but not limited to, accounting systems for all of  
35 the following:

36 (i) Interactive gaming accounts.

37 (ii) Per-hand charges, if applicable.

38 (iii) Transparency and reporting to the board and  
39 the department.

40 (iv) Distribution of revenue to the Commonwealth and  
41 winnings to registered players.

42 (v) Ongoing auditing and internal control compliance  
43 reviews.

44 (17) Detailed information on security systems at the  
45 licensed facility to protect the interactive gaming skins or  
46 Internet website from internal and external breaches and  
47 threats.

48 (18) Any other information the board may require.

49 (c) Confidentiality.--Information submitted to the board  
50 under subsection (b) may be considered confidential by the board  
51 if the information would be confidential under section 1206(f)

1 (relating to board minutes and records).

2 § 13B13. Issuance of interactive gaming certificate.

3 (a) Requirements for approval of petition.--

4 (1) The board may approve a petition under section 13B12  
5 (relating to interactive gaming certificate required and  
6 content of petition) upon finding clear and convincing  
7 evidence of all of the following:

8 (i) The slot machine licensee's conduct of  
9 interactive gaming complies in all respects with the  
10 requirements of this chapter and regulations promulgated  
11 by the board.

12 (ii) Age, identity and location verification  
13 requirements designed to block access to individuals  
14 under 21 years of age and persons otherwise prohibited  
15 from engaging in interactive gaming in accordance with  
16 this chapter, as approved by the board, have been  
17 implemented by the slot machine licensee.

18 (iii) The slot machine licensee has implemented or  
19 will implement appropriate data security standards to  
20 prevent unauthorized access by any person whose age,  
21 identity and location has not been verified or cannot be  
22 verified in accordance with the regulations promulgated  
23 and adopted by the board.

24 (iv) The slot machine licensee has implemented or  
25 will implement appropriate standards to protect the  
26 privacy and security of registered players.

27 (v) The slot machine licensee's initial system of  
28 internal and accounting controls applicable to  
29 interactive gaming, and the security and integrity of all  
30 financial transactions in connection with the system,  
31 complies with this chapter and regulations promulgated  
32 and adopted by the board.

33 (vi) The slot machine licensee is in good standing  
34 with the board.

35 (vii) The slot machine licensee agrees that the  
36 number of slot machines and table games in operation at  
37 its licensed facility, as of the effective date of this  
38 section, will not be reduced as a result of the  
39 authorization and commencement of interactive gaming.

40 (2) It shall be an express condition of any interactive  
41 gaming certificate that a slot machine licensee shall  
42 collect, report and pay all applicable taxes and fees and  
43 shall maintain all books, records and documents pertaining to  
44 the slot machine licensee's interactive gaming operations in  
45 a manner and location within this Commonwealth as approved by  
46 the board. All books, records and documents shall be  
47 immediately available for inspection by the board and the  
48 department during all hours of operation in accordance with  
49 the regulations of the board and shall be maintained in a  
50 manner and during periods of time as the board shall require.

51 (b) Issuance of interactive gaming certificate.--

1           (1) Upon approval of a petition for an interactive  
2 gaming certificate, the board shall issue an interactive  
3 gaming certificate to the slot machine licensee. The issuance  
4 of an interactive gaming certificate prior to the full  
5 payment of the authorization fee required under section 13B51  
6 (relating to interactive gaming authorization fee) shall not  
7 relieve the slot machine licensee from the obligation to pay  
8 the authorization fee in accordance with the requirements of  
9 section 13B51.

10           (2) Upon issuing an interactive gaming certificate, the  
11 board shall amend the slot machine licensee's statement of  
12 conditions to include conditions pertaining to the  
13 requirements of this chapter.

14           (c) Term of interactive gaming certificate.--Subject to the  
15 power of the board to deny, revoke or suspend an interactive  
16 gaming certificate issued in accordance with the requirements of  
17 this section, an interactive gaming certificate shall be renewed  
18 every five years and shall be subject to the requirements of  
19 section 1326 (relating to renewals).

20           (d) Sanctions.--A slot machine licensee that fails to abide  
21 by the requirements of this chapter or any condition contained  
22 in the slot machine licensee's statement of conditions governing  
23 the operation of interactive gaming shall be subject to board-  
24 imposed administrative sanctions or other penalties authorized  
25 under this part. The imposition of administrative sanctions in  
26 accordance with this subsection shall apply to any interactive  
27 gaming operator that fails to abide by the requirements of this  
28 chapter and regulations of the board.

29           (e) Background investigations.--Each petition for an  
30 interactive gaming certificate shall be accompanied by a  
31 nonrefundable fee established by the board to cover the cost of  
32 background investigations. The board shall determine by  
33 regulation the persons involved, directly or indirectly, in a  
34 slot machine licensee's interactive gaming operations and  
35 persons involved in the operations of an interactive gaming  
36 operator who shall be subject to background investigation. Any  
37 additional costs and expenses incurred in any background  
38 investigation or other investigation or proceeding under this  
39 chapter shall be reimbursed to the board.

40 § 13B14. Interactive gaming operators.

41           (a) License required.--No person shall serve or attempt to  
42 serve as an interactive gaming operator without first obtaining  
43 an interactive gaming license from the board. A person may seek  
44 approval to serve as an interactive gaming operator by filing an  
45 application with the board. The board shall prescribe the form  
46 and manner to govern the submission of an application for an  
47 interactive gaming license. The board shall provide for the  
48 licensure of interactive gaming operators that operate  
49 interactive gaming or an interactive gaming system on behalf of  
50 an interactive gaming certificate holder. The board shall:

51           (1) Determine suitability and provide for the licensure,

1 permitting, registration or certification, as it deems  
2 appropriate, of interactive gaming operators or other persons  
3 directly involved in the operation of interactive gaming or  
4 an interactive gaming system on behalf of a slot machine  
5 licensee. The board shall determine suitability in accordance  
6 with the applicable requirements of this part, provided that  
7 the board may extend suitability to a holder of a valid  
8 license, permit, registration, certificate or other  
9 authorizations approved and issued under this part, which is  
10 in good standing, without additional investigation. The  
11 extension of suitability in accordance with this paragraph  
12 shall not relieve the holder of a valid license, permit,  
13 registration or certificate issued under this chapter from  
14 payment of all fees imposed under this chapter.

15 (2) Provide for the approval of the terms and conditions  
16 of all agreements entered into by or between an interactive  
17 gaming certificate holder and an interactive gaming operator  
18 or any other person related to the operation of interactive  
19 games or an interactive gaming system on behalf of the  
20 interactive gaming certificate holder.

21 (b) Classification and approval of employees.--

22 (1) The board shall establish a classification system  
23 for employees of interactive gaming operators or other  
24 persons who provide products or services associated with or  
25 related to interactive gaming, interactive gaming platforms  
26 and interactive gaming systems.

27 (2) The board shall provide for the licensure,  
28 permitting, registration or certification, as it deems  
29 appropriate, of employees in each employee classification  
30 established by it in accordance with paragraph (1).

31 (c) Applicability of certain provisions.--Interactive gaming  
32 operators shall be subject to the applicable provisions of this  
33 part that apply to interactive gaming certificate holders, as  
34 determined by the board.

35 (d) Operators owned, controlled by slot machine licensee.--  
36 This section shall not apply to an interactive gaming operator  
37 that is owned by, affiliated with or otherwise controlled by a  
38 slot machine licensee that has been approved for and issued an  
39 interactive gaming certificate under this chapter. The board  
40 shall determine by regulation the criteria or conditions  
41 necessary to determine whether an interactive gaming operator is  
42 owned by, affiliated with or otherwise controlled by a slot  
43 machine licensee to effectuate the purpose of this subsection.

44 (e) Interactive gaming license and conditional  
45 authorization.--

46 (1) The following shall apply:

47 (i) During the first 18 months after the effective  
48 date of this section, the board may issue conditional  
49 authorizations to persons seeking licensure as  
50 interactive gaming operators.

51 (ii) Conditional authorization awarded to an

1 interactive gaming operator may remain in effect until  
2 the shorter of 12 months after the date of issue or the  
3 date by which the board considers the subject  
4 application.

5 (iii) Conditional authorization may be renewed by  
6 the board not more than once, upon a showing of good  
7 cause.

8 (iv) Conditional authorization shall allow an  
9 applicant for an interactive gaming license to engage in  
10 all of the functions of a licensed interactive gaming  
11 operator for the duration of the conditional  
12 authorization.

13 (2) No conditional authorization may be issued unless:

14 (i) The applicant has submitted a complete  
15 application for an interactive gaming license to the  
16 board.

17 (ii) The applicant agrees to pay or has paid the fee  
18 prescribed in section 13B51 (relating to interactive  
19 gaming authorization fee) prior to the issuance of  
20 conditional authorization, which may be refundable in the  
21 event the license is not approved and issued by the  
22 board.

23 (iii) The bureau has no objection to the issuance of  
24 a conditional authorization to the applicant.

25 (3) Within 45 days of the date that the bureau receives  
26 the completed application for an interactive gaming license  
27 from an applicant for investigation, the bureau shall conduct  
28 a preliminary investigation of the applicant and any key  
29 interactive gaming employee of the applicant, as determined  
30 by the board, which shall include a criminal background  
31 investigation of the applicant and any interactive gaming  
32 employees of the applicant, as determined by the board in  
33 accordance with section 1202(b) (relating to general and  
34 specific powers).

35 (4) If the bureau's preliminary investigation discloses  
36 no adverse information that would impact suitability for  
37 licensure, the bureau shall provide the board with a  
38 statement of no objection to issuance of conditional  
39 authorization to the applicant.

40 (5) If the bureau's preliminary investigation discloses  
41 adverse information that would impact suitability for  
42 licensure, it shall register an objection and no conditional  
43 authorization may be issued until the bureau's concerns are  
44 resolved.

45 (6) Any conditional authorization approved and issued to  
46 an applicant for an interactive gaming license under this  
47 subsection may be suspended or withdrawn by the board upon a  
48 showing of good cause by the bureau.

49 § 13B15. Interactive gaming certificate and license.

50 The following shall apply:

51 (1) An interactive gaming certificate and interactive

1 gaming license shall be in effect unless:

2 (i) The certificate or license is suspended or  
3 revoked by the board consistent with the requirements of  
4 this part.

5 (ii) The slot machine license is suspended, revoked  
6 or not renewed by the board consistent with the  
7 requirements of this part.

8 (iii) The slot machine licensee relinquishes or does  
9 not seek renewal of its slot machine license.

10 (iv) The slot machine licensee does not seek renewal  
11 of its interactive gaming certificate.

12 (2) The interactive gaming certificate may include an  
13 initial itemized list by number and type of authorized  
14 interactive games for interactive gaming to be conducted by  
15 the interactive gaming certificate holder or interactive  
16 gaming operator or other person on behalf of an interactive  
17 gaming certificate holder. The slot machine licensee may  
18 increase or decrease the number of interactive games  
19 authorized for play on its interactive gaming skin or  
20 Internet website or change the type of authorized interactive  
21 games played on its interactive gaming skin or Internet  
22 website upon notice, if required by the board, to the board  
23 and approval by the board or a designated employee of the  
24 board. Unless approved by the board or a designated employee  
25 of the board, the total number and type of authorized  
26 interactive games offered for play by an interactive gaming  
27 certificate holder may not differ from the number and type  
28 approved by the board and authorized in the interactive  
29 gaming certificate.

30 (3) A slot machine licensee shall be required to update  
31 the information in its initial interactive gaming petition at  
32 times and in the form and manner as prescribed by the board.

33 § 13B16. Timing of initial interactive gaming authorizations.

34 The board shall prescribe the date on which petitions for an  
35 interactive gaming certificate and applications for an  
36 interactive gaming license must be filed with the board and  
37 shall approve or deny a petition or application within 90 days  
38 following receipt.

39 SUBCHAPTER B.1

40 MULTI-USE COMPUTING DEVICES

41 Sec.

42 13B20. Authorization.

43 13B20.1. Board authorization required.

44 13B20.2. Standard for review of applications.

45 13B20.3. Fees.

46 13B20.4. Multi-use gaming device tax.

47 13B20.5. Local share assessment.

48 13B20.6. Regulations.

49 13B20.7. Construction.

50 § 13B20. Authorization.

51 (a) Authority.--

1           (1) Notwithstanding any provision of this part or  
2 regulation of the board, an interactive gaming certificate  
3 holder may provide for the conduct of interactive gaming at a  
4 qualified airport through the use of multi-use computing  
5 devices or enter into a written agreement with an interactive  
6 gaming operator that provides for the conduct of such  
7 interactive gaming by the interactive gaming operator on  
8 behalf of the interactive gaming certificate holder.

9           (2) An interactive gaming certificate holder seeking to  
10 make authorized interactive games available for play through  
11 the use of multi-use computing devices at a qualified airport  
12 shall file a petition with the board in such form and manner  
13 as the board, through regulations, shall require.

14       (b) Place of conduct.--The board, at its discretion, may  
15 authorize an interactive gaming certificate holder or an  
16 interactive gaming operator to place and make authorized  
17 interactive games available for play at a qualified airport  
18 through the use of multi-use computing devices in accordance  
19 with the requirements of this subchapter and regulations of the  
20 board.

21       (c) Satisfaction of contingencies.--Authorization for an  
22 interactive gaming certificate holder to conduct interactive  
23 gaming at a qualified airport in accordance with subsection (a)  
24 shall be contingent upon the following:

25           (1) The interactive gaming certificate holder has  
26 submitted a petition to the board seeking authorization to  
27 manage the conduct of interactive gaming at the qualified  
28 airport and the board has approved the petition.

29           (2) The interactive gaming certificate holder has  
30 disclosed that it has or will enter into an agreement with an  
31 interactive gaming operator who will manage, operate and  
32 control the conduct of interactive gaming at a qualified  
33 airport on behalf of the interactive gaming certificate  
34 holder and the interactive gaming operator has petitioned the  
35 board for approval and the board has approved the agreement  
36 and the petition.

37           (3) The interactive gaming certificate holder or  
38 interactive gaming operator, as the case may be, has entered  
39 into an agreement with the concession operator at the  
40 qualified airport for the conduct of interactive gaming  
41 through the use of multi-use computing devices within the  
42 airport gaming area.

43           (4) The interactive gaming certificate holder or  
44 interactive gaming operator, as applicable, has provided  
45 adequate assurances that the conduct of interactive gaming at  
46 the qualified airport will be conducted and operated in  
47 accordance with this part and regulations promulgated by the  
48 board.

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

51           (6) In the case of a qualified airport that is governed

1 by a municipal authority or joint municipal authority  
2 organized and incorporated to oversee the operations of an  
3 airport in accordance with 53 Pa.C.S. Ch. 56 (relating to  
4 municipal authorities), the interactive gaming certificate  
5 holder or interactive gaming operator, as the case may be,  
6 has entered into an agreement with the municipal authority or  
7 joint municipal authority for the conduct of interactive  
8 gaming through the use of multi-use computing devices within  
9 the gaming area of the qualified airport and the board has  
10 approved the agreement.

11 (d) Agreement required.--The following shall apply:

12 (1) An interactive gaming certificate holder may seek  
13 authorization for the operation and placement of authorized  
14 interactive games at a qualified airport or may enter into an  
15 agreement with an interactive gaming operator to provide for  
16 the conduct of interactive gaming at the qualified airport.

17 (2) An agreement entered into in accordance with this  
18 subsection shall be in writing and shall be submitted to the  
19 board for review and approval.

20 § 13B20.1. Board authorization required.

21 (a) Contents of petition.--An interactive gaming certificate  
22 holder seeking authorization to conduct interactive gaming at a  
23 qualified airport through the use of a multi-use computing  
24 device shall petition the board for approval. The petition shall  
25 include:

26 (1) The name, business address and contact information  
27 of the interactive gaming certificate holder or the name,  
28 business address and contact information of the interactive  
29 gaming operator, if an interactive gaming operator will  
30 manage the operation of interactive gaming at a qualified  
31 airport on behalf of an interactive gaming certificate holder  
32 pursuant to an interactive gaming agreement.

33 (2) The name and business address, job title and a  
34 photograph of each principal and key employee of the  
35 interactive gaming certificate holder and, if relevant, the  
36 interactive gaming operator who will be directly involved in  
37 the conduct of authorized interactive games at the qualified  
38 airport and who is not currently licensed by the board, if  
39 known.

40 (3) The name and business address of the airport  
41 authority, the location of the qualified airport and the  
42 names of the governing body of the airport authority, if the  
43 airport authority is incorporated in accordance with 53  
44 Pa.C.S. Ch. 56 (relating to municipal authorities).

45 (4) If the use and control of a qualified airport is  
46 regulated by a city of the first class, an identification of  
47 the municipal agency and primary officials of a city of the  
48 first class, which regulates the use and control of the  
49 qualified airport.

50 (5) The name and job title of the person or persons who  
51 will be responsible for ensuring the operation and integrity



1 of the conduct of interactive gaming at a qualified airport  
2 and reviewing reports of suspicious transactions.

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

12 (7) An itemized list of the interactive games for which  
13 authorization is being sought.

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

17 (9) Information on the terms and conditions of any  
18 interactive gaming agreement entered into by or between an  
19 interactive gaming certificate holder and interactive gaming  
20 operator or other person related to the conduct of  
21 interactive gaming through the use of multi-use computing  
22 devices at a qualified airport, if the board deems necessary  
23 and appropriate.

24 (10) Detailed site plans illustrating the location of  
25 the proposed airport gaming area at the qualified airport.

26 (11) Information and documentation concerning financial  
27 background and resources, as the board may require, to  
28 establish by clear and convincing evidence the financial  
29 stability, integrity and responsibility of the petitioner.

30 (12) Any other information as the board may require.

31 (b) Confidentiality.--Information submitted to the board  
32 under subsection (a) (8), (9), (11) and (12) may be considered  
33 confidential by the board if the information would be  
34 confidential under section 1206(f) (relating to board minutes  
35 and records).

36 (c) Approval of petition.--Upon approval of a petition as  
37 required under this section, the board shall authorize an  
38 interactive gaming certificate holder or an interactive gaming  
39 operator, as applicable, to conduct interactive gaming at a  
40 qualified airport through the use of multi-use computing  
41 devices. The authorization of an interactive gaming certificate  
42 holder or an interactive gaming operator, as applicable, to  
43 conduct interactive gaming at a qualified airport in accordance  
44 with this chapter prior to the full payment of the authorization  
45 fee under section 13B20.3 (relating to fees) shall not relieve  
46 the interactive gaming certificate holder or interactive gaming  
47 operator, as applicable, from the obligation to pay the  
48 authorization fee in accordance with section 13B20.3.

49 § 13B20.2. Standard for review of petitions.

50 The board shall approve a petition under section 13B20.1  
51 (relating to board authorization required) if the interactive

1 gaming operator has been or will be issued an interactive gaming  
2 license under section 13B14 (relating to interactive gaming  
3 operators), and if it establishes, by clear and convincing  
4 evidence, all of the following:

5 (1) The interactive gaming certificate holder or  
6 interactive gaming operator, as the case may be, has entered  
7 into an agreement with a concession operator for the conduct  
8 of interactive gaming through the use of multi-use computing  
9 devices within the airport gaming area of a qualified  
10 airport.

11 (2) The interactive gaming operator has an agreement  
12 with an interactive gaming certificate holder relating to the  
13 conduct of authorized interactive games by the interactive  
14 gaming operator on behalf of the interactive gaming  
15 certificate holder.

16 (3) The board has approved the agreements under  
17 paragraphs (1) and (2), as applicable.

18 (4) The interactive gaming operator has paid the  
19 authorization fee under section 13B51 (relating to  
20 interactive gaming authorization fee).

21 (5) The interactive gaming operator possesses the  
22 necessary funds or has secured adequate financing to commence  
23 the conduct of interactive gaming at the qualified airport.

24 (6) The proposed internal and external security and  
25 surveillance measures within the airport gaming area of the  
26 qualified airport are adequate.

27 § 13B20.3. Fees.

28 (a) Required fees.--An interactive gaming certificate holder  
29 shall pay a one-time, nonrefundable fee of \$1,000,000 upon the  
30 authorization to conduct interactive gaming at a qualified  
31 airport through the use of multi-use computing devices in  
32 accordance with this chapter.

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

37 § 13B20.4. Multi-use gaming device tax.

38 (a) Imposition.--

39 (1) Each interactive gaming certificate holder  
40 authorized to conduct interactive gaming at a qualified  
41 airport in accordance with the provisions of this subchapter  
42 shall report to the department and pay from its daily gross  
43 interactive gaming revenue generated from the conduct of  
44 interactive gaming through multi-use computing devices at the  
45 qualified airport, on a form and in the manner prescribed by  
46 the department, a tax of 14% of its daily gross interactive  
47 gaming revenue generated from multi-use computing devices at  
48 the qualified airport and a local share assessment.

49 (2) The tax imposed under subsection (a) shall be  
50 payable to the department on a daily basis and shall be based  
51 upon the gross interactive gaming revenue generated from

1 multi-use computing devices at a qualified airport derived  
2 during the previous week.

3 (3) All funds owed to the Commonwealth under this  
4 section shall be held in trust for the Commonwealth by the  
5 interactive gaming certificate holder until the funds are  
6 paid to the department. An interactive gaming certificate  
7 holder shall establish a separate bank account into which  
8 gross interactive gaming revenue from multi-use computing  
9 devices shall be deposited and maintained until such time as  
10 the funds are paid to the department under this section.

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

13 § 13B20.5. Local share assessment.

14 (a) Required payment.--In addition to the tax imposed under  
15 section 13B20.4 (relating to multi-use gaming device tax), each  
16 interactive gaming certificate holder shall pay on a weekly  
17 basis and on a form and in a manner prescribed by the department  
18 a local share assessment into a restricted receipts account  
19 established in the fund. All funds owed under this section shall  
20 be held in trust by the interactive gaming certificate holder  
21 until the funds are paid into the account. Funds in the account  
22 are hereby appropriated to the department on a continuing basis  
23 for the purposes set forth in this section.

24 (b) Distributions to qualified airports.--

25 (1) The department shall make quarterly distributions  
26 from the local share assessments deposited into the fund  
27 under subsection (a) to qualified airports.

28 (2) Notwithstanding paragraph (1) or any other provision  
29 of law, the multi-use computing device local share assessment  
30 generated at a qualified airport located in a city of the  
31 first class which regulates the use and control of a  
32 qualified airport shall be distributed to the school district  
33 of the city of the first class for pre-kindergarten programs.

34 (c) Definition.--As used in this section, the term "multi-  
35 use computing device local share assessment" means 20% of an  
36 interactive gaming certificate holder's gross interactive gaming  
37 revenue from multi-use computing devices at qualified airports.

38 § 13B20.6. Regulations.

39 (a) Regulations.--The board shall promulgate regulations  
40 related to the operation of authorized interactive games through  
41 the use of multi-use computing devices at qualified airports,  
42 including, but not limited to:

43 (1) Procedures for the creation of temporary or  
44 provisional interactive gaming accounts that take into  
45 consideration the nature of interactive gaming through multi-  
46 use computing devices at qualified airports.

47 (2) Procedures to govern credits, debits, deposits and  
48 payments to interactive gaming accounts established through  
49 multi-use computing devices at qualified airports.

50 (3) Procedures, in consultation with the department, to  
51 govern financial transactions between an interactive gaming

1 certificate holder, an interactive gaming operator or other  
2 persons that relates to the reporting of gross interactive  
3 gaming revenue generated through the use of multi-use  
4 computing devices at qualified airports.

5 (b) Temporary regulations.--In order to facilitate the  
6 prompt implementation of this chapter, regulations promulgated  
7 by the board in accordance with subsection (a) shall be deemed  
8 temporary regulations. The board and the commission may  
9 promulgate temporary regulations not subject to:

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

13 (2) Sections 204(b) and 301(10) of the act of October  
14 15, 1980 (P.L.950, No.164), known as the Commonwealth  
15 Attorneys Act.

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

18 § 13B20.7. Construction.

19 Nothing in this subchapter shall be construed to:

20 (1) Create a separate license governing the use of  
21 multi-use computing devices for the conduct of interactive  
22 games at eligible airports by interactive gaming certificate  
23 holders within this Commonwealth.

24 (2) Limit the board's authority to determine the  
25 suitability of any person who may be directly or indirectly  
26 involved in or associated with the operation of interactive  
27 gaming at a qualified airport to ensure the integrity of  
28 interactive gaming and protect the public interest.

29 SUBCHAPTER C

30 CONDUCT OF INTERACTIVE GAMING

31 Sec.

32 13B21. Situs of interactive gaming operations.

33 13B22. Establishment of interactive gaming accounts.

34 13B23. Interactive gaming account credits, debits, deposits and  
35 payments.

36 13B24. Acceptance of account wagers.

37 13B25. Dormant interactive gaming accounts.

38 13B26. Log-in procedure required.

39 13B27. Information provided at login.

40 13B28. Prohibitions.

41 13B29. Commencement of interactive gaming operations.

42 § 13B21. Situs of interactive gaming operations.

43 Except as provided in this chapter, all wagers made through  
44 interactive gaming shall be deemed to be initiated, received or  
45 otherwise made within the geographic boundaries of this  
46 Commonwealth. The intermediate routing of electronic data  
47 associated or in connection with interactive gaming shall not  
48 determine the location or locations in which a bet or wager is  
49 initiated, received or otherwise made.

50 § 13B22. Establishment of interactive gaming accounts.

51 (a) Registration restrictions.--Only a natural person who

1 has first established an interactive gaming account shall be  
2 permitted to play an authorized interactive game or place any  
3 bet or wager associated with an authorized interactive game. An  
4 interactive gaming account shall be in the name of a natural  
5 person and may not be in the name of any beneficiary, custodian,  
6 joint trust, corporation, partnership or other organization or  
7 entity. An interactive gaming certificate holder shall not  
8 permit an individual to establish an interactive gaming account  
9 unless the person is 21 years of age or older.

10 (b) Establishment of interactive gaming accounts.--

11 (1) An interactive gaming account may be executed in  
12 person, provided that the board shall, through regulations,  
13 provide procedures for the establishment of interactive  
14 gaming accounts over the Internet through the interactive  
15 gaming certificate holder's interactive gaming skin or portal  
16 or Internet website. Each interactive gaming account shall  
17 comply with the internal controls of the interactive gaming  
18 certificate holder that, at a minimum, require the following:

19 (i) The filing and execution of an interactive  
20 gaming account application, the form of which has been  
21 preapproved by the board.

22 (ii) Proof of age, identity and residency as  
23 demonstrated by at least two forms of identification  
24 approved by the board through regulation.

25 (iii) Physical address or the principal residence of  
26 the prospective account holder, e-mail address of the  
27 prospective account holder and other contact information,  
28 as the board or interactive gaming certificate holder may  
29 require.

30 (iv) Password or other secured identification  
31 provided by the interactive gaming certificate holder to  
32 access the interactive gaming account or some other  
33 mechanism approved by the board to authenticate the  
34 player as the holder to the interactive gaming account.

35 (v) An acknowledgment under penalty of perjury that  
36 false or misleading statements made in regard to an  
37 application for an interactive gaming account may subject  
38 the applicant to civil and criminal penalties.

39 (2) The interactive gaming certificate holder may accept  
40 or reject an application after receipt and review of the  
41 application and verification of age and identity for  
42 compliance with the provisions of this chapter. The  
43 interactive gaming certificate holder shall have the right,  
44 at any time with or without cause, to suspend or close any  
45 interactive gaming account at its sole discretion.

46 (3) The address provided by the applicant in the  
47 application for an interactive gaming account shall be deemed  
48 the address of record for the purposes of mailing checks,  
49 account withdrawals, notices and other materials to the  
50 interactive gaming account holder.

51 (4) An interactive gaming account shall not be

1 assignable or otherwise transferable and an interactive  
2 gaming certificate holder may, at any time, declare all or  
3 any part of an interactive gaming account to be closed for  
4 wagering.

5 (c) Password required.--As part of the application process,  
6 the interactive gaming certificate holder shall provide the  
7 prospective interactive gaming account holder with a password to  
8 access the interactive gaming account or shall establish some  
9 other method approved by the board to authenticate the  
10 individual as the holder of the interactive gaming account and  
11 allow the registered player access to the interactive gaming  
12 account.

13 (d) Grounds for rejection.--Any individual who provides  
14 false or misleading information in the application for an  
15 interactive gaming account may be subject to rejection of the  
16 application or cancellation of the account by the interactive  
17 gaming certificate holder.

18 (e) Suspension of interactive gaming account.--The  
19 interactive gaming certificate holder shall have the right to  
20 suspend or close any interactive gaming account at its  
21 discretion.

22 (f) Persons prohibited from establishing or maintaining an  
23 interactive gaming account.--The following persons shall not be  
24 entitled to establish or maintain an interactive gaming account:

25 (1) Any person under 21 years of age.

26 (2) Any person on the list of persons who are or will be  
27 excluded or ejected from or denied access to any licensed  
28 facility under section 1514 (relating to regulation requiring  
29 exclusion, ejection or denial of access of certain persons),  
30 1515 (relating to repeat offenders excludable from licensed  
31 gaming facility) or 1516 (relating to list of persons self  
32 excluded from gaming activities).

33 (3) Any gaming employee, key employee or principal  
34 employee of a slot machine licensee and any employee or key  
35 employee of an interactive gaming operator or any other  
36 person directly involved in the operation of interactive  
37 gaming or an interactive gaming system on behalf of a slot  
38 machine licensee.

39 § 13B23. Interactive gaming account credits, debits, deposits  
40 and payments.

41 (a) Duty of board.--The board shall, by regulation, develop  
42 procedures to govern credits, debits and deposits to interactive  
43 gaming accounts. Notwithstanding any provision of this part to  
44 the contrary, all credits, debits and deposits to interactive  
45 gaming accounts shall be made in accordance with regulations  
46 promulgated by the board, in consultation with the department,  
47 and all payments of winnings shall be made in accordance with  
48 the rules of each particular authorized interactive game.

49 (b) Rights of interactive gaming certificate holder.--An  
50 interactive gaming certificate holder shall have the right to:

51 (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 (c) Interest prohibited.--Funds deposited in a registered  
5 player's interactive gaming account shall not bear interest to  
6 the account holder.

7 § 13B24. Acceptance of account wagers.

8 (a) Acceptance.--An interactive gaming certificate holder  
9 may accept interactive gaming wagers or bets only as follows:

10 (1) The wager shall be placed directly with the  
11 interactive gaming certificate holder by the registered  
12 player, after the interactive gaming certificate holder has  
13 verified that the individual seeking to place a wager or bet  
14 is the registered player.

15 (2) The registered player provides the slot machine  
16 licensee with the correct password or other authentication  
17 information for access to the interactive gaming account.

18 (b) Nonacceptance.--An interactive gaming certificate holder  
19 may not accept an account wager in an amount in excess of funds  
20 on deposit in an interactive gaming account of the registered  
21 player placing the bet or wager. Funds on deposit include  
22 amounts credited to a registered player's interactive gaming  
23 account in accordance with regulations of the board and any  
24 funds in the account at the time the wager is placed.

25 § 13B25. Dormant interactive gaming accounts.

26 Before closing a dormant interactive gaming account, the  
27 interactive gaming certificate holder shall attempt to contact  
28 the interactive gaming account holder by mail and phone or e-  
29 mail to inform the account holder that the interactive gaming  
30 account is inactive and may be subject to termination at such  
31 time and manner as determined by regulation of the board.

32 § 13B26. Log-in procedure required.

33 Each interactive gaming certificate holder shall establish a  
34 log-in procedure for registered players to access interactive  
35 gaming. The log-in procedure shall include the provision of the  
36 appropriate authentication information by the registered player  
37 for access to the interactive gaming account. The interactive  
38 gaming certificate holder shall not allow a registered player to  
39 log in and access the interactive gaming account unless the  
40 correct password or other authentication information is  
41 provided.

42 § 13B27. Information provided at login.

43 The interactive gaming certificate holder shall configure its  
44 interactive gaming skin to include a link that, upon login, will  
45 allow a registered player to access all of the following  
46 information:

47 (1) The current amount of funds in the interactive  
48 gaming account.

49 (2) The wins and losses since the interactive gaming  
50 account was established.

51 (3) The wins and losses at the beginning of the current

1 gaming session and the wins and losses at the end of the  
2 current gaming session.

3 (4) The complete text in searchable format of the rules  
4 of each authorized interactive game offered by the  
5 interactive gaming certificate holder and any other  
6 information as the board may require.

7 § 13B28. Prohibitions.

8 Except as provided in this part, no interactive gaming  
9 certificate holder or any person licensed under this part to  
10 operate interactive gaming or an interactive gaming system and  
11 no person acting on behalf of, or under any arrangement with, an  
12 interactive gaming certificate holder or other person licensed  
13 under this part shall:

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

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

21 § 13B29. Commencement of interactive gaming operations.

22 An interactive gaming certificate holder may not operate or  
23 offer interactive games for play on its interactive gaming skin  
24 until the board determines that:

25 (1) The interactive gaming certificate holder is in  
26 compliance with the requirements of this chapter.

27 (2) The interactive gaming certificate holder's  
28 internal, administrative and accounting controls are  
29 sufficient to meet the requirements of section 13B32  
30 (relating to internal, administrative and accounting  
31 controls).

32 (3) The interactive gaming certificate holder's  
33 interactive gaming employees, where applicable, are licensed,  
34 permitted, registered, certified or otherwise authorized by  
35 the board to perform their respective duties.

36 (4) The employees of the interactive gaming operator  
37 are, where applicable, licensed, permitted or otherwise  
38 authorized by the board to perform their duties.

39 (5) The interactive gaming certificate holder is  
40 prepared in all respects to offer interactive gaming to the  
41 public over its interactive gaming skin.

42 (6) The interactive gaming certificate holder has  
43 implemented necessary internal, administrative and accounting  
44 controls, security arrangements and surveillance systems for  
45 the operation of interactive gaming.

46 (7) The interactive gaming certificate holder is in  
47 compliance with or will comply with section 13B31 (relating  
48 to responsibilities of interactive gaming certificate  
49 holder).

50 (8) The board has approved an agreement entered between  
51 the interactive gaming certificate holder and an interactive



1 gaming operator or other person related to the operation of  
2 interactive gaming or the operation of an interactive gaming  
3 system on behalf of such interactive gaming certificate  
4 holder.

5 SUBCHAPTER D  
6 FACILITIES AND EQUIPMENT

7 Sec.

8 13B31. Responsibilities of interactive gaming certificate  
9 holder.

10 13B32. Internal, administrative and accounting controls.

11 § 13B31. Responsibilities of interactive gaming certificate  
12 holder.

13 (a) Facilities and equipment.--All facilities and  
14 interactive gaming devices and associated equipment shall:

15 (1) Be arranged in a manner promoting appropriate  
16 security for interactive gaming.

17 (2) Include a closed-circuit video monitoring system  
18 according to rules or specifications approved by the board,  
19 with board absolute access to the interactive gaming  
20 certificate holder's interactive gaming skin, Internet  
21 website and platform, signal or transmission used in  
22 connection with interactive gaming.

23 (3) Not be designed in any way that might interfere with  
24 or impede the board in its regulation of interactive gaming.

25 (4) Comply in all respects with regulations of the  
26 board.

27 (b) Location of equipment and interactive gaming restricted  
28 areas.--

29 (1) All interactive gaming devices and associated  
30 equipment used by an interactive gaming certificate holder or  
31 an interactive gaming licensee to conduct interactive gaming  
32 may be located, with the prior approval of the board, in an  
33 interactive gaming restricted area on the premises of the  
34 licensed facility, in an interactive gaming restricted area  
35 within the geographic limits of the county in this  
36 Commonwealth where the licensed facility is situated or in  
37 any other area approved by the board.

38 (2) All wagers associated with interactive gaming shall  
39 be deemed to be placed when received by the interactive  
40 gaming certificate holder.

41 § 13B32. Internal, administrative and accounting controls.

42 (a) Submissions to board.--Notwithstanding any provision of  
43 this part, each slot machine licensee who holds or has applied  
44 for an interactive gaming certificate in accordance with this  
45 chapter shall submit a description of its system of internal  
46 procedures and administrative and accounting controls for  
47 interactive gaming to the board, including provisions that  
48 provide for real-time monitoring, recordation or storage of all  
49 interactive games and a description of any changes to its  
50 procedures and controls. The submission shall be made at least  
51 90 days before authorized interactive gaming is to commence or

1 at least 90 days before any change in those procedures or  
2 controls is to take effect, unless otherwise directed by the  
3 board.

4 (b) Filing.--Notwithstanding subsection (a), the procedures  
5 and controls may be implemented by an interactive gaming  
6 certificate holder upon the filing of the procedures and  
7 controls with the board. Each procedure or control submission  
8 shall contain both narrative and diagrammatic representations of  
9 the system to be utilized with regard to interactive gaming,  
10 including, but not limited to:

11 (1) Accounting controls, including the standardization  
12 of forms and definition of terms to be utilized in the  
13 interactive gaming operations.

14 (2) Procedures, forms and, where appropriate, formulas  
15 to govern the following:

16 (i) calculation of hold percentages;

17 (ii) revenue drops;

18 (iii) expense and overhead schedules;

19 (iv) complimentary services; and

20 (v) cash-equivalent transactions.

21 (3) Job descriptions and the system of personnel and  
22 chain of command, establishing a diversity of responsibility  
23 among employees engaged in interactive gaming operations,  
24 including employees of an interactive gaming operator, and  
25 identifying primary and secondary management and supervisory  
26 positions for areas of responsibility, salary structure and  
27 personnel practices.

28 (4) Procedures for the registration of players and  
29 establishment of interactive gaming accounts, including a  
30 procedure for authenticating the age, identity and location  
31 of applicants for interactive gaming accounts.

32 (5) Procedures for terminating a registered player's  
33 interactive gaming account and the return of any funds  
34 remaining in the interactive gaming account to the registered  
35 player.

36 (6) Procedures for suspending or terminating a dormant  
37 interactive gaming account.

38 (7) Procedures for the logging in and authentication of  
39 a registered player in order to enable the player to commence  
40 interactive gaming and the logging off of the registered  
41 player when the player has completed play, including a  
42 procedure to automatically log a registered player out of the  
43 player's interactive gaming account after a specified period  
44 of inactivity.

45 (8) Procedures for the crediting and debiting of  
46 registered players' interactive gaming accounts.

47 (9) Procedures for cashing checks, receiving electronic  
48 negotiable instruments and for redeeming chips, tokens or  
49 other cash equivalents.

50 (10) Procedures for withdrawing funds from an  
51 interactive gaming account by the registered player.

1           (11) Procedures for the protection of player funds,  
2 including the segregation of player funds from operating  
3 funds.

4           (12) Procedures for recording transactions pertaining to  
5 interactive gaming.

6           (13) Procedures for the security and sharing of personal  
7 identifiable information of registered players and other  
8 information as required by the board and funds in interactive  
9 gaming accounts. The procedures shall include the means by  
10 which an interactive gaming certificate holder or interactive  
11 gaming operator will provide notice to registered players  
12 related to its sharing of personal identifiable information.  
13 For the purpose of this paragraph, "personal identifiable  
14 information" shall mean any data or information that can be  
15 used, on its own or with other data or information, to  
16 identify, contact or otherwise locate a registered player,  
17 including a registered player's name, address, date of birth  
18 and Social Security number.

19           (14) Procedures and security for the calculation and  
20 recordation of revenue.

21           (15) Procedures for the security of interactive gaming  
22 devices and associated equipment within an interactive gaming  
23 restricted area on the premises of the licensed facility or  
24 in a secure facility inaccessible to the public and  
25 specifically designed for that purpose off the premises of a  
26 licensed facility as approved by the board.

27           (16) Procedures and security standards as to receipt of  
28 and the handling and storage of interactive gaming devices  
29 and associated equipment.

30           (17) Procedures and security standards to protect the  
31 interactive gaming certificate holder's interactive gaming  
32 skin or Internet website and interactive gaming devices and  
33 associated equipment from hacking or tampering by any person.

34           (18) Procedures for responding to suspected or actual  
35 hacking or tampering with an interactive gaming certificate  
36 holder's interactive gaming skin or Internet website and  
37 interactive gaming devices and associated equipment,  
38 including partial or complete suspension of interactive  
39 gaming or the suspension of any or all interactive gaming  
40 accounts when warranted.

41           (19) Procedures to verify each registered player's  
42 physical location each time a wager is placed on an  
43 interactive game.

44           (20) Procedures to ensure, to a reasonable degree of  
45 certainty, that the interactive games are fair and honest and  
46 that appropriate measures are in place to deter, detect and,  
47 to the extent reasonably possible, to prevent cheating,  
48 including collusion, and use of cheating devices, including  
49 the use of software programs that make bets or wagers  
50 according to algorithms.

51           (21) Procedures to assist problem and compulsive

1 gamblers, including procedures reasonably intended to prevent  
2 a person from participating in interactive gaming activities  
3 in accordance with sections 1514 (relating to regulation  
4 requiring exclusion, ejection or denial of access of certain  
5 persons), 1515 (relating to repeat offenders excludable from  
6 licensed gaming facility) and 1516 (relating to list of  
7 persons self excluded from gaming activities).

8 (22) Procedures to govern emergencies, including  
9 suspected or actual cyber attacks, hacking or tampering with  
10 the interactive gaming certificate holder's interactive  
11 gaming portal, platform or Internet website.

12 (c) Review of submissions.--

13 (1) The board shall review each submission required by  
14 subsections (a) and (b) and shall determine whether the  
15 submission conforms to the requirements of this chapter and  
16 regulations promulgated by the board and whether the system  
17 submitted provides adequate and effective controls for  
18 interactive gaming of the particular interactive gaming  
19 certificate holder.

20 (2) If the board determines that insufficiencies exist,  
21 it shall specify the insufficiencies in writing to the  
22 interactive gaming certificate holder, who shall make  
23 appropriate alterations to ensure compliance with the  
24 requirements of this chapter and regulations of the board.  
25 When the board determines a submission to be adequate in all  
26 respects, it shall notify the interactive gaming certificate  
27 holder.

28 (3) Except as otherwise provided in subsection (a), no  
29 interactive gaming certificate holder, interactive gaming  
30 operator or other person shall commence or alter interactive  
31 gaming operations unless and until the system of procedures,  
32 controls and alternations is approved by the board.

#### 33 SUBCHAPTER E

#### 34 TESTING AND CERTIFICATION

35 Sec.

36 13B41. Interactive games and interactive gaming devices and  
37 associated equipment testing and certification  
38 standards.

39 § 13B41. Interactive games and interactive gaming devices and  
40 associated equipment testing and certification  
41 standards.

42 (a) Testing required.--

43 (1) No interactive game or interactive gaming device or  
44 associated equipment shall be used to conduct interactive  
45 gaming unless it has been tested and approved by the board.  
46 The board may, in its discretion and for the purpose of  
47 expediting the approval process, refer testing to any testing  
48 laboratory as approved by the board.

49 (2) The board shall establish, by regulation, technical  
50 standards for approval of interactive games and interactive  
51 gaming devices and associated equipment, including standards

1 to govern mechanical, electrical or program reliability and  
2 security against tampering and threats, as it may deem  
3 necessary to protect the registered player from fraud or  
4 deception and to ensure the integrity of interactive gaming.

5 (b) Independent testing and certification facility.--Any  
6 costs associated with the board's testing and certification  
7 facility shall be assessed on persons authorized by the board to  
8 manufacture, supply, distribute or otherwise provide interactive  
9 games and interactive gaming devices and associated equipment to  
10 interactive gaming certificate holders or to interactive gaming  
11 operators in this Commonwealth. The costs shall be assessed in  
12 accordance with a schedule adopted by the board.

13 (c) Use of other state standards.--The board may determine  
14 whether the testing and certification standards for interactive  
15 games and interactive gaming devices and associated equipment as  
16 adopted by another jurisdiction within the United States or any  
17 of the testing and certification standards used by an  
18 interactive gaming certificate holder are comprehensive and  
19 thorough and provide similar and adequate safeguards as those  
20 required by this chapter and regulations of the board. If the  
21 board makes that determination, it may permit the person  
22 authorized to manufacture, supply, distribute or otherwise  
23 provide interactive games and interactive gaming devices or  
24 associated equipment to furnish interactive games or interactive  
25 gaming devices and associated equipment to interactive gaming  
26 certificate holders in this Commonwealth without undergoing the  
27 full testing and certification process by the board's  
28 independent testing and certification facility.

29 SUBCHAPTER F  
30 TAXES AND FEES

31 Sec.

32 13B51. Interactive gaming authorization fee.

33 13B52. Interactive gaming tax.

34 13B53. Local share assessment.

35 13B54. Compulsive and problem gambling.

36 § 13B51. Interactive gaming authorization fee.

37 (a) Amount of authorization fee.--

38 (1) Each slot machine licensee that is issued an  
39 interactive gaming certificate to conduct interactive gaming  
40 in accordance with section 13B11 (relating to authorization  
41 to conduct interactive gaming) shall pay a one-time  
42 nonrefundable authorization fee in the amount of \$8,000,000.

43 (2) Each interactive gaming operator or an affiliate of  
44 an interactive gaming certificate holder that is issued an  
45 interactive gaming license under this chapter to operate  
46 interactive gaming or an interactive gaming system on behalf  
47 of a slot machine licensee pursuant to an interactive gaming  
48 agreement and that is not owned, affiliated with or otherwise  
49 controlled by a slot machine licensee shall pay a one-time  
50 nonrefundable authorization fee in the amount of \$2,000,000.

51 (3) Each interactive gaming operator that has been

1 approved by the board to provide for the conduct of  
2 interactive gaming on behalf of an interactive gaming  
3 certificate holder at a qualified airport in accordance with  
4 Subchapter B.1 shall pay a one-time nonrefundable  
5 authorization fee in the amount of \$1,000,000.

6 (b) Payment of fee.--Persons required to pay the  
7 authorization fee under subsection (a) shall remit the fee to  
8 the board within 60 days of the board's approval of its  
9 petition, license or conditional license to conduct interactive  
10 gaming or to operate interactive gaming or an interactive gaming  
11 system. The board may allow the fee to be paid in installments,  
12 provided that all such installments are paid within the 60-day  
13 period and that the installment payments are made in accordance  
14 with the terms of an agreement between the board and the  
15 interactive gaming certificate holder or an interactive gaming  
16 operator under subsection (a)(2) that sets forth the terms of  
17 the installment payment.

18 (c) Renewal fee.--

19 (1) Notwithstanding any other provision of this chapter,  
20 an interactive gaming certificate holder shall pay a renewal  
21 fee in the amount of \$250,000 upon the renewal of its  
22 interactive gaming certificate in accordance with sections  
23 1326 (relating to renewals) and 13B13(c) (relating to  
24 issuance of interactive gaming certificate).

25 (2) Each interactive gaming operator under subsection  
26 (a)(2) shall pay a renewal fee of \$100,000 upon the renewal  
27 of its interactive gaming license in accordance with this  
28 chapter.

29 (d) Deposit of fees.--The fees imposed and collected under  
30 this section shall be deposited in the General Fund.  
31 § 13B52. Interactive gaming tax.

32 (a) Imposition of tax.--Each interactive gaming certificate  
33 holder that conducts interactive gaming shall report to the  
34 department and pay from its daily gross interactive gaming  
35 revenue, on a form and in the manner prescribed by the  
36 department, a tax of 14% of its daily gross interactive gaming  
37 revenue and a local share assessment as provided in section  
38 13B53 (relating to local share assessment).

39 (b) Deposits and distributions.--

40 (1) The tax imposed under subsection (a) shall be  
41 payable to the department on a weekly basis and shall be  
42 based upon gross interactive gaming revenue derived during  
43 the previous week.

44 (2) All funds owed to the Commonwealth under this  
45 section shall be held in trust for the Commonwealth by the  
46 interactive gaming certificate holder until the funds are  
47 paid to the department for deposit in the General Fund. An  
48 interactive gaming certificate holder shall establish a  
49 separate bank account into which gross interactive gaming  
50 revenue shall be deposited and maintained until such time as  
51 the funds are paid to the department under this section.

1 (c) Taxes on out-of-State wagering.--The tax rate which  
2 shall be assessed and collected by the department with respect  
3 to any wagers placed by registered players located in this  
4 Commonwealth with an interactive gaming operator outside of this  
5 Commonwealth, but authorized under an interactive gaming  
6 reciprocal agreement shall be governed by the agreement but may  
7 not exceed 16% of gross interactive gaming revenue derived from  
8 registered players located in this Commonwealth.

9 (d) Deposit of funds.--The tax imposed under subsection (a)  
10 shall be collected by the department for deposit in the General  
11 Fund.

12 § 13B53. Local share assessment.

13 (a) Required payment.--

14 (1) In addition to the tax imposed under section 13B52  
15 (relating to interactive gaming tax), each interactive gaming  
16 certificate holder that conducts interactive gaming shall pay  
17 on a weekly basis and on a form and in a manner prescribed by  
18 the department a local share assessment into a restricted  
19 receipts account established in the Department of Community  
20 and Economic Development to be used exclusively for grants to  
21 all counties in this Commonwealth, to economic development  
22 authorities or redevelopment authorities within each county,  
23 for grants for economic development projects, community  
24 improvement projects and other projects in the public  
25 interest.

26 (2) The Department of Community and Economic Development  
27 shall develop policies and procedures to govern the  
28 distribution of grants from the local share assessment  
29 established under paragraph (1). The policies and procedures  
30 shall be of sufficient scope to ensure equal access to grant  
31 funds by all counties in this Commonwealth.

32 (b) Definitions.--As used in this section, the following  
33 words and phrases shall have the meaning given to them in this  
34 subsection:

35 "Local share assessment." Two percent of an interactive  
36 gaming certificate holder's daily gross interactive gaming  
37 revenue.

38 § 13B54. Compulsive and problem gambling.

39 The following shall apply:

40 (1) Each year, from the tax imposed in section 13B52  
41 (relating to interactive gaming tax), \$2,000,000 or an amount  
42 equal to .002 multiplied by the total gross interactive  
43 gaming revenue of all active and operating interactive gaming  
44 certificate holders, whichever is greater, shall be  
45 transferred into the Compulsive and Problem Gambling  
46 Treatment Fund established in section 1509 (relating to  
47 compulsive and problem gambling program).

48 (2) Each year, from the tax imposed in section 13B52,  
49 \$2,000,000 or an amount equal to .002 multiplied by the total  
50 gross interactive gaming revenue of all active and operating  
51 interactive gaming certificate holders, whichever is greater,

1 shall be transferred to the Department of Drug and Alcohol  
2 Programs to be used for drug and alcohol addiction treatment  
3 services, including treatment for drug and alcohol addiction  
4 related to compulsive and problem gambling, as set forth in  
5 section 1509.1 (relating to drug and alcohol treatment).

6 SUBCHAPTER G  
7 MISCELLANEOUS PROVISIONS

8 Sec.

9 13B61. Participation in interactive gaming by persons outside  
10 Commonwealth.

11 13B62. Institutional investors.

12 13B63. Internet cafes and prohibition.

13 § 13B61. Participation in interactive gaming by persons outside  
14 Commonwealth.

15 Notwithstanding any other provision of this chapter to the  
16 contrary, an interactive gaming certificate holder may accept  
17 interactive gaming wagers from a person who is not physically  
18 present in this Commonwealth, if the board determines the  
19 following:

20 (1) Participation in interactive gaming and acceptance  
21 of wagers associated with interactive gaming from a person  
22 not physically present in this Commonwealth is not  
23 inconsistent with Federal law or regulation or the law or  
24 regulation of the jurisdiction, including any foreign  
25 jurisdiction, in which the person is located.

26 (2) Participation in interactive gaming is conducted  
27 pursuant to an interactive gaming reciprocal agreement  
28 between the Commonwealth and another state or jurisdiction,  
29 including a foreign jurisdiction, to which the Commonwealth  
30 is a party and the interactive gaming reciprocal agreement is  
31 not inconsistent with Federal law or regulation.

32 § 13B62. Institutional investors.

33 (a) Declaration of investment intent.--Notwithstanding any  
34 other provision of this part, the following shall apply:

35 (1) An institutional investor holding 20% or less of the  
36 equity securities of an interactive gaming certificate  
37 holder's, interactive gaming operator's or applicant's  
38 holding, subsidiary or intermediary companies shall be  
39 granted a waiver of any investigation of suitability or other  
40 requirement if the securities are those of a corporation,  
41 whether publicly traded or privately held, and the holdings  
42 of the securities were purchased for investment purposes  
43 only. The institutional investor shall file a certified  
44 statement that it has no intention of influencing or  
45 affecting the affairs of the interactive gaming certificate  
46 holder, interactive gaming operator, applicant or any  
47 holding, subsidiary or intermediary company of an interactive  
48 gaming certificate holder, interactive gaming operator or  
49 applicant. However, an institutional investor shall be  
50 permitted to vote on matters put to the vote of the  
51 outstanding security holders.



1           (2) The board may grant a waiver to an institutional  
2 investor holding a higher percentage of securities upon a  
3 showing of good cause and if the conditions specified in  
4 paragraph (1) are met.

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

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

26           (5) The interactive gaming certificate holder or  
27 interactive gaming operator or applicant or any holding,  
28 intermediary or subsidiary company of an interactive gaming  
29 certificate holder, interactive gaming operator or applicant  
30 shall notify the board immediately of any information about,  
31 or actions of, an institutional investor holding its equity  
32 securities where the information or action may impact the  
33 eligibility of the institutional investor for a waiver under  
34 this subsection.

35           (b) Failure to declare.--If the board finds:

36           (1) that an institutional investor holding any security  
37 of a holding or intermediary company of an interactive gaming  
38 certificate holder or interactive gaming operator or  
39 applicant or, where relevant, of another subsidiary company  
40 of a holding or intermediary company of an interactive gaming  
41 certificate holder or interactive gaming operator or  
42 applicant which is related in any way to the financing of the  
43 interactive gaming certificate holder or interactive gaming  
44 operator or applicant, fails to comply with the provisions of  
45 subsection (a); or

46           (2) by reason of the extent or nature of its holdings,  
47 an institutional investor is in a position to exercise such a  
48 substantial impact upon the controlling interests of an  
49 interactive gaming certificate holder or interactive gaming  
50 operator or applicant that investigation and determination of  
51 suitability of the institutional investor is necessary to

1 protect the public interest;  
2 then the board may take any necessary action otherwise  
3 authorized under this chapter to protect the public interest.  
4 § 13B63. Internet cafes and prohibition.

5 (a) General rule.--No organization or commercial enterprise  
6 shall operate a place of public accommodation, club, including a  
7 club or association limited to dues-paying members or similar  
8 restricted groups, or similar establishment in which computer  
9 terminals or similar access devices are advertised or made  
10 available to be used principally for the purpose of accessing  
11 authorized interactive games. No interactive gaming certificate  
12 holder or interactive gaming operator shall offer or make  
13 available computer terminals or similar access devices to be  
14 used principally for the purpose of accessing interactive games  
15 within a licensed facility.

16 (b) Construction.--Nothing in this section shall be  
17 construed to:

18 (1) require the owner or operator of a hotel or motel or  
19 other public place of general use in this Commonwealth to  
20 prohibit or block guests from playing interactive games; or

21 (2) require an interactive gaming certificate holder or  
22 an interactive gaming operator to prohibit registered players  
23 within a licensed facility from playing interactive games.

24 CHAPTER 13C

25 (RESERVED)

26 CHAPTER 13D

27 SLOT MACHINES AT  
28 NONPRIMARY LOCATIONS

29 Subchapter

30 A. General Provisions

31 B. Category 1 Licensed Gaming Entities and Nonprimary  
32 Locations

33 C. Application and Issuance of Nonprimary Location Permit

34 D. Fees and Taxes

35 SUBCHAPTER A

36 GENERAL PROVISIONS

37 Sec.

38 13D01. (Reserved).

39 13D02. Authority to place slot machines at nonprimary  
40 locations.

41 13D03. Temporary regulations.

42 § 13D01. (Reserved).

43 § 13D02. Authority to place slot machines at nonprimary  
44 locations.

45 (a) Placement of slot machines at nonprimary locations.--  
46 Notwithstanding any provision of this part, Article XXVIII-D of  
47 the act of April 9, 1929 (P.L.177, No.175), known as The  
48 Administrative Code of 1929, or any other law or regulation to  
49 the contrary, a Category 1 licensed gaming entity that is a  
50 licensed racing entity under Article XXVIII-D of The  
51 Administrative Code of 1929 shall apply to the board for a

1 nonprimary location permit to place and make slot machines  
2 available for play at nonprimary locations.

3 (b) Duty of the board and commission.--The board shall have  
4 general and regulatory authority over the placement and  
5 operation of slot machines at nonprimary locations and shall, in  
6 consultation with the commission, promulgate regulations to  
7 govern the placement and operation of slot machines at  
8 nonprimary locations. Except that, any regulations specific to  
9 the operation of nonprimary locations by licensed racing  
10 entities promulgated under 58 Pa. Code Ch. 171 (relating to  
11 nonprimary locations) or any regulations related to the  
12 operation of nonprimary locations which may be adopted by the  
13 commission subsequent to the effective date of this chapter  
14 shall be adopted as regulations under this chapter, unless the  
15 board, in consultation with the commission, determine that such  
16 regulations are not sufficient for the administration and  
17 enforcement of this chapter. In that event, the board shall, in  
18 consultation with the commission, promulgate such regulations  
19 specific to the operation of slot machines at nonprimary  
20 locations as the board and commission deem necessary to  
21 facilitate the administration and enforcement of this chapter.  
22 § 13D03. Temporary regulations.

23 (a) Promulgation.--In order to facilitate the prompt  
24 implementation of this chapter, regulations promulgated by the  
25 board or commission shall be deemed temporary regulations which  
26 shall expire not later than two years after the publication of  
27 the temporary regulation in the Pennsylvania Bulletin. The board  
28 may promulgate temporary regulations not subject to:

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

32 (2) Sections 204(b) and 301(10) of the act of October  
33 15, 1980 (P.L.950, No.164), known as the Commonwealth  
34 Attorneys Act.

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

37 (b) Expiration.--The authority of the board and the  
38 commission to adopt temporary regulations under subsection (a)  
39 shall expire two years after the effective date of this section.  
40 Regulations adopted after this period shall be promulgated as  
41 provided by law.

42 (c) Temporary regulations.--The board, in consultation with  
43 the commission, shall begin publishing temporary regulations  
44 governing placement and operation of slot machines at nonprimary  
45 locations in the Pennsylvania Bulletin within 60 days of the  
46 effective date of this section.

47 SUBCHAPTER B  
48 CATEGORY 1 LICENSED GAMING ENTITIES  
49 AND NONPRIMARY LOCATIONS

50 Sec.

51 13D07. Authority to place slot machines at nonprimary

1 locations.  
2 § 13D07. Authority to place slot machines at nonprimary  
3 locations.

4 (a) Category 1 licensed gaming entity and operation of slot  
5 machines at nonprimary locations.--The following shall apply:

6 (1) Each Category 1 licensed gaming entity that is a  
7 licensed racing entity under section 13D02 (relating to  
8 authority to place slot machines at nonprimary locations)  
9 that is authorized to hold horse race meetings at a racetrack  
10 at which more than one license is authorized may be granted  
11 approval to place and make slot machines available for play  
12 at four nonprimary locations, if the board, in consultation  
13 with the commission, determines that a nonprimary location  
14 newly proposed or approved by the commission in accordance  
15 with Article XXVIII-D of the act of April 9, 1929 (P.L.177,  
16 No.175), known as The Administrative Code of 1929, and  
17 regulations of the commission will benefit economic  
18 development, employment, tourism, the race horse industry and  
19 result in enhanced revenues to the Commonwealth and the  
20 municipality where the newly proposed or approved nonprimary  
21 location will be or is situated.

22 (2) Each Category 1 licensed gaming entity under section  
23 13D02 that is authorized to hold horse race meetings at a  
24 racetrack at which only one license is authorized may be  
25 granted approval to place and make slot machines available  
26 for play at four nonprimary locations, if the board, in  
27 consultation with the commission, determines that a  
28 nonprimary location newly proposed or approved by the  
29 commission in accordance with Article XXVIII-D of The  
30 Administrative Code of 1929, and regulations of the  
31 commission will benefit economic development, employment,  
32 tourism, the race horse industry and result in enhanced  
33 revenues to the Commonwealth and the municipality where the  
34 newly proposed or approved nonprimary location will be or is  
35 situated.

36 (3) A Category 1 licensed gaming entity, which is also a  
37 licensed racing entity as set forth in section 13D02(a),  
38 shall not be authorized to place and make slot machines  
39 available for play at any nonprimary location which is within  
40 the primary market area of another licensed racing entity,  
41 regardless of whether the licensed racing entity is  
42 authorized to conduct horse race meetings or harness horse  
43 race meetings, or both, at the racetrack.

44 (4) No Category 1 licensed gaming entity, which is also  
45 a licensed racing entity as set forth in section 13D02(a),  
46 shall be authorized to place and make slot machines available  
47 for play at a nonprimary location which is located within the  
48 primary market area of another licensed facility or another  
49 nonprimary location.

50 (5) A nonprimary location may be located within the  
51 primary market area of a licensed facility if the Category 1

1 licensed gaming entity owns the nonprimary location and the  
2 licensed gaming entity enters into an agreement with the  
3 affected licensed gaming entity or entities and the agreement  
4 is filed with the commission and the board.

5 (6) A Category 1 licensed gaming entity that places and  
6 makes slot machines available for play at a nonprimary  
7 location shall be subject to the requirements of section  
8 1303(a), (b) and (d) (relating to additional Category 1 slot  
9 machine license requirements).

10 (8) For the purposes of this subsection, the term  
11 "primary market area" shall mean the area within 50 linear  
12 miles of a licensed facility or nonprimary location.

13 (b) Existing and newly established nonprimary locations.--  
14 Notwithstanding any provision of Article XXVIII-D of The  
15 Administrative Code of 1929 or any other law or regulation to  
16 the contrary, the following shall apply:

17 (1) A licensed racing entity that operated nonprimary  
18 locations prior to the effective date of this subsection  
19 shall not be prohibited from reopening a previously closed  
20 nonprimary location or relocating an existing nonprimary  
21 location in order to place and make slot machines available  
22 for play in a reopened or relocated nonprimary location:  
23 Provided, that, the previously closed or a relocated  
24 nonprimary location is approved by the commission in  
25 accordance with Article XXVIII-D of The Administrative Code  
26 of 1929 and regulations adopted by the commission pursuant to  
27 Article XXVIII-D and complies with the location requirements  
28 set forth in subsection (a) (3), (4) and (5).

29 (2) A licensed racing entity may establish a new  
30 nonprimary location in accordance with Article XXVIII-D of  
31 The Administrative Code of 1929 and regulations of the  
32 commission in order to place and make slot machines available  
33 for play and operate race horse simulcasting:  
34 Provided, that, the new nonprimary location is approved by  
35 the commission in accordance with Article XXVIII-D of The  
36 Administrative Code of 1929 and regulations adopted by the  
37 commission pursuant to Article XXVIII-D and complies with the  
38 location requirements set forth in subsection (a) (3), (4) and  
39 (5).

40 (c) Permissible number of slot machines.--

41 (1) Notwithstanding section 1210 (relating to number of  
42 slot machines), a Category 1 licensed gaming entity, upon  
43 approval of the board and remittance of the fee under section  
44 13D17 (relating to nonprimary location permit fee), may place  
45 and make available for play no more than 250 slot machines at  
46 a nonprimary location.

47 (2) The permissible number of slot machines that may be  
48 placed and made available for play at a nonprimary location  
49 under this subsection shall not be included in the complement  
50 of slot machines authorized for a Category 1 licensed  
51 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 shall be submitted on a form and in a manner  
23 as shall be required by the board. In reviewing and approving  
24 each 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 13D07 (relating to authority to place slot machine at  
28 nonprimary locations) and complies with the location  
29 requirements set forth in section 13D07(a) (3), (4) and (5).

30           (2) Confirm that the nonprimary location permit fee  
31 under section 13D17 (relating to nonprimary location permit  
32 fee) has been paid or will be paid in accordance section  
33 13D17.

34       (b) Required information.--An application for a nonprimary  
35 location permit shall include, at a minimum:

36           (1) The name of the Category 1 slot machine licensee and  
37 the licensed racing entity and location of the existing  
38 nonprimary location, if any, or the location of any proposed  
39 relocated or new nonprimary location approved by the  
40 commission.

41           (2) The name, address and current photograph of the  
42 applicant and of all directors and owners and key employees  
43 and their positions within the licensed racing entity, if  
44 required by the board.

45           (3) The proposed location of the slot machine area or  
46 areas in the nonprimary location, if known.

47           (4) Detailed site and architectural plans of the  
48 proposed area or areas within the nonprimary location where  
49 slot machines will be placed and made available for play.

50           (5) The number of slot machines requested.

51           (6) The current status of the licensed racing entity's

1 horse racing license, if required by the board.

2 (7) The current status of the slot machine license  
3 issued under this part, if required by the board.

4 (8) The details of any loans or other financing obtained  
5 or that will be obtained to fund an expansion, modification  
6 or construction project at an existing nonprimary location, a  
7 relocated nonprimary location or a proposed or newly approved  
8 nonprimary location to accommodate slot machines at the  
9 nonprimary location.

10 (9) The consent to conduct a background investigation by  
11 the bureau, the scope of which shall be determined by the  
12 bureau at its discretion consistent with the provisions of  
13 this part, and a release signed by all persons subject to the  
14 investigation of all information required to complete the  
15 investigation, if the bureau, at its discretion, determines  
16 that a background investigation is necessary under this  
17 chapter.

18 (10) Any other information determined to be necessary  
19 and appropriate by the board.

20 § 13D12. Issuance and terms of nonprimary location permit.

21 (a) Issuance of permit.--Upon approval of an application for  
22 a nonprimary location permit and payment of the nonprimary  
23 location permit fee under section 13D17 (relating to nonprimary  
24 location permit fee), the board shall issue a nonprimary  
25 location permit to a Category 1 licensed gaming entity  
26 authorizing it to place and make slot machines available for  
27 play at a nonprimary location.

28 (b) Terms of permit.--A nonprimary location permit approved  
29 and issued by the board in accordance with subsection (a) shall  
30 be in effect unless suspended or revoked by the board upon good  
31 cause consistent with the requirements of this part, regulations  
32 promulgated pursuant to this part or regulations of the  
33 commission.

34 (c) Notification of change in status.--Nothing in this  
35 section shall relieve a nonprimary location permit holder of the  
36 affirmative duty to notify the board of any changes relating to  
37 the status of its nonprimary location permit, its horse racing  
38 license or to any other information contained in the application  
39 materials on file with the board.

40 § 13D13. Confidentiality.

41 Information submitted to the board under section 13D11  
42 (relating to application for nonprimary location permit) may be  
43 considered confidential by the board if the information would be  
44 confidential under section 1206(f) (relating to board minutes  
45 and records).

46 § 13D14. Key employees and occupation permits.

47 Nothing in this subchapter shall be construed to require any  
48 individual who holds a principal license, a key employee license  
49 or gaming employee license under Chapters 13 (relating to  
50 licensees) and 13A (relating to table games) or who holds a  
51 license, permit or registration under Article XXVIII-D of the

1 act of April 9, 1929 (P.L.177, No.175), known as The  
2 Administrative Code of 1929, to obtain a separate license,  
3 permit or registration to be employed in a slot machine  
4 licensee's slot machine operation at a nonprimary location under  
5 this chapter, if the board determines, in consultation with the  
6 commission, that licensure under the provisions of this part or  
7 Article XXVIII-D of The Administrative Code of 1929 is  
8 sufficient and will not compromise the integrity of the  
9 operation of slot machines at nonprimary locations.

10 SUBCHAPTER D  
11 FEES AND TAXES

12 Sec.

13 13D17. Nonprimary location permit fee.

14 13D18. Nonprimary location taxes, imposition, deposits and  
15 distributions.

16 § 13D17. Nonprimary location permit fee.

17 (a) Amount of fee.--At the time a nonprimary location permit  
18 is issued under section 13D12(a) (relating to issuance and terms  
19 of nonprimary location permit), the board shall impose a one-  
20 time fee of \$5,000,000 to be paid by the Category 1 licensed  
21 gaming entity for each nonprimary location where it will place  
22 and make slot machines available for play.

23 (b) Renewal fee not required.--A nonprimary location permit  
24 shall not be subject to renewal or payment of any nonprimary  
25 location permit renewal fee.

26 (c) Deposit of fee into General Fund.--Notwithstanding  
27 section 1208 (relating to collection of fees and fines), all  
28 nonprimary location permit fees and penalties collected by the  
29 board under this section shall be deposited in the General Fund.

30 § 13D18. Nonprimary location taxes, imposition, deposits and  
31 distributions.

32 (a) Imposition.--The department shall determine and each  
33 nonprimary location permit holder shall pay a daily tax of 54%  
34 from its daily gross terminal revenue from the slot machines in  
35 operation at its nonprimary location.

36 (b) Distribution.--

37 (1) The tax imposed and collected under subsection (a)  
38 shall be distributed as follows:

39 (i) Ninety-two percent of the tax shall be deposited  
40 by the department in the General Fund.

41 (ii) Eight percent shall constitute a local share  
42 assessment and be distributed by the department on a  
43 quarterly basis as follows:

44 (A) Four percent to the county in which the  
45 nonprimary location is located.

46 (B) Four percent to the municipality in which  
47 the nonprimary location is located.

48 (2) All money owed to the Commonwealth, a county or a  
49 municipality under this section shall be held in trust by the  
50 licensed racing entity or licensed gaming entity for the  
51 Commonwealth, county or municipality until all funds are



1 distributed by the department in accordance with this  
2 subsection.

3 (c) Payments and deposits.--

4 (1) The tax imposed under subsection (a) shall be  
5 payable to the department on a weekly basis and shall be  
6 based upon gross slot machine revenue derived from the  
7 operation of slot machines at a nonprimary location during  
8 the previous week.

9 (2) All money owed to the Commonwealth and collected by  
10 the department in accordance with this subchapter shall be  
11 deposited in the General Fund.

12 CHAPTER 13E

13 SLOT MACHINES IN QUALIFIED AIRPORTS

14 Subchapter

15 A. Preliminary Provisions

16 B. Airport Gaming Authorized

17 C. Conduct of Airport Gaming

18 D. Airport Gaming Fees and Taxes

19 E. Miscellaneous Provisions

20 SUBCHAPTER A

21 PRELIMINARY PROVISIONS

22 Sec.

23 13E01. Definitions.

24 § 13E01. Definitions.

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

28 "Airport authority." The governing body of a municipal  
29 authority organized and incorporated in accordance with 53  
30 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee  
31 the operations of a qualified airport. The term shall include  
32 the governing body of any joint municipal authority which  
33 operates a qualified airport and the governing body of a city of  
34 the first class which owns and operates a qualified airport  
35 located in a county of the first class.

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

39 "Airport gaming certificate holder." The authorization  
40 issued under this chapter to conduct airport gaming.

41 "Airport gaming operation certificate." A certificate issued  
42 by the Pennsylvania Gaming Control Board under Chapter 13B  
43 (relating to interactive gaming) that authorizes a slot machine  
44 licensee to conduct airport gaming in accordance with this  
45 chapter.

46 "Airport gaming revenue." The daily gross terminal revenue  
47 derived from the conduct of airport gaming.

48 "Applicant." A slot machine licensee.

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

1 "Specified area." The secure area of a qualified airport  
2 where slot machines are placed and made available to play and  
3 members of the public, other than passengers, are prohibited  
4 from entering.

5 SUBCHAPTER B  
6 AIRPORT GAMING AUTHORIZED

7 Sec.

8 13E11. Authorization.

9 13E12. Application.

10 13E13. Standard for review of applications.

11 13E14. Approval of application.

12 13E15. Airport gaming operation certificate.

13 13E16. Timing of initial airport gaming authorizations.

14 § 13E11. Authorization.

15 (a) General rule.--Upon application of a slot machine  
16 licensee, the board may authorize the slot machine licensee to  
17 conduct airport gaming. A slot machine licensee seeking  
18 authorization to conduct airport gaming must enter into an  
19 agreement with the governing body of a qualified airport and  
20 submit the agreement to the board for approval. No person shall  
21 cause or make slot machines available for play at a qualified  
22 airport without first obtaining an airport gaming operation  
23 certificate in accordance with the provisions of this chapter.

24 (b) Conditions.--Authorization shall be contingent upon the  
25 slot machine licensee's agreement to ensure that slot machine  
26 operations will be conducted in accordance with this part and  
27 any other conditions established by the board. The agreement  
28 shall specify the fees to be paid to the qualified airport by  
29 the slot machine licensee for the privilege of conducting  
30 airport gaming. Nothing in this part shall be construed to  
31 create a separate license governing the conduct of airport  
32 gaming by slot machine licensees within this Commonwealth.

33 (c) Number of slot machines.--The board shall approve the  
34 maximum number of slot machines that a slot machine licensee may  
35 operate at a qualified airport. The board, in making its  
36 determination, shall consider the physical space where the slot  
37 machines will be located and the convenience of passengers. The  
38 board may also consider the potential employment, enhanced  
39 revenues to the Commonwealth and other economic indicators it  
40 deems applicable in making its decision.

41 § 13E12. Application.

42 (a) Information to be provided.--An applicant seeking  
43 authorization to conduct airport gaming shall provide the  
44 following information to the board:

45 (1) The name, business address and contact information  
46 of the applicant, and the name, business address and contact  
47 information of the airport authority and the location of the  
48 qualified airport.

49 (2) The name and business address, job title and a  
50 photograph of each principal and key employee of the  
51 applicant who will be involved in the conduct of airport

1 gaming and who is not currently licensed by the board, if  
2 known.

3 (3) The number of slot machines for which authorization  
4 is being sought.

5 (4) The estimated number of full-time and part-time  
6 employment positions that will be created at the qualified  
7 airport if the slot machine licensee is authorized to operate  
8 slot machines under this chapter and an updated hiring plan  
9 under section 1510(a) (relating to labor hiring preferences)  
10 which outlines the applicant's plan to promote the employment  
11 representation of diverse groups and Commonwealth residents.

12 (5) The details of any financing obtained or that will  
13 be obtained to fund an expansion or modification of the  
14 qualified airport to accommodate the conduct of airport  
15 gaming and to otherwise fund the cost of commencing airport  
16 gaming operations.

17 (6) Information and documentation concerning financial  
18 background and resources, as the board may require, to  
19 establish by clear and convincing evidence the financial  
20 stability, integrity and responsibility of the applicant.

21 (7) Information and documentation, as the board may  
22 require, to establish by clear and convincing evidence that  
23 the applicant has sufficient business ability and experience  
24 to conduct airport gaming. In making this determination, the  
25 board may consider the results of the applicant's slot  
26 machine operation, including financial information,  
27 employment data and capital investment.

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

32 (9) Detailed site plans identifying the applicant's  
33 proposed specified area.

34 (10) A copy of the agreement entered into by the slot  
35 machine licensee and the qualified airport. The agreement  
36 shall identify the members of the governing board of the  
37 airport authority and all employees of the airport authority  
38 who, directly or indirectly, regulate the use and control of  
39 the qualified airport and who will oversee airport gaming at  
40 the qualified airport.

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

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

47 § 13E13. Standard for review of applications.

48 The board shall approve an application if the applicant  
49 establishes, by clear and convincing evidence, all of the  
50 following:

51 (1) The applicant's slot machine license is in good

1 standing with the board, and the applicant has an agreement  
2 with the airport authority authorizing the placement of slot  
3 machines at the qualified airport.

4 (2) The applicant possesses adequate funds or has  
5 secured adequate financing to:

6 (i) Fund any necessary expansion or modification of  
7 the qualified airport to accommodate the conduct of  
8 airport gaming if required in the agreement with the  
9 governing body of the airport authority.

10 (ii) Pay the required fee in accordance with section  
11 13E51 (relating to fees).

12 (iii) Commence airport gaming operations at the  
13 qualified airport.

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

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

18 (5) The applicant's proposed internal and external  
19 security and proposed surveillance measures within the  
20 specified area where the applicant seeks to conduct airport  
21 gaming are adequate.

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

25 § 13E14. Approval of application.

26 Upon approval of an application, the board shall issue an  
27 airport gaming operation certificate to the applicant. Issuing  
28 an airport gaming operation certificate prior to the payment in  
29 full of the fee required by section 13E51 (relating to fees)  
30 shall not relieve the applicant from complying with the  
31 provisions of section 13E51.

32 § 13E15. Airport gaming operation certificate.

33 The following shall apply:

34 (1) An airport gaming operation certificate shall be in  
35 effect unless:

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

38 (ii) The slot machine license held by the airport  
39 gaming certificate holder is suspended, revoked or not  
40 renewed by the board consistent with the requirements of  
41 this part.

42 (iii) The airport gaming certificate holder  
43 relinquishes or does not seek renewal of its slot machine  
44 license.

45 (iv) The agreement between the airport gaming  
46 certificate holder and the governing body of the  
47 authority is not renewed.

48 (2) The airport gaming operation certificate shall  
49 include the maximum number of slot machines approved by the  
50 board and permitted in the specified area. The airport gaming  
51 certificate holder may increase or decrease the number of

1 slot machines permitted in the specified area or change the  
2 configuration of the slot machines upon notice to and  
3 approval by the board. Unless approved by the board, the  
4 total number of slot machines in operation in the specified  
5 area may not exceed the number authorized in the airport  
6 gaming operation certificate.

7 (3) A airport gaming certificate holder shall be  
8 required to update the information in its initial airport  
9 gaming application at times prescribed by the board.

10 § 13E16. Timing of initial airport gaming authorizations.

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

13 SUBCHAPTER C

14 CONDUCT OF AIRPORT GAMING

15 Sec.

16 13E31. Authorized locations for operation.

17 13E32. Commencement of airport gaming operations.

18 13E33. Condition of continued operation.

19 13E34. Airport gaming accounting controls and audit protocols.

20 13E35. Cash equivalents.

21 13E36. Occupation permits.

22 § 13E31. Authorized locations for operation.

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

26 (b) Powers and duties of board.--No airport gaming  
27 certificate holder may be approved to operate slot machines  
28 unless the specified area is equipped with adequate security and  
29 surveillance equipment to ensure the integrity of the conduct of  
30 airport gaming. An authorization granted under this section may  
31 not impose any criteria or requirements regarding the contents  
32 or structure of a qualified airport which are unrelated to the  
33 conduct of airport gaming.

34 § 13E32. Commencement of airport gaming operations.

35 An airport gaming certificate holder may not operate or offer  
36 slot machines for play at a qualified airport until the board  
37 determines that:

38 (1) The airport gaming certificate holder is in  
39 compliance with the requirements of this part.

40 (2) The airport gaming certificate holder's internal  
41 controls and audit protocols are sufficient to meet the  
42 requirements of section 13E34 (relating to airport gaming  
43 accounting controls and audit protocols).

44 (3) The airport gaming certificate holder's gaming  
45 employees, where applicable, are licensed, permitted or  
46 otherwise authorized by the board to perform their respective  
47 duties.

48 (4) The airport gaming certificate holder is prepared in  
49 all respects to offer slot machine play to eligible  
50 passengers at the qualified airport.

51 (5) The airport gaming certificate holder has

1 implemented necessary internal and management controls and  
2 security arrangements and surveillance systems for the  
3 conduct of airport gaming.

4 (6) The airport gaming certificate holder is in  
5 compliance with or has complied with section 13E51 (relating  
6 to fees).

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

11 (8) The airport gaming certificate holder has  
12 implemented or will implement the necessary procedures and  
13 safeguards to ensure that no individual under 21 years of age  
14 will be permitted to enter the specified area of the  
15 qualified airport.

16 § 13E33. Condition of continued operation.

17 As a condition of continued operation, an airport gaming  
18 certificate holder shall maintain all books, records and  
19 documents pertaining to airport gaming in a manner and location  
20 within this Commonwealth as approved by the board. All books,  
21 records and documents related to airport gaming shall:

22 (1) be segregated by separate accounts within the slot  
23 machine licensee's books, records and documents, except for  
24 any books, records or documents that are common to the  
25 licensee's slot machine operations at a licensed facility and  
26 a qualified airport;

27 (2) be immediately available for inspection upon request  
28 of the board, the bureau, the department, the Pennsylvania  
29 State Police or the Attorney General, or agents thereof,  
30 during all hours of operation at the qualified airport in  
31 accordance with regulations promulgated by the board; and

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

34 § 13E34. Airport gaming accounting controls and audit  
35 protocols.

36 (a) Approval.--Prior to the commencement of airport gaming  
37 operations, an airport gaming certificate holder shall submit to  
38 the board for approval all proposed site plans, internal and  
39 accounting control systems and audit protocols for the airport  
40 gaming certificate holder's airport gaming operations.

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

45 § 13E35. Cash equivalents.

46 Notwithstanding any other provisions of this part, the board  
47 may, through regulations, determine the cash equivalents that  
48 may be authorized and accepted by an airport gaming certificate  
49 holder in the conduct of airport gaming.

50 § 13E36. Occupation permits.

51 (a) Application.--Any person who desires to be a gaming

1 employee and has a bona fide offer of employment from a airport  
2 gaming certificate holder authorized to operate slot machines  
3 under this chapter shall apply to the board for an occupation  
4 permit. A person may not be employed as a gaming employee unless  
5 and until that person holds an appropriate occupation permit  
6 issued under this section. The board may promulgate regulations  
7 to reclassify a category of nongaming employees or gaming  
8 employees upon a finding that the reclassification is in the  
9 public interest and consistent with the objectives of this part.

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

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

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

14 (3) The criminal history record of the person, as well  
15 as the person's consent for the Pennsylvania State Police to  
16 conduct a background investigation.

17 (4) A current photograph of the person.

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

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

23 (7) Any other information determined by the board to be  
24 appropriate.

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

29 (d) Construction.--Nothing in this part shall be construed  
30 to require any person who holds a principal license, a key  
31 employee license or gaming employee occupation permit under  
32 Chapter 13 (relating to licensees) to obtain a separate license,  
33 permit, certificate, registration or other authorization to be  
34 employed in an airport gaming certificate holder's airport  
35 gaming operations.

#### SUBCHAPTER D

#### AIRPORT GAMING FEES AND TAXES

38 Sec.

39 13E51. Fees.

40 13E52. Airport gaming tax and assessment.

41 § 13E51. Fees.

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

43 (1) Except as set forth in paragraph (2) or (3), a one-  
44 time, nonrefundable fee of \$1,000,000 upon the issuance of a  
45 certificate to operate slot machines under this chapter in a  
46 qualified airport.

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

51 (3) A one-time, nonrefundable fee of \$2,500,000 upon the

1 issuance of a certificate to operate slot machines under this  
2 chapter in a qualified airport located in a county of the  
3 second class.

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

8 § 13E52. Airport gaming tax and assessment.

9 (a) Imposition.--Each airport gaming certificate holder  
10 shall report to the department and pay from its airport gaming  
11 revenue, on a form and in the manner prescribed by the  
12 department, a tax of 34% of its airport gaming revenue and an  
13 airport local share assessment.

14 (b) Deposits and distributions.--

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

19 (2) All funds owed to the Commonwealth under this  
20 section shall be held in trust for the Commonwealth by the  
21 airport gaming certificate holder until the funds are paid to  
22 the department. Unless otherwise agreed to by the board, a  
23 airport gaming certificate holder shall establish a separate  
24 bank account into which gross terminal revenue shall be  
25 deposited and maintained until such time as the funds are  
26 paid to the department under this section.

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

29 (4) The department shall quarterly distribute to each  
30 qualified airport the airport local share assessment from the  
31 airport gaming revenue generated from airport gaming at each  
32 qualified airport.

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

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

#### SUBCHAPTER E

#### MISCELLANEOUS PROVISIONS

38 Sec.

39 13E91. Regulations.

40 § 13E91. Regulations.

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

44 (b) Temporary regulations.--In order to facilitate the  
45 prompt implementation of this chapter, regulations promulgated  
46 by the board in accordance with subsection (a) shall be deemed  
47 temporary regulations which shall expire not later than two  
48 years following the publication of the temporary regulation. The  
49 board may promulgate temporary regulations not subject to:  
50  
51



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

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

6       (3) Sections 204(b) and 301(10) of the act of October  
7       15, 1980 (P.L.950, No.164), known as the Commonwealth  
8       Attorneys Act.

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

13                                    CHAPTER 13F

14                                    CASINO SIMULCASTING

15      Subchapter

16      A. General Provisions

17      B. Casino Simulcasting Authorized

18      C. Application and Issuance of Permit and Establishment of  
19      Simulcasting Facility

20      D. Conduct of Casino Simulcasting

21      E. Fees and Taxes

22                                    SUBCHAPTER A

23                                    GENERAL PROVISIONS

24      Sec.

25      13F01. Legislative intent and purpose.

26      13F02. Definitions.

27      § 13F01. Legislative intent and purpose.

28      The General Assembly finds as follows:

29      (1) The people of this Commonwealth have a vital  
30      economic interest in the continued success of this  
31      Commonwealth's gaming industry, including the race horse  
32      industry. Due to this economic interest, enhancements to  
33      current gaming activities must be authorized to ensure the  
34      ongoing competitiveness, viability and stability of the  
35      gaming industry in this Commonwealth.

36      (2) A primary intent of the Race Horse Development and  
37      Gaming Act, as codified in this part, is to enhance live  
38      horse racing. However, the legalization of commercial gaming  
39      in states on the geographic borders of this Commonwealth  
40      makes it imperative to authorize new and innovative gaming  
41      activities related to horse racing and commercial casino-  
42      style gaming, which could be implemented by licensed gaming  
43      entities, and which could help ensure the viability of both  
44      horse racing and commercial gaming.

45      (3) The intent of this chapter is to give licensed  
46      gaming entities the authority to conduct casino simulcasting  
47      at Category 2 and Category 3 licensed facilities in order to  
48      expand horse racing opportunities through simulcasting and,  
49      thereby, enhancing the viability of this Commonwealth's race  
50      horse and commercial gaming industry.

51      § 13F02. Definitions.

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

4 "Licensed gaming entity." A person who has been approved for  
5 and issued a Category 2 slot machine license or a Category 3  
6 slot machine license in accordance with sections 1304 (relating  
7 to Category 2 slot machine license), 1305 (relating to Category  
8 3 slot machine license) and 1325 (relating to license or permit  
9 issuance) and who holds a casino simulcasting permit.

10 SUBCHAPTER B

11 CASINO SIMULCASTING AUTHORIZED

12 Sec.

13 13F05. Authorization to conduct simulcasting.

14 13F06. Regulations.

15 13F07. Temporary regulations.

16 13F08. Simulcast agreements.

17 § 13F05. Authorization to conduct simulcasting.

18 (a) Authority to conduct.--Notwithstanding any other  
19 provision of law or regulation, it shall be lawful for a  
20 licensed gaming entity to conduct casino simulcasting or enter  
21 into an agreement or agreements with a licensed racing entity or  
22 other person for the conduct of casino simulcasting in  
23 accordance with the provisions of this chapter, Article XXVIII-D  
24 of the act of April 9, 1929 (P.L.177, No.175), known as The  
25 Administrative Code of 1929, and the applicable regulations of  
26 the board and the commission promulgated under this chapter.

27 (b) Administration and enforcement.--The board shall  
28 administer and enforce the provisions of this chapter as they  
29 relate to the conduct of casino simulcasting by a slot machine  
30 licensee and, except as provided in this chapter, shall adopt  
31 and promulgate regulations to carry out and enforce the  
32 provisions of this chapter.

33 § 13F06. Regulations.

34 (a) Adoption of regulations.--The board, in consultation  
35 with the commission, shall adopt and promulgate regulations to  
36 govern the conduct of casino simulcasting by licensed gaming  
37 entities in this Commonwealth. Such regulations shall establish  
38 the following:

39 (1) The method and form of the application which a  
40 licensed gaming entity must follow and complete before  
41 consideration of the licensed gaming entity's application to  
42 conduct casino simulcasting.

43 (2) The permissible communications technology which must  
44 be used to facilitate the conduct of casino simulcasting in  
45 accordance with regulations of the board, the commission and  
46 applicable Federal law and regulations.

47 (3) The times during which a licensed gaming entity may  
48 conduct casino simulcasting shall be the same as the times  
49 authorized for the conduct of casino simulcasting by Category  
50 1 slot machine licensees.

51 (4) The approval of the terms and conditions of any

1 agreement between a licensed gaming entity and a licensed  
2 racing entity or other person related to the management or  
3 operation of casino simulcasting and the pari-mutuel system  
4 of wagering, including the percentage of the money retained  
5 by a licensed racing entity for pari-mutuel pools which may  
6 be distributed to the licensed gaming entity.

7 (5) The required contents of agreements entered into  
8 between a licensed gaming entity, a licensed racing entity or  
9 other person for the management or operation of casino  
10 simulcasting and the pari-mutuel system of wagering.

11 (6) A requirement that wagering on simulcast horse race  
12 meetings shall only be conducted within an enclosed location  
13 of an authorized licensed gaming entity's licensed facility  
14 which has been approved by the board, in consultation with  
15 the commission.

16 (7) The standards and rules to govern the conduct of  
17 casino simulcasting and the system of pari-mutuel wagering  
18 associated with race horse simulcasting.

19 (8) The reporting procedures and records which will be  
20 required from a licensed gaming entity to ensure that all  
21 money generated from casino simulcasting is accounted for and  
22 winners' names, when required under applicable Federal or  
23 State law, are filed with the appropriate taxing authorities.

24 (9) Notwithstanding section 2840-D of the act of April  
25 9, 1929 (P.L.177, No.175), known as The Administrative Code  
26 of 1929, or any other provision of law or regulation, the  
27 policies and procedures which will be adopted, implemented  
28 and followed to ensure that individuals under 21 years of age  
29 will be prohibited from participating in casino simulcasting  
30 or entering simulcasting areas of licensed facilities.

31 (10) Any other requirements, conditions or controls  
32 which the board, in consultation with the commission, deems  
33 necessary and appropriate to administer and enforce the  
34 provisions of this chapter and to facilitate the  
35 implementation of this chapter.

36 (b) Uniform regulation.--In adopting regulations under this  
37 chapter, the commission shall cooperate and work with the board  
38 to develop uniform regulations to govern the operation of casino  
39 simulcasting in this Commonwealth. Except as herein provided,  
40 the provisions of this chapter and any regulations promulgated  
41 under this chapter shall be considered as establishing uniform  
42 requirements and regulations for casino simulcasting at licensed  
43 facilities in this Commonwealth.

44 (c) Adoption of existing regulations.--Notwithstanding  
45 subsection (b) or any other law or regulation to the contrary,  
46 the provisions of section 2835-D of The Administrative Code of  
47 1929 and all regulations and supplements thereto or revisions  
48 thereof adopted by the commission under section 2835-D of The  
49 Administrative Code of 1929, which relate to the retention of  
50 money in pari-mutuel pools and the pari-mutuel system of  
51 wagering on, before or after the effective date of this chapter

1 are adopted as regulations under this chapter and shall remain  
2 in effect unless subsequently modified or superseded by  
3 regulations promulgated by the commission.

4 § 13F07. Temporary regulations.

5 (a) Promulgation.--In order to facilitate the prompt  
6 implementation of this chapter, regulations promulgated by the  
7 board shall be deemed temporary regulations which shall expire  
8 not later than two years following the publication of the  
9 temporary regulation. The board may promulgate temporary  
10 regulations not subject to:

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

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

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

19 (b) Expiration.--The authority to adopt temporary  
20 regulations under subsection (a) shall expire two years after  
21 the effective date of this section. Regulations adopted by the  
22 board and commission after the two-year period shall be  
23 promulgated as provided by law.

24 (c) Publication of temporary regulations.--The board and the  
25 commission shall begin publishing temporary regulations  
26 governing casino simulcasting in the Pennsylvania Bulletin no  
27 later than February 1, 2016.

28 § 13F08. Simulcast agreements.

29 (a) Manner of agreement.--Any agreement entered into between  
30 a licensed gaming entity and a licensed racing entity or other  
31 person to facilitate casino simulcasting shall be in writing and  
32 shall be filed with and approved by the board and the commission  
33 in accordance with regulations promulgated by the board in  
34 consultation with the commission.

35 (b) Wager provisions.--Notwithstanding section 2834-D or  
36 2835-D of the act of April 9, 1929 (P.L.177, No.175), known as  
37 The Administrative Code of 1929, the following shall apply:

38 (1) If a licensed gaming entity offers casino  
39 simulcasting at its licensed facility through an agreement  
40 with a licensed racing entity, the agreement shall specify  
41 the percentage of the money wagered each racing day at the  
42 casino simulcasting facility and remaining in the wagering  
43 pools after the required distributions under section 2834-D  
44 of The Administrative Code of 1929, that will be paid to the  
45 licensed gaming entity. The amount retained by a licensed  
46 gaming entity shall not exceed 25% of the money retained by  
47 the licensed racing entity under section 2835-D of The  
48 Administrative Code of 1929.

49 (2) If a licensed gaming entity chooses to offer casino  
50 simulcasting through its own resources or through an  
51 agreement with another person, as approved by the board and

1 the commission, the board, in consultation with the  
2 commission, shall, through regulation, establish the  
3 percentage of money wagered each racing day at the casino  
4 simulcasting facility and remaining in the wagering pools  
5 after the required distributions under section 2834-D of The  
6 Administrative Code of 1929 that will be paid to the licensed  
7 gaming entity or other person, provided that the percentage  
8 of money to be paid to a licensed gaming entity or other  
9 person under this paragraph shall be, if determined  
10 appropriate by the board and the commission, the same  
11 percentage of money remaining in the wagering pools that is  
12 retained by a licensed racing entity in accordance with  
13 section 2835-D of The Administrative Code of 1929.

14 (c) Regulations.--The board, in consultation with the  
15 commission, shall establish regulations to administer the  
16 retention requirements under this section.

17 SUBCHAPTER C

18 APPLICATION AND ISSUANCE OF PERMIT AND  
19 ESTABLISHMENT OF SIMULCASTING FACILITY

20 Sec.

21 13F11. Application for permit and requirements.

22 13F12. Casino simulcasting permit.

23 13F13. Casino simulcasting facilities.

24 13F14. License or registration of employees required.

25 13F15. Key employees and occupation permits.

26 § 13F11. Application for permit and requirements.

27 (a) Applications.--A licensed gaming entity shall file an  
28 application for a casino simulcasting permit with the board. The  
29 application shall include the following:

30 (1) The name, business address and contact information  
31 of the applicant.

32 (2) The name and location of the applicant's licensed  
33 facility.

34 (3) The name and business address, job title and a  
35 photograph of each principal and key employee of the  
36 applicant who will be involved in the conduct of casino  
37 simulcasting and who is not currently licensed by the board  
38 or the commission, if known.

39 (4) The estimated number of full-time and part-time  
40 employment positions that will be created at the licensed  
41 facility if casino simulcasting is authorized and an updated  
42 hiring plan under section 1510(a) (relating to labor hiring  
43 preferences) which outlines the applicant's plan to promote  
44 the representation of diverse groups and Commonwealth  
45 residents in the employment positions.

46 (5) A brief description of the economic benefits  
47 expected to be realized by the Commonwealth, the Department  
48 of Agriculture and the race horse industry in this  
49 Commonwealth if casino simulcasting is authorized at the  
50 applicant's licensed facility.

51 (6) The details of any financing, if applicable,

1 obtained or that will be obtained to fund an expansion or  
2 modification of the licensed facility to accommodate casino  
3 simulcasting or construct a simulcasting facility or to  
4 otherwise fund the cost of commencing casino simulcasting  
5 operations.

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

10 (8) A copy of or a detailed description of the terms and  
11 conditions of any agreement or agreements the licensed gaming  
12 entity has entered into or will enter into with a licensed  
13 corporation or other person to facilitate the conduct of  
14 casino simulcasting.

15 (9) A detailed description of any financial arrangements  
16 between a licensed gaming entity and a licensed racing entity  
17 or other person related to the conduct of casino  
18 simulcasting.

19 (10) Detailed site and architectural plans of the  
20 proposed simulcasting facility within the applicant's  
21 licensed facility.

22 (11) Any other information as the board may require.

23 (b) Review and approval of application.--The board shall  
24 review and approve an application for a simulcasting permit if  
25 the applicant establishes, by clear and convincing evidence, all  
26 of the following:

27 (1) The applicant's slot machine license is in good  
28 standing with the board.

29 (2) The conduct of casino simulcasting at the  
30 applicant's licensed facility will have a positive economic  
31 impact on the Commonwealth and the race horse industry in  
32 this Commonwealth through increased revenues, increased  
33 purses and employment opportunities.

34 (3) The applicant possesses adequate funds or has  
35 secured adequate financing to:

36 (i) Fund any necessary expansion or modification of  
37 the applicant's licensed facility or to construct a  
38 simulcasting facility to accommodate the conduct of  
39 casino simulcasting.

40 (ii) Pay the costs of establishing, maintaining and  
41 operating the simulcasting facility.

42 (iii) Commence casino simulcasting operations.

43 (4) The applicant has entered into or will enter into an  
44 agreement with a licensed racing entity or other person to  
45 manage or operate casino simulcasting operations, and the  
46 agreement has been approved by the commission.

47 (5) The applicant has the expertise to manage casino  
48 simulcasting.

49 (6) The applicant has the financial stability, integrity  
50 and responsibility to conduct casino simulcasting.

51 (7) The applicant has sufficient business ability and

1 experience to create and maintain a successful casino  
2 simulcasting operation.

3 (8) The applicant's proposed internal and external  
4 security controls and proposed surveillance measures within  
5 the area of the licensed facility where the applicant seeks  
6 to conduct casino simulcasting are adequate.

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

12 § 13F12. Casino simulcasting permit.

13 (a) Issuance of permit.--Upon review and approval of an  
14 application submitted to the board in accordance with section  
15 13F11 (relating to application for permit and requirements), the  
16 board shall issue a casino simulcasting permit to the applicant.

17 (b) Content of permit.--

18 (1) A casino simulcasting permit shall include a list of  
19 the horse race meetings which are proposed to be simulcast by  
20 the casino simulcasting permit holder at its simulcasting  
21 facility, including the names and locations of the in-State  
22 sending racetracks and out-of-State sending racetracks, and  
23 the start date and expiration date of any agreement or  
24 agreements the permit holder has entered into or will enter  
25 into with a licensed racing entity or other person for the  
26 operation of casino simulcasting.

27 (2) A casino simulcasting permit holder shall be  
28 required to update the initial casino simulcasting  
29 application at times prescribed by the board, in consultation  
30 with the commission.

31 § 13F13. Casino simulcasting facilities.

32 (a) Establishment of simulcasting facility.--A licensed  
33 gaming entity approved for and issued a permit to operate casino  
34 simulcasting under this chapter shall establish a simulcasting  
35 facility as part of its licensed facility. The simulcasting  
36 facility may be adjacent to, but shall not be part of, any room  
37 or location in which slot machines or table games are operated  
38 or conducted in accordance with the provisions of this part. The  
39 following shall apply:

40 (1) The simulcasting facility shall conform to all  
41 requirements concerning square footage, equipment, security  
42 measures and related matters which the board, in consultation  
43 with the commission, shall by regulation prescribe.

44 (2) The space or area required for the establishment of  
45 a simulcasting facility shall not be used to decrease the  
46 number of slot machines or table games in operation at the  
47 licensed facility or to reduce the space approved by the  
48 board for the operation of slot machines and the conduct of  
49 table games.

50 (3) The cost of establishing, maintaining and operating  
51 a simulcasting facility shall be the sole responsibility of

1 the licensed gaming entity.

2 (b) Video display monitors.--Notwithstanding Article XXVIII-  
3 D of the act of April 9, 1929 (P.L.177, No.175), known as The  
4 Administrative Code of 1929, or regulations promulgated pursuant  
5 to Article XXVIII-D, the regulations promulgated by the board  
6 shall provide for the installation of video display technology  
7 in approved areas of licensed facilities to deliver simulcast  
8 horse race meetings to patrons via video walls and other such  
9 innovative video display technology. The board may collaborate  
10 with the commission in developing regulations to govern the  
11 installation and operation of video display monitors in  
12 accordance with this subsection.

13 § 13F14. License or registration of employees required.

14 Except as provided in this part, all persons engaged directly  
15 in wagering-related activities at a simulcasting facility,  
16 whether employed by the licensed gaming entity, licensed racing  
17 entity or by a person or entity conducting casino simulcasting  
18 in the simulcasting facility under an agreement with the  
19 licensed gaming entity and all other employees of the licensed  
20 gaming entity, licensed racing entity or of the person or entity  
21 conducting casino simulcasting who work or will work in the  
22 simulcasting facility, shall be licensed or registered in  
23 accordance with regulations promulgated by the board in  
24 collaboration with the commission.

25 § 13F15. Key employees and occupation permits.

26 Nothing in this subchapter shall be construed to require any  
27 individual who holds a principal license, a key employee license  
28 or gaming employee license under Chapters 13 (relating to  
29 licensees) and 13A (relating to table games) or who holds a  
30 license under Article XXVIII-D of the act of April 9, 1929  
31 (P.L.177, No.175), known as The Administrative Code of 1929, to  
32 obtain a separate license, permit or registration to be employed  
33 in a casino simulcasting permit holder's casino simulcasting  
34 operation authorized under this chapter, if the board, in  
35 consultation with the commission, determines that licensure  
36 under the provisions of this part or Article XXVIII-D of The  
37 Administrative Code of 1929, is sufficient and will not  
38 compromise the integrity of casino simulcasting.

39 SUBCHAPTER D

40 CONDUCT OF CASINO SIMULCASTING

41 Sec.

42 13F31. Conduct of casino simulcasting.

43 13F32. Transmission of live races.

44 13F33. Accounting controls and audit protocols.

45 13F34. Condition of continued operation.

46 13F35. Application of Liquor Code.

47 § 13F31. Conduct of casino simulcasting.

48 (a) Wagering.--Wagering on simulcast horse races shall be  
49 conducted only in the simulcasting facility.

50 (b) Required security.--

51 (1) The security measures for a simulcasting facility



1 shall include, but may not be limited to, the installation by  
2 the licensed gaming entity of a closed-circuit television  
3 system according to specifications promulgated by the board,  
4 in consultation with the commission.

5 (2) The board and the commission shall have access to  
6 the simulcast system or its signal in accordance with  
7 regulations promulgated by the board, in consultation with  
8 the commission.

9 § 13F32. Transmission of live races.

10 The following shall apply:

11 (1) A licensed racing entity which operates interstate  
12 or international simulcasting of horse race meetings in this  
13 Commonwealth shall have discretion to transmit all or some of  
14 the live races conducted at the racetrack to the licensed  
15 facility of a licensed gaming entity which has established a  
16 simulcasting facility under this chapter. Any race which is  
17 transmitted from an in-State sending track shall be  
18 transmitted to all licensed gaming entities which have  
19 established simulcasting facilities.

20 (2) A licensed gaming entity which establishes a  
21 simulcasting facility and conducts casino simulcasting in  
22 accordance with this chapter shall, as a condition of  
23 continued operation of casino simulcasting, receive all live  
24 races which are transmitted by in-State sending tracks.

25 § 13F33. Accounting controls and audit protocols.

26 (a) Approval.--Prior to the commencement of casino  
27 simulcasting, a casino simulcasting permit holder shall submit  
28 to the board for approval all proposed site and architectural  
29 plans, internal control systems and audit protocols for the  
30 permit holder's casino simulcasting operations.

31 (b) Minimum requirements.--A casino simulcasting permit  
32 holder's internal controls and audit protocols shall:

33 (1) Provide for reliable records, accounts and reports  
34 of any financial event that occurs in the conduct of casino  
35 simulcasting, including reports to the board and commission  
36 related to casino simulcasting, as may be required by  
37 regulation of the board, in consultation with the commission.

38 (2) Provide for accurate and reliable financial records  
39 related to the conduct of casino simulcasting and the pari-  
40 mutuel system of wagering.

41 (3) Establish procedures and security for the counting,  
42 recording and storage of money generated from the conduct of  
43 casino simulcasting.

44 (4) Establish procedures and security standards for the  
45 maintenance of telecommunications equipment and video display  
46 technology used in connection with the conduct of casino  
47 simulcasting.

48 (5) Establish procedures and rules to govern the conduct  
49 of casino simulcasting and the responsibility of employees  
50 related to casino simulcasting.

51 (6) Establish procedures for the collection, recording

1 and deposit of revenue from the conduct of casino  
2 simulcasting, including the roles of the commission, the  
3 department, licensed racing entities and licensed gaming  
4 entities in the collection and recording of the revenue.

5 (7) Ensure that the system of pari-mutuel wagering used  
6 in the conduct of casino simulcasting is in accordance with  
7 Article XXVIII-D of the act of April 9, 1929 (P.L.177,  
8 No.175), known as The Administrative Code of 1929, and  
9 regulations of the commission promulgated under The  
10 Administrative Code of 1929.

11 (8) Ensure, in consultation with the commission, the  
12 proper and timely accounting for and retention of percentages  
13 for pari-mutuel pools and the proper and timely distribution  
14 of money in any pari-mutuel pool generated from casino  
15 simulcasting.

16 (9) Ensure that all functions, duties and  
17 responsibilities related to casino simulcasting are  
18 appropriately segregated and performed in accordance with  
19 sound financial practices by qualified employees.

20 (10) Permit use of its casino simulcasting facility by  
21 the board, the bureau, the commission and other persons  
22 authorized under this part or by the board and the commission  
23 to facilitate their ability to perform regulatory and  
24 oversight functions under this chapter.

25 (c) Submission to board.--The submission required under  
26 subsection (a) shall include a detailed description of the  
27 casino simulcasting permit holder's administrative and  
28 accounting procedures related to casino simulcasting, including  
29 its written system of internal controls. Each written system of  
30 internal controls shall include:

31 (1) An organizational chart depicting appropriate  
32 functions and responsibilities of employees involved in  
33 casino simulcasting.

34 (2) A description of the duties and responsibilities of  
35 each position shown on the organizational chart.

36 (3) The record retention policy of the permit holder.

37 (4) The procedure to be utilized to ensure that money  
38 generated from the conduct of casino simulcasting is  
39 safeguarded, including mandatory counting and recording  
40 procedures.

41 (5) A statement signed by the casino simulcasting permit  
42 holder's chief financial officer or other competent person  
43 attesting that the signatory believes, in good faith, that  
44 the system satisfies the requirements of this section.

45 (d) Review.--Prior to authorizing a permit holder to conduct  
46 casino simulcasting, the board, in consultation with the  
47 commission, shall review the system of internal controls  
48 submitted under subsection (c) to determine whether it conforms  
49 to the requirements of this subchapter and whether it provides  
50 adequate and effective controls for the conduct of casino  
51 simulcasting.

1 (e) License or registration of employees required.--Except  
2 as provided in section 13F15 (relating to key employees and  
3 occupation permits), persons engaged directly in wagering-  
4 related activities at a simulcasting facility, whether employed  
5 by the licensed gaming entity, a licensed racing entity or by a  
6 person or entity conducting casino simulcasting under an  
7 agreement with the licensed gaming entity, licensed racing  
8 entity and all other employees of the licensed gaming entity or  
9 of the person or entity conducting casino simulcasting who work  
10 or will work in the simulcasting facility shall be licensed or  
11 registered in accordance with regulations promulgated by the  
12 board in collaboration with the commission.

13 § 13F34. Condition of continued operation.

14 As a condition of continued operation, a casino simulcasting  
15 permit holder shall agree to maintain all books, records and  
16 documents pertaining to casino simulcasting in a manner and  
17 location within this Commonwealth as approved by the board, in  
18 consultation with the commission. All books, records and  
19 documents related to casino simulcasting shall:

20 (1) Be organized in a manner to clearly depict by  
21 separate record the total amount of money contributed to  
22 every pari-mutuel pool in accordance with the applicable  
23 provisions of Article XXVIII-D of the act of April 9, 1929  
24 (P.L.177, No.175), known as The Administrative Code of 1929,  
25 and any regulation promulgated under Article XXVIII-D of The  
26 Administrative Code of 1929.

27 (2) Be segregated by separate accounts within the  
28 licensed gaming entity's books, records and documents, except  
29 for any books, records or documents that are common to slot  
30 machine operations, table game operations and casino  
31 simulcasting, as determined by the board in consultation with  
32 the commission.

33 (3) Be immediately available for inspection upon request  
34 of the board, the commission, the bureau, the department, the  
35 Pennsylvania State Police or the Attorney General, or agents  
36 thereof, during all hours of operation of the permit holder's  
37 simulcasting facility in accordance with regulations  
38 promulgated by the board in consultation with the commission.

39 (4) Be maintained for a specific period of time as the  
40 board, in consultation with the commission, by regulation,  
41 may require.

42 § 13F35. Application of Liquor Code.

43 The provisions of section 493(24)(ii) of the act of April 12,  
44 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply  
45 to casino simulcasting.

46 SUBCHAPTER E  
47 FEES AND TAXES

48 Sec.

49 13F41. Casino simulcasting authorization fee.

50 13F42. Retention and distribution of money and pari-mutuel  
51 pools.

1 13F43. Casino simulcasting taxes.

2 13F44. Construction.

3 § 13F41. Casino simulcasting authorization fee.

4 A casino simulcasting permit shall not be subject to the  
5 payment of an authorization fee, renewal or a renewal fee or the  
6 payment of an additional permit fee.

7 § 13F42. Retention and distribution of money and pari-mutuel  
8 pools.

9 (a) Wagers included in pari-mutuel pools.--

10 (1) Sums wagered at a simulcasting facility on the  
11 results of a simulcast horse race shall be included in the  
12 appropriate pari-mutuel pool generated for the race being  
13 transmitted in accordance with section 2835-D of The  
14 Administrative Code of 1929 and shall be distributed in  
15 accordance with section 2835-D of The Administrative Code of  
16 1929 or any regulations promulgated under section 2835-D of  
17 The Administrative Code of 1929. All remaining money shall be  
18 paid to the General Fund.

19 (2) Payments to persons holding winning tickets at a  
20 licensed facility shall be made according to the same odds as  
21 those generated at the in-State sending track.

22 (3) A person placing a wager on a simulcast horse race  
23 at a simulcasting facility shall not be charged a fee for  
24 placing the wager in addition to the amount wagered.

25 (b) Computation of money wagered.--All money wagered by  
26 players on horse race meetings at a simulcasting facility shall  
27 be computed in the amount of money wagered each racing day for  
28 purposes of taxation under section 2834-D of The Administrative  
29 Code of 1929, all thoroughbred races shall be considered a part  
30 of a thoroughbred horse race meeting and all harness races shall  
31 be considered a part of a harness horse race meeting for  
32 purposes of section 2834-D of The Administrative Code of 1929.

33 § 13F43. Casino simulcasting taxes.

34 (a) Imposition.--

35 (1) All licensed gaming entities that conduct casino  
36 simulcasting shall pay a tax through the department for  
37 credit to the State Racing Fund.

38 (2) The tax imposed on all licensed gaming entities  
39 shall be a percentage tax in the amount of 2% of the amount  
40 wagered each racing day on casino simulcasting and shall be  
41 paid from the money retained by the licensed gaming entity.  
42 The tax imposed under this paragraph shall be paid to the  
43 department on a form and in the manner prescribed by the  
44 department for deposit into the State Racing Fund.

45 (3) The casino simulcasting tax imposed under this  
46 section shall be paid to the department by the casino  
47 simulcasting permit holder for deposit into the State Racing  
48 Fund.

49 (b) Deposits and distributions.--

50 (1) The tax imposed under subsection (a) shall be  
51 payable to the department on a weekly basis and shall be

1 based upon the amounts retained by the casino simulcasting  
2 permit holder from the amount wagered on casino simulcasting  
3 each racing day during the previous week.

4 (2) All money owed to the Commonwealth under this  
5 section shall be held in trust for the Commonwealth by the  
6 permit holder until the funds are paid to the department.  
7 Unless otherwise agreed to by the board, a casino  
8 simulcasting permit holder shall establish a separate bank  
9 account into which casino simulcasting revenue shall be  
10 deposited and maintained until such time as the funds are  
11 paid to the department under this section.

12 § 13F44. Construction.

13 Nothing in this chapter and section 1207 (relating to  
14 regulatory authority of board), as it relates to slot machines  
15 at nonprimary locations and casino simulcasting, shall be  
16 construed to alter, preempt or otherwise impinge the authority  
17 of the commission pursuant to Article XXVIII-D of the act of  
18 April 9, 1929 (P.L.177, No.175), known as The Administrative  
19 Code of 1929.

20 CHAPTER 13G  
21 SPORTS WAGERING

22 Subchapter

- 23 A. General Provisions  
24 B. Sports Wagering Authorized  
25 C. Conduct of Sports Wagering  
26 D. Sports Wagering Taxes and Fees  
27 E. Miscellaneous Provisions

28 SUBCHAPTER A  
29 GENERAL PROVISIONS

30 Sec.

- 31 13G01. Definitions.  
32 13G02. Regulatory authority.  
33 13G03. Temporary sports wagering regulations.  
34 13G04. Unauthorized sports wagering.

35 § 13G01. Definitions.

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

39 "Certificate holder." A person to whom the board has awarded  
40 a sports wagering certificate.

41 "Gross sports wagering revenue." The total of cash or cash  
42 equivalents received from sports wagering minus the total of:

43 (1) Cash or cash equivalents paid to players as a result  
44 of sports wagering.

45 (2) Cash or cash equivalents paid to purchase annuities  
46 to fund prizes payable to players over a period of time as a  
47 result of sports wagering.

48 (3) The actual cost paid by the certificate holder for  
49 any personal property distributed to a player as a result of  
50 sports wagering. This paragraph does not include travel  
51 expenses, food, refreshments, lodging or services.

1 The term does not include counterfeit cash or chips; coins or  
2 currency of other countries received in as a result of sports  
3 wagering, except to the extent that the coins or currency are  
4 readily convertible to cash; or cash taken in a fraudulent act  
5 perpetrated against a certificate holder for which the  
6 certificate holder is not reimbursed.

7 "Sporting events." Any professional or collegiate sports or  
8 athletic event, or motor race event.

9 "Sports wagering." The business of accepting wagers on  
10 sporting events or on the individual performance statistics of  
11 athletes in a sporting event or combination of sporting events  
12 by any system or method of wagering, including, but not limited  
13 to, exchange wagering, parlays, over-under, moneyline, pools and  
14 straight bets. The term does not include:

15 (1) Lottery games of the Pennsylvania State Lottery as  
16 authorized under the act of August 26, 1971 (P.L.351, No.91),  
17 known as the State Lottery Law.

18 (2) Bingo as authorized under the act of July 10, 1981  
19 (P.L.214, No.67), known as the Bingo Law.

20 (3) Pari-mutuel betting on the outcome of thoroughbred  
21 or harness horse racing as authorized under the act of  
22 Article XXVIII-D of the act of April 9, 1929 (P.L.177,  
23 No.175), known as The Administrative Code of 1929.

24 (4) Small games of chance as authorized under the act of  
25 December 19, 1988 (P.L.1262, No.156), known as the Local  
26 Option Small Games of Chance Act.

27 (5) Slot machine gaming and progressive slot machine  
28 gaming as defined and authorized under this part.

29 (6) Keno.

30 (7) Fantasy contests as authorized under Chapter 3  
31 (relating to fantasy contests).

32 "Sports wagering certificate." A certificate awarded by the  
33 board under this chapter that authorizes a slot machine licensee  
34 to conduct sports wagering in accordance with this chapter.

35 "Sports wagering device." The term includes any mechanical,  
36 electrical or computerized contrivance, terminal, machine or  
37 other device, apparatus, equipment or supplies approved by the  
38 board and used to conduct sports wagering.

39 § 13G02. Regulatory authority.

40 The board shall promulgate regulations:

41 (1) Establishing standards and procedures for sports  
42 wagering. The standards and procedures shall provide for the  
43 conduct and implementation of sports wagering within licensed  
44 facilities, including any new sports wagering or variations  
45 or composites of approved sports wagering, provided the board  
46 determines that the new sports wagering or any variations or  
47 composites or other approved sports wagering are suitable for  
48 use after a test or experimental period under the terms and  
49 conditions as the board may deem appropriate.

50 (2) Establishing standards and rules to govern the  
51 conduct of sports wagering and the system of wagering,

1 including the manner in which wagers are received and 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 the conduct of sports  
11 wagering and the system of wagering as a form of interactive  
12 gaming authorized by the Commonwealth, and ensuring that  
13 internal controls are followed, the maintenance of financial  
14 books and records and the conduct of audits. The board shall  
15 consult with the department in establishing the regulations  
16 under this paragraph.

17 (4) Establishing notice requirements pertaining to  
18 minimum and maximum wagers on sports wagering.

19 (5) Establishing compulsive and problem gambling  
20 standards pertaining to sports wagering consistent with this  
21 part.

22 (6) Establishing standards prohibiting persons under 21  
23 years of age from participating in sports wagering.

24 (7) Providing information pertaining to sports wagering  
25 in the board's annual report required under section 1211(a.1)  
26 (relating to reports of board).

27 (8) Requiring each certificate holder to:

28 (i) Provide written information about sports  
29 wagering rules, payouts or winning wagers and other  
30 information as the board may require.

31 (ii) Provide specifications approved by the board  
32 under section 1207(11) (relating to regulatory authority  
33 of board) to integrate and update the licensed facility's  
34 surveillance system to cover all areas where sports  
35 wagering is conducted. The specifications shall include  
36 provisions providing the board and other persons  
37 authorized by the board with onsite access to the system  
38 or its signal.

39 (iii) Designate one or more locations within the  
40 licensed facility of the certificate holder to conduct  
41 sports wagering.

42 (iv) Ensure that visibility in the licensed facility  
43 of the certificate holder is not obstructed in any way  
44 that could interfere with the ability of the certificate  
45 holder, the board and other persons authorized under this  
46 part or by the board to oversee the surveillance of the  
47 conduct of sports wagering.

48 (v) Integrate the licensed facility's count room to  
49 ensure maximum security of the counting and storage of  
50 cash and cash equivalents.

51 (vi) Equip each designated location within the

1 licensed facility providing sports wagering with a sign  
2 indicating the permissible sports wagering minimum and  
3 maximum wagers.

4 (vii) Ensure that no person under 21 years of age  
5 participates in sports wagering.

6 § 13G03. Temporary sports wagering regulations.

7 (a) Promulgation.--In order to facilitate the prompt  
8 implementation of this chapter, regulations promulgated by the  
9 board shall be deemed temporary regulations which shall expire  
10 not later than two years following the publication of the  
11 temporary regulation. The board may promulgate temporary  
12 regulations not subject to:

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

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

18 (3) Sections 204(b) and 301(10) of the act of October  
19 15, 1980 (P.L.950, No.164), known as the Commonwealth  
20 Attorneys Act.

21 (b) Expiration.--Except for temporary regulations governing  
22 the rules of new sports wagering approved by the board, the  
23 board's authority to adopt temporary regulations under  
24 subsection (a) shall expire two years after the effective date  
25 of this section. Regulations adopted after this period shall be  
26 promulgated as provided by law.

27 § 13G04. Unauthorized sports wagering.

28 (a) Offense defined.--

29 (1) It shall be unlawful for any person to willfully and  
30 knowingly operate, carry on, offer or expose for play any  
31 sports wagering or to accept a bet or wager associated with  
32 sports wagering from any person physically located in this  
33 Commonwealth at the time of play that is not within the scope  
34 of a valid and current sports wagering certificate issued by  
35 the board under this chapter or by another state, territory  
36 or possession of the United States with which the  
37 Commonwealth has a sports wagering agreement.

38 (2) It shall be unlawful for any person to willfully and  
39 knowingly provide services with respect to any sports  
40 wagering or bet or wager specified in paragraph (1).

41 (b) Grading of offense.--A person who violates subsection  
42 (a) commits a misdemeanor of the first degree. For a second or  
43 subsequent violation of subsection (a), a person commits a  
44 felony of the second degree.

45 (c) Penalties.--

46 (1) For a first violation of subsection (a), a person  
47 shall be sentenced to pay a fine of:

48 (i) not less than \$75,000 nor more than \$150,000, if  
49 the person is an individual;

50 (ii) not less than \$150,000 nor more than \$300,000,  
51 if the person is a licensed manufacturer or supplier; or



1 (iii) not less than \$300,000 nor more than \$600,000,  
2 if the person is a licensed gaming entity.

3 (2) For a second or subsequent violation of subsection  
4 (a), a person shall be sentenced to pay a fine of:

5 (i) not less than \$150,000 nor more than \$300,000,  
6 if the person is an individual;

7 (ii) not less than \$300,000 nor more than \$600,000,  
8 if the person is a licensed manufacturer or supplier; or

9 (iii) not less than \$600,000 nor more than  
10 \$1,200,000, if the person is a licensed gaming entity.

11 (d) Forfeiture.--If a person engages in sports wagering from  
12 a location in which the activity is unauthorized, the person  
13 shall forfeit all entitlement to any winnings and the money  
14 associated with any forfeited winnings shall be deposited into  
15 the Compulsive and Problem Gambling Treatment Fund established  
16 under section 1509(b) (relating to compulsive and problem  
17 gambling program).

18 (e) Tax liability.--

19 (1) An unlicensed person who offers sports wagering to  
20 persons in this Commonwealth shall be liable for all taxes  
21 required by this chapter in the same manner and amounts as if  
22 the person were a licensee.

23 (2) Timely payment of the taxes may not constitute a  
24 defense to any prosecution or other proceeding in connection  
25 with unauthorized sports wagering, except for a prosecution  
26 or proceeding alleging failure to make such payment.

#### 27 SUBCHAPTER B

#### 28 SPORTS WAGERING AUTHORIZED

29 Sec.

30 13G11. Authorization to conduct sports wagering.

31 13G12. Petition requirements.

32 13G13. Standard for review of petitions.

33 13G14. Award of certificate.

34 13G15. Sports wagering certificate.

35 13G16. Sports wagering by suppliers and manufacturers.

36 § 13G11. Authorization to conduct sports wagering.

37 (a) Persons who may be authorized.--

38 (1) (i) The board may authorize a slot machine licensee  
39 to conduct sports wagering and to operate a system of  
40 wagering associated with the conduct of sports wagering  
41 at the slot machine licensee's licensed facility, a  
42 temporary facility authorized under section 13G21(a.1)  
43 (relating to authorized locations for operation) or an  
44 area authorized under section 13G21(b).

45 (ii) Authorization shall be contingent upon the slot  
46 machine licensee's agreement to ensure that sports  
47 wagering will be conducted in accordance with this part  
48 and any other conditions established by the board.

49 (iii) Nothing in this part shall be construed to  
50 create a separate license governing the conduct of sports  
51 wagering by slot machine licensees within this

1 Commonwealth.

2 (2) The board may authorize a sports wagering  
3 certificate holder to conduct sports wagering and to operate  
4 a system of wagering associated with the conduct of sports  
5 wagering as a form of interactive gaming authorized by the  
6 Commonwealth.

7 (3) (i) Except as provided in this part, all  
8 individuals wagering on sporting events through  
9 authorized sports wagering must be physically located  
10 within this Commonwealth or within a state or  
11 jurisdiction in which the board has entered a sports  
12 wagering agreement.

13 (ii) No individual under 21 years of age may make a  
14 wager or bet on sporting events through authorized sports  
15 wagering or have access to the designated area of the  
16 licensed facility authorized to host sports wagering.

17 (b) Federal authorization.--

18 (1) The Secretary of State of the Commonwealth shall,  
19 when Federal law is enacted or Federal court decision is  
20 filed that affirms the authority of a state to regulate  
21 sports wagering, publish a notice in the Pennsylvania  
22 Bulletin certifying the enactment or filing of the decision.

23 (2) The board may not authorize the conduct of sports  
24 wagering in this Commonwealth until the notice is published  
25 as prescribed in paragraph (1).

26 § 13G12. Petition requirements.

27 (a) General rule.--Unless otherwise prohibited under section  
28 13A13 (relating to prohibitions), a slot machine licensee may  
29 seek approval to conduct sports wagering by filing a petition  
30 with the board.

31 (b) Petition contents.--A petition seeking authorization to  
32 conduct sports wagering shall include the following:

33 (1) The name, business address and contact information  
34 of the petitioner.

35 (2) The name and business address, job title and a  
36 photograph of each principal and key employee of the  
37 petitioner who will be involved in the conduct of sports  
38 wagering and who is not currently licensed by the board, if  
39 known.

40 (3) A brief description of the economic benefits  
41 expected to be realized by the Commonwealth, its  
42 municipalities and its residents if sports wagering is  
43 authorized at the petitioner's licensed facility.

44 (4) The details of any financing obtained or that will  
45 be obtained to fund an expansion or modification of the  
46 licensed facility to accommodate sports wagering and to  
47 otherwise fund the cost of commencing sports wagering.

48 (5) Information and documentation concerning financial  
49 background and resources, as the board may require, to  
50 establish by clear and convincing evidence the financial  
51 stability, integrity and responsibility of the petitioner.

1           (6) Information and documentation, as the board may  
2 require, to establish by clear and convincing evidence that  
3 the petitioner has sufficient business ability and experience  
4 to create and maintain a successful sports wagering  
5 operation. In making this determination, the board may  
6 consider the performance of the petitioner's slot machine and  
7 table game operation, including financial information,  
8 employment data and capital investment.

9           (7) Information and documentation, as the board may  
10 require, to establish by clear and convincing evidence that  
11 the petitioner has or will have the financial ability to pay  
12 the authorization fee under section 13G61 (relating to sports  
13 wagering authorization fee).

14           (8) Detailed site plans identifying the petitioner's  
15 proposed sports wagering area within the licensed facility.

16           (9) Other information as the board may require.

17           (c) Confidentiality.--Information submitted to the board  
18 under subsection (b)(4), (5), (6), (7) and (8) may be considered  
19 confidential by the board if the information would be  
20 confidential under section 1206(f) (relating to board minutes  
21 and records).

22 § 13G13. Standard for review of petitions.

23           (a) General rule.--The board shall approve a petition if the  
24 petitioner establishes, by clear and convincing evidence, all of  
25 the following:

26           (1) The petitioner's slot machine license is in good  
27 standing with the board.

28           (2) The conduct of sports wagering at the petitioner's  
29 licensed facility will have a positive economic impact on the  
30 Commonwealth, its municipalities and residents through  
31 increased revenues and employment opportunities.

32           (3) The petitioner possesses adequate funds or has  
33 secured adequate financing to:

34           (i) Fund any necessary expansion or modification of  
35 the petitioner's licensed facility to accommodate the  
36 conduct of sports wagering.

37           (ii) Pay the authorization fee in accordance with  
38 section 13G61 (relating to sports wagering authorization  
39 fee).

40           (iii) Commence sports wagering operations at its  
41 licensed facility.

42           (4) The petitioner has the financial stability,  
43 integrity and responsibility to conduct sports wagering.

44           (5) The petitioner has sufficient business ability and  
45 experience to create and maintain a successful sports  
46 wagering operation.

47           (6) The petitioner's proposed internal and external  
48 security and proposed surveillance measures within the area  
49 of the licensed facility where the petitioner seeks to  
50 conduct sports wagering are adequate.

51           (7) The petitioner has satisfied the petition

1 application requirements and provided any other information  
2 required by section 13G12(b) (relating to petition  
3 requirements).

4 (b) Timing of approval.--The board shall approve or deny a  
5 petition within 90 days following receipt of the petition.  
6 § 13G14. Award of certificate.

7 (a) General rule.--Upon approval of a petition, the board  
8 shall award a sports wagering certificate to the petitioner. The  
9 award of a sports wagering certificate prior to the payment in  
10 full of the authorization fee required by section 13G61  
11 (relating to sports wagering authorization fee) shall not  
12 relieve the petitioner from complying with the provisions of  
13 section 13G61.

14 (b) Statement of conditions.--Upon awarding a sports  
15 wagering operation certificate, the board shall amend the slot  
16 machine licensee's statement of conditions pertaining to the  
17 requirements of this chapter.

18 (c) Term of sports wagering certificate.--Subject to the  
19 power of the board to deny, revoke or suspend a sports wagering  
20 certificate issued in accordance with the requirements of this  
21 section, a sports wagering certificate shall be renewed every  
22 five years and shall be subject to the requirements of section  
23 1326 (relating to license renewals).

24 § 13G15. Sports wagering certificate.

25 The following shall apply:

26 (1) A sports wagering certificate shall be in effect  
27 unless:

28 (i) suspended or revoked by the board consistent  
29 with the requirements of this part;

30 (ii) the slot machine license held by the  
31 certificate holder is suspended, revoked or not renewed  
32 by the board consistent with the requirements of this  
33 part; or

34 (iii) the certificate holder relinquishes or does  
35 not seek renewal of its slot machine license.

36 (2) A certificate holder that fails to abide by this  
37 chapter or any condition contained in the slot machine  
38 licensee's statement of conditions governing the conduct of  
39 sports wagering shall be subject to board-imposed  
40 administrative sanctions or other penalties authorized under  
41 this part.

42 § 13G16. Sports wagering by suppliers and manufacturers.

43 (a) Suppliers.--A person that sells, leases, offers or  
44 otherwise provides, distributes or services any sports wagering  
45 device or associated equipment for use or operation in this  
46 Commonwealth for sports wagering purposes shall be licensed by  
47 the board pursuant to section 1317 (relating to supplier  
48 licenses) and shall be subject to application and licensure fees  
49 and fines as prescribed under section 1208 (relating to  
50 collection of fees and fines), as determined by the board.

51 (b) Manufacturers.--A person who manufacturers, builds,

1 rebuilds, fabricates, assembles, produces, programs, designs or  
2 otherwise makes modifications to any sports wagering device or  
3 associated equipment for use or operation in this Commonwealth  
4 for sports wagering purposes shall be licensed by the board  
5 pursuant to section 1317.1 (relating to manufacturer licenses)  
6 and shall be subject to application and licensure fees and fines  
7 as prescribed under section 1208, as determined by the board.

8 SUBCHAPTER C

9 CONDUCT OF SPORTS WAGERING

10 Sec.

11 13G21. Authorized locations for operation.

12 13G22. Commencement of sports wagering operations.

13 13G23. Condition of continued operation.

14 13G24. Key employees and occupation permits.

15 13G25. Application of Clean Indoor Air Act.

16 13G25.1. Application of Liquor Code.

17 § 13G21. Authorized locations for operation.

18 (a) Restriction.--A certificate holder may only be permitted  
19 to conduct sports wagering at the licensed facility, a temporary  
20 facility authorized under subsection (a.1) or an area authorized  
21 under subsection (b).

22 (a.1) Temporary facilities.--The board may permit a  
23 certificate holder to conduct sports wagering at a temporary  
24 facility that is physically connected to, attached to or  
25 adjacent to a licensed facility for a period not to exceed 24  
26 months.

27 (b) Powers and duties of board.--

28 (1) Upon request made by a certificate holder, the board  
29 may determine the suitability of a category 1 licensed gaming  
30 entity that is also a licensed racing entity authorized to  
31 conduct pari-mutuel wagering at nonprimary locations under  
32 the act of April 9, 1929 (P.L.177, No.175), known as The  
33 Administrative Code of 1929, to conduct sports wagering at  
34 nonprimary locations.

35 (2) No certificate holder may be approved to conduct  
36 sports wagering in a nonprimary location unless the areas are  
37 equipped with adequate security and surveillance equipment to  
38 ensure the integrity of the conduct of sports wagering.

39 (3) An authorization granted under this subsection may  
40 not:

41 (i) Impose any criteria or requirements regarding  
42 the contents or structure of a nonprimary location that  
43 are unrelated to the conduct of sports wagering.

44 (ii) Authorize the placement or operation of slot  
45 machines or table games in a nonprimary location.

46 § 13G22. Commencement of sports wagering operations.

47 No certificate holder may operate or offer sports wagering  
48 until the board determines that:

49 (1) The certificate holder is in compliance with the  
50 requirements of this part.

51 (2) The certificate holder is prepared in all respects

1 to offer sports wagering play to the public at the licensed  
2 facility.

3 (3) The certificate holder has implemented necessary  
4 internal and management controls and security arrangements  
5 and surveillance systems for the conduct of sports wagering.

6 (4) The certificate holder is in compliance with or has  
7 complied with section 13A61 (relating to sports wagering  
8 authorization fee).

9 (5) Other conditions as the board may require to  
10 implement the conduct of sports wagering.

11 § 13G23. Condition of continued operation.

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

17 (1) be segregated by separate accounts within the  
18 certificate holder's books, records and documents, except for  
19 any books, records or documents that are common to slot  
20 machine, table game and sports wagering operations;

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

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

28 § 13G24. Key employees and occupation permits.

29 Nothing in this part shall be construed to require any  
30 individual who holds a principal license, a key employee license  
31 or gaming employee license under Chapter 13 (relating to  
32 licensees) to obtain a separate license or permit to be employed  
33 in a certificate holder's sports wagering operation authorized  
34 under this chapter.

35 § 13G25. Application of Clean Indoor Air Act.

36 For the purpose of section 3(b)(11) of the act of June 13,  
37 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the  
38 term "gaming floor" shall include the areas of any facility  
39 where the certificate holder is authorized to conduct sports  
40 wagering, except such areas off the gaming floor where contests  
41 or tournaments are conducted unless smoking is otherwise  
42 permitted in such areas.

43 § 13G25.1. Application of Liquor Code.

44 The provisions of section 493(24)(ii) of the act of April 12,  
45 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply  
46 to sports wagering.

47 SUBCHAPTER D

48 SPORTS WAGERING TAXES AND FEES

49 Sec.

50 13G61. Sports wagering authorization fee.

51 13G62. Sports wagering tax.

1 13G63. Local share assessment.

2 13G64. Compulsive and problem gambling.

3 § 13G61. Sports wagering authorization fee.

4 (a) Amount.--Each slot machine licensee that is issued a  
5 sports wagering certificate to conduct sports wagering in  
6 accordance with section 13G11 (relating to authorization to  
7 conduct sports wagering) shall pay a one-time nonrefundable  
8 authorization fee in the amount of \$5,000,000.

9 (b) Payment of fee.--The authorization fee under subsection  
10 (a) shall remit the fee to the board within 60 days of the  
11 approval of a petition to conduct sports wagering. The board may  
12 allow the fee to be paid in installments, provided all  
13 installments are paid within the 60-day period. In that event,  
14 the board and the slot machine licensee shall enter into a  
15 written agreement setting forth the terms of payment. Sports  
16 wagering may not be conducted until the fee under subsection (a)  
17 is paid in full.

18 (c) Renewal fee.--Notwithstanding any other provision of  
19 this chapter, a slot machine licensee that is issued a sports  
20 wagering certificate shall pay a renewal fee in the amount of  
21 \$250,000 upon the renewal of its sports wagering certificate in  
22 accordance with sections 1326 (relating to license renewals) and  
23 13G14(c) (relating to award of certificate).

24 (d) Failure to pay by deadline.--If a petitioner or  
25 certificate holder fails to pay the required authorization fee  
26 in full within the 60-day time period, the board shall impose a  
27 penalty and may grant the petitioner or certificate holder up to  
28 a six-month extension to pay the authorization fee or any  
29 remaining portion of the authorization fee and the penalty.

30 (e) Suspension of certificate.--The board shall suspend the  
31 sports wagering certificate if the certificate holder fails to  
32 pay the total authorization fee and the penalty prior to the  
33 expiration of an extension period granted under subsection (c).  
34 The suspension shall remain in effect until final payment is  
35 made.

36 (f) Deposit of fees.--Notwithstanding section 1208 (relating  
37 to collection of fees and fines), all sports wagering  
38 authorization fees or penalties received by the board under this  
39 subchapter, all sports wagering device and associated equipment  
40 manufacturer and supplier license fees, all sports wagering  
41 device or associated equipment manufacturer and supplier renewal  
42 fees and fees for licenses issued under Chapter 16 (relating to  
43 junkets) shall be deposited in the General Fund.

44 § 13G62. Sports wagering tax.

45 (a) Imposition.--Each certificate holder shall report to the  
46 department and pay from its daily gross sports wagering revenue,  
47 on a form and in the manner prescribed by the department, a tax  
48 of 16% of its daily gross sports wagering revenue.

49 (b) Deposits and distributions.--

50 (1) The tax imposed under subsection (a) shall be  
51 payable to the department on a weekly basis and shall be

1 based upon gross sports wagering revenue derived during the  
2 previous week.

3 (2) All funds owed to the Commonwealth under this  
4 section shall be held in trust for the Commonwealth by the  
5 certificate holder until the funds are paid to the  
6 department. Unless otherwise agreed to by the board, a  
7 certificate holder shall establish a separate bank account  
8 into which gross sports wagering revenue shall be deposited  
9 and maintained until such time as the funds are paid to the  
10 department under this section or paid into the fund under  
11 section 13G63(a) (relating to local share assessment).

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

14 § 13G63. Local share assessment.

15 (a) Required payment.--In addition to the tax imposed under  
16 section 13G62 (relating to sports wagering tax), each  
17 certificate holder shall pay on a weekly basis and on a form and  
18 in a manner prescribed by the department a local share  
19 assessment into a restricted receipts account established within  
20 the fund. All money owed under this section shall be held in  
21 trust by the certificate holder until the money is paid into the  
22 restricted account. Funds in the restricted account are hereby  
23 appropriated to the department on a continuing basis for the  
24 purposes set forth in this section.

25 (b) Distributions.--Except as provided under subsections  
26 (b.1) and (b.2), the department shall make quarterly  
27 distributions from the local share assessments deposited into  
28 the restricted account to counties, including home rule  
29 counties, and to municipalities, including home rule  
30 municipalities, hosting a licensed facility authorized to  
31 conduct sports wagering in the following manner:

32 (1) Fifty percent of the local share assessment under  
33 this chapter shall be added to and distributed with the funds  
34 distributed under section 13A63(b) (relating to local share  
35 assessment).

36 (2) Fifty percent of the local share assessment under  
37 this chapter shall be added to and distributed with the funds  
38 distributed under section 13A63(c).

39 (b.1) Nonprimary locations.--For sports wagering conducted  
40 at nonprimary locations, the local share assessment imposed  
41 under subsection (a) shall be distributed as follows:

42 (1) Fifty percent to the county in which the nonprimary  
43 location is located.

44 (2) Fifty percent to the municipality in which the  
45 nonprimary location is located.

46 (b.2) Interactive gaming.--For sports wagering conducted as  
47 a form of interactive gaming, the local share assessment imposed  
48 under subsection (a) shall be added to and distributed with the  
49 funds distributed under section 13B53 (relating to local share  
50 assessment).

51 (c) Definitions.--As used in this section, "local share



1 assessment" means 2% of a certificate holder's daily gross  
2 sports wagering revenue.

3 § 13G64. Compulsive and problem gambling.

4 The following shall apply:

5 (1) Each year, from the tax imposed in section 13G62  
6 (relating to sports wagering tax), \$2,000,000 or an amount  
7 equal to .002 multiplied by the total gross sports wagering  
8 revenue of all active and operating sports wagering  
9 certificate holders, whichever is greater, shall be  
10 transferred into the Compulsive and Problem Gambling  
11 Treatment Fund established in section 1509 (relating to  
12 compulsive and problem gambling program).

13 (2) Each year, from the tax imposed in section 13G62,  
14 \$2,000,000 or an amount equal to .002 multiplied by the total  
15 gross sports wagering revenue of all active and operating  
16 sports wagering certificate holders, whichever is greater,  
17 shall be transferred to the Department of Health to be used  
18 for drug and alcohol addiction treatment services, including  
19 treatment for drug and alcohol addiction related to  
20 compulsive and problem gambling, as set forth in section  
21 1509.1 (relating to drug and alcohol treatment).

22 SUBCHAPTER E

23 MISCELLANEOUS PROVISIONS

24 Sec.

25 13G71. Criminal activity.

26 § 13G71. Criminal activity.

27 Sports wagering conducted by a certificate holder in  
28 accordance with this chapter shall not constitute a criminal  
29 activity under 18 Pa.C.S. § 5514 (relating to pool selling and  
30 bookmaking).

31 Section 19. Sections 1403(b), (c)(2)(ii)(D), (iii)(A) and  
32 (iv)(B), 1405 and 1407 of Title 4 are amended to read:

33 § 1403. Establishment of State Gaming Fund and net slot machine  
34 revenue distribution.

35 \* \* \*

36 (b) Slot machine tax.--The department shall determine and  
37 each slot machine licensee shall pay a daily tax of 34% from its  
38 daily gross terminal revenue from the slot machines in operation  
39 at its licensed facility and a local share assessment as  
40 provided in subsection (c). All funds owed to the Commonwealth,  
41 a county or a municipality under this section shall be held in  
42 trust by the licensed gaming entity for the Commonwealth, the  
43 county and the municipality until the funds are paid or  
44 transferred to the fund. Unless otherwise agreed to by the  
45 board, a licensed gaming entity shall establish a separate bank  
46 account to maintain gross terminal revenue until such time as  
47 the funds are paid or transferred under this section. Moneys in  
48 the fund are hereby appropriated to the department on a  
49 continuing basis for the purposes set forth in subsection (c).  
50 For the purpose of this subsection, the term licensed facility  
51 shall not be construed to include a nonprimary location at which

1 a Category 1 slot machine licensee is authorized to place and  
2 make slot machines available for play in accordance with Chapter  
3 13D (relating to slot machines at nonprimary locations) or the  
4 physical land-based location of a qualified airport under  
5 Chapter 13E (relating to slot machines in qualified airports).

6 (c) Transfers and distributions.--The department shall:

7 \* \* \*

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

12 \* \* \*

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

17 \* \* \*

18 (D) A county of the third class: 1% of the  
19 gross terminal revenue to the county hosting the  
20 licensed facility from each such licensed facility.  
21 An additional 1% of the gross terminal revenue to the  
22 county hosting the licensed facility from each such  
23 licensed facility for the purpose of municipal grants  
24 within the county in which the licensee is located.  
25 Notwithstanding the provisions of the act of February  
26 9, 1999 (P.L.1, No.1), known as the Capital  
27 Facilities Debt Enabling Act, grants made under this  
28 clause may be utilized as local matching funds for  
29 other grants or loans from the Commonwealth.

30 \* \* \*

31 (iii) If the facility is a Category 2 licensed  
32 facility and if the county in which the licensed facility  
33 is located is:

34 (A) A county of the first class: 4% of the  
35 gross terminal revenue to the county hosting the  
36 licensed facility from each such licensed facility.  
37 Notwithstanding any other provision to the contrary,  
38 funds from licensed gaming entities located within a  
39 county of the first class shall not be distributed  
40 outside of a county of the first class. [The first  
41 \$5,000,000] Fifty percent or \$5,000,000, whichever is  
42 greater, of the total amount distributed annually to  
43 the county of the first class shall be distributed to  
44 the Philadelphia School District.

45 \* \* \*

46 (iv) \* \* \*

47 (B) If the facility is a Category 3 licensed  
48 facility located in a county of the second class A,  
49 2% of the gross terminal revenue [from the licensed  
50 facility shall be deposited into a restricted  
51 receipts account to be established in the

1 Commonwealth Financing Authority to be used  
2 exclusively for grants or guarantees for projects in  
3 the host county that qualify under 64 Pa.C.S. §§ 1551  
4 (relating to Business in Our Sites Program), 1556  
5 (relating to Tax Increment Financing Guarantee  
6 Program) and 1558 (relating to Water Supply and  
7 Wastewater Infrastructure Program).] to the county  
8 hosting the licensed facility from each such licensed  
9 facility shall be deposited as follows:

10 (I) Seventy-five percent shall be deposited  
11 for the purpose of supporting the maintenance and  
12 refurbishment of the parks and heritage sites  
13 throughout the county in which the licensed  
14 facility is located.

15 (II) Twelve and one-half percent shall be  
16 deposited for the purpose of supporting a child  
17 advocacy center located within the county in  
18 which the licensed facility is located.

19 (III) Twelve and one-half percent shall be  
20 deposited for the purpose of supporting an  
21 organization providing comprehensive support  
22 services to victims of domestic violence,  
23 including legal and medical aid, shelters,  
24 transitional housing and counseling located  
25 within the county in which the licensed facility  
26 is located.

27 \* \* \*

28 § 1405. Pennsylvania Race Horse Development Fund.

29 (b) Pennsylvania race horse improvement assessment.--Each  
30 active and operating licensed gaming entity shall pay a daily  
31 assessment to the Pennsylvania Race Horse Development Fund as  
32 determined by the department. Subject to the daily assessment  
33 cap established under subsection (c), the licensed gaming  
34 entity's assessment shall be a percentage of each licensed  
35 gaming entity's gross terminal revenue from the slot machines in  
36 operation at its licensed facility, equal to an amount  
37 calculated as "A" multiplied by "B", with "A" being equal to  
38 each licensed gaming entity's gross terminal revenue for that  
39 day divided by the total gross terminal revenue for that day  
40 from all licensed gaming entities, and "B" being equal to 18% of  
41 that day's gross terminal revenue for all active and operating  
42 Category 1 licensees conducting live racing.

43 (c) Daily assessment cap.--If the resulting daily assessment  
44 for a licensed gaming entity exceeds 12% of that licensed gaming  
45 entity's gross terminal revenue from the slot machines in  
46 operation at its licensed facility for the day, the licensed  
47 gaming entity shall pay a daily assessment of 12% of its gross  
48 terminal revenue for that day.

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

1 place and operate slot machines in a nonprimary location under  
2 Chapter 13D (relating to slot machines at nonprimary locations)  
3 or in a qualified airport under Chapter 13E (relating to slot  
4 machines in qualified airports).

5 § 1407. Pennsylvania Gaming Economic Development and Tourism  
6 Fund.

7 (a) Fund established.--There is hereby established a  
8 Pennsylvania Gaming Economic Development and Tourism Fund within  
9 the State Treasury.

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

26 (c) Pennsylvania Gaming Economic Development and Tourism  
27 Fund Assessment.--Each licensed gaming entity shall pay a daily  
28 assessment of 5% of its gross terminal revenue from the slot  
29 machines in operation at its licensed facility to the  
30 Pennsylvania Gaming Economic Development and Tourism Fund.

31 (d) Restrictions on projects for certain counties and  
32 cities.--Except as set forth in subsection (d.1), [for a ten-  
33 year period beginning with the first fiscal year during which  
34 deposits are made into this fund], no moneys from the  
35 Pennsylvania Gaming Economic Development and Tourism Fund shall  
36 be distributed for any project located in a city or county of  
37 the first or second class except as authorized by this  
38 subsection. Moneys not used for the authorized projects in  
39 cities and counties of the first and second classes may be used  
40 throughout this Commonwealth. Moneys from the fund for projects  
41 within cities and counties of the first and second classes may  
42 only be used for the following projects [during this ten-year  
43 period]:

44 (1) for reimbursement to a city of the first class for  
45 debt service made by such city to the extent that such  
46 payments have been made for the expansion of the Pennsylvania  
47 Convention Center;

48 (2) for distribution to the General Fund to the extent  
49 that the Commonwealth has made debt service payments for the  
50 expansion of the Pennsylvania Convention Center;

51 (3) for reimbursement to a city of the first class for

1 payments made by such city for the operation expenses of the  
2 Pennsylvania Convention Center during the prior calendar  
3 year;

4 (4) for debt service and for development and economic  
5 development projects for an international airport located in  
6 a county of the second class;

7 (5) for distribution to a community infrastructure  
8 development fund of a county of the second class to fund  
9 construction, development, improvement and maintenance of  
10 infrastructure projects;

11 (6) for the retirement of the indebtedness of an urban  
12 redevelopment authority created pursuant to the act of May  
13 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment  
14 Law, in a city of the second class which is financed in part  
15 with the utilization of funds transferred to the regional  
16 asset district pursuant to Article XXXI-B of the act of July  
17 28, 1953 (P.L.723, No.230), known as the Second Class County  
18 Code;

19 (8) for retirement of indebtedness of a county of the  
20 second class development fund created pursuant to the  
21 authority of Article XXXI-B of the Second Class County Code  
22 and the Urban Redevelopment Law;

23 (9) for retirement of indebtedness of a convention  
24 center in a city of the second class established pursuant to  
25 the authority of the Public Auditorium Authorities Law;

26 (10) for payment of the operating deficit for the  
27 operation of a convention center in a city of the second  
28 class established pursuant to the Public Auditorium  
29 Authorities Law.

30 (d.1) Community and economic development.--

31 (1) Notwithstanding subsection (b) or any other  
32 provision of law to the contrary, the money authorized but  
33 not expended under former subsection (d)(7) as of the  
34 effective date of this subsection shall be deposited into a  
35 restricted receipts account to be established in the  
36 Commonwealth Financing Authority exclusively for eligible  
37 applications submitted by the redevelopment authority of a  
38 county of the second class created pursuant to the act of May  
39 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment  
40 Law, for economic development, infrastructure development,  
41 job training, community improvement, public safety or other  
42 projects in the public interest located in a county of the  
43 second class. Community development corporations, political  
44 subdivisions, urban redevelopment authorities, municipal  
45 authorities, for-profit entities and nonprofit entities  
46 located in a county of the second class shall be eligible to  
47 receive funds made available under this paragraph.

48 (2) Notwithstanding the Capital Facilities Debt Enabling  
49 Act, funding under the paragraph (1) may be utilized as local  
50 matching funds for grants or loans from the Commonwealth.

51 (e) Annual report.--The Office of the Budget, in cooperation

1 with the Department of Community and Economic Development and  
2 the Commonwealth Financing Authority, shall submit an annual  
3 report of all distribution of funds under this section to the  
4 chairman and minority chairman of the Appropriations Committee  
5 of the Senate, the chairman and minority chairman of the  
6 Community, Economic and Recreational Development Committee of  
7 the Senate, the chairman and minority chairman of the  
8 Appropriations Committee of the House of Representatives and the  
9 chairman and minority chairman of the Gaming Oversight Committee  
10 of the House of Representatives. The report shall include  
11 detailed information relating to transfers made from the  
12 Pennsylvania Gaming Economic Development and Tourism Fund and  
13 all reimbursements, distributions and payments made under  
14 subsection (b) or the act of July 25, 2007 (P.L.342, No.53),  
15 known as Pennsylvania Gaming Economic Development and Tourism  
16 Fund Capital Budget Itemization Act of 2007. The report shall be  
17 submitted by August 31, 2010, and by August 31 of each year  
18 thereafter.

19 (f) Local report.--A city of the first class, city of the  
20 second class, county of the second class, convention center or  
21 convention center authority, sports and exhibition authority of  
22 a county of the second class, urban redevelopment authority,  
23 airport authority or other entity that receives money from the  
24 fund pursuant to an Economic Development Capital Budget under  
25 subsection (b) or the Pennsylvania Gaming Economic Development  
26 and Tourism Fund Capital Budget Itemization Act of 2007 shall  
27 submit an annual report to the Office of the Budget. The report  
28 shall include detailed information, including records of  
29 expenditures, payments and other distributions made from funds  
30 received under subsection (b). The initial report shall include  
31 information on all funds received prior to August 31, 2010. The  
32 report shall be submitted by August 31, 2010, and by August 31  
33 of each year thereafter until all funds under this section are  
34 distributed or received. An entity that receives funds for the  
35 first time after the effective date of this section shall submit  
36 its initial report by August 31 of the year following receipt of  
37 the funds.

38 (g) Distribution to international airport.--Notwithstanding  
39 the provisions of section 7(d) of the Pennsylvania Gaming  
40 Economic Development and Tourism Fund Capital Budget Itemization  
41 Act of 2007, following the distribution of \$42.5 million of  
42 funds allocated to a county of the second class for debt service  
43 and economic development projects for an international airport  
44 in the county under section 3(2)(i)(E) of the Pennsylvania  
45 Gaming Economic Development and Tourism Fund Capital Budget  
46 Itemization Act of 2007, all remaining funds shall be  
47 distributed directly to an authority that operates an  
48 international airport in the county.

49 (h) Definition.--For the purposes of this section, the term  
50 "licensed facility" shall not include the physical land-based  
51 location at which a licensed gaming entity is authorized to

1 place and operate slot machines in a nonprimary location under  
2 Chapter 13D (relating to slot machines at nonprimary locations)  
3 or in a qualified airport under Chapter 13E (relating to slot  
4 machines in qualified airports).

5 Section 20. Title 4 is amended by adding a section to read:  
6 § 1410. Public School Employees' Retirement Contribution Fund.

7 (a) Establishment.--The Public School Employees' Retirement  
8 Contribution Fund is established within the State Treasury.

9 (b) Contents of fund.--The fund shall contain the money  
10 transferred to the fund under subsection (c) and any other money  
11 transferred to or deposited into the fund.

12 (c) Transfers to fund.--Notwithstanding any provision of  
13 this part, the following shall apply:

14 (1) For the 2016-2017 fiscal year, \$303,000,000 of the  
15 receipts deposited into the General Fund under Chapters 13A  
16 (relating to table games), 13B (relating to interactive  
17 gaming), 13D (relating to slot machines at nonprimary  
18 locations) and 13E (relating to slot machines in qualified  
19 airports) shall be transferred annually to the fund. The  
20 transfers required by this paragraph shall be made in equal  
21 monthly amounts by the 20th day of each month following the  
22 effective date of this paragraph.

23 (2) For the 2017-2018 fiscal year and each fiscal year  
24 thereafter, \$310,000,000 of the receipts deposited into the  
25 General Fund under Chapters 13A, 13B, 13D and 13E shall be  
26 transferred annually to the fund. The transfers required by  
27 this paragraph shall be made in equal monthly amounts by the  
28 20th day of each month.

29 (d) Use of money in fund.--Money in the fund is hereby  
30 appropriated to the Department of Education as an augmentation  
31 to the appropriation for required contribution for public school  
32 employees' retirement.

33 (e) Definition.--As used in this section, the term "fund"  
34 means the Public School Employees' Retirement Contribution Fund.

35 Section 21. Sections 1501(b) and 1509(c) of Title 4 are  
36 amended to read:

37 § 1501. Responsibility and authority of department.

38 \* \* \*

39 (b) Application of rules and regulations.--The department  
40 may prescribe the extent, if any, to which any rules and  
41 regulations shall be applied without retroactive effect. The  
42 department shall have authority to prescribe the forms and the  
43 system of accounting and recordkeeping to be employed and  
44 through its representative shall at all times have power of  
45 access to and examination and audit of any equipment and records  
46 relating to all aspects of the operation of slot machines [and],  
47 including slot machines at nonprimary locations and qualified  
48 airports, table games, casino simulcasting and interactive  
49 gaming under this part.

50 \* \* \*

51 § 1509. Compulsive and problem gambling program.

1 \* \* \*

2 (c) Notice of availability of assistance.--

3 (1) Each slot machine licensee shall obtain a toll-free  
4 telephone number to be used to provide persons with  
5 information on assistance for compulsive or problem gambling.  
6 Each licensee shall conspicuously post at least 20 signs  
7 similar to the following statement:

8 If you or someone you know has a gambling problem, help  
9 is available. Call (Toll-free telephone number).

10 The signs must be posted within 50 feet of each entrance and  
11 exit, within 50 feet of each automated teller machine  
12 location within the licensed facility and in other  
13 appropriate public areas of the licensed facility, including  
14 areas of a casino simulcasting facility, as determined by the  
15 slot machine licensee.

16 (2) Each racetrack where slot machines or table games  
17 are operated shall print a statement on daily racing programs  
18 provided to the general public that is similar to the  
19 following:

20 If you or someone you know has a gambling problem, help  
21 is available. Call (Toll-free telephone number).

22 (2.1) Each interactive gaming certificate holder,  
23 interactive gaming operator or other person that operates  
24 interactive gaming or an interactive gaming system on behalf  
25 of an interactive gaming certificate holder:

26 (i) Shall cause the words:

27 If you or someone you know has a gambling problem,  
28 help is available. Call (Toll-free telephone number).  
29 or some comparable language approved by the board, which  
30 language shall include the words "gambling problem" and  
31 "call 1-800-XXXX," to be prominently and continuously  
32 displayed to any person visiting or logged onto the  
33 interactive gaming certificate holder's interactive  
34 gaming skin or Internet website.

35 (ii) Shall provide a mechanism by which an  
36 interactive gaming account holder may establish the  
37 following controls on wagering activity through the  
38 interactive gaming account:

39 (A) A limit on the amount of money lost within a  
40 specified period of time and the length of time the  
41 account holder will be unable to participate in  
42 gaming if the holder reaches the established loss  
43 limit.

44 (B) A limit on the maximum amount of any single  
45 wager on any interactive game.

46 (C) A temporary suspension of interactive gaming  
47 through the account for any number of hours or days.

48 (iii) Shall not mail or otherwise forward any  
49 gaming-related promotional material or e-mail to a  
50 registered player during any period in which interactive  
51 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, except  
4 that, while interactive gaming through the interactive  
5 gaming account is suspended, the registered player may  
6 not change gaming controls until the suspension expires,  
7 but the registered player shall continue to have access  
8 to the account and shall be permitted to withdraw funds  
9 from the account upon proper application for the funds to  
10 the interactive gaming certificate holder.

11 (3) A [licensed facility] licensed gaming entity which  
12 fails to post or print the warning sign in accordance with  
13 paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine  
14 of \$1,000 a day for each day the minimum number of signs are  
15 not posted or the required statement is not printed as  
16 provided in this subsection.

17 (4) An interactive gaming certificate holder or  
18 interactive gaming license holder, as the case may be, that  
19 fails to establish the mechanisms, controls and systems in  
20 accordance with paragraph (2.1)(ii) and (iii) shall be  
21 assessed a fine of not less than \$5,000 per day for each day  
22 the mechanisms, controls and systems are not available to  
23 interactive gaming account holders.

24 \* \* \*

25 Section 22. Title 4 is amended by adding a section to read:  
26 § 1509.2. Child endangerment protection.

27 (a) Posting of signs.--The following shall apply:

28 (1) Each licensed gaming entity shall post the necessary  
29 signage to notify patrons of the prohibition against leaving  
30 a child unattended in a vehicle under section 1518(a)(18)  
31 (relating to prohibited acts; penalties) and underage  
32 gambling under section 1518(a)(13) and (13.1) and the penalty  
33 for violations.

34 (2) The signs shall be conspicuously posted in clear  
35 view of all parking areas and other public areas of the  
36 licensed facility and, including where applicable, nonprimary  
37 locations, as determined by the licensed gaming entity and  
38 approved by the board.

39 (3) The board shall determine the written content and  
40 minimum number of signs to be posted at each licensed  
41 facility.

42 (b) Fine.--A licensed gaming entity that fails to post  
43 signage in accordance with subsection (a) shall be assessed a  
44 fine of \$1,000 per day for each day the minimum number of signs  
45 as prescribed by the board are not posted.

46 Section 23. Section 1512 of Title 4 is amended by adding a  
47 subsection to read:

48 § 1512. Financial and employment interests.

49 \* \* \*

50 (a.6) Prohibition related to interactive gaming.--

51 (1) Except as may be provided by rule or order of the

1 Pennsylvania Supreme Court and except as provided in section  
2 1202.1 (relating to code of conduct) or 1512.1 (relating to  
3 additional restrictions), no executive-level public employee,  
4 public official or party officer or immediate family member  
5 thereof shall hold, directly or indirectly, a financial  
6 interest in, be employed by or represent, appear for, or  
7 negotiate on behalf of, or derive any remuneration, payment,  
8 benefit or any other thing of value for any services,  
9 including, but not limited to, consulting or similar services  
10 from any holder of or applicant for an interactive gaming  
11 certificate, holder or applicant for an interactive gaming  
12 license or other authorization to conduct interactive gaming  
13 or any holding, subsidiary or intermediary company with  
14 respect thereto, or any business, association, enterprise or  
15 other entity that is organized in whole or in part for the  
16 purpose of promoting, advocating for or advancing the  
17 interests of the interactive gaming industry generally or any  
18 interactive gaming-related business or businesses in  
19 connection with any cause, application or matter. The  
20 financial interest and employment prohibitions under this  
21 paragraph shall remain in effect for one year following  
22 termination of the individual's status as an executive-level  
23 public employee, public official or party officer.

24 (2) Notwithstanding paragraph (1), a member of the  
25 immediate family of an executive-level public employee,  
26 public official or party officer may hold employment with the  
27 holder of or applicant for an interactive gaming certificate,  
28 holder or applicant for an interactive gaming license or  
29 other authorization to conduct interactive gaming or any  
30 holding, subsidiary or intermediary company with respect  
31 thereto, if in the judgment of the State Ethics Commission or  
32 the Supreme Court, as appropriate, employment will not  
33 interfere with the responsibilities of the executive-level  
34 public employee, public official or party officer and will  
35 not create a conflict of interest or reasonable risk of the  
36 public perception of a conflict of interest on the part of  
37 the executive-level public employee, public official or party  
38 officer.

39 (3) The financial interest and employment prohibitions  
40 specified in paragraphs (1) and (2) shall apply to casino  
41 simulcasting under Chapter 13F (relating to casino  
42 simulcasting), slot machines at nonprimary locations under  
43 Chapter 13D (relating to slot machines at nonprimary  
44 locations) and airport gaming under Chapter 13-E (relating to  
45 slot machines in qualified airports).

46 \* \* \*

47 Section 24. Sections 1513(a), 1514 heading, (a), (d), (e)  
48 and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title  
49 4 are amended to read:

50 § 1513. Political influence.

51 (a) Contribution restriction.--The following persons shall

1 be prohibited from contributing any money or in-kind  
2 contribution to a candidate for nomination or election to any  
3 public office in this Commonwealth, or to any political party  
4 committee or other political committee in this Commonwealth or  
5 to any group, committee or association organized in support of a  
6 candidate, political party committee or other political  
7 committee in this Commonwealth:

8 (1) An applicant for a slot machine license,  
9 manufacturer license, supplier license, principal license,  
10 key employee license, interactive gaming license or horse or  
11 harness racing license.

12 (2) A slot machine licensee, licensed manufacturer,  
13 licensed supplier, interactive gaming operator or licensed  
14 racing entity.

15 (3) A licensed principal or licensed key employee of a  
16 slot machine licensee, licensed manufacturer, licensed  
17 supplier, interactive gaming operator or licensed racing  
18 entity.

19 (4) An affiliate, intermediary, subsidiary or holding  
20 company of a slot machine licensee, licensed manufacturer,  
21 licensed supplier, interactive gaming operator or licensed  
22 racing entity.

23 (5) A licensed principal or licensed key employee of an  
24 affiliate, intermediary, subsidiary or holding company of a  
25 slot machine licensee, licensed manufacturer, licensed  
26 supplier, interactive gaming operator or licensed racing  
27 entity.

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

32 \* \* \*

33 § 1514. Regulation requiring exclusion [or], ejection or denial  
34 of access of certain persons.

35 (a) General rule.--The board shall by regulation provide for  
36 the establishment of a list of persons who are to be excluded or  
37 ejected from any licensed facility or who may be denied access  
38 to interactive gaming, casino simulcasting or slot machines at  
39 nonprimary locations. The provisions shall define the standards  
40 for exclusion and shall include standards relating to persons  
41 who are career or professional offenders as defined by  
42 regulations of the board or whose presence in a licensed  
43 facility or whose access to interactive gaming, casino  
44 simulcasting and slot machines at nonprimary locations would, in  
45 the opinion of the board, be inimical to the interest of the  
46 Commonwealth or of licensed gaming therein, or both.

47 \* \* \*

48 (d) Sanctions.--The board may impose sanctions upon a  
49 licensed gaming entity or interactive gaming licensee in  
50 accordance with this part if the licensed gaming entity  
51 knowingly fails to exclude or eject from the premises of any

1 licensed facility or deny access to interactive gaming, casino  
2 simulcasting or to slot machines at a nonprimary location any  
3 person placed by the board on the list of persons to be excluded  
4 [or], ejected or denied access.

5 (e) List not all-inclusive.--Any list compiled by the board  
6 of persons to be excluded [or], ejected or denied access shall  
7 not be deemed an all-inclusive list, and a licensed gaming  
8 entity shall have a duty to keep from the licensed facility and  
9 from interactive gaming, casino simulcasting and slot machines  
10 at a nonprimary location persons known to it to be within the  
11 classifications declared in this section and the regulations  
12 promulgated under this section whose presence in a licensed  
13 facility or whose participation in interactive gaming, casino  
14 simulcasting and the play of slot machines at a nonprimary  
15 location would be inimical to the interest of the Commonwealth  
16 or of licensed gaming therein, or both, as defined in standards  
17 established by the board.

18 (f) Notice.--Whenever the bureau seeks to place the name of  
19 any person on a list pursuant to this section, the bureau shall  
20 serve notice of this fact to such person by personal service or  
21 certified mail at the last known address of the person. The  
22 notice shall inform the person of the right to request a hearing  
23 under subsection (g). The bureau may also provide notice by e-  
24 mail, if the electronic mail address of the person is known to  
25 the bureau.

26 \* \* \*

27 § 1515. Repeat offenders excludable from licensed gaming  
28 facility.

29 A licensed gaming entity may exclude or eject from its  
30 licensed facility or deny access to interactive gaming, casino  
31 simulcasting and slot machines at a nonprimary location any  
32 person who is known to it to have been convicted of a  
33 misdemeanor or felony committed in or on the premises of any  
34 licensed facility. Nothing in this section or in any other law  
35 of this Commonwealth shall limit the right of a licensed gaming  
36 entity to exercise its common law right to exclude or eject  
37 permanently from its licensed facility or permanently deny  
38 access to its interactive gaming, casino simulcasting and slot  
39 machines at a nonprimary location any person who disrupts the  
40 operations of its premises or its interactive gaming, casino  
41 simulcasting or the operation of slot machines at a nonprimary  
42 location, threatens the security of its premises or its  
43 occupants or is disorderly or intoxicated[.] or who threatens  
44 the security of its licensed facility, including the area of a  
45 nonprimary location where slot machines are placed and made  
46 available for play or the area of a licensed facility where  
47 interactive gaming operations are managed, administered or  
48 controlled or casino simulcasting is conducted.

49 § 1516. List of persons self excluded from gaming activities.

50 (a) General rule.--The board shall provide by regulation for  
51 the establishment of a list of persons self excluded from gaming

1 activities, including interactive gaming, casino simulcasting  
2 and the play of slot machines at nonprimary locations, at all  
3 licensed facilities. Any person may request placement on the  
4 list of self-excluded persons by acknowledging in a manner to be  
5 established by the board that the person is a problem gambler  
6 and by agreeing that, during any period of voluntary exclusion,  
7 the person may not collect any winnings or recover any losses  
8 resulting from any gaming activity at licensed facilities,  
9 including interactive gaming, casino simulcasting and the play  
10 of slot machines at a nonprimary location.

11 (b) Regulations.--The regulations of the board shall  
12 establish procedures for placements on and removals from the  
13 list of self-excluded persons. The regulations shall establish  
14 procedures for the transmittal to licensed gaming entities of  
15 identifying information concerning self-excluded persons and  
16 shall require licensed gaming entities to establish procedures  
17 designed at a minimum to deny self-excluded persons access to  
18 interactive gaming, casino simulcasting and the play of slot  
19 machines at nonprimary locations and to remove self-excluded  
20 persons from targeted mailings or other forms of advertising or  
21 promotions and deny self-excluded persons access to  
22 complimentaries, check cashing privileges, club programs and  
23 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]

31 (1.1) the failure of a interactive gaming certificate  
32 holder or interactive gaming licensee to withhold interactive  
33 gaming privileges from or restore interactive gaming  
34 privileges to a self-excluded person;

35 (1.2) the failure of a casino simulcasting permit holder  
36 to withhold casino simulcasting privileges from or restore  
37 such privileges to a self-excluded person;

38 (1.3) the failure of a Category 1 licensed gaming entity  
39 to withhold or restore access to slot machines at a  
40 nonprimary location to a self-excluded person; or

41 (2) otherwise permitting or not permitting a self-  
42 excluded person to engage in gaming activity in the facility  
43 or participate in interactive gaming, casino simulcasting or  
44 slot machine play at a nonprimary location while on the list  
45 of self-excluded persons.

46 (d) Disclosure.--Notwithstanding any other law to the  
47 contrary, the board's list of self-excluded persons shall not be  
48 open to public inspection. Nothing in this section, however,  
49 shall be construed to prohibit a licensed gaming entity from  
50 disclosing the identity of persons self excluded pursuant to  
51 this section to affiliated gaming entities in this Commonwealth

1 or other jurisdictions for the limited purpose of assisting in  
2 the proper administration of responsible gaming programs  
3 operated by affiliated licensed gaming entities.

4 § 1517. Investigations and enforcement.

5 \* \* \*

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

7 (1) The department shall at all times have the power of  
8 access to examine and audit equipment and records relating to  
9 all aspects of the operation of slot machines [or], including  
10 slot machines at nonprimary locations and, consistent with  
11 airport security rules and procedures, at qualified airports,  
12 table games or interactive games and casino simulcasting  
13 under this part.

14 \* \* \*

15 (c) Powers and duties of the Pennsylvania State Police.--The  
16 Pennsylvania State Police shall have the following powers and  
17 duties:

18 \* \* \*

19 (12) Conduct audits or verification of information of  
20 slot machine [or], table game operations, including the  
21 operation of slot machines used in a multistate wide-area  
22 progressive slot machine system and in the operation of skill  
23 or hybrid slot machines, interactive gaming operations and  
24 casino simulcasting operations and the operation of slot  
25 machines at a nonprimary location and in the specified area  
26 of a qualified airport at such times, under such  
27 circumstances and to such extent as the bureau determines.  
28 This paragraph includes reviews of accounting, administrative  
29 and financial records and management control systems,  
30 procedures and records utilized by a slot machine licensee.

31 \* \* \*

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

33 (1) The bureau, the department and the Pennsylvania  
34 State Police shall have the authority without notice and  
35 without warrant to do all of the following in the performance  
36 of their duties:

37 (i) Inspect and examine all premises, including the  
38 premises of a nonprimary location and the specified area  
39 of a qualified airport, consistent with airport security  
40 rules and procedures, where slot machine [or], table game  
41 and interactive gaming and casino simulcasting operations  
42 are conducted, slot machines, table game devices and  
43 associated equipment, interactive gaming devices and  
44 associated equipment or casino simulcasting technology or  
45 equipment are manufactured, sold, distributed or serviced  
46 or where records of these activities are prepared or  
47 maintained.

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

50 (iii) Seize, summarily remove and impound equipment  
51 and supplies from premises referred to in subparagraph

1 (i) for the purposes of examination and inspection.

2 (iv) Inspect, examine and audit all books, records  
3 and documents pertaining to a slot machine licensee's  
4 operation.

5 (v) Seize, impound or assume physical control of any  
6 book, record, ledger, game, device, cash box and its  
7 contents, count room or its equipment, interactive gaming  
8 devices and associated equipment or casino simulcasting  
9 technology or equipment or slot machine [or], table game  
10 or interactive gaming or casino simulcasting operations.

11 \* \* \*

12 Section 25. Section 1518(a)(1), (2), (3), (4), (5), (7.1),  
13 (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of  
14 Title 4 are amended, subsections (a) and (b) are amended by  
15 adding paragraphs and subsection (c)(1) is amended by adding a  
16 subparagraph to read:

17 § 1518. Prohibited acts; penalties.

18 (a) Criminal offenses.--

19 (1) The provisions of 18 Pa.C.S. § 4902 (relating to  
20 perjury), 4903 (relating to false swearing) or 4904 (relating  
21 to unsworn falsification to authorities) shall apply to any  
22 person providing information or making any statement, whether  
23 written or oral, to the board, the commission, the bureau,  
24 the department, the Pennsylvania State Police or the Office  
25 of Attorney General, as required by this part.

26 (2) It shall be unlawful for a person to willfully:

27 (i) fail to report, pay or truthfully account for  
28 and pay over any license fee, authorization fee, permit  
29 fee, tax or assessment imposed under this part; or

30 (ii) attempt in any manner to evade or defeat any  
31 license fee, authorization fee, permit fee, registration  
32 fee, tax or assessment or any other fee imposed under  
33 this part.

34 (3) It shall be unlawful for any licensed entity, gaming  
35 employee, key employee or any other person to permit a slot  
36 machine, table game or table game device, interactive game or  
37 interactive gaming device or associated equipment to be  
38 operated, transported, repaired or opened on the premises of  
39 a licensed facility by a person other than a person licensed  
40 or permitted by the board pursuant to this part.

41 (3.1) It shall be unlawful for any person who does not  
42 possess a valid and then effective interactive gaming  
43 certificate or interactive gaming license issued by the board  
44 in accordance with Chapter 13B (relating to interactive  
45 gaming) to accept any wager associated with any authorized  
46 interactive game from any individual without verifying the  
47 age, identity and physical location of the player at the time  
48 of play or wager.

49 (3.2) It shall be unlawful for any person who does not  
50 possess a valid and then effective casino simulcasting permit  
51 issued by the board in accordance with section 13F12

1 (relating to casino simulcasting permit) to operate or permit  
2 an individual to participate in casino simulcasting at a  
3 Category 2 licensed facility in this Commonwealth.

4 (3.3) It shall be unlawful for any person who does not  
5 possess a valid nonprimary location permit issued by the  
6 board in accordance with section 13D12 (relating to issuance  
7 and terms of nonprimary location permit) to place and make  
8 slot machines available for play at a nonprimary location.

9 (4) It shall be unlawful for any licensed entity or  
10 other person to manufacture, supply or place slot machines,  
11 table games, table game devices or associated equipment,  
12 authorized interactive game or interactive gaming devices or  
13 associated equipment or casino simulcasting technology or  
14 equipment into play or display slot machines, including slot  
15 machines at a nonprimary location or in a specified area of a  
16 qualified airport, table games, table game devices or  
17 associated equipment on the premises of a licensed facility  
18 without the authority of the board.

19 (4.1) It shall be unlawful for any slot machine licensee  
20 to offer interactive games into play or display such games on  
21 its interactive gaming skin or Internet website without the  
22 approval of the board.

23 (4.2) It shall be unlawful for any licensed entity or  
24 other person to manufacture, supply or place interactive  
25 gaming devices or associated equipment into operation at a  
26 licensed facility without the approval of the board.

27 (4.3) It shall be unlawful for any slot machine licensee  
28 to conduct casino simulcasting without the approval of the  
29 board, in consultation with the commission.

30 (4.4) It shall be unlawful for any slot machine licensee  
31 to place and make slot machines available for play at a  
32 nonprimary location or in a specified area of a qualified  
33 airport without the approval of the board.

34 (5) Except as provided for in section 1326 (relating to  
35 [license] renewals), it shall be unlawful for a licensed  
36 entity or other person to manufacture, supply, operate, carry  
37 on or expose for play any slot machine, including slot  
38 machines at a nonprimary location, table game, table game  
39 device or associated equipment, interactive game or  
40 interactive gaming device or associated equipment or casino  
41 simulcasting technology or equipment after the person's  
42 license has expired and prior to the actual renewal of the  
43 license.

44 \* \* \*

45 (7.1) It shall be unlawful for an individual to do any  
46 of the following:

47 (i) Use or possess counterfeit, marked, loaded or  
48 tampered with table game devices or associated equipment,  
49 chips or other cheating devices in the conduct of gaming  
50 under this part, except that an authorized employee of a  
51 licensee or an authorized employee of the board may



1 possess and use counterfeit chips or table game devices  
2 or associated equipment that have been marked, loaded or  
3 tampered with, or other cheating devices or any  
4 unauthorized interactive gaming device or associated  
5 equipment in performance of the duties of employment for  
6 training, investigative or testing purposes only.

7 (ii) Knowingly, by a trick or sleight of hand  
8 performance or by fraud or fraudulent scheme, or  
9 manipulation, table game device or other device, or  
10 interactive gaming device for himself or for another, win  
11 or attempt to win any cash, property or prize at a  
12 licensed facility or to reduce or attempt to reduce a  
13 losing wager.

14 (7.2) It shall be unlawful for a person to knowingly  
15 alter, tamper or manipulate interactive gaming devices or  
16 associated equipment, including software, system programs,  
17 hardware and any other device or associated equipment used in  
18 interactive gaming operations, in order to alter the odds or  
19 the payout of an interactive game or to disable the  
20 interactive game from operating according to the rules of the  
21 game as authorized by the board.

22 (7.3) It shall be unlawful for a person to knowingly  
23 offer or allow to be offered any authorized interactive game  
24 that has been altered, tampered with or manipulated in a way  
25 that affects the odds or the payout of an authorized  
26 interactive game or disables the interactive game from  
27 operating according to the authorized rules of the game as  
28 authorized by the board.

29 \* \* \*

30 (11) It shall be unlawful for a licensed gaming entity  
31 that is a licensed racing entity and that has lost the  
32 license issued to it by [either] the State Horse Racing  
33 Commission or the State Harness Racing Commission under the  
34 Race Horse Industry Reform Act or that has had that license  
35 suspended to operate slot machines [or], table games or  
36 authorized interactive games at the racetrack or nonprimary  
37 location for which its slot machine license was issued unless  
38 the license issued to it by either the State Horse Racing  
39 Commission or the State Harness Racing Commission will be  
40 subsequently reissued or reinstated within 30 days after the  
41 loss or suspension.

42 \* \* \*

43 (13) It shall be unlawful for an individual under 21  
44 years of age to enter and remain in any area of a licensed  
45 facility where slot machines are operated, including any area  
46 of a nonprimary location or a specified area of a qualified  
47 airport, or the play of table games is conducted or where  
48 casino simulcasting is conducted, except that an individual  
49 18 years of age or older employed by a slot machine licensee,  
50 a gaming service provider, the board or any other regulatory  
51 or emergency response agency may enter and remain in any such

1 area while engaged in the performance of the individual's  
2 employment duties.

3 (13.1) It shall be unlawful for an individual under 21  
4 years of age to wager, play or attempt to play a slot machine  
5 or table game, or casino simulcasting at a licensed facility,  
6 including at a nonprimary location and the specified area of  
7 a qualified airport or to wager, play or attempt to play an  
8 interactive game.

9 (13.2) It shall be unlawful to allow a person under 21  
10 years of age to open, maintain or use in any way an  
11 interactive gaming account. Any interactive gaming  
12 certificate holder, interactive gaming licensee or employee  
13 of an interactive gaming certificate holder or interactive  
14 gaming licensee or other such person who knowingly allows a  
15 person under 21 years of age to open, maintain or use an  
16 interactive gaming account shall be subject to the penalty  
17 set forth in this section, except that the establishment of  
18 all of the following facts by an interactive gaming  
19 certificate holder, interactive gaming licensee or employee  
20 of an interactive gaming certificate holder, interactive  
21 gaming licensee or other such person shall constitute a  
22 defense to any regulatory action by the board or the penalty  
23 authorized under this section:

24 (i) the underage person falsely represented that he  
25 was of the permitted 21 years of age in the application  
26 for an interactive gaming account; and

27 (ii) the establishment of the interactive gaming  
28 account was made in good faith reliance upon such  
29 representation and in the reasonable belief that the  
30 underage person was 21 years of age.

31 \* \* \*

32 (15) It shall be unlawful for a licensed gaming entity  
33 to require a wager to be greater than the stated minimum  
34 wager or less than the stated maximum wager. However, a wager  
35 made by a player and not rejected by a licensed gaming entity  
36 prior to commencement of play shall be treated as a valid  
37 wager. A wager accepted by a dealer or through an authorized  
38 interactive game shall be paid or lost in its entirety in  
39 accordance with the rules of the game, notwithstanding that  
40 the wager exceeded the current table maximum wager or  
41 authorized interactive game wager or was lower than the  
42 current table minimum wager or minimum interactive game  
43 wager.

44 \* \* \*

45 (17) It shall be unlawful for an individual to claim,  
46 collect or take, or attempt to claim, collect or take, money  
47 or anything of value in or from a slot machine, including a  
48 slot machine at a nonprimary location or in a specified area  
49 of a qualified airport, gaming table or other table game  
50 device, interactive game or interactive gaming device or from  
51 casino simulcasting operations with the intent to defraud, or

1 to claim, collect or take an amount greater than the amount  
2 won, or to manipulate with the intent to cheat, any component  
3 of any slot machine, including slot machines at a nonprimary  
4 location or in a specified area of a qualified airport, table  
5 game or table game device, interactive game or interactive  
6 gaming device in a manner contrary to the designed and normal  
7 operational purpose.

8 (18) Notwithstanding any other provision of law, it  
9 shall be unlawful for an individual driving or in charge of a  
10 motor vehicle to permit a child under 14 years of age to  
11 remain unattended in the vehicle if the vehicle is located on  
12 property owned, leased or controlled by a licensed gaming  
13 entity or its affiliate, intermediary, subsidiary or holding  
14 company. In addition to the penalties in subsection (b), the  
15 individual shall be subject to exclusion or ejection from  
16 licensed facilities under sections 1514 (relating to  
17 regulation requiring exclusion, ejection or denial of access  
18 of certain persons) and 1515 (relating to repeat offenders  
19 excludable from licensed gaming facility). Notwithstanding  
20 any of the provisions of 18 Pa.C.S. Ch. 91 (relating to  
21 criminal history record information), the investigating  
22 officer in the jurisdiction in which the vehicle is located  
23 shall be responsible for providing written notice of the  
24 violation within 48 hours to the director of the county  
25 children and youth service agency of the county where the  
26 violation occurred. The notice shall contain:

27 (i) The name of the individual charged under this  
28 section.

29 (ii) The address or addresses at which the  
30 individual resides.

31 (iii) The name of the child or children left  
32 unattended.

33 (b) Criminal penalties and fines.--

34 (1) (i) A person that commits a first offense in  
35 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in  
36 connection with providing information or making any  
37 statement, whether written or oral, to the board, the  
38 bureau, the department, the Pennsylvania State Police,  
39 the Office of Attorney General or a district attorney as  
40 required by this part commits an offense to be graded in  
41 accordance with the applicable section violated. A person  
42 that is convicted of a second or subsequent violation of  
43 18 Pa.C.S. § 4902, 4903 or 4904 in connection with  
44 providing information or making any statement, whether  
45 written or oral, to the board, the bureau, the  
46 department, the Pennsylvania State Police, the Office of  
47 Attorney General or a district attorney as required by  
48 this part commits a felony of the second degree.

49 (ii) A person that violates subsection (a) (2), (3)  
50 and (4) through (12) or (17) commits a misdemeanor of the  
51 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 licensee; or

12 (C) not less than \$150,000 nor more than  
13 \$300,000 if the person is a licensed manufacturer or  
14 supplier.

15 (ii) For a second or subsequent violation of  
16 subsection (a) (1), (2), (3) and (4) through (12) or (17),  
17 a person shall be sentenced to pay a fine of:

18 (A) not less than \$150,000 nor more than  
19 \$300,000 if the person is an individual;

20 (B) not less than \$600,000 nor more than  
21 \$1,200,000 if the person is a licensed gaming entity;  
22 or

23 (C) not less than \$300,000 nor more than  
24 \$600,000 if the person is a licensed manufacturer or  
25 supplier.

26 (2.1) A person that commits an offense in violation of  
27 subsection (a) (3.1) or (3.2) commits a felony and, upon  
28 conviction, shall be sentenced to pay a fine of not less than  
29 \$500,000 nor more than \$1,000,000. A person that is convicted  
30 of a second or subsequent violation of subsection (a) (3.1)  
31 commits a felony of the first degree and shall be sentenced  
32 to pay a fine of not less than \$1,000,000 nor more than  
33 \$2,500,000.

34 (3) An individual who commits an offense in violation of  
35 subsection (a) (13) [or], (13.1) or (13.2) commits a  
36 nongambling summary offense and upon conviction of a first  
37 offense shall be sentenced to pay a fine of not less than  
38 \$200 nor more than \$1,000. An individual that is convicted of  
39 a second or subsequent offense under subsection (a) (13) [or],  
40 (13.1) or (13.2) shall be sentenced to pay a fine of not less  
41 than \$500 nor more than \$1,500. In addition to the fine  
42 imposed, an individual convicted of an offense under  
43 subsection (a) (13) [or], (13.1) or (13.2) may be sentenced to  
44 perform a period of community service not to exceed 40 hours.

45 (3.1) Notwithstanding paragraph (3), whenever an  
46 individual is convicted of a second or subsequent offense  
47 under subsection (a) (13) or (13.1), the court, including a  
48 court not of record if it is exercising jurisdiction pursuant  
49 to 42 Pa.C.S. § 1515(a) (relating to jurisdiction and venue),  
50 shall order the operating privileges of the individual  
51 suspended. A copy of the court order shall be transmitted to

1 the Department of Transportation.

2 (3.2) When the department suspends the operating  
3 privilege of a person under paragraph (3.1), the duration of  
4 the suspension shall be as follows:

5 (i) For a first offense, a period of 90 days from  
6 the date of suspension.

7 (ii) For a second offense, a period of one year from  
8 the date of suspension.

9 (iii) For a third offense, and any offense  
10 thereafter, a period of two years from the date of  
11 suspension. Any multiple sentences imposed shall be  
12 served consecutively.

13 Reinstatement of operating privilege shall be governed by 75  
14 Pa.C.S. § 1545 (relating to restoration of operating  
15 privilege).

16 \* \* \*

17 (5) An individual who commits an offense in violation of  
18 subsection (a)(18) commits a misdemeanor of the third degree  
19 for the first offense. A person that is convicted of a second  
20 or subsequent violation of subsection (a)(18) commits a  
21 misdemeanor of the second degree.

22 (c) Board-imposed administrative sanctions.--

23 (1) In addition to any other penalty authorized by law,  
24 the board may impose without limitation the following  
25 sanctions upon any licensee or permittee:

26 \* \* \*

27 (x) Assess a fine for failure to report a violation  
28 under subsection (a)(18), of which the licensed gaming  
29 entity knew or should have known, to the appropriate law  
30 enforcement authority. The amount of the fine shall be  
31 not less than \$75,000 nor more than \$150,000 for a first  
32 violation of this subparagraph, and not less than  
33 \$150,000 nor more than \$300,000 for a second or  
34 subsequent violation of this subparagraph.

35 \* \* \*

36 Section 26. Section 1901(a) of Title 4 is amended by adding  
37 a paragraph to read:

38 § 1901. Appropriations.

39 (a) Appropriation to board.--

40 \* \* \*

41 (3) The sum of \$5,000,000 is hereby appropriated from  
42 the State Gaming Fund to the Pennsylvania Gaming Control  
43 Board for salaries, wages and all necessary expenses for the  
44 proper operation and administration of the board for the  
45 activities authorized under this act. This appropriation  
46 shall be a supplemental appropriation for fiscal year 2016-  
47 2017 and shall be in addition to the appropriation contained  
48 in the act of \_\_\_\_\_, 2016 (P.L. \_\_\_\_\_, No. A), known as the  
49 Gaming Control Appropriation Act of 2016.

50 \* \* \*

51 Section 27. The amendment of 4 Pa.C.S. § 1305 in the act of

1 January 7, 2010 (P.L.1, No.1), entitled "An act amending Title 4  
2 (Amusements) of the Pennsylvania Consolidated Statutes, making  
3 extensive revisions to provisions on gaming, in the areas of  
4 legislative intent, definitions, the Pennsylvania Gaming Control  
5 Board, applicability of other statutes, powers of the board,  
6 code of conduct, expenses of regulatory agencies, licensed  
7 gaming entity application appeals from board, license or permit  
8 application hearing process and public hearings, board minutes  
9 and records, regulatory authority, collection of fees and fines,  
10 slot machine license fee, number of slot machines, reports of  
11 board, diversity goals of board, license or permit prohibition,  
12 specific authority to suspend slot machine license, Category 2  
13 slot machine license, Category 3 slot machine license, number of  
14 slot machine licenses, applications for license or permit, slot  
15 machine license application, slot machine license application  
16 character requirements, supplier licenses, manufacturer  
17 licenses, gaming service provider, occupation permit  
18 application, alternative manufacturer licensing standards,  
19 alternative supplier licensing standards, additional licenses  
20 and permits and approval of agreements, license renewals, change  
21 in ownership or control of slot machine licensee, nonportability  
22 of slot machine license, appointment of trustee, table games,  
23 slot machine licensee deposits, gross terminal revenue  
24 deductions, itemized budget reporting, establishment of State  
25 Gaming Fund and net slot machine revenue distribution,  
26 distributions from Pennsylvania Race Horse Development Fund,  
27 Pennsylvania Gaming Economic Development and Tourism Fund,  
28 transfers from State Gaming Fund, responsibility and authority  
29 of Department of Revenue, wagering on credit, eminent domain  
30 authority, compulsive and problem gambling program, drug and  
31 alcohol treatment, labor hiring preferences, declaration of  
32 exemption from Federal laws prohibiting slot machines, financial  
33 and employment interests, additional restrictions, political  
34 influence, regulation requiring exclusion of certain persons,  
35 prosecutorial and adjudicative functions, investigations and  
36 enforcement, conduct of public officials and employees,  
37 prohibited acts and penalties, report of suspicious  
38 transactions, additional authority, applicability of Clean  
39 Indoor Air Act, liquor licenses at licensed facilities,  
40 interception of oral communications, electronic funds transfer  
41 terminals, junkets, gaming schools, appropriations and  
42 Commonwealth Financing Authority; and making related repeals,"  
43 shall take effect on January 1, 2016, if all Category 3 licensed  
44 facilities authorized by 4 Pa.C.S. Pt. II before the effective  
45 date of this section have commenced the operation of slot  
46 machines.

47 Section 28. Repeals are as follows:

48 (1) The General Assembly finds that the repeal under  
49 paragraph (2) is necessary to effectuate this act.

50 (2) Section 21(2) of the act of January 7, 2010 (P.L.1,  
51 No.1), entitled "An act amending Title 4 (Amusements) of the

1 Pennsylvania Consolidated Statutes, making extensive  
2 revisions to provisions on gaming, in the areas of  
3 legislative intent, definitions, the Pennsylvania Gaming  
4 Control Board, applicability of other statutes, powers of the  
5 board, code of conduct, expenses of regulatory agencies,  
6 licensed gaming entity application appeals from board,  
7 license or permit application hearing process and public  
8 hearings, board minutes and records, regulatory authority,  
9 collection of fees and fines, slot machine license fee,  
10 number of slot machines, reports of board, diversity goals of  
11 board, license or permit prohibition, specific authority to  
12 suspend slot machine license, Category 2 slot machine  
13 license, Category 3 slot machine license, number of slot  
14 machine licenses, applications for license or permit, slot  
15 machine license application, slot machine license application  
16 character requirements, supplier licenses, manufacturer  
17 licenses, gaming service provider, occupation permit  
18 application, alternative manufacturer licensing standards,  
19 alternative supplier licensing standards, additional licenses  
20 and permits and approval of agreements, license renewals,  
21 change in ownership or control of slot machine licensee,  
22 nonportability of slot machine license, appointment of  
23 trustee, table games, slot machine licensee deposits, gross  
24 terminal revenue deductions, itemized budget reporting,  
25 establishment of State Gaming Fund and net slot machine  
26 revenue distribution, distributions from Pennsylvania Race  
27 Horse Development Fund, Pennsylvania Gaming Economic  
28 Development and Tourism Fund, transfers from State Gaming  
29 Fund, responsibility and authority of Department of Revenue,  
30 wagering on credit, eminent domain authority, compulsive and  
31 problem gambling program, drug and alcohol treatment, labor  
32 hiring preferences, declaration of exemption from Federal  
33 laws prohibiting slot machines, financial and employment  
34 interests, additional restrictions, political influence,  
35 regulation requiring exclusion of certain persons,  
36 prosecutorial and adjudicative functions, investigations and  
37 enforcement, conduct of public officials and employees,  
38 prohibited acts and penalties, report of suspicious  
39 transactions, additional authority, applicability of Clean  
40 Indoor Air Act, liquor licenses at licensed facilities,  
41 interception of oral communications, electronic funds  
42 transfer terminals, junkets, gaming schools, appropriations  
43 and Commonwealth Financing Authority; and making related  
44 repeals," is repealed.

45 Section 29. This act shall take effect as follows:

46 (1) Except as set forth in paragraph (2), the addition  
47 of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

48 (2) The addition of 4 Pa.C.S. § 343 shall take effect  
49 immediately.

50 (3) The remainder of this act shall take effect  
51 immediately.